

## **Home Product Center Public Company Limited and its subsidiaries**

### **Notes to financial statements**

**For the year ended 31 December 2024**

#### **1. General information**

Home Product Center Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Land and Houses Public Company Limited and Quality Houses Public Company Limited, which were incorporated in Thailand. The Company is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences place, and provision for related services to retail business, together with space rental and provide utilities service. Its registered address is at 31 Prachachuennonthaburi Rd., Bangkhen, Amphoe Muang, Nonthaburi.

As at 31 December 2024, the Group has a total of 136 branches (2023: 128 branches) (the Company only: 129 branches, 2023: 121 branches).

#### **2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### **2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of Home Product Center Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2024	2023
			Percent	Percent
Market Village Company Limited	Management of leasing space together with provision of facilities services	Thailand	100.00	100.00
Home Product Center (Malaysia) Sdn. Bhd.	Retailing of home improvement products as One Stop Shopping	Malaysia	100.00	100.00
Mega Home Center Company Limited	Retailing and wholesaling of construction and home improvement products, space rental and provide utilities service	Thailand	99.99	99.99
DC Service Center Company Limited	Warehousing management and distribution service	Thailand	99.99	99.99
Home Product Center Viet Nam Company Limited*	Retailing of home improvement products	Vietnam	100.00	100.00

\* Undergoing liquidation and dissolution

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represents the portion of profit or loss and net assets of the subsidiaries that is not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements except for the following standard, which involves changes to key principles, as summarised below.

##### **Effect from international tax reform - Pillar Two model rules**

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Accordingly, the Group has applied the mandatory exception requiring that entities shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group operates in a country where Pillar Two legislation has been enacted and is effective for fiscal years beginning on 1 January 2024. However, no current tax expense related to Pillar Two income taxes was recognised in 2024 because the Group benefits from the "Transitional Safe Harbour" relief under the Pillar Two legislation. In other countries where the Pillar Two legislation has been enacted and will be effective for fiscal years beginning on or after 1 January 2025. The management of the Group believes that adoption of this amendment will not has any significant impact on the Group's financial statements.

## **4. Accounting policies**

### **4.1 Revenue and expense recognition**

#### *Sale of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts.

#### *Sales of goods - Customer loyalty programmes*

The Group operates a loyalty programme which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can then be redeemed for discount of goods purchase in the future. Certain sales consideration is allocated to the points issued, at their fair value. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed and the Group fulfill their obligations.

#### *Vendors income*

The Group has agreements with vendors as normal business practice, for volume-related allowances, and sale promotion campaign and marketing allowances. Vendors income is recognised when all obligations are met and can be measured reliably based on the terms of the contract. Portion of vendors income is recognised as a reduction in cost of sales and inventory. Uncollected amount are presented in the statements of financial position as "Other receivables" or otherwise are offset with "Trade account payables" depending on the condition in the contracts.

#### *Rendering of services*

Service revenue is recognised when services have been rendered.

Service revenue is recognised in the amount to which the Group has a right to invoice as it corresponds directly with the value to the customer of the Group's performance completed to date.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### *Finance income*

Finance income is interest income on debt instruments measured at amortised cost and recognised on an accrual basis using the effective interest method. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value.

Volume incentives received from the supplier are accounted for as a reduction of the value of inventories and recognised in profit or loss when the related inventories are sold.

## **4.4 Investments in subsidiaries and associate**

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separated financial statements using the cost method, net of allowance for impairment loss (if any).

## **4.5 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated economic useful lives of 3 - 48 years. No depreciation is provided on land and assets under installation and under construction. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

#### **4.6 Property, building and equipment/Depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building	-	20 - 30 years
Building on lease land and building improvement	-	useful lives but not over lease periods
Equipment and machine	-	1 - 10 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the profit or loss when the asset is derecognised.

#### **4.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.8 Intangible assets**

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets (computer software) with finite lives are amortised on the straight-line basis over the economic useful life (10 years) and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

## 4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and land improvement	-	2 - 31	years
Building	-	2 - 30	years
Motor vehicles	-	2 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

## **4.10 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.



#### **4.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, building and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.13 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Employee Joint Investment Program (EJIP)***

The Group has established an Employee Joint Investment Program (EJIP). The program is monthly contributed by eligible employees and by the Group to EJIP participant. The detail of the program are as described in Note 22. The Group's contributions are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### ***Defined benefit plans***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### **4.14 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.15 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.16 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives and financial assets with cash flows that are not solely payments of principal and interest.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.17 Derivative**

The Group uses derivative, forward currency contracts, to reduce its foreign currency risks.

Derivative is initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivative is carried as financial asset when the fair value is positive and as financial liability when the fair value is negative.

Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **4.18 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Allowance for diminution in value of inventories**

The determination of allowance for diminution in the value of inventories with regard to lost, damaged or obsolete inventories, requires management to make judgements and estimates. This requires detailed analysis of the product life cycle, useful life of each type of inventory, the competitive environment, economic circumstances and the situation within the industry.

### **Leases**

#### ***Determining the lease term with extension and termination options - The Group as a lessee***

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### ***Lease classification - The Group as lessor***

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Investment properties, property, building and equipment and right-of-use assets/ Depreciation/Impairment**

In determining depreciation of investment properties, building and equipment and right-of-use assets, the management is required to make estimates of the useful lives and salvage values of the Group's investment properties, building and equipment and right-of-use assets and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review investment properties, property, building and equipment and right-of-use assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Allowance for impairment of investment in subsidiaries and associate**

In determining allowance for impairment of the investment in subsidiaries and associate, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



## Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2024	2023	2024	2023	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales income	-	-	60,060	85,366	Cost plus margin
Service income	-	-	7	45	Actual cost and contract price
Dividend income	-	-	725,000	225,000	As declared
Rental and service expenses	-	-	578,503	602,452	Actual cost and contract price
Management service expenses	-	-	505,080	783,826	Actual cost and contract price
<b><u>Transactions with related companies</u></b>					
Sales income	79,539	99,168	79,539	99,168	Market price
Rental and service income	8,809	9,659	8,809	9,659	Contract price
Other income	39,186	46,138	39,186	46,138	Contract price
Interest income	7,071	116	7,057	102	0.15% - 1.90% per annum (2023: 0.15% - 0.65% per annum)
Rental and service expenses	45,271	43,793	42,356	40,396	Percentage of revenue but not less than a minimum rate
Purchases of goods and assets	415,796	588,761	415,796	588,761	As mutually agreed upon comparing market price

Rental and service expenses and management services expenses with subsidiaries were described in Note 32.3.

