|  |
| --- |
| **1 General information** |

PROEN Corp Public Company Limited (the “Company”) is a public limited company. The company has been listed on the Market for Alternative Investment (MAI). The address of the Company’s registered office is as follows:

72 CAT Telecom Tower 4th,18th Fl., Charoen Krung Rd., Bangrak Sub-district, Bangrak District, Bangkok.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

The Group is principally engaged in the business of IT equipment distributor, providing internet data center services and related services, providing internet security services and construction.

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on   
12 November 2021.

This interim consolidated and separate financial information have been reviewed, not audited.

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| **2 Significant events during the current period** |

Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has adverse effects on operating results for the year ended 31 December 2020. Management is therefore focusing on measures to mitigate the effects of the COVID-19 outbreak in order to enable the business to operate normally. Management has assessed the risks that may arise along with managing employees and customers base with consideration of future performance. In addition, the group also has a credit line that can be disbursed. Therefore, the impact of the Coronavirus 2019 outbreak does not have a significant impact on the group.

The Initial Public Offering (IPO)

During 21 - 23 April 2021, the Company initial public offered its ordinary shares of 86,000,000 with a par value of Baht 0.50 per share. The offering price of these shares was Baht 3.25 per share, totaling Baht 279,500,000. The Company’s ordinary shares are traded in the Market for Alternative Investment (mai) on 29 April 2021.

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| **3 Basis of preparation** |

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

An English version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

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| **4 Accounting policies** |

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after   
1 January 2021 do not have material impact on the Group.

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| **5 Estimates** |

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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| **6 Fair value** |

Fair values and carrying amounts of financial assets and liabilities by category with the carrying amount approximates fair value due to short-term nature of financial assets and financial liabilities, their carrying amount are considered to be the same as their fair value except the long term loans from financial institutions that have the fair value according to disclosure in Note 14 and financial assets measured at fair value through profit or loss is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and Separate**  **financial information** | |
|  | **30 September**  **2021**  **Baht** | **31 December**  **2020**  **Baht** |
| Level 1 |  |  |
| Assets |  |  |
| Financial assets measured at fair value through profit or loss |  |  |
| Fixed Income Fund | 149,365,915 | - |
|  |  |  |
| Total | 149,365,915 | - |

|  |
| --- |
| **7 Segment and revenue information** |

The Group’s management has determined segment information in respect of the Group’s business and geographic segments in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief executive that makes strategic decision principally based on gross revenue and gross profit.

**Geographic segment**

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment. The chief operating decision maker use the report in a manner consistent with consolidated financial information.

**Business segment**

The Group has three segments report which are comprised of IT equipment distribution, internet data center services and related services and construction.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **For the nine-month period ended 30 September 2021** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | |
|  |  |  |  |  | |
| Revenue |  |  |  |  | |
| Gross segment revenues | 401,360,815 | 240,716,305 | 59,293,554 | 701,370,674 | |
| Revenue from inter - segment | (106,733) | (8,174,324) | - | (8,281,057) | |
|  |  |  |  |  | |
| Net revenue | 401,254,082 | 232,541,981 | 59,293,554 | 693,089,617 | |
|  |  |  |  |  | |
| Segment results | 29,007,286 | 67,789,101 | 3,075,895 | 99,872,282 | |
|  |  |  |  |  | |
| Other income |  |  |  | 2,072,239 | |
| Unallocated costs |  |  |  | (70,714,933) | |
| Finance costs |  |  |  | (7,537,441) | |
|  |  |  |  |  | |
| Profit before income tax |  |  |  | 23,692,147 | |
| Income tax expense |  |  |  | (2,919,147) | |
|  |  |  |  |  | |
| Net profit |  |  |  | 20,773,000 | |
|  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  | |
| At a point in time | 401,254,082 | - | - | 401,254,082 | |
| Over time | - | 232,541,981 | 59,293,554 | 291,835,535 | |
|  |  |  |  |  | |
| Total revenue | 401,254,082 | 232,541,981 | 59,293,554 | 693,089,617 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **For the nine-month period ended 30 September 2020** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | |
|  |  |  |  |  | |
| Revenue |  |  |  |  | |
| Gross segment revenues | 233,435,649 | 207,255,709 | 310,985,561 | 751,676,919 | |
| Revenue from inter - segment | - | (10,205,265) | - | (10,205,265) | |
|  |  |  |  |  | |
| Net revenue | 233,435,649 | 197,050,444 | 310,985,561 | 741,471,654 | |
|  |  |  |  |  | |
| Segment results | 15,386,042 | 67,305,710 | 48,634,099 | 131,325,851 | |
|  |  |  |  |  | |
| Other income |  |  |  | 1,619,668 | |
| Unallocated costs |  |  |  | (85,391,241) | |
| Finance costs |  |  |  | (12,907,894) | |
|  |  |  |  |  | |
| Profit before income tax |  |  |  | 34,646,384 | |
| Income tax expense |  |  |  | (10,387,568) | |
|  |  |  |  |  | |
| Net profit |  |  |  | 24,258,816 | |
|  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  | |
| At a point in time | 233,435,649 |  |  | 233,435,649 | |
| Over time | - | 197,050,444 | 310,985,561 | 508,036,005 | |
|  |  |  |  |  | |
| Total revenue | 233,435,649 | 197,050,444 | 310,985,561 | 741,471,654 | |

