

**Primo Service Solutions Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month period ended 31 March 2024**

**1. General information**

**1.1 Basis for preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**1.2 Basis of consolidation**

The interim consolidated financial statements include the financial statements of Primo Service Solutions Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2023.

During the current period, there was change in the composition of the Group as follows.

Newly established subsidiary

Investor	Subsidiary	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
Passion Realtor Company Limited	Nomedic Butler Company Limited	Real estate agency	55	10,000 ordinary shares which called up shares of Baht 60 per share	330

### 1.3 Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023, and there were additional accounting policies as follows.

#### ***Goodwill and intangible assets***

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired and intangible assets acquired through business combination are initially recognised at their fair value on the date of business combination.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Group's financial statements.

### 2. Related party transactions

During the periods, 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 basis agreed upon between the Group and those related parties.

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2024	2023	2024	2023	
<u>Transactions with the parent company</u>					
Service and project management income	-	3	-	-	Contract price
Real estate agency income	1	-	-	-	Contract price
Sales	-	1	-	-	Market price
Land and buildings rental expenses	-	1	-	-	Contract price
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Service income	-	-	8	8	Contract price
Interest income	-	-	3	-	Contract price
Administrative expenses	-	-	-	1	Contract price
<u>Transactions with related parties</u>					
Service and project management income	110	125	-	-	Contract price
Real estate agency income	53	17	-	-	Contract price
Sales	82	140	-	-	Market price
Land and buildings rental expenses	1	-	-	-	Contract price
Administrative expenses	1	-	-	-	Contract price

The balances of the accounts between the Group and those related parties are as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
	(Audited)		(Audited)	
<b><u>Trade and other receivables - related parties (Note 3)</u></b>				
<b>Trade receivables</b>				
Parent company	924	403	-	-
Subsidiaries	-	-	23,986	27,358
Related parties	378,635	301,955	-	289
Total trade receivables - related parties	379,559	302,358	23,986	27,647
<b>Other receivables</b>				
Parent company	3,291	3,400	-	-
Subsidiaries	-	-	5,895	283,244
Related parties	261,684	278,528	450	1
Total other receivables - related parties	264,975	281,928	6,345	283,245
Total trade and other receivables - related parties	644,534	584,286	30,331	310,892
<b><u>Trade and other payables - related parties (Note 6)</u></b>				
<b>Trade payables</b>				
Related parties	1,032	1,200	-	-
Total trade payables - related parties	1,032	1,200	-	-
<b>Other payables</b>				
Parent company	6,130	5,724	2,007	1,570
Subsidiaries	-	-	100	41
Related parties	23,519	64,937	560	217
Total other payables - related parties	29,649	70,661	2,667	1,828
Total trade and other payables - related parties	30,681	71,861	2,667	1,828
<b><u>Other current liabilities and other non-current liabilities</u></b>				
Related parties	1,831	1,831	-	-
Related person	31,711	31,416	-	-
Total other current liabilities and other non-current liabilities	33,542	33,247	-	-
<b><u>Lease liabilities</u></b>				
Parent company	2,914	3,554	1,068	1,349
Related parties	4,849	5,372	-	-
Total lease liabilities	7,763	8,926	1,068	1,349

(Unaudited but reviewed)

Short-term loans to related parties

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at		Balance as at	
	1 January	Increase during	Decrease during	31 March
	2024	the period	the period	2024
<b>Short-term loans to related parties</b>				
Subsidiaries	335,000	369,000	-	704,000
Total	335,000	369,000	-	704,000

Directors and management's benefits

The Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Short-term employee benefits	9,370	5,904	3,958	5,904
Post-employment benefits	477	36	245	36
Total	9,847	5,940	4,203	5,940

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	64,261	100,008	2,306	2,234
Past due				
Up to 3 months	166,044	172,409	6,183	10,314
3 - 6 months	123,697	29,340	5,448	3,200
6 - 12 months	26,032	1,669	7,549	9,060
Over 12 months	593	-	2,500	2,839
Total	380,627	303,426	23,986	27,647
Less: Allowance for expected credit losses	(1,068)	(1,068)	-	-
Total trade receivables - related parties, net	379,559	302,358	23,986	27,647