As at 31 December 2024 and 2023, the Group had the outstanding balances with related parties which had been included in the following accounts:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b><u>Deposits with financial institution</u></b>				
(included in cash and cash equivalents)				
Related company <sup>(2)</sup>	30,216	30,149	23,065	22,449
<b><u>Trade and other receivables</u></b>				
Subsidiaries	-	-	120,509	140,629
Related companies <sup>(1)</sup>	4,545	5,638	4,545	5,638
Related companies <sup>(2)</sup>	6,037	3,509	6,037	3,509
Related companies <sup>(3)</sup>	515	3,345	515	3,345
Related companies <sup>(4)</sup>	8,980	31,709	8,980	31,709
Total	20,077	44,201	140,586	184,830
<b><u>Rental guarantee deposits</u></b>				
Related company <sup>(2)</sup>	5,921	5,921	5,921	5,921
Related company <sup>(3)</sup>	1,515	1,515	1,515	1,515
Total	7,436	7,436	7,436	7,436
<b><u>Trade and other payables</u></b>				
Subsidiaries	-	-	91,308	162,041
Related company <sup>(2)</sup>	2,196	2,193	2,196	2,193
Related company <sup>(3)</sup>	15,431	3,037	15,431	3,037
Related companies <sup>(4)</sup>	84,398	125,372	84,398	125,372
Total	102,025	130,602	193,333	292,643

Relationship with the related companies

(1) the major shareholders

(2) has common major shareholders

(3) has common shareholders

(4) has shareholders who related to director

## Directors and management's benefits

During the year ended 31 December 2024 and 2023, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
Short-term benefits	235,698	213,213	215,490	192,296
Post-employment benefits	2,718	4,192	2,632	3,854
Total	<u>238,416</u>	<u>217,405</u>	<u>218,122</u>	<u>196,150</u>

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
Cash	84,304	142,663	79,933	137,674
Bank deposits	5,466,617	6,262,400	5,022,742	5,679,471
Fixed deposits	2,802	23,611	-	-
Total	<u>5,553,723</u>	<u>6,428,674</u>	<u>5,102,675</u>	<u>5,817,145</u>

As at 31 December 2024, bank deposits in saving accounts and fixed deposits carried interests between 0.05% - 2.00% per annum (2023: 0.10% - 3.70% per annum) (the Company only: 0.15% - 0.40% per annum, 2023: 0.15% - 0.65% per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
Trade accounts receivable	251,034	303,719	366,169	429,647
Other receivables	1,748,031	1,801,625	1,722,620	1,763,604
Income receivables	8,808	9,342	8,283	8,436
Total trade and other receivables	<u>2,007,873</u>	<u>2,114,686</u>	<u>2,097,072</u>	<u>2,201,687</u>

## Trade accounts receivable

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Trade accounts receivable	157,339	157,479	276,590	290,648
Credit card and coupon receivable	96,387	149,830	92,159	138,999
Total	253,726	307,309	368,749	429,647
Less: Allowance for expected credit losses	(2,692)	(3,590)	(2,580)	-
Total trade accounts receivable - net	<u>251,034</u>	<u>303,719</u>	<u>366,169</u>	<u>429,647</u>

The outstanding balances of trade accounts receivable as at 31 December 2024 and 2023 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b>Aged on the basis of due dates</b>				
Not yet due	206,219	231,784	205,632	223,650
Past due				
Up to 3 months	39,213	62,962	54,122	68,629
3 - 6 months	4,703	4,111	17,309	5,879
6 - 12 months	190	781	5,386	64,032
Over 12 months	3,401	7,671	86,300	67,457
Total	253,726	307,309	368,749	429,647
Less: Allowance for expected credit losses	(2,692)	(3,590)	(2,580)	-
Total trade accounts receivable - net	<u>251,034</u>	<u>303,719</u>	<u>366,169</u>	<u>429,647</u>

The normal credit term of trade accounts receivable is 30 to 90 days.

Set out below is the movements in the allowance for expected credit losses of trade accounts receivable.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Beginning balance	3,590	-	-	-
Provision for expected credit losses	2,580	3,590	2,580	-
Write-off	(3,478)	-	-	-
Ending balance	<u>2,692</u>	<u>3,590</u>	<u>2,580</u>	<u>-</u>

## Other receivables

Other receivables mainly consist of receivables from sale support operation and area rental and related service receivables.

The outstanding balances of other receivables as at 31 December 2024 and 2023 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b>Aged on the basis of due dates</b>				
Not yet due	904,356	886,224	891,822	860,306
Past due				
Up to 3 months	840,616	893,271	828,194	881,916
3 - 6 months	1,573	23,943	1,385	23,467
6 - 12 months	760	-	686	-
Over 12 months	5,556	8,723	4,949	8,010
Total	1,752,861	1,812,161	1,727,036	1,773,699
Less: Allowance for expected credit losses	(4,830)	(10,536)	(4,416)	(10,095)
Total other receivables - net	1,748,031	1,801,625	1,722,620	1,763,604

The normal credit term of other receivables is 30 to 60 days.

Set out below is the movements in the allowance for expected credit losses of other receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Beginning balance	10,536	10,847	10,095	10,739
Provision for expected credit losses				
(Reversal)	(5,000)	441	(5,000)	-
Write-off	(706)	(752)	(679)	(644)
Ending balance	4,830	10,536	4,416	10,095

## 9. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Inventories	17,688,588	16,764,208	17,272,262	16,319,251
Less: Reduce cost to net realisable value	(530,478)	(590,916)	(507,910)	(570,585)
Net	17,158,110	16,173,292	16,764,352	15,748,666
Less: Inventories - repaid its cost when sold	(1,560,199)	(1,545,836)	(1,560,199)	(1,545,836)
Purchase discount	(698,182)	(662,182)	(698,182)	(662,182)
Inventories - net	14,899,729	13,965,274	14,505,971	13,540,648

During the current year, the Group reduced cost of inventories by Baht 57 million (2023: Baht 77 million) (the Company only: Baht 51 million, 2023: Baht 70 million), to reflect the net realisable value. This was included in administrative expenses. In addition, the Group reversed the write-down of cost of inventories by Baht 117 million (2023: Baht 80 million) (the Company only: Baht 114 million, 2023: Baht 76 million), and reduced the amount of inventories recognised during the year.

## 10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Prepaid expenses	98,307	68,619	77,307	47,835
Suspend input value added tax	78,915	51,101	74,861	47,670
Others	10,187	29,126	9,974	28,893
Total other current assets	<u>187,409</u>	<u>148,846</u>	<u>162,142</u>	<u>124,398</u>

## 11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2024	2023	2024	2023	2024	2023	2024	2023
			(%)	(%)				
Market Village Company Limited	5,000	5,000	100.00	100.00	5,000	5,000	-	-
Home Product Center (Malaysia) Sdn. Bhd.	538,448	538,448	100.00	100.00	538,448	538,448	-	-
Mega Home Center Company Limited	1,500,000	1,500,000	99.99	99.99	1,500,000	1,500,000	675,000	225,000
DC Service Center Company Limited	2,500	2,500	99.99	99.99	2,500	2,500	50,000	-
Home Product Center Viet Nam Company Limited	32,340	32,340	100.00	100.00	32,340	32,340	-	-
Total					<u>2,078,288</u>	<u>2,078,288</u>	<u>725,000</u>	<u>225,000</u>
Less: Allowance for impairment of investment					<u>(301,199)</u>	<u>(280,199)</u>		
Investments in subsidiaries - net					<u>1,777,089</u>	<u>1,798,089</u>		

In May 2024, Home Product Center Viet Nam Company Limited, a subsidiary of the Company, initiated procedures to dissolve its business by submitting documents to terminate its investment with the Vietnamese Ministry of Planning and Investment and received approval for the business termination. Currently, the subsidiary is undergoing liquidation and dissolution. During the current year, the Company recorded an allowance for impairment of Baht 21 million for its investment in the subsidiary in the statement of comprehensive income.