**Information about major customers**

The details of major customers can be analysed by segment as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **For the nine-month period ended** |  |  |  |  |
| **30 September 2021** |  |  |  |  |
|  |  |  |  |  |
| Major customer 1 | 333,220,077 | 90,924,859 | - | 424,144,936 |
| Major customer 2 | - | - | 46,115,450 | 46,115,450 |
|  |  |  |  |  |
| **For the nine-month period ended** |  |  |  |  |
| **30 September 2020** |  |  |  |  |
|  |  |  |  |  |
| Major customer 1 | 219,177,487 | 82,862,543 | - | 302,040,030 |
| Major customer 2 | - | - | 306,993,543 | 306,993,543 |
| Major customer 3 | - | - | 3,532,273 | 3,532,273 |

|  |
| --- |
| **8 Financial assets measured at fair value** |

Movements of short-term investments for 9 period ended 30 September 2021 is as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate**  **financial information** |
|  | **Financial assets measured at**  **fair value through profit or loss** |
|  |  |
|  |  |
| **Opening net book value** | - |
| Addition | 150,000,000 |
| Change in fair value | (634,085) |
|  |  |
| **Closing net book value** | 149,365,915 |

At 30 September 2021, Fixed Income Fund measured at fair value by Net Asset Value (NAV) which annouced by the financial institution.

|  |
| --- |
| **9 Trade and other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade receivables** |  |  |  |  |
| Trade receivables - third parties | 217,802,963 | 78,929,322 | 198,832,168 | 74,458,659 |
| Trade receivables - related parties (Note 21) | - | 5,350 | 4,343,103 | 3,729,790 |
|  |  |  |  |  |
| Total trade receivables | 217,802,963 | 78,934,672 | 203,175,271 | 78,188,449 |
|  |  |  |  |  |
| Less Impairment loss on trade receivables | (36,422,774) | (23,932,969) | (28,289,033) | (23,380,379) |
|  |  |  |  |  |
| Trade receivables, net | 181,380,189 | 55,001,703 | 174,886,238 | 54,808,070 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Unbilled contract revenue | 61,023,808 | 95,020,681 | 59,151,262 | 68,433,000 |
| Unbilled other service revenue | 35,397,603 | 6,753,027 | 41,251,727 | 10,095,400 |
| Retention receivable from |  |  |  |  |
| construction contract | 31,522,160 | 40,729,866 | 25,572,602 | 36,043,618 |
| Advance payment for construction contract | 83,289,155 | 76,628,048 | 67,706,260 | 60,074,618 |
| Advance payment for goods and services | 8,574,212 | 18,843,689 | 8,516,747 | 18,802,756 |
| Prepayments | 13,913,568 | 11,719,514 | 13,174,418 | 11,285,304 |
| Accrued interest income | 27,850 | 62,666 | 4,357,765 | 6,034,883 |
| Other receivables | 1,097,172 | 7,614,552 | - | 6,562,063 |
| Advance payment | 130,716 | 137,563 | 80,716 | 87,563 |
|  |  |  |  |  |
| Total other receivables | 234,976,244 | 257,509,606 | 219,811,497 | 217,419,205 |
|  |  |  |  |  |
| Less Impairment loss on other receivables | (1,862,191) | (14,680,479) | - | - |
|  |  |  |  |  |
| Other receivables, net | 233,114,053 | 242,829,127 | 219,811,497 | 217,419,205 |
|  |  |  |  |  |
| Total trade and other receivables, net | 414,494,242 | 297,830,830 | 394,697,735 | 272,227,275 |

