

RPCG Public Company Limited and its subsidiaries

Condensed notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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, income, 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 RPCG Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2023, with no change in shareholding structure of subsidiaries during the current period.

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.

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.

1.4 New 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.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

2. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	22,250	18,142	-	-
Past due				
Not over 3 months	8,449	9,608	-	-
3 - 6 months	199	542	-	-
6 - 12 months	83	17	-	-
Over 12 months	3,203	3,754	-	-
Total	34,184	32,063	-	-
Less: Allowance for expected credit losses	(2,219)	(2,963)	-	-
Total trade receivables - unrelated parties, net	31,965	29,100	-	-
Total trade receivables - net	31,965	29,100	-	-
Other receivables				
Accrued income - related parties	408	594	6,529	7,657
Accrued income - unrelated parties	75,090	69,815	463	136
Others	26,392	26,754	4,260	860
Total	101,890	97,163	11,252	8,653
Less: Allowance for expected credit losses	(59,990)	(55,528)	-	-
Total other receivables - net	41,900	41,635	11,252	8,653
Total trade and other receivables - net	73,865	70,735	11,252	8,653

3. 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 bases agreed upon between the Group and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

	(Unit: Million Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Interest income	-	-	2	2
Transactions with related party				
Other expense	1	1	-	-
Interest income	1	-	1	-
Interest expense	1	-	-	-

	(Unit: Million Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Management fee income	-	-	1	1
Dividend income	-	-	37	52
Other income - other services	-	-	1	1
Interest income	-	-	6	2
Management fee expense	-	-	1	-
Transactions with related party				
Interest income	2	1	2	1
Revenue from scrap sales	-	1	-	-
Interest expense	3	1	-	-
Other expense	1	1	-	-

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
Other receivables - related parties				
Subsidiaries	-	-	6,121	7,064
Related company (shareholder of the Company)	408	594	408	593
Total other receivables - related parties	408	594	6,529	7,657
Prepaid guarantee fee - related party				
Related company (shareholder of subsidiary)	45	626	-	-
Total prepaid guarantee fee - related party	45	626	-	-
Trade payables - related party				
Related company (shareholder of the Company)	20	-	-	-
Joint venture	41	655	-	-
Total trade payables - related party	61	655	-	-
Other payables - related parties				
Subsidiary	-	-	157	-
Joint venture	6,071	5,625	-	-
Related company (shareholder of the Company and shareholder of subsidiary)	4,716	4,739	950	2,888
Total other payables - related parties	10,787	10,364	1,107	2,888

(Unaudited but reviewed)

Loans to related parties and loans from related parties

During the nine-month period ended 30 September 2024, movements of loans to and loan from between the Group and related parties were as follows.

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	30 September
Related by		2023	the period	the period	2024
Short-term loans to related parties					
Petro-Instruments Corp., Ltd.	Shareholder of the Company	56,500	-	(6,000)	50,500
Brain Wake Co., Ltd.	Related by director	5,000	-	(5,000)	-
Total		61,500	-	(11,000)	50,500
Short-term loans from related parties					
Asset Pro Group Co., Ltd.	Shareholder of subsidiary	94,000	-	-	94,000
Related party	Related by director	-	10,000	(10,000)	-
Total		94,000	10,000	(10,000)	94,000

Short-term loans from related party are unsecured loans and carry interest at a rate of 8.50 percent per annum. These loans are due for repayment by September 2024 and during the current period, the Company had fully paid principal and interest.

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	30 September
Related by		2023	the period	the period	2024
Short-term loans to related parties					
Pure Biodiesel Co., Ltd.	Subsidiary	319,188	-	-	319,188
Pure Thai Energy Co., Ltd.	Subsidiary	-	90,000	(90,000)	-
Onward Venture Co., Ltd.	Subsidiary	20,000	8,000	(28,000)	-
Sammakorn Plc.	Subsidiary	265,000	133,000	(140,000)	258,000
Petro-Instruments Corp., Ltd.	Shareholder of the Company	56,500	-	(6,000)	50,500
Total		660,688	231,000	(264,000)	627,688
Less: Allowance for expected credit losses		(319,188)	-	-	(319,188)
Net		341,500	231,000	(264,000)	308,500
Long-term loan to related party					
Onward Venture Co., Ltd.	Subsidiary	-	26,000	-	26,000
Total		-	26,000	-	26,000

(Unaudited but reviewed)

During the current period, the Company reclassified loans of Baht 25 million to Onward Venture Co., Ltd. as long-term loans since the Company will not call the loans within 1 year.