## 12. Investments in associate

				(Unit: Thousand Baht)					
				Consolidated financial statements					
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			2024	2023	2024	2023	2024	2023	
			(%)	(%)					
OneStockHome Company Limited	Online sale and service	Thailand	30.00	30.00	<u>68,706</u>	<u>68,706</u>	<u>66,733</u>	<u>65,894</u>	

  

				(Unit: Thousand Baht)						
				Separate financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2024	2023	2024	2023	2024	2023	2024	2023
			(%)	(%)						
OneStockHome Company Limited	Online sale and service	Thailand	30.00	30.00	<u>68,706</u>	<u>68,706</u>	<u>-</u>	<u>-</u>	<u>68,706</u>	<u>68,706</u>

## 13. Investment properties

The net book value of investment properties as at 31 December 2024 and 2023 is presented below.

		(Unit: Thousand Baht)				
		Consolidated and separate financial statements				
		Land and land improvement	Building and equipment	Right-of-use assets for rent	Assets under installation and under construction	Total
As at 31 December 2024						
Cost		974,686	5,158,320	1,211,784	18,845	7,363,635
Less: Accumulated depreciation		-	(2,927,109)	(270,796)	-	(3,197,905)
Net book value		<u>974,686</u>	<u>2,231,211</u>	<u>940,988</u>	<u>18,845</u>	<u>4,165,730</u>
As at 31 December 2023						
Cost		974,686	5,112,747	1,211,784	7,822	7,307,039
Less: Accumulated depreciation		-	(2,727,100)	(233,937)	-	(2,961,037)
Net book value		<u>974,686</u>	<u>2,385,647</u>	<u>977,847</u>	<u>7,822</u>	<u>4,346,002</u>

A reconciliation of the net book value of investment properties for the years 2024 and 2023 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Net book value at beginning of year	4,346,002	4,262,560	4,346,002	5,315,490
Additions	57,749	16,252	57,749	16,252
Transfer from right-of-use assets - net book value (Note 18)	-	309,170	-	309,170
Transfer to property, building and equipment - net book value (Note 14)	-	(300)	-	(843,280)
Transfer to right-of-use assets - net book value (Note 18)	-	-	-	(202,585)
Disposals and written-off - net book value	(181)	(355)	(181)	(355)
Depreciation (included in administrative expenses)	(237,840)	(241,325)	(237,840)	(248,690)
Net book value at end of year	<u>4,165,730</u>	<u>4,346,002</u>	<u>4,165,730</u>	<u>4,346,002</u>

During the year 2023, the Company has transferred between investment properties, the property, building and equipment and right-of-use assets according to the change of usage objective (2024: Nil).

The fair value of the investment properties as at 31 December 2024 and 2023 stated below:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2024	2023
	Fair value	9,797

The fair value of most of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of land has been determined using marketing approach. The fair value of the building and right-of-use assets held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, occupancy rate and long-term growth in real rental rates.



## 14. Property, building and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and land improvement	Building and building improvement	Equipment and machine	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
As at 1 January 2023	8,930,590	34,289,908	1,780,174	8,939,177	7,385	1,965,212	55,912,446
Additions	250	228,927	147,322	489,649	-	3,466,602	4,332,750
Transfer from investment properties (Note 13)	-	-	-	598	-	-	598
Transfer from right-of-use assets (Note 18)	-	-	-	-	6,519	-	6,519
Disposals and written-off	-	(413,749)	(14,732)	(63,421)	(8,180)	-	(500,082)
Transfers in (out)	14,400	4,522,184	4,971	509,905	-	(5,051,460)	-
Translation adjustment	-	(14,992)	(1,126)	(13,910)	-	-	(30,028)
31 December 2023	8,945,240	38,612,278	1,916,609	9,861,998	5,724	380,354	59,722,203
Additions	6,367	158,334	73,358	409,849	-	2,778,341	3,426,249
Disposals and written-off	-	(25,138)	(20,193)	(104,210)	-	-	(149,541)
Transfers in (out)	6,847	1,966,327	6,647	224,098	-	(2,203,919)	-
Translation adjustment	-	7,033	540	6,529	-	-	14,102
As at 31 December 2024	8,958,454	40,718,834	1,976,961	10,398,264	5,724	954,776	63,013,013
<b>Accumulated depreciation:</b>							
As at 1 January 2023	-	17,451,580	1,114,447	7,843,432	6,276	-	26,415,735
Depreciation for the year	-	1,868,480	191,129	550,209	306	-	2,610,124
Transfer from investment properties (Note 13)	-	-	-	298	-	-	298
Transfer from right-of-use assets (Note 18)	-	-	-	-	3,753	-	3,753
Depreciation on disposals and written-off	-	(406,021)	(14,726)	(63,020)	(4,739)	-	(488,506)
Translation adjustment	-	(6,432)	(1,046)	(12,902)	-	-	(20,380)
As at 31 December 2023	-	18,907,607	1,289,804	8,318,017	5,596	-	28,521,024
Depreciation for the year	-	1,869,181	204,594	592,703	72	-	2,666,550
Depreciation on disposals and written-off	-	(24,536)	(20,166)	(102,839)	-	-	(147,541)
Translation adjustment	-	2,915	498	6,024	-	-	9,437
As at 31 December 2024	-	20,755,167	1,474,730	8,813,905	5,668	-	31,049,470
<b>Allowance for impairment loss:</b>							
As at 1 January 2023	-	27,457	-	690	-	-	28,147
Written-off	-	(3,950)	-	(690)	-	-	(4,640)
Translation adjustment	-	(1,242)	-	-	-	-	(1,242)
As at 31 December 2023	-	22,265	-	-	-	-	22,265
Translation adjustment	-	584	-	-	-	-	584
As at 31 December 2024	-	22,849	-	-	-	-	22,849
<b>Net book value:</b>							
As at 31 December 2023	8,945,240	19,682,406	626,805	1,543,981	128	380,354	31,178,914
As at 31 December 2024	8,958,454	19,940,818	502,231	1,584,359	56	954,776	31,940,694
<b>Depreciation for the year</b>							
2023 (Baht 2,304 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,610,124
2024 (Baht 2,389 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,666,550