Outstanding trade accounts receivable can be analysed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current | 151,948,082 | 39,301,360 | 152,963,614 | 40,342,444 |
| Up to 3 months | 14,706,308 | 12,715,323 | 14,553,728 | 11,695,034 |
| 3 - 6 months | 2,226,914 | 2,799,969 | 2,451,162 | 2,585,541 |
| 6 - 12 months | 22,849,507 | 2,375,692 | 7,687,205 | 2,375,692 |
| Over 12 months | 26,072,152 | 21,742,328 | 25,519,562 | 21,189,738 |
|  |  |  |  |  |
| Total trade account receivables | 217,802,963 | 78,934,672 | 203,175,271 | 78,188,449 |
| Less Impairment loss on trade receivables | (36,422,774) | (23,932,969) | (28,289,033) | (23,380,379) |
|  |  |  |  |  |
| Trade receivables, net | 181,380,189 | 55,001,703 | 174,886,238 | 54,808,070 |

|  |
| --- |
| **10 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw material | 160,295 | 105,695 | - | - |
| Work in process | 5,224,187 | 18,622,009 | 5,224,187 | 18,622,009 |
| Finished goods | 5,413,371 | 1,795,294 | 5,413,371 | 1,795,294 |
|  |  |  |  |  |
| Total inventories | 10,797,853 | 20,522,998 | 10,637,558 | 20,417,303 |
| Less Allowance for diminution |  |  |  |  |
| in value of inventories | (84,781) | (110,102) | (84,781) | (110,102) |
|  |  |  |  |  |
| Inventories, net | 10,713,072 | 20,412,896 | 10,552,777 | 20,307,201 |

|  |
| --- |
| **11 Investments in subsidiaries** |

The movements of investments insubsidiaries can be analysed as follows:

|  |  |
| --- | --- |
|  | **Separate**  **financial information** |
|  | **Baht** |
|  |  |
| **For the nine-month period ended 30 September 2021** |  |
| Opening balance | 11,999,600 |
| Addition | - |
|  |  |
| Closing balance | 11,999,600 |

At 30 September 2021, the subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group. In addition, the Group has interest in a joint operation.

The detail of investments in subsidiaries are as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | | **Issued and paid-up** | | **Proportion of shares** | | **Investment in** | |
|  |  |  | **Registered share capital** | | **share capital** | | **held by parent** | | **cost method** | |
|  |  |  | **30 September** | **31 December** | **30 September** | **31 December** | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **Country of** | **Nature of** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| **Name** | **incorporation** | **business** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| Secure Network Operation Center  Company Limited | Thailand | Provide internet  securities services | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 100 | 100 | 1,999,800 | 1,999,800 |
|  |  |  |  |  |  |  |  |  |  |  |
| Proen Telebiz Company Limited | Thailand | Construction | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 100 | 100 | 9,999,800 | 9,999,800 |
|  |  |  |  |  |  |  |  |  |  |  |
| Joint Venture - Proen Fit | Thailand | Provide internet services | - | - | - | - | 97 | 97 | - | - |

|  |
| --- |
| **12 Property, plant, equipment and intangible assets** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Property, plant and equipment**  **Baht** | **Intangible assets**  **Baht** | **Property, plant and equipment**  **Baht** | **Intangible assets**  **Baht** |
|  |  |  |  |  |
| **For the nine-month period ended** |  |  |  |  |
| **30 September 2021** |  |  |  |  |
| Opening net book amount | 136,042,162 | 3,617,881 | 134,274,109 | 3,581,687 |
| Additions | 22,328,391 | 90,190 | 22,328,391 | 90,190 |
| Disposals | (285,776) | - | (285,776) | - |
| Depreciation/amortization | (17,176,319) | (838,759) | (16,493,173) | (815,541) |
|  |  |  |  |  |
| Closing net book amount | 140,908,458 | 2,869,312 | 139,823,551 | 2,856,336 |

At 30 September 2021, the land and buildings at net book value of Baht 24.47 million (31 December 2020: Baht 25.85 million) in the consolidated and separate financial statements are mortgaged as collateral for long-term borrowings from financial institutions (Note 14).

