

Primo Service Solutions Public Company Limited and its subsidiaries
Condensed notes to interim financial statements
For the three-month and six-month periods ended 30 June 2024

1. General information

1.1 Basis for the 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 presenting condensed interim financial statements. 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 and has presented notes to the interim financial statements on a condensed basis.

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 30 June				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	1	6	-	-	Contract price
Land and buildings rental expenses	1	-	-	1	Contract price
Management fee	1	1	-	-	Contract price
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Service income	-	-	7	7	Contract price
Dividend income	-	-	23	121	As declared
Interest income	-	-	3	1	Contract price
Acquisition of investment in subsidiary	-	-	17	-	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2024	2023	2024	2023	
<u>Transactions with related parties</u>					
Service and project management income	90	148	1	-	Contract price
Real estate agency income	26	40	-	-	Contract price
Sales	75	123	-	-	Market price
Administrative expenses	-	1	-	-	Contract price

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2024	2023	2024	2023	
<u>Transactions with the parent company</u>					
Service and project management income	1	9	-	-	Contract price
Real estate agency income	1	-	-	-	Contract price
Sales	-	1	-	-	Market price
Land and buildings rental expenses	1	1	-	1	Contract price
Management fee	1	1	-	-	Contract price
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Service income	-	-	15	15	Contract price
Dividend income	-	-	23	121	As declared
Interest income	-	-	6	1	Contract price
Administrative expenses	-	-	-	1	Contract price
Acquisition of investment in subsidiary	-	-	17	-	Contract price
<u>Transactions with related parties</u>					
Service and project management income	200	273	1	-	Contract price
Real estate agency income	79	57	-	-	Contract price
Sales	157	263	-	-	Market price
Land and buildings rental expenses	1	-	-	-	Contract price
Administrative expenses	1	1	-	-	Contract price

(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	30 June
	2024	the period	the period	2024
Short-term loans to related parties				
Subsidiaries	335,000	532,500	(223,300)	644,200
Total	335,000	532,500	(223,300)	644,200

Short-term loan from related party

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at			Balance as at
	1 January	Increase during	Decrease during	30 June
	2024	the period	the period	2024
Short-term loan from related party				
Subsidiary	-	63,000	-	63,000
Total	-	63,000	-	63,000

The short-term loan from related party carried interest at a rate of 2.0% per annum and due within one year.

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 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Short-term employee benefits	7,608	7,667	3,541	5,900
Post-employment benefits	424	507	225	367
Total	8,032	8,174	3,766	6,267

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Short-term employee benefits	16,978	13,571	7,499	11,804
Post-employment benefits	901	543	470	403
Total	17,879	14,114	7,969	12,207

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Audited)		(Audited)	
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	91,170	100,008	2,668	2,234
Past due				
Up to 3 months	26,371	172,409	7,019	10,314
3 - 6 months	26,046	29,340	5,726	3,200
6 - 12 months	8,438	1,669	9,667	9,060
Over 12 months	-	-	5,320	2,839
Total	152,025	303,426	30,400	27,647
Less: Allowance for expected credit losses	(1,068)	(1,068)	-	-
Total trade receivables - related parties, net	150,957	302,358	30,400	27,647
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	113,367	35,175	-	-
Past due				
Up to 3 months	54,892	67,464	-	-
3 - 6 months	12,341	58,515	-	-
6 - 12 months	56,287	12,055	-	-
Over 12 months	17,725	9,222	-	-
Total	254,612	182,431	-	-
Less: Allowance for expected credit losses	(13,239)	(12,626)	-	-
Total trade receivables - unrelated parties, net	241,373	169,805	-	-
Total trade receivables - net	392,330	472,163	30,400	27,647
<u>Other receivables</u>				
Other receivables - related parties	482	-	855	280,424
Other receivables - unrelated parties	544	605	15	15
Interest receivables - related parties	-	-	8,709	2,469
Interest receivables - unrelated parties	678	4,476	663	4,460
Contract assets - related parties	398,194	281,928	706	352
Contract assets - unrelated parties	35,114	24,982	-	-
Advances payment	3,995	5,060	48	134
Prepaid expenses	12,291	8,878	1,688	942
Total other receivables	451,298	325,929	12,684	288,796
Less: Allowance for expected credit losses	(1,176)	(1,176)	-	-
Total other receivables - net	450,122	324,753	12,684	288,796
Total trade and other receivables - net	842,452	796,916	43,084	316,443

4. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2024	31 December 2023	30 June 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	8,719	9,953	-	-
Others	300	300	-	-
Total other financial assets	<u>205,796</u>	<u>577,030</u>	<u>196,777</u>	<u>566,777</u>
Current	8,719	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>205,796</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, except for the companies as follows.

Wyde Interior Company Limited

On 28 February 2024, the Board of Directors' Meeting of the Company passed a resolution to increase the subsidiary registered share capital from Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each) to Baht 10 million (1.0 million ordinary shares with a par value of Baht 10 each), through the issuance of 0.5 million ordinary shares with a par value of Baht 10 each. On 21 April 2024, the Annual General Meeting of the subsidiary's shareholders passed a resolution to called up the additional share capital. The subsidiary' paid in capital of Baht 5.0 million as proportionate shareholding in the subsidiary in May 2024. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 7 May 2024.

UPM Design Studio Company Limited

On 28 February 2024, the Board of Directors' Meeting of the Company passed a resolution to acquire 1 million ordinary shares of UPM Design Studio Company Limited from United Project Management Company Limited, a subsidiary of the Company by Baht 17.5 million. The Company had a 100 percent shareholding and this acquisition is a business combination under common control. On 1 April 2024, the Company entered into the share purchase agreement with the subsidiary. As at 30 June 2024, the Company had not yet paid the shares so the Company recorded share payables as other payables account.

5.2 Dividend received from subsidiaries consisted of the follows.

Companies	(Unit: Thousand Baht)	
	For the six-month	
	periods ended 30 June	
	2024	2023
Passion Realtor Company Limited	-	24,999
Uno Service Company Limited	-	6,000
Wyde Interior Company Limited	-	60,000
PMM Property Management Company Limited (formerly known as "Primo Management Company Limited")	-	8,000
Crown Residence Company Limited	-	10,000
Hampton Hotel and Residence Management Company Limited	-	12,000
United Project Management Company Limited	23,000	-
Total	23,000	120,999

5.3 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.

(Unaudited but reviewed)

	(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	82,028
Add: Goodwill	195,073
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	9,067
Cash paid as at the date of the business combination	<u>141,549</u>

In June 2024, the subsidiary made a payment in terms of the entire business transfer agreement by Baht 71.4 million. As at 30 June 2024, the subsidiary had the outstanding balance of the estimation of the fair value of contingent consideration by Baht 57.2 million and has been presented as liabilities in the consolidated statement of financial position.

6. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
		(Audited)		(Audited)
Trade payables - related parties	177	1,200	-	-
Trade payables - unrelated parties	79,236	83,796	-	-
Other payables - related parties	10,886	7,896	20,289	1,828
Other payables - unrelated parties	16,590	14,093	1,424	938
Contract liabilities - related parties	73,831	62,763	-	-
Contract liabilities - unrelated parties	51,533	35,985	-	-
Interest payables - related parties	-	-	7	-
Accrued expenses - related parties	1,102	2	330	-
Accrued expenses - unrelated parties	231,490	217,105	640	586
Total trade and other payables	<u>464,845</u>	<u>422,840</u>	<u>22,690</u>	<u>3,352</u>

7. Long-term loans from banks

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2024	31 December 2023
		(Audited)
Long-term loans from banks	41,626	41,927
Less: Current portion	(11,685)	(4,574)
Long-term loans from banks, net of current portion	<u>29,941</u>	<u>37,353</u>

Movements of the long-term loans from banks for the six-month period ended 30 June 2024 are summaries below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2024	41,927
Repayment	(301)
Balance as at 30 June 2024	<u>41,626</u>