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Building and building improvement	Equipment and machine	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
As at 1 January 2023	7,938,110	29,449,134	1,718,084	7,777,663	6,506	1,965,212	48,854,709
Additions	250	226,682	146,113	486,760	-	3,466,602	4,326,407
Transfer from investment properties (Note 13)	842,980	-	-	598	-	-	843,578
Transfer from right-of-use assets (Note 18)	-	-	-	-	6,519	-	6,519
Disposals and written-off	-	(399,386)	(14,732)	(63,270)	(8,180)	-	(485,568)
Transfers in (out)	14,400	4,522,184	4,971	509,905	-	(5,051,460)	-
As at 31 December 2023	8,795,740	33,798,614	1,854,436	8,711,656	4,845	380,354	53,545,645
Additions	6,367	156,740	72,686	408,038	-	2,778,341	3,422,172
Disposals and written-off	-	(25,132)	(19,636)	(102,445)	-	-	(147,213)
Transfers in (out)	6,847	1,966,390	6,647	224,035	-	(2,203,919)	-
As at 31 December 2024	8,808,954	35,896,612	1,914,133	9,241,284	4,845	954,776	56,820,604
<b>Accumulated depreciation:</b>							
As at 1 January 2023	-	15,439,469	1,053,866	6,705,039	5,397	-	23,203,771
Depreciation for the year	-	1,627,805	189,933	543,022	306	-	2,361,066
Transfer from investment properties (Note 13)	-	-	-	298	-	-	298
Transfer from right-of-use assets (Note 18)	-	-	-	-	3,753	-	3,753
Depreciation on disposals and written-off	-	(392,579)	(14,726)	(62,884)	(4,739)	-	(474,928)
As at 31 December 2023	-	16,674,695	1,229,073	7,185,475	4,717	-	25,093,960
Depreciation for the year	-	1,657,412	203,682	585,616	72	-	2,446,782
Depreciation on disposals and written-off	-	(24,535)	(19,610)	(102,140)	-	-	(146,285)
As at 31 December 2024	-	18,307,572	1,413,145	7,668,951	4,789	-	27,394,457
<b>Allowance for impairment loss:</b>							
As at 1 January 2023	-	3,950	-	690	-	-	4,640
Written-off	-	(3,950)	-	(690)	-	-	(4,640)
As at 31 December 2023	-	-	-	-	-	-	-
As at 31 December 2024	-	-	-	-	-	-	-
<b>Net book value:</b>							
As at 31 December 2023	8,795,740	17,123,919	625,363	1,526,181	128	380,354	28,451,685
As at 31 December 2024	8,808,954	17,589,040	500,988	1,572,333	56	954,776	29,426,147
<b>Depreciation for the year</b>							
2023 (Baht 2,279 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,361,066
2024 (Baht 2,364 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,446,782

As at 31 December 2024, certain building and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 16,437 million (2023: Baht 12,989 million) (the Company only: Baht 15,824 million, 2023: Baht 12,532 million).

## 15. Computer software

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
As at 1 January 2023	1,147,354	1,099,888
Acquisitions during the year	97,709	97,709
Translation adjustment	(73)	-
As at 31 December 2023	1,244,990	1,197,597
Acquisitions during the year	50,576	50,576
Translation adjustment	(103)	-
As at 31 December 2024	1,295,463	1,248,173
<b>Accumulated amortisation</b>		
As at 1 January 2023	676,438	630,730
Amortisation for the year (included in administrative expenses)	84,348	84,096
Translation adjustment	(52)	-
As at 31 December 2023	760,734	714,826
Amortisation for the year (included in administrative expenses)	98,470	98,330
Translation adjustment	(10)	-
As at 31 December 2024	859,194	813,156
<b>Net book value</b>		
As at 31 December 2023	484,256	482,771
As at 31 December 2024	436,269	435,017

## 16. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	2024	2023	2024	2023	2024	2023
Bill of exchange - Baht	2.38 - 2.45	2.65	3,000,000	2,000,000	3,000,000	2,000,000
Bill of exchange - Foreign currency	COF* + 0.75	COF* + 0.75	12,906	39,947	-	-
Total short-term loans from financial institutions			3,012,906	2,039,947	3,000,000	2,000,000

\*The Bank's cost of fund ("COF")

As at 31 December 2024, the Group had unused overdraft lines from banks totaling Baht 340 million and MYR 2.5 million (2023: Baht 340 million and MYR 2.5 million) (the Company only: Baht 310 million, 2023: Baht 310 million) and other credit facilities totaling Baht 10,785 million, USD 26 million and MYR 113 million (2023: Baht 10,934 million, USD 27 million and MYR 109 million) (the Company only: Baht 10,535 million and USD 26 million, 2023: Baht 10,685 million and USD 27 million).

## 17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Trade accounts payable	13,052,050	12,782,788	12,873,162	12,589,501
Other payables	598,620	591,815	577,219	620,625
Other payables for purchase of assets	777,362	696,144	777,322	696,073
Accrued expenses	1,030,685	1,153,954	1,058,004	1,167,423
Total trade and other payables	<u>15,458,717</u>	<u>15,224,701</u>	<u>15,285,707</u>	<u>15,073,622</u>

## 18. Leases

### 18.1 The Group as a lessee

The Group has lease contracts for various items of property, building, and equipment used in its operations. Leases generally have lease terms between 2 - 31 years.

#### a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land improvement	Building	Motor vehicles	Total
As at 1 January 2023	6,464,636	1,972,725	9,908	8,447,269
Additions	659,323	1,044,760	10,067	1,714,150
Transfer to investment properties - net book value (Note 13)	(309,170)	-	-	(309,170)
Transfer to property, building and equipment - net book value (Note 14)	-	-	(2,766)	(2,766)
Depreciation for the year	(291,650)	(201,162)	(2,787)	(495,599)
Translation adjustment	-	(639)	-	(639)
As at 31 December 2023	<u>6,523,139</u>	<u>2,815,684</u>	<u>14,422</u>	<u>9,353,245</u>
Additions	561,659	144,657	-	706,316
Depreciation for the year	(299,663)	(237,802)	(2,298)	(539,763)
Translation adjustment	-	(1,337)	-	(1,337)
As at 31 December 2024	<u>6,785,135</u>	<u>2,721,202</u>	<u>12,124</u>	<u>9,518,461</u>

(Unit: Thousand Baht)

	Separate financial statements			
	Land and land improvement	Building	Motor vehicles	Total
As at 1 January 2023	5,582,690	2,948,081	9,908	8,540,679
Additions	659,323	1,044,760	10,067	1,714,150
Transfer from investment properties - net book value (Note 13)	202,585	-	-	202,585
Transfer to investment properties - net book value (Note 13)	(309,170)	-	-	(309,170)
Transfer to property, building and equipment - net book value (Note 14)	-	-	(2,766)	(2,766)
Depreciation for the year	(256,756)	(640,116)	(2,787)	(899,659)
Decrease from rental period reduction and adjustment	-	(95,310)	-	(95,310)
As at 31 December 2023	5,878,672	3,257,415	14,422	9,150,509
Additions	561,659	4,682	-	566,341
Depreciation for the year	(272,102)	(640,489)	(2,298)	(914,889)
As at 31 December 2024	6,168,229	2,621,608	12,124	8,801,961

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment property and presented in Note 13.

#### b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Lease payments	11,136,579	10,972,805	10,474,423	10,853,783
Less: Deferred interest expenses	(4,182,551)	(4,183,426)	(3,983,358)	(3,979,514)
Total	6,954,028	6,789,379	6,491,065	6,874,269
Less: Current portion	(249,624)	(178,177)	(191,415)	(638,278)
Lease liabilities - net of current portion	6,704,404	6,611,202	6,299,650	6,235,991

Movements of the lease liability account during the years ended 31 December 2024 and 2023 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Beginning balance	6,789,379	6,029,972	6,874,269	6,642,786
Additions	706,316	1,714,150	566,341	1,714,150
Increase from amortisation of deferred interest in the year	272,850	246,045	264,102	252,554
Payments	(813,170)	(1,200,102)	(1,213,647)	(1,686,650)
Decrease from rental period reduction and adjustment	-	-	-	(48,571)
Translation adjustment	(1,347)	(686)	-	-
Ending balance	6,954,028	6,789,379	6,491,065	6,874,269

A maturity analysis of lease payments is disclosed in Note 34.2 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Depreciation expense of right-of-use assets	576,622	527,440	951,748	959,459
Interest expense on lease liabilities	272,850	246,045	264,102	252,554
Expense relating to short-term leases	362	2,143	-	-
Expense relating to leases of low-value assets	38,955	30,455	37,209	28,525
Expense relating to variable lease payments that do not depend on an index or a rate	111,943	137,739	96,896	132,209

The Group has lease contracts for building space that contains variable payments based on sales. The lease term is 1 - 30 years.