|  |
| --- |
| **13 Right-of-use assets** |

Movements of right-of-use assets for the nine-month period ended 30 September 2021 are as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate financial information** |
|  | **Right-of-use** |
|  | **Baht** |
|  |  |
| Opening net book value | 11,954,012 |
| Addition | 960,655 |
| Amortisation | (6,226,700) |
|  |  |
| Closing net book value | 6,687,967 |

|  |
| --- |
| **14 Borrowings** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Current** |  |  |  |  |
| Bank overdrafts | 9,202,927 | 12,723,324 | 6,209,915 | 10,850,887 |
| Short-term borrowings from financial institutions | 25,000,000 | 78,151,715 | 25,000,000 | 78,151,715 |
| Current portion of long-term borrowings |  |  |  |  |
| from financial institutions | 19,141,575 | 17,927,421 | 18,460,777 | 17,927,421 |
|  |  |  |  |  |
| Total current borrowings | 53,344,502 | 108,802,460 | 49,670,692 | 106,930,023 |
|  |  |  |  |  |
| **Non-current** |  |  |  |  |
| Long-term borrowings from financial institutions | 44,875,134 | 59,340,348 | 40,155,932 | 53,940,348 |
|  |  |  |  |  |
| Total non-current borrowings | 44,875,134 | 59,340,348 | 40,155,932 | 53,940,348 |
|  |  |  |  |  |
| **Total borrowings** | 98,219,636 | 168,142,808 | 89,826,624 | 160,870,371 |

The borrowings are secured by saving deposits and fixed deposits, the Company’s land and properties (Note 12),   
the director’s land and properties, and also secured by the Company’s director, a subsidiary’s director, subsidiary and Thai Credit Guarantee Corporation.

The movements in long-term borrowings are analysed as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Baht** | **Baht** |
| **For the nine-month period ended 30 September 2021** |  |  |
| Opening balance | 77,267,769 | 71,867,769 |
| Repayment | (13,420,900) | (13,420,900) |
| Amortisation of front end fee | 169,840 | 169,840 |
|  |  |  |
| Closing balance | 64,016,709 | 58,616,709 |

The carrying amounts and fair values of certain long-term borrowings are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated statements** | | | |
|  | **Carrying amounts** | | **Fair values** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 64,016,709 | 77,267,769 | 62,779,833 | 77,982,912 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  | **Carrying amounts** | | **Fair values** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 58,616,709 | 71,867,769 | 57,727,417 | 72,523,583 |

The fair value are based on future cash flow according to loan contract using a discount rate based upon the borrowing rate which the company expect to pay as date of statement of financial position and are within level 2 of the fair value hierarchy.

At 30 September 2021, the Company has the terms and conditions as specified in the long-term loans agreements to maintain financial ratio.

|  |
| --- |
| **15 Lease liabilities** |

The movement of lease liabilities for the nine-month period ended 30 September 2021 can be analysed as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial information** | | |
|  | **Lease payables** | **Deferred interest** | **Lease liabilities** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Opening net book | 52,559,655 | (4,844,851) | 47,714,804 |
| Cash outflows: |  |  |  |
| Addition | 986,400 | (25,745) | 960,655 |
| Repayment | (19,843,527) | 2,052,901 | (17,790,626) |
|  |  |  |  |
| Closing net book value | 33,702,528 | (2,817,695) | 30,884,833 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial information** | | |
|  | **Lease payables** | **Deferred interest** | **Lease liabilities** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Opening net book | 52,091,655 | (4,821,454) | 47,270,201 |
| Cash outflows: |  |  |  |
| Addition | 986,400 | (25,745) | 960,655 |
| Repayment | (19,519,527) | 2,032,132 | (17,487,395) |
|  |  |  |  |
| Closing net book value | 33,558,528 | (2,815,067) | 30,743,461 |