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2024 and 2023, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Short-term employee benefits	7,798	7,419	2,396	2,206
Post-employment benefits	580	503	229	202
Total	<u>8,378</u>	<u>7,922</u>	<u>2,625</u>	<u>2,408</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Short-term employee benefits	26,668	25,689	9,294	7,245
Post-employment benefits	1,739	1,458	687	604
Total	<u>28,407</u>	<u>27,147</u>	<u>9,981</u>	<u>7,849</u>

Guarantee obligation with related parties

The Group has outstanding guarantee obligation with its related parties, as described in the condensed Note 13.2 to the interim financial statements.

4. Project development costs

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	30 September 2024	31 December 2023
Developed land and construction	48,876	48,876
Land and construction under development	4,577,531	4,602,053
Total	<u>4,626,407</u>	<u>4,650,929</u>

(Unaudited but reviewed)

During the nine-month periods ended 30 September 2024 and 2023, the Group capitalised borrowing costs in the cost of land and construction under development amounting to Baht 66 million (2023: Baht 63 million). The capitalisation rates of interest are based on the borrowing costs of the specific loans, as described in the condensed Note 9 and 10 to the interim financial statements.

The subsidiaries have mortgaged their land and constructions thereon in the projects with a book value as at 30 September 2024 of approximately Baht 4,196 million (31 December 2023: Baht 4,203 million), as collateral to secure bank overdrafts and credit facilities obtained from financial institutions.

5. Other financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Debt instruments at amortised cost				
Deposit in fixed-term bank account - maturing within 1 year	-	30,000	-	-
Total	-	30,000	-	-
Financial assets measured at FVTPL				
Investment units in mutual funds	207,160	28,103	7,008	28,103
Total	207,160	28,103	7,008	28,103
Investments in equity instruments measured at FVOCI				
Investment in REIT - ALLY Leasehold Real Estate Investment Trust	110,501	110,501	-	-
Less: Decrease in the par value of the trust units	(4,374)	(4,374)	-	-
Loss on investment designated at fair value	(43,395)	(31,884)	-	-
	62,732	74,243	-	-
Investment in equity instrument of non-listed companies Brain Wake Co., Ltd.	20,493	20,493	-	-
Total	20,493	20,493	-	-
Total other financial assets	290,385	152,839	7,008	28,103
Other financial assets				
Current	207,160	58,103	7,008	28,103
Non-current	83,225	94,736	-	-
	290,385	152,839	7,008	28,103

(Unaudited but reviewed)

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received for the three-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	2024	2023	2024	2023
			(%)	(%)						
Pure Biodiesel Co., Ltd. *	280,000	280,000	100	100	279,999	279,999	-	-	-	-
Pure Thai Energy Co., Ltd.	140,000	140,000	100	100	140,000	140,000	-	-	28,000	21,000
RPC Management Co., Ltd. *	-	125	-	100	-	581	-	-	-	-
Onward Venture Co., Ltd. **	20,000	15,000	90	80	17,517	12,000	-	-	-	-
Sammakorn Plc.	641,800	641,800	48	48	785,802	785,802	-	-	9,291	30,970
Total					1,223,318	1,218,382	-	-	37,291	51,970
Less: Allowance for impairment					(127,365)	(122,168)				
Investments in subsidiaries - net					1,095,953	1,096,214				

* Business suspended.

** Business has not yet commenced its operation.

During the current period, the Company recorded an increase in the allowance for impairment of investments in subsidiaries amounting to Baht 5.6 million (2023: Baht 5.2 million).