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2024 of Baht 964 million (2023: Baht 1,370 million) (the Company only: Baht 1,348 million, 2023: Baht 1,847 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 32.2.

**18.2 Group as a lessor**

The Group has entered into operating leases for its investment properties portfolio consisting of property, building, and right-of-use assets of lease land (see Note 13) of the lease terms are between 3 to 30 years.

The Group has future minimum rentals receivable under non-cancellable operating leases of investment properties as at 31 December 2024 and 2023 as follows:

	(Unit: Thousand Baht)	
	Consolidated and	
	separate financial statements	
	2024	2023
Within 1 year	18,617	18,617
Over 1 and up to 5 years	74,468	74,468
Over 5 years	103,262	121,879
Total	<u>196,347</u>	<u>214,964</u>

During 2024 and 2023, the Company has sub-lease income amounting to Baht 19 million.

As at 31 December 2024 and 2023, the Company has entered into 5 agreements with 4 companies to lease and/or sub-lease parts of its premises in 5 branches for the periods between 18 to 30 years, with a total of rental received in advance amounting Baht 543 million. The terms of the agreements are ended in the year 2033 to the year 2052. The Company recognised this income systematically on a straight-line basis over the lease periods which are the useful lives of the leaseholds.

As at 31 December 2024, the outstanding balance of rental received in advance, net of recognised rental income was Baht 195 million (2023: Baht 215 million).

## 19. Long-term loans

			(Unit: Thousand Baht)	
Loans	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements	
			2024	2023
1	COF* + 1.10	Monthly repayment since April 2019 to February 2025	1,721	21,798
2	COF* + 0.80	Monthly repayment since April 2024 to March 2029	101,308	116,140
Total long-term loans			103,029	137,938
Less: Current portion			(25,558)	(37,542)
Long-term loans - net of current portion			<u>77,471</u>	<u>100,396</u>

\* The Bank's cost of fund ("COF")

Movement of the long-term loans account during the year ended 31 December 2024 and 2023 are summarised below:

			(Unit: Thousand Baht)	
			Consolidated financial statements	
			2024	2023
Beginning balance			137,938	168,655
Repayments			(39,862)	(21,041)
Translation adjustment			4,953	(9,676)
Ending balance			<u>103,029</u>	<u>137,938</u>

Long-term loans denominated in MYR were loan facilities granted by two overseas financial institutions for Home Product Center (Malaysia) Sdn. Bhd., the Company's 100% owned subsidiary. The loans had no collateral and were secured by a 100% corporate guarantee provided by the Company. The loan agreements contained covenants as specified in the agreements that, among other things, require the subsidiary to maintain a certain net tangible asset and the Company to maintain its shareholding, directly or indirectly, in the subsidiary of no less than 51% for the loan no. 1, and require to maintain debt to equity ratio on the consolidated financial statement of the Group for the loan no. 2.

As at 31 December 2024, the loan no. 1 amounted to Baht 2 million (2023: Baht 22 million), of which on 22 April 2020, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from May 2020 to October 2020 and an extension of principal repayment for another 6 months. Subsequently, on 14 October 2021, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from November 2021 to April 2022 and an extension of principal repayment for another 6 months.

## 20. Debentures

No.	Interest/discount rate per annum	Age	Repayment	Maturity	Consolidated and separate financial statements			
					Number of debenture (Units)		Amount (Thousand Baht)	
					2024	2023	2024	2023
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2021	1.50%	3 years	At maturity	12 January 2024	-	1,000,000	-	1,000,000*
No. 2/2021	1.40%	3 years	At maturity	9 February 2024	-	1,000,000	-	1,000,000*
No. 3/2021	1.07%	3 years	At maturity	1 October 2024	-	2,000,000	-	2,000,000*
No. 1/2022	Fixed rate 2.68%	3 years	At maturity	15 July 2025	3,000,000	3,000,000	3,000,000	3,000,000
No. 2/2022	Fixed rate 2.75%	3 years	At maturity	18 November 2025	2,000,000	2,000,000	2,000,000	2,000,000
No. 1/2023	Fixed rate 2.39%	3 years	At maturity	30 January 2026	2,000,000	2,000,000	2,000,000	2,000,000
No. 2/2023	Fixed rate 3.20%	3 years	At maturity	25 September 2026	1,000,000	1,000,000	1,000,000	1,000,000
No. 2/2023	3.20%	3 years	At maturity	25 September 2026	700,000	700,000	700,000*	700,000*
No. 3/2023	Fixed rate 3.02%	3 years	At maturity	15 December 2026	3,000,000	3,000,000	3,000,000	3,000,000
No. 1/2024	2.95%	3 years	At maturity	26 July 2027	2,000,000	-	2,000,000*	-
Total					<u>13,700,000</u>	<u>15,700,000</u>	13,700,000	15,700,000
Less: Deferred interest							(180,627)	(75,525)
Debenture - net							13,519,373	15,624,475
Less: Current portion of debentures							(5,000,000)	(3,982,356)
Debentures - net of current portion							<u>8,519,373</u>	<u>11,642,119</u>

\* Zero Coupon Bond



Movements in debentures account during the years ended 31 December 2024 and 2023 are summaries below:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2024	2023
Balance at beginning of year	15,624,475	14,060,798
Add: Issuance of debentures during the year	2,000,000	6,700,000
Amortisation of deferred interest	63,328	77,241
Less: Redemption of debentures during the year	(4,000,000)	(5,150,000)
Deferred interest	(168,430)	(63,564)
Balance at end of year	<u>13,519,373</u>	<u>15,624,475</u>

The above debentures are registered, unsubordinated, unsecured debentures with trustee which have terms of payment of interest every 6 months throughout the terms of debentures.

Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets.

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b>Provision for long-term employee benefits at beginning of year</b>	628,049	589,458	570,164	533,450
Included in profit or loss:				
Current service cost	48,310	48,676	42,965	42,646
Interest cost	11,396	7,847	10,641	7,031
Included in other comprehensive income:				
Actuarial gain (loss) arising from				
Demographic assumptions changes	100,097	-	128,041	-
Financial assumptions changes	(81,818)	-	(91,439)	-
Experience adjustments	(18,490)	-	(16,901)	-
Benefits paid during the year	<u>(34,012)</u>	<u>(17,932)</u>	<u>(33,219)</u>	<u>(12,963)</u>
<b>Provision for long-term employee benefits at end of year</b>	<u>653,532</u>	<u>628,049</u>	<u>610,252</u>	<u>570,164</u>

As at 31 December 2024, the Group expects to pay Baht 111 million (2023: Baht 25 million) (the Company only: Baht 104 million, 2023: Baht 23 million) of long-term employee benefits during the next year.