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	99,029	35,175	-	-
Past due				
Up to 3 months	60,331	67,464	-	-
3 - 6 months	26,608	58,515	-	-
6 - 12 months	54,781	12,055	-	-
Over 12 months	14,082	9,222	-	-
Total	254,831	182,431	-	-
Less: Allowance for expected credit losses	(15,613)	(12,626)	-	-
Total trade receivables - unrelated parties, net	239,218	169,805	-	-
Total trade receivables - net	618,777	472,163	23,986	27,647
<u>Other receivables</u>				
Other receivables - related parties	713	-	32	280,424
Other receivables - unrelated parties	1,402	605	15	15
Interest receivables - related parties	-	-	4,992	2,469
Interest receivables - unrelated parties	130	4,476	115	4,460
Contract assets - related parties	264,262	281,928	1,321	352
Contract assets - unrelated parties	137,408	24,982	-	-
Advances payment	9,177	5,060	16	134
Prepaid expenses	12,692	8,878	1,687	942
Total other receivables	425,784	325,929	8,178	288,796
Less: Allowance for expected credit losses	(1,176)	(1,176)	-	-
Total other receivables - net	424,608	324,753	8,178	288,796
Total trade and other receivables - net	1,043,385	796,916	32,164	316,443

**4. Other financial assets**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Audited)		(Audited)	
<u>Debt instruments at amortised cost</u>				
Investments in certificate of deposit	100,000	300,000	100,000	300,000
<u>Debt instruments at FVTPL</u>				
Investment in short-term debenture	-	170,000	-	170,000
Investment in RealX investment token	96,777	96,777	96,777	96,777
<u>Equity instruments at FVTPL</u>				
Investment in short-term equity instrument	9,413	9,953	-	-
Others	300	300	-	-
Total other financial assets	<u>206,490</u>	<u>577,030</u>	<u>196,777</u>	<u>566,777</u>
Current	9,413	479,953	-	470,000
Non-current	<u>197,077</u>	<u>97,077</u>	<u>196,777</u>	<u>96,777</u>
Total other financial assets	<u>206,490</u>	<u>577,030</u>	<u>196,777</u>	<u>566,777</u>

**5. Investments in subsidiaries**

5.1 The investments in subsidiaries that were accounted for in separate financial statements were no changes from the latest annual financial statements.

During the three-month periods ended 31 March 2024 and 2023, there was no dividend received from the subsidiaries.

5.2 The fair value measurement of the identifiable assets acquired and liabilities assumed including the contingent consideration from the business combination by entire business transfer of ProjectsAsia Limited

During the current period, United Project Management Company Limited (subsidiary) has completed the process of measuring the fair value of the identifiable assets acquired and liabilities assumed including the contingent consideration as at the date of the business combination of ProjectsAsia Limited (22 June 2023). The details were as follows.

	(Unit: Thousand Baht)
Cash and cash equivalents	12,451
Trade and other receivables	46,748
Other current assets	10,627
Equipment	1,995
Right-of-use assets	4,920
Intangible assets	72,145
Other non-current assets	9,733
Trade and other payables	(21,094)
Other current liabilities	(4,174)
Lease liabilities	(5,725)
Provision for long-term employee benefits	(31,513)
Deferred tax liabilities	(14,085)
Net assets from the business combination	<u>82,028</u>
Add: Goodwill	<u>195,073</u>
Cost of the business combination	277,101
Less: Cash and cash equivalents of ProjectsAsia Limited	(12,451)
The fair value of contingent consideration	(132,168)
Add: Deferred interest expenses	<u>9,067</u>
Cash paid as at the date of the business combination	<u><u>141,549</u></u>

(Unaudited but reviewed)