In the second quarter of 2024, Sammakorn Plc. paid a dividend of Baht 0.03 per share, a total of Baht 19.3 million of which Baht 9.3 million and Baht 10.0 million were paid to the Company and non-controlling interests, respectively.

In the second quarter of 2023, Sammakorn Plc. paid a dividend of Baht 0.10 per share, a total of Baht 64.2 million of which Baht 31.0 million and Baht 33.2 million were paid to the Company and non-controlling interests, respectively.

The changes of the classification of investment in associate to investment in subsidiary

In 2023, the Company changed the classification of investment in Sammakorn Plc. from an associate company to a subsidiary since the Company had de facto control over such company as discussed in the Note 2.2 to the consolidated financial statements for the year 2023. The Company therefore included the financial statements of Sammakorn Plc. and its subsidiaries in the preparation of the consolidated financial statements from the date on which the Company obtained control over the subsidiary.

Changes in investments in subsidiaries during the current period

Onward Venture Co., Ltd.

On 28 February 2023, the Extraordinary General Meeting of the Shareholders of Onward Venture Co., Ltd. passed a resolution approving the increase in registered share capital from Baht 10 million (100,000 ordinary shares at a par value of Baht 100 each) to Baht 20 million (200,000 ordinary shares at a par value of Baht 100 each) and called up the share payment 50% of the registered share capital increased, amounting to Baht 4 million. The Company made the share payment on 3 March 2023 and Onward Venture Co., Ltd. registered the share capital increase with the Ministry of Commerce on 10 March 2023.

Later, on 27 February 2024, the Board of Directors Meeting of Onward Venture Co., Ltd. passed a resolution approving the call for the share payment 50% of the registered share capital increased, amounting to Baht 4 million. The Company made the share payment on 25 March 2024.

On 14 May 2024, the Board of Directors Meeting of Company passed a resolution approving the repurchase of 20,000 shares in Onward Venture Co., Ltd. from partner at a price of Baht 75.88 each, totaling Baht 1,517,600, resulting in the increase in the Company's shareholding percentage from 80% to 90%. The Company made the share payment on 4 June 2024.

Sammakorn-JV2 Co., Ltd. (held by Sammakorn Plc.)

On 20 February 2024, the Extraordinary General Meeting of the Shareholders of Sammakorn-JV2 Co., Ltd. approved an increase in the registered share capital from Baht 100 million to Baht 150 million, by issuing additional 500,000 ordinary shares with a par value of Baht 100 each. Sammakorn Plc. paid the above additional share capital in the amount of Baht 50 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 8 March 2024.

Sammakorn-JV4 Co., Ltd. (held by Sammakorn Plc.)

On 6 August 2024, the Extraordinary General Meeting of the Shareholders of Sammakorn-JV4 Co., Ltd. approved an increase in the registered share capital from Baht 1 million to Baht 30 million, by issuing additional 290,000 ordinary shares with a par value of Baht 100 each. Sammakorn Plc. paid the above additional share capital in the amount of Baht 29 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 23 August 2024.

(Unaudited but reviewed)

7. Land held for development

Movements of the land held for development for the nine-month period ended 30 September 2024 are summarised as follows.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Net book value as at 1 January 2024	197,636
Transfer to project development costs	(73,003)
Net book value as at 30 September 2024	<u><u>124,633</u></u>

The subsidiary has mortgaged land held for development with the net book value as at 30 September 2024 amounting to Baht 104 million (31 December 2023: nil) as collateral against short-term loans from unrelated parties.

8. Investment properties

Movements of the investment properties for the nine-month period ended 30 September 2024 are summarised as follows.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2024	1,192,264	161,213
Increase during the period	2,485	-
Transfer to property, plant and equipment	(283)	-
Depreciation for the period	(21,019)	(544)
Net book value as at 30 September 2024	<u><u>1,173,447</u></u>	<u><u>160,669</u></u>

The subsidiaries have mortgaged their investment properties with a net book value of approximately Baht 268 million as at 30 September 2024 (31 December 2023: Baht 183 million), as collateral against bank overdraft facilities, short-term and long-term loans which the subsidiaries obtained from financial institutions.