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 6 years (2023: 7 years) (the Company only: 6 years, 2023: 7 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Discount rate	2.1%	1.7%	2.1%	1.7%
Salary increase rate	5.5% - 6.0%	5.5% - 6.0%	5.5% - 6.0%	5.5% - 6.0%
Turnover rate (depending on age)	0 - 45%	0 - 40%	0 - 45%	0 - 35%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
31 December 2024	(22)	23	(20)	21
31 December 2023	(18)	20	(16)	18

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
31 December 2024	46	(42)	42	(38)
31 December 2023	54	(48)	49	(43)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate (depending on age)				
31 December 2024	(35)	41	(33)	38
31 December 2023	(43)	50	(37)	44

## 22. The Employee Joint Investment Program (EJIP)

On 25 April 2023, the Board of Directors' Meeting of the Company passed a resolution to approved the Employee Joint Investment Program (EJIP). The significant details are as follow:

The Company eligible under EJIP	Home Product Center Public Company Limited, DC Service Center Company Limited and Mega Home Center Company Limited
The Period of EJIP	1 July 2023 to 30 June 2028, with a total duration of 5 years
Eligible employees under EJIP	Employees at Division Manager or equivalent and above are eligible to participate in this program on a voluntary basis. Directors and advisors of the Company are exclude from this program
EJIP arrangement	The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate not over 5% of the salary of each month The Company will contribute 5% to 10% of the salary of each month
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	During the 1 <sup>st</sup> year - 3 <sup>rd</sup> year, employee cannot sell any shares After the 3 <sup>rd</sup> year, employee can sell 25% of shares accumulated After the 4 <sup>th</sup> year, employee can sell 50% of shares accumulated After the 5 <sup>th</sup> year, employee can sell all shares
EJIP program manager	Phillip Securities (Thailand) Public Company Limited

During the year 2024, the Group contributed Baht 55 million to the program (2023: Baht 48 million) (the Company only: Baht 53 million, 2023: Baht 44 million).

## 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the statutory reserve has been fully set aside.

## 24. Revenue from contracts with customers

### 24.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b>Type of goods or service:</b>				
Sale of goods related to houses and residences	67,061,911	67,476,601	65,863,091	66,251,618
Renovation and improvement services	279,724	275,700	279,724	275,700
Installation maintenance and other service	610,386	531,010	591,288	515,636
Total revenue from contracts with customers	<u>67,952,021</u>	<u>68,283,311</u>	<u>66,734,103</u>	<u>67,042,954</u>
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	67,672,297	68,007,611	66,454,379	66,767,254
Revenue recognised over time	279,724	275,700	279,724	275,700
Total revenue from contracts with customers	<u>67,952,021</u>	<u>68,283,311</u>	<u>66,734,103</u>	<u>67,042,954</u>

Set out below, is a reconciliation of the revenue from contracts with customers with financial information classified by source of revenue.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Revenue from external customers	67,872,482	68,184,143	66,594,504	66,858,420
Revenue from related parties	139,599	184,534	139,599	184,534
	68,012,081	68,368,677	66,734,103	67,042,954
Eliminations	(60,060)	(85,366)	-	-
Total revenue from contracts with customers	<u>67,952,021</u>	<u>68,283,311</u>	<u>66,734,103</u>	<u>67,042,954</u>

### 24.2 Revenue recognised in relation to contract balances

During the current year, amounts of Baht 1,041 million (2023: Baht 1,162 million) (the Company only: Baht 1,021 million, 2023: Baht 1,146 million) that were included in advances received from customers at the beginning of the year were recognised as revenue.

## 25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
Salaries and wages and other employee benefits	5,307	5,290	5,179	5,169
Premises expenses	1,462	1,760	1,512	1,691
Depreciation and amortisation	3,543	3,431	3,698	3,594
Sales promotion and operation support expenses	2,712	2,652	2,655	2,578
Tax expenses and fees	1,723	1,644	1,664	1,588
Changes in finished goods	(874)	(332)	(903)	(376)

## 26. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
Interest expense of loans and debentures	414,679	321,416	407,172	310,434
Interest expense on lease liabilities	272,850	246,045	264,102	252,554
<b>Total</b>	<b>687,529</b>	<b>567,461</b>	<b>671,274</b>	<b>562,988</b>

## 27. Income tax

Income tax expenses for the years ended 31 December 2024 and 2023 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
<b>Current income tax:</b>				
Current income tax charge	1,534,061	1,546,132	1,476,692	1,497,546
Adjustment in respect of income tax of previous year	(2,430)	(5,516)	(2,430)	(5,437)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	30,769	(8,013)	27,357	(12,416)
<b>Income tax expenses reported in profit or loss</b>	<b>1,562,400</b>	<b>1,532,603</b>	<b>1,501,619</b>	<b>1,479,693</b>

The amount of income tax associated with each component of other comprehensive income for the year ended 31 December 2024 and 2023 are made up as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Deferred tax in relation to actuarial gains (losses)	42	-	(3,940)	-

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Accounting profit before tax	8,065,948	7,974,159	8,436,033	7,654,663
Applicable tax rate	20% and 24%	20% and 24%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,615,249	1,597,513	1,687,207	1,530,933
Adjustment in respect of income tax of previous year	(2,430)	(5,516)	(2,430)	(5,437)
Effects of:				
Revenues that are granted income tax exemption	-	-	(145,000)	(45,000)
Non-deductible expenses	8,058	14,216	8,056	60,161
Additional expense deductions allowed	(89,810)	(86,572)	(82,220)	(79,476)
Others	31,333	12,962	36,006	18,512
Total	(50,419)	(59,394)	(183,158)	(45,803)
<b>Income tax expenses reported in profit or loss</b>	<b>1,562,400</b>	<b>1,532,603</b>	<b>1,501,619</b>	<b>1,479,693</b>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<b>Deferred tax assets</b>				
Allowance for expected credit losses	1,504	2,825	1,399	2,019
Purchase discounts	139,636	132,436	139,636	132,436
Allowance for impairment of investment	-	-	4,200	-
Leases	239,925	263,883	229,923	254,310
Provision for long-term employee benefits	130,706	125,610	122,050	114,033
Deferred purchase discounts	8,164	8,364	8,164	8,364
Provisions	119,909	137,537	119,909	137,536
<b>Total</b>	<b>639,844</b>	<b>670,655</b>	<b>625,281</b>	<b>648,698</b>

As at 31 December 2024, the Group has deductible temporary differences totaling Baht 508 million (2023: Baht 571 million) (the Company only: Baht 508 million, 2023: Baht 571 million). No deferred tax assets have been recognised on these amounts as the Group believes it is uncertain on the temporary differences may not be probable utilised in the future.

## 28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Profit for the year (Thousand Baht)	6,503,547	6,441,556	6,934,414	6,174,970
Weighted average number of ordinary shares (Thousand shares)	13,151,198	13,151,198	13,151,198	13,151,198
Earnings per share (Baht/share)	0.49	0.49	0.53	0.47

## 29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Group is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences, and the provision of services relevant to retail and wholesale business, space rental and services (as having revenue and/or operating profit and/or assets less than 10% of total revenue and/or total operating profit and/or total assets of all segments, which do not meet the quantitative thresholds as set out in the financial reporting standard).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

## Geographic information

Sales income from external customers is based on locations of the Group which are summarised as follow.

	(Unit: Million Baht)	
	2024	2023
<b>Sales income from external customers</b>		
Thailand	66,595	66,858
Malaysia	1,275	1,306
Vietnam	3	20
Total	<u>67,873</u>	<u>68,184</u>

	(Unit: Million Baht)	
	2024	2023
<b>Non-current assets (other than deferred tax assets)</b>		
Thailand	46,154	45,581
Malaysia	220	134
Vietnam	1	3
Total	<u>46,375</u>	<u>45,718</u>

## Major customers

For the years 2024 and 2023, the Group has no major customer with revenue of 10% or more of an entity's revenues.