The loans were secured by the mortgages of the subsidiary's property, plant and equipment and guaranteed 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 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 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2024	2023	2024	2023
Current income tax:				
Interim corporate income tax charge	19,606	23,805	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(534)	(325)	10	(195)
Income tax expenses (benefits) reported in profit or loss	<u>19,072</u>	<u>23,480</u>	<u>10</u>	<u>(195)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Current income tax:				
Interim corporate income tax charge	41,480	45,854	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(326)	(56)	195	(198)
Income tax expenses (benefits) reported in profit or loss	<u>41,154</u>	<u>45,798</u>	<u>195</u>	<u>(198)</u>

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.

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 June											
	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	94,198	90,448	107,120	130,104	167,927	225,006	450	-	-	-	369,695	445,558
Inter-segment revenue	3,236	2,102	-	-	145	416	30,594	128,220	(33,975)	(130,738)	-	-
Total	<u>97,434</u>	<u>92,550</u>	<u>107,120</u>	<u>130,104</u>	<u>168,072</u>	<u>225,422</u>	<u>31,044</u>	<u>128,220</u>	<u>(33,975)</u>	<u>(130,738)</u>	<u>369,695</u>	<u>445,558</u>
Segment operating profit	29,067	22,747	48,781	70,135	50,280	48,209	30,868	128,017	(30,688)	(129,039)	128,308	140,069
Unallocated income and expenses:												
Other income											1,031	450
Administrative expenses											(39,301)	(29,792)
Finance income											4,111	4,797
Finance cost											(2,756)	(371)
Income tax expenses											(19,072)	(23,480)
Profit for the period											<u>72,321</u>	<u>91,673</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June											
	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	199,586	139,532	240,172	251,453	345,179	450,417	900	-	-	-	785,837	841,402
Inter-segment revenue	3,374	4,277	81	-	273	899	38,148	136,447	(41,876)	(141,623)	-	-
Total	<u>202,960</u>	<u>143,809</u>	<u>240,253</u>	<u>251,453</u>	<u>345,452</u>	<u>451,316</u>	<u>39,048</u>	<u>136,447</u>	<u>(41,876)</u>	<u>(141,623)</u>	<u>785,837</u>	<u>841,402</u>
Segment operating profit	54,931	35,171	120,824	132,471	104,553	101,234	38,693	136,044	(38,478)	(137,943)	280,523	266,977
Unallocated income and expenses:												
Other income											1,188	522
Administrative expenses											(87,503)	(46,517)
Finance income											4,675	4,811
Finance cost											(5,000)	(486)
Income tax expenses											(41,154)	(45,798)
Profit for the period											<u>152,729</u>	<u>179,509</u>

10. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2023	Annual General Meeting of the Company's shareholders on 23 April 2024	330	1.031
Total		330	1.031

11. Commitments and contingent liabilities**11.1 Service commitments**

The Group has entered into service agreements. The terms of the agreements are generally between 1 - 4 years. As at 30 June 2024, future minimum lease payments required under these non-cancellable service contracts amounting to Baht 8.0 million (31 December 2023: Baht 11.2 million) (The Company only: Baht 0.8 million, 31 December 2023: Baht 1.7 million).

11.2 Guarantees

- 1) As at 30 June 2024, the subsidiary issued 1 - 3 years promissory notes in amount of Baht 33 million to guarantee the payment in accordance with the conditions of the entire business transfer agreement (31 December 2023: Baht 66 million).
- 2) As at 30 June 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).

12. Financial instruments**12.1 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.

12.2 Fair value hierarchy

As at 30 June 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.

13. Events after the reporting period

On 13 August 2024, the Board of Directors' Meeting of the Company passed a resolution to acquire ordinary shares of Prim Insurance Broker Company Limited amounting to Baht 11 million from the parent company in which the Company's shareholding is 100 percent. The company engages in non-life insurance broker.

14. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 August 2024.