9. Short-term loans from unrelated parties

As at 30 September 2024, the Group has short-term loans from unrelated parties carrying interest rate of 1.0 - 12.0 percent per annum. They are due for payment within March to April 2025. The short-term loan amounting to Baht 200 million was secured by the mortgage of land held for development (31 December 2023: 1.0 percent per annum and are due for payment within December 2024).

(Unaudited but reviewed)

10. Long-term loans

The balances of long-term loans account as at 30 September 2024 and 31 December 2023 are summarised as follows.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>	
	30 September 2024	31 December 2023
Long-term loans	1,480,032	1,712,084
Less: Current portion of long-term loans	(707,690)	(1,229,006)
Long-term loans - net of current portion	<u>772,342</u>	<u>483,078</u>

Movements of the long-term loans account during the nine-month period ended 30 September 2024 are summarised as follows.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>
Balance as at 1 January 2024	1,712,084
Add: Additional borrowings	401,011
Less: Amortisation of financial fees	(138)
Repayment	(632,925)
Balance as at 30 September 2024	<u>1,480,032</u>

Most of long-term loans carried interest at MLR minus certain rate, as stipulated in the agreements. The loans principal and their interest are to be paid in monthly basis or when the Company releases mortgaged the Company's land and construction to its customers. Full settlement of these loans is to be made within 2024 - 2028.

The subsidiaries have mortgaged its investment properties, and land and construction in its projects and secured by the pledge of their land leasehold rights as collateral for their long-term loans.

The majority of loan agreements of the subsidiaries contain covenants such as maintaining certain debt-to-equity ratio.

As at 30 September 2024, long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 1,460 million (31 December 2023: Baht 1,756 million).

(Unaudited but reviewed)

11. Segment information

The Group is organised into business units based on its 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 revenues and profit (loss) information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2024 and 2023.

(Unit: Million Baht)

	For the three-month periods ended 30 September												Consolidated financial statements	
	Energy segment		Real estate development segment		Rental segment		Service segment		Restaurant and bakery segment		Elimination of intersegment revenues			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
Revenues from external customers	1,715	2,018	284	428	22	28	39	26	13	4	-	-	2,073	2,504
Inter-segment revenues	-	-	-	-	12	9	6	6	-	-	(18)	(15)	-	-
Total revenues	<u>1,715</u>	<u>2,018</u>	<u>284</u>	<u>428</u>	<u>34</u>	<u>37</u>	<u>45</u>	<u>32</u>	<u>13</u>	<u>4</u>	<u>(18)</u>	<u>(15)</u>	<u>2,073</u>	<u>2,504</u>
Segment profit (loss)	87	101	64	108	15	19	9	(4)	(1)	(2)			174	222
Unallocated income and expenses														
Dividend income													2	2
Other income													4	5
Selling and distribution expenses													(61)	(74)
Administrative expenses													(137)	(131)
Loss on impairment of buildings and equipment (reversal)													16	(2)
Share of loss from investments in joint venture and associate													(1)	-
Finance income													1	1
Finance cost													(19)	(12)
Income tax expense													-	(5)
Profit (loss) for the period													<u>(21)</u>	<u>6</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Energy segment		Real estate development segment		Rental segment		Service segment		Restaurant and bakery segment		Elimination of intersegment revenues		Consolidated financial statements	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues from external customers	5,721	6,350	1,010	1,234	62	88	111	75	27	15	-	-	6,931	7,762
Inter-segment revenues	-	-	-	-	35	23	17	13	-	-	(52)	(36)	-	-
Total revenues	<u>5,721</u>	<u>6,350</u>	<u>1,010</u>	<u>1,234</u>	<u>97</u>	<u>111</u>	<u>128</u>	<u>88</u>	<u>27</u>	<u>15</u>	<u>(52)</u>	<u>(36)</u>	<u>6,931</u>	<u>7,762</u>
Segment profit (loss)	283	325	252	310	41	63	21	(9)	(6)	(4)			591	685
Unallocated income and expenses														
Dividend income													5	6
Other income													23	21
Selling and distribution expenses													(204)	(221)
Administrative expenses													(388)	(378)
Loss on impairment of buildings and equipment (reversal)													13	(5)
Share of profit (loss) from investments in joint venture and associate													(1)	1
Finance income													5	3
Finance cost													(53)	(37)
Income tax expense													(11)	(23)
Profit (loss) for the period													<u>(20)</u>	<u>52</u>