## 30. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and their employees contributed to the fund monthly at the rate of 3% - 5% of basic salary. The fund, which is managed by Land and Houses Fund Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules.

During the year 2024, the Group contributed Baht 119 million (2023: Baht 112 million) to the fund (the Company only: Baht 111 million, 2023: Baht 98 million).



### 31. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend from operating results from July 2022 to December 2022	The Annual General Meeting of the shareholders on 7 April 2023	2,762	0.21
Interim dividend from operating results from January 2023 to June 2023	Board of Directors' Meeting of the Company on 29 August 2023	2,367	0.18
Total		5,129	
Dividend from operating results from July 2023 to December 2023	The Annual General Meeting of the shareholders on 10 April 2024	2,893	0.22
Interim dividend from operating results from January 2024 to June 2024	Board of Directors' Meeting of the Company on 27 August 2024	2,367	0.18
Total		5,260	

### 32. Commitments and contingent liabilities

#### 32.1 Capital commitment

As at 31 December 2024 and 2023, the Company had capital commitments with several companies relating to the construction of retail stores. The obligations of construction are subject to the retail stores expansion and construction plan of each period determined by the management.

#### 32.2 Operating lease commitments - as a lessee

As at 31 December 2024, the Company has future lease payments required under these non-cancellable leases contracts that have not yet commenced amounting to Baht 521 million (2023: Baht 77 million).

### **32.3 Service commitments and land and building rental commitments**

- a) The Company has entered into the inventory management services agreement with a subsidiary. Under the conditions of the agreement, the Company is to pay the monthly service fee at a percentage of the subsidiary's actual cost, as stipulated in the agreement.
- b) The Company has entered into land lease agreements with a subsidiary. The terms of the agreements are 3 years. The contracts expire on 31 December 2024 and the Company has extended the lease period for 1 year. Under the conditions of the agreements, the Company receives monthly rental fees at rates stipulated in the agreements. The agreements are non-cancelable, except with the consent of the counterparties.
- c) The Company has entered into building rental agreement and services agreement with a subsidiary. The terms of the agreements are 2 years 6 months. The contract expires on 31 December 2024 and the Company has extended the lease period for 1 year. Under the conditions of the agreements, the Company is to pay the monthly rental fees and service fee as stipulated in the agreement. The agreements are non-cancelable, except with the consent of the counterparties.
- d) The Company has entered into personnel management services agreement with a subsidiary. The terms of the agreements are 2 years 6 months. Under the conditions of the agreements, the Company is to pay the monthly service fee as stipulated in the agreement. The agreements are non-cancelable, except with the consent of the counterparties. However, the Company terminated the personnel management services agreement on 18 March 2024, effective from 1 April 2024.

### **32.4 Guarantees**

- a) As at 31 December 2024, the Group has outstanding bank guarantees of Baht 205 million and MYR 2 million (2023: Baht 188 million and MYR 2 million) (the Company only: Baht 193 million, 2023: Baht 174 million) issued by banks on benefit of the Group in respect of guarantees provided for leasing, purchases of goods or hire of work, as bonds with State Enterprise. Bank guarantee of Baht 13 million and MYR 2 million (2023: Baht 14 million and MYR 2 million) issued in the name of subsidiaries were guaranteed by the Company.
- b) As at 31 December 2024, the Company had commitments under letters of credit opened with commercial bank, amounting to USD 0.5 million and CNY 10 million (2023: USD 0.1 million and CNY 6.0 million).
- c) As at 31 December 2024, the Company secured credit facilities of its subsidiaries of Baht 280 million and MYR 148 million (2023: Baht 280 million and MYR 148 million) to financial institutions.

### 32.5 Litigation

- a) As at 31 December 2024, the Group has legal cases for a total claimed amount of Baht 8.2 million (2023: Baht 8.4 million) (the Company only: Baht 8.1 million, 2023: Baht 8.4 million) which are currently being considered by the Court. The legal department of the Company believes that the outcome of these cases will not have significant effect to the Company. As such, the Company has not set aside any amount of provision in the financial statements.
- b) In July 2022, a financial institution accepting the rights of claim transferred under factoring contracts with a supplier filed a lawsuit against the Company, seeking payments under the contracts. In February 2024, the Court of First Instance dismissed the plaintiff's case since debts, to which the rights of claim had been transferred, were found to be based on falsified documents by the supplier. The case is currently under consideration of the court of Appeal. However, the Company had completely settled the outstanding debts to the supplier from November 2018 to March 2021. After reviewing the related transactions, the Company's management concluded that they were conducted properly and appropriately. As a result, the Company has not set aside provision for contingent liabilities arising from the litigation in the financial statements.

### 33. Fair value hierarchy

As at 31 December 2024 and 2023, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
<b>Liability measured at fair value</b>				
Derivative				
Foreign currency forward contracts	-	18	-	18
<b>Asset for which fair value are disclosed</b>				
Investment properties	-	-	9,797	9,797
<b>Liability for which fair value are disclosed</b>				
Debentures	-	13,586	-	13,586

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
<b>Liability measured at fair value</b>				
Derivative				
Foreign currency forward contracts	-	27	-	27
<b>Asset for which fair value are disclosed</b>				
Investment properties	-	-	8,437	8,437
<b>Liability for which fair value are disclosed</b>				
Debentures	-	15,596	-	15,596

## 34. Financial instruments

### 34.1 Derivatives

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2024	2023
<b>Derivative liability</b>		
Derivative liability not designated as hedging instruments		
Foreign exchange forward contracts	18	27
<b>Total derivative liability</b>	<u>18</u>	<u>27</u>

### Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 months.

### 34.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, short-term loans, long-term loans, lease liabilities and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

## **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

### ***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating and other forms of credit insurance. Other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## **Market risk**

There is a type of market risk comprising currency risk. The Group enters into foreign exchange forward contracts derivative to reduce the foreign currency risk arising on the import of goods.

### **Foreign currency risk**

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2024 and 2023, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated and separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	-	1	2	34.19	34.30
CNY	-	-	34	26	4.76	4.90

As at 31 December 2024 and 2023, foreign exchange contracts outstanding are summarised below.

Consolidated and separate financial statements					
As at 31 December 2024					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	8	-	32.17 - 34.17	-	Within July 2025
CNY	163	-	4.68 - 4.96	-	Within July 2025

Consolidated and separate financial statements					
As at 31 December 2023					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	8	-	33.47 - 36.15	-	Within January 2024
CNY	154	-	4.85 - 5.04	-	Within May 2024

## Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term loans, lease liabilities, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group manages its interest rate risk by having a portfolio of fixed rate loans and borrowings more than variable rate. The Group's policy is to maintain borrowings at fixed rates of interest of not less than 50%.