## 6. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Trade payables - related parties	1,032	1,200	-	-
Trade payables - unrelated parties	72,482	83,796	-	-
Other payables - related parties	8,525	7,896	2,502	1,828
Other payables - unrelated parties	15,479	14,093	412	938
Contract liabilities - related parties	20,298	62,763	-	-
Contract liabilities - unrelated parties	30,292	35,985	-	-
Accrued expenses - related parties	826	2	165	-
Accrued expenses - unrelated parties	251,917	217,105	1,111	586
Total trade and other payables	<u>400,851</u>	<u>422,840</u>	<u>4,190</u>	<u>3,352</u>

## 7. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2024	31 December 2023
		(Audited)
Long-term loans	41,778	41,927
Less: Current portion	(8,447)	(4,574)
Long-term loans, net of current portion	<u>33,331</u>	<u>37,353</u>

Movements of the long-term loans for the three-month period ended 31 March 2024 are summaries below.

(Unit: Thousand Baht)

	Consolidated
	financial statements
Balance as at 1 January 2024	41,927
Repayment	(149)
Balance as at 31 March 2024	<u>41,778</u>

The loans were secured by the mortgages of the subsidiary's property, plant and equipment and secured by the parent company of the Group, related party and subsidiary's directors. The loan agreements contain several covenants which the Group required to maintain as described in the agreements.



**8. Income tax**

Interim corporate income tax was calculated on profit (loss) before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses (benefits) are made up as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
<b>Current income tax:</b>				
Interim corporate income tax charge	21,874	22,049	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	208	269	185	(3)
<b>Income tax expenses (benefits) reported in profit or loss</b>	<b>22,082</b>	<b>22,318</b>	<b>185</b>	<b>(3)</b>

**9. Segment information**

The Group is organised into business units based on their products and services. During the current period, the Group has not changed the organisation of their reportable segments from the last annual financial statements.

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Group's operating segments.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March											
	Engineering consultation and design segment		Real estate management segment		Real estate after sales service segment		Other segment		Eliminations		Consolidated	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue												
Revenue from external customers	105,388	49,084	133,052	121,349	177,252	225,411	450	-	-	-	416,142	395,844
Inter-segment revenue	138	2,175	81	-	128	483	7,554	8,227	(7,901)	(10,885)	-	-
Total	<u>105,526</u>	<u>51,259</u>	<u>133,133</u>	<u>121,349</u>	<u>177,380</u>	<u>225,894</u>	<u>8,004</u>	<u>8,227</u>	<u>(7,901)</u>	<u>(10,885)</u>	<u>416,142</u>	<u>395,844</u>
Segment operating profit	25,864	12,424	72,043	62,336	54,273	53,025	7,825	8,027	(7,790)	(8,904)	152,215	126,908
Unallocated income and expenses:												
Other income											157	72
Administrative expenses											(48,202)	(16,725)
Finance income											564	14
Finance cost											(2,244)	(115)
Income tax expenses											<u>(22,082)</u>	<u>(22,318)</u>
Profit for the period											<u>80,408</u>	<u>87,836</u>

## **10. Commitments and contingent liabilities**

### **10.1 Service commitments**

The Group has entered into service agreements. The terms of the agreements are generally between 1 - 4 years. As at 31 March 2024, future minimum lease payments required under these non-cancellable service contracts amounting to Baht 9.8 million (31 December 2023: Baht 11.2 million) (The Company only: Baht 1.3 million, 31 December 2023: Baht 1.7 million).

### **10.2 Guarantees**

- 1) As at 31 March 2024 and 31 December 2023, the subsidiary issued 1 - 3 years promissory notes in amount of Baht 66 million to guarantee the payment in accordance with the conditions of the entire business transfer agreement.
- 2) As at 31 March 2024, there was outstanding bank guarantee of approximately Baht 9 million issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business (31 December 2023: Baht 2 million).

## **11. Financial instruments**

### **11.1 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 is not expected to be materially different from the amounts presented in the statement of financial position.

### **11.2 Fair value hierarchy**

As at 31 March 2024, the Group had the financial assets amounting to Baht 97 million that were measured at fair value with hierarchy level 3.

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

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

On 23 April 2024, the Annual General Meeting of the Company's Shareholders passed a resolution to declare a dividend payment at Baht 1.031 per share, amounting to Baht 330 million.

## **13. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2024.