(Unaudited but reviewed)

12. Dividend

Dividend declared during the nine-month period ended 30 September 2024 consisted of the follow:

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividend</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)
Final dividend for 2023	Annual General Meeting of the Company's shareholders on 23 April 2024	<u>52,186</u>	<u>0.04</u>
		<u>52,186</u>	<u>0.04</u>

During the nine-month period ended 30 September 2023, the Company has not declared a dividend payment.

13. Commitments and contingent liabilities

13.1 Capital commitments and lease commitments

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital commitments				
Constructions of gas stations agreements	6	7	-	-
Survey, design and construction agreements	182	168	-	-
Land purchase and sale agreement	-	13	-	-
Computer software development agreements	13	5	-	-
Lease commitments				
Short-term lease and lease of low-value assets	7	13	-	-

13.2 Guarantees

a) As at 30 September 2024 and 31 December 2023, the outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business were summarised as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Letter of trade creditor guarantee	280	180	-	-
Letter of electricity use guarantee	4	5	-	-
Guarantee utility system	613	624	-	-

(Unaudited but reviewed)

- b) As at 30 September 2024 and 31 December 2023, Pure Thai Energy Company Limited had an agreement with its subsidiary to guarantee bank credit facility of its subsidiary totaling Baht 10 million. The guarantee is effective as long as the underlying obligations have not been discharged by the subsidiary. No guarantee fee was charged for the guarantee.
- c) As at 30 September 2024, Sammakorn Plc. had an agreement with its subsidiary to guarantee bank credit facility of its subsidiary totaling Baht 2,051 million (31 December 2023: Baht 1,981 million). The guarantee is effective as long as the underlying obligations have not been discharged by the subsidiary.
- d) As at 30 September 2024, the Company had an agreement with its subsidiary to guarantee the subsidiary's obligations under a cooperation agreement with another company for the operation of the retail fuel business under the Caltex brand, amounting to Baht 1,094 million.

13.3 Long-term purchase commitments

As at 31 December 2023, Pure Thai Energy Company Limited (the subsidiary) had gasoline trading agreements with Esso (Thailand) Public Company Limited and was granted the right to use the “Esso” trademark at 79 gasoline stations for at least 10 years from the date that each station is opened under the “Esso” trademark. The subsidiary continues to be the operator of these gasoline stations. Under the agreements, the subsidiary has to order fuel in quantities and at prices as specified in the agreements throughout the contractual period.

In 2023, Esso (Thailand) Public Company Limited changed its name to “Bangchak Sriracha Public Company Limited”, resulting in gasoline stations changing the trademark to “Bangchak”.

On 9 July 2024, the subsidiary submitted a notice informing the termination of such gasoline trading and trademark agreement leading to a lawsuit filed by the contracting company against the subsidiary, as described in the condensed Note 13.7 to the interim financial statements.

On 10 July 2024, Pure Energy Thai Co., Ltd. (the subsidiary) entered into a agreement with Star Fuels Marketing Company Limited to purchase and sell fuel and use the “Caltex” trademark for 78 gasoline stations operated by the subsidiary. The agreement was effective for a minimum of 15 years commencing from 2 September 2024, onwards. Under this agreement, the subsidiary is the operator of these gasoline stations and is contractually obligated to purchase fuel in specified quantities and at prices as stipulated in the agreement throughout the contractual period.