As at 31 December 2024 and 2023, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2024							
Fixed interest rates							
	Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	3	-	-	4,707	844	5,554	0.05 - 2.00
Trade and other receivables	-	-	-	-	2,008	2,008	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	3,000	-	-	13	-	3,013	2.38 - 2.45 and COF + 0.75
Trade and other payables	-	-	-	-	15,459	15,459	-
Lease liabilities	250	918	5,786	-	-	6,954	1.44 - 5.81
Long-term loans	-	-	-	103	-	103	COF + 0.80 and COF + 1.10
Debentures	5,000	8,519	-	-	-	13,519	2.39 - 3.20

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2023							
Fixed interest rates							
	Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	24	-	-	5,311	1,094	6,429	0.10 - 3.70
Trade and other receivables	-	-	-	-	2,115	2,115	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	2,000	-	-	40	-	2,040	2.65 and COF + 0.75
Trade and other payables	-	-	-	-	15,225	15,225	-
Lease liabilities	178	844	5,767	-	-	6,789	1.44 - 5.81
Long-term loans	-	-	-	138	-	138	COF + 0.80 and COF + 1.10
Debentures	3,982	11,642	-	-	-	15,624	1.07 - 3.20

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2024							
Fixed interest rates							
	Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	4,541	562	5,103	0.15 - 0.40
Trade and other receivables	-	-	-	-	2,097	2,097	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	3,000	-	-	-	-	3,000	2.38 - 2.45
Trade and other payables	-	-	-	-	15,285	15,285	-
Lease liabilities	191	863	5,437	-	-	6,491	1.44 - 5.81
Debentures	5,000	8,519	-	-	-	13,519	2.39 - 3.20

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2023							
Fixed interest rates							
	Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	5,215	602	5,817	0.15 - 0.65
Trade and other receivables	-	-	-	-	2,202	2,202	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	2,000	-	-	-	-	2,000	2.65
Trade and other payables	-	-	-	-	15,074	15,074	-
Lease liabilities	638	821	5,415	-	-	6,874	1.44 - 5.81
Debentures	3,982	11,642	-	-	-	15,624	1.07 - 3.20

## Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of trade payable, bank loans, debentures and lease contracts. Approximately 55% (2023: 49%) (the Company only: 56% 2023: 50%) of the Group's financial liabilities will mature in less than one year at 31 December 2024 based on the carrying value of financial liabilities reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded that the Group has access to a sufficient variety of sources of funding.



The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2024				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions				
3,013	-	-	-	3,013
Trade and other payables				
-	15,459	-	-	15,459
Lease liabilities				
-	521	1,934	8,682	11,137
Long-term loans				
-	27	81	-	108
Debentures				
-	5,044	8,733	-	13,777
<b>3,013</b>	<b>21,051</b>	<b>10,748</b>	<b>8,682</b>	<b>43,494</b>
<b>Derivative</b>				
Derivative liability: net settled				
-	18	-	-	18
<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2023				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions				
2,040	-	-	-	2,040
Trade and other payables				
-	15,225	-	-	15,225
Lease liabilities				
-	440	1,835	8,698	10,973
Long-term loans				
-	39	100	6	145
Debentures				
-	4,000	11,777	-	15,777
<b>2,040</b>	<b>19,704</b>	<b>13,712</b>	<b>8,704</b>	<b>44,160</b>
<b>Derivative</b>				
Derivative liability: net settled				
-	27	-	-	27
<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>27</b>

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2024				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	3,000	-	-	3,000
Trade and other payables	-	15,285	-	15,285
Lease liabilities	-	449	1,828	10,474
Debentures	-	5,044	8,733	13,777
<b>Total non-derivatives</b>	<b>3,000</b>	<b>20,778</b>	<b>10,561</b>	<b>42,536</b>
<b>Derivative</b>				
Derivative liability: net settled	-	18	-	18
<b>Total derivative</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>18</b>

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2023				
On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	2,000	-	-	2,000
Trade and other payables	-	15,074	-	15,074
Lease liabilities	-	894	1,766	10,854
Debentures	-	4,000	11,777	15,777
<b>Total non-derivatives</b>	<b>2,000</b>	<b>19,968</b>	<b>13,543</b>	<b>43,705</b>
<b>Derivative</b>				
Derivative liability: net settled	-	27	-	27
<b>Total derivative</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>27</b>

### 34.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value except debentures are not expected to be materially different from the amounts presented in the statements of financial position. The estimated fair value of debentures, in comparison with the related amount carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial liability</b>				
Debentures	13,519	13,586	15,624	15,596

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, accounts receivables and accounts payables, their carrying amounts in the statements of financial position approximate their fair values.
- b) The carrying amounts at loans to and loans from carrying interest at rates approximating the market rate, in the statements of financial position approximates their fair value.
- c) The fair value of fixed rate debentures is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies. The Group considers counterparty credit risk when determining the fair value of derivatives

During the current year, there was no transfer within the fair value hierarchy.

### 34.4 Offsetting of financial instruments

The following table presents the recognised financial instruments that are offset as at 31 December 2024 and 2023.

(Unit: Thousand Baht)

	Consolidate financial statements				
	Effects of offsetting in the statement of financial position			Gross amounts	
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position	not offset in	Net amounts in the statement of financial position
				the statement of financial position	
<b>As at 31 December 2024</b>					
Trade and other receivables	-	-	-	2,007,873	<b>2,007,873</b>
Trade and other payables	13,963,156	(911,106)	13,052,050	2,406,667	<b>15,458,717</b>
<b>As at 31 December 2023</b>					
Trade and other receivables	-	-	-	2,114,686	<b>2,114,686</b>
Trade and other payables	13,683,069	(900,281)	12,782,788	2,441,913	<b>15,224,701</b>

(Unit: Thousand Baht)

	Separate financial statements				
	Effects of offsetting in the statement of financial position			Gross amounts	
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position	not offset in	Net amounts in the statement of financial position
				the statement of financial position	
<b>As at 31 December 2024</b>					
Trade and other receivables	-	-	-	2,097,072	<b>2,097,072</b>
Trade and other payables	13,768,077	(894,915)	12,873,162	2,412,545	<b>15,285,707</b>
<b>As at 31 December 2023</b>					
Trade and other receivables	-	-	-	2,201,687	<b>2,201,687</b>
Trade and other payables	13,475,311	(885,810)	12,589,501	2,484,121	<b>15,073,622</b>

Gross amounts not offset in the statement of financial position reflect amounts subject to conditional offsetting arrangements.

As at 31 December 2024, the Group had other receivables from area rental and related services amounting to Baht 256 million (2023: Baht 223 million), of which partial rent deposits were presented in other non-current liabilities, and other form of credit insurance with netting arrangements with trade receivables. The Group has pledged rental guarantee deposits of Baht 15 million (2023: Baht 34 million) (the Company only: Baht 15 million, 2023: Baht 34 million) and bank guarantees issued by banks which had netting arrangements with trade and other payables.

### **35. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in the stipulations of long-term loans and debentures, which requires the Company to maintain a debt-to-equity ratio of not more than 2.50:1.

### **36. Events after the reporting period**

On 25 February 2025, the meeting of the Company's Board of Directors passed the resolution to propose to Annual General Meeting of the Company's shareholders for approval of dividend payment from operating results of July 2024 to December 2024. The dividend will be paid by cash at the rate of Baht 0.25 per share or in the total amount not exceeding Baht 3,287.80 million. The payment of cash dividend shall be made within 8 May 2025. As the Company's Board of Directors Meeting held on 27 August 2024 has the resolution to approve interim dividend payment for the operating result for the period as from January 2024 to June 2024 to the shareholders as cash dividend of Baht 0.18 per share. The interim dividend was paid on 24 September 2024. As a result, total dividend per share for the year 2024 is Baht 0.43 per share.

### **37. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2025.