13.4 Service commitments

As at 30 September 2024, the Group had several service agreements related to cleaning services, security services, advertising, office rental, management and commission expenses. The terms of the agreements are generally between 1 and 5 years.

Future minimum payments required under these service agreements were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Within 1 year	46	26	1	-
Over 1 and up to 5 years	7	4	-	-

13.5 Commitment in relation to investment in subsidiary

As at 31 December 2023, the Company had a commitment relating to the uncalled portion of investment in subsidiary in the amount of Baht 4 million (30 September 2024: nil).

13.6 Other commitments

- a) There were 11 houses which the subsidiary had sold in 2006 for which the home buyers had obtained mortgage loans from a commercial bank to fund their purchases. Since the houses are located outside the area covered by a land development license, the bank requires that the subsidiary provided it with undertakings to buy the houses back from the home buyers in the event they default on payment of their debts or their access is blocked. The buyback price is the higher of the market value of the house and the home buyer's outstanding debt to the bank. As at 30 September 2024 and 31 December 2023, the home buyers' outstanding debts totaled Baht 4.0 million.
- b) A subsidiary may have a commitment derived from being one of defendants in a lawsuit. The subsidiary's legal advisor and management believed that the subsidiary will not incur any losses arising from this litigation; therefore, no provision for contingent liabilities has been recorded in the account.

13.7 Contingent liabilities arising from litigation

On 31 August 2023, Bangchak Sri Racha Co., Ltd. (Public) [formerly Esso (Thailand) Public Company Limited] (the contracting company) changed its major shareholder structure, leading to a change in the agreed-upon trademark from 'ESSO' to 'Bangchak' with Pure Energy Thai Co., Ltd. (the subsidiary). Subsequently, the subsidiary issued a notice of the contractual termination to the contracting company on 9 July 2024, affirming its right of termination as specified in the business cooperation agreement, which specifies that the subsidiary was not liable for any default amount and/or obligations specified in the agreement. However, the contracting company rejected the notice on 11 July 2024, arguing that the subsidiary had no authority to terminate the agreement under the circumstances as mentioned.

Subsequently, on 20 August 2024, the contracting company filed a lawsuit against the subsidiary seeking damages of Baht 1,756.4 million, plus interest at a rate of 15 percent per annum. The lawsuit was based on allegations of breach of the business cooperation agreement, asserting that the subsidiary wrongfully terminated the agreement.

The case is currently under consideration of the Central Intellectual Property and International Trade Court. Based on advice from legal counsel and attorneys, the management were of the opinion that the outcome of the lawsuit remains uncertain, depending on future judicial rulings. Therefore, as at 30 September 2024, the Company has not recorded provision for potential liabilities arising from the litigation in the financial statements.

14. Financial instruments

Fair value of financial instrument

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.

(Unaudited but reviewed)

Fair value hierarchy

As at 30 September 2024 and 31 December 2023, the Group had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	As at 30 September 2024			As at 31 December 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets measured at fair value						
Financial assets measured at FVTPL						
- Investment in investment units in mutual funds	207	-	207	28	-	28
Financial assets measured at FVOCI						
- Investment in REIT	63	-	63	74	-	74
- Investment in equity instrument of non-listed companies	-	20	20	-	20	20
Property, plant and equipment	513	-	513	518	-	518

(Unit: Million Baht)

	Separate financial statements					
	As at 30 September 2024			As at 31 December 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets measured at fair value						
Financial assets measured at FVTPL						
- Investment in investment units in mutual funds	7	-	7	28	-	28
Property, plant and equipment	362	-	362	362	-	362

During the current period, there were no transfers between the levels of the fair value hierarchy.

15. Event after the reporting period

On 11 October 2024, the Board of Directors' Meeting of SCT Sahapan Co., Ltd. (the subsidiary) passed resolution approving a loan of Baht 70 million granted to a third party, carrying interest at a rate of 15 percent per annum, with nine land plots and structures thereon pledged as collateral. The loan repayment is scheduled for October 2025.

16. Approval of interim financial statements

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