|  |
| --- |
| **16 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade accounts payable** |  |  |  |  |
| Trade accounts payable - third parties | 170,732,138 | 109,617,180 | 161,696,345 | 99,347,179 |
| Trade accounts payable |  |  |  |  |
| - related parties (Note 21) | - | - | 168,017 | 250,220 |
|  |  |  |  |  |
| Total trade accounts payable | 170,732,138 | 109,617,180 | 161,864,362 | 99,597,399 |
|  |  |  |  |  |
| **Other accounts payable** |  |  |  |  |
| Accrued expense | 17,406,678 | 19,263,039 | 33,256,455 | 29,663,938 |
| Accrued costs of services | 23,556,574 | 9,999,308 | 23,556,574 | 9,999,308 |
| Accrued costs of construction | 54,403,180 | 66,311,561 | 51,872,346 | 63,127,669 |
| Unearned income | 5,779,298 | 34,996,539 | 5,751,798 | 34,914,025 |
| Advance received for services | 5,933,631 | 5,375,534 | 5,933,631 | 5,375,534 |
| Advance received for construction contract | 8,824,359 | 17,914,560 | 8,709,950 | 17,800,151 |
| Retention payable | 3,804,242 | 3,451,370 | - | - |
| Other payables | 1,452,268 | 1,846,803 | 839,566 | 684,219 |
| Interest payable | 305,151 | 209,587 | 102,580 | 116,046 |
|  |  |  |  |  |
| Total other accounts payable | 121,465,381 | 159,368,301 | 130,022,900 | 161,680,890 |
|  |  |  |  |  |
| Total trade and other payables | 292,197,519 | 268,985,481 | 291,887,262 | 261,278,289 |

|  |
| --- |
| **17 Share capital** |

Movements of share capital for nine-month period ended 30 September 2021 are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Authorised** | | **Issued and paid-up** | | **Share** |
|  | **share capital** | | **share capital** | | **premium** |
|  | **Shares** | **Baht** | **Shares** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| At 1 January 2020 | 200,000,000 | 100,000,000 | 200,000,000 | 100,000,000 | - |
| Issue of shares | 116,000,000 | 58,000,000 | 30,000,000 | 15,000,000 | - |
|  |  |  |  |  |  |
| At 30 September 2020 | 316,000,000 | 158,000,000 | 230,000,000 | 115,000,000 | - |
|  |  |  |  |  |  |
| At 1 January 2021 | 316,000,000 | 158,000,000 | 230,000,000 | 115,000,000 | - |
| Issue of shares | - | - | 86,000,000 | 43,000,000 | 228,732,200 |
|  |  |  |  |  |  |
| At 30 September 2021 | 316,000,000 | 158,000,000 | 316,000,000 | 158,000,000 | 228,732,200 |

In April 2021, the Company made an initial public offering of 86,000,000 ordinary shares with a par value of Baht 0.50 per share, offering price of Baht 3.25 per share, totalling Baht 279,500,000. The Company recorded the cost of distribution of shares, net of tax, at the amount of Baht 7,767,800 which deducted in the account of premium on paid-up capital of ordinary shares. The Company’s ordinary shares has started trading on the Market for Alternative Investment (MAI) since 29 April 2021.

|  |
| --- |
| **18 Dividends** |

**2021**

At the Board of Director's meeting on 12 May 2021, the Board of Directors approved the payment of interim dividend from net profit for year ended 31 December 2020 and three-month period ended 31 March 2021 at Baht 0.1 per share, totaling Baht 31.6 million and the dividends were distributed to the shareholders on 11 June 2021.

**2020**

On 14 November 2019, the Board of Director's meeting approved interim dividends payment in respect of retained earnings from period ended 30 September 2019 by cash of Baht 0.10 per share, totalling of Baht 20 million according to the shareholders' registration on 17 November 2019. The dividends of Baht 12.60 million were distributed to the shareholders on 24 December 2019 and the remaining dividends of Baht 7.40 million were distributed to the shareholders in February 2020.

|  |
| --- |
| **19 Legal reserve** |

The movements of legal reserve can be analysed as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate financial information** |
|  | **Baht** |
|  |  |
| **For the nine-month period ended 30 September 2021** |  |
| Opening balance | 7,000,000 |
| Appropriation during the period | 1,060,000 |
|  |  |
| Closing balance | 8,060,000 |

Under the Public Limited Company Act., B.E.2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 % of the registered capital of the Company. The legal reserve is non-distributable.

|  |
| --- |
| **20 Income taxes expense** |

Income tax expense is recognised based on management’s estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period ended   
30 September 2021 is 12.32%, compared to 20%, for the nine months ended 30 September 2020. The tax rate was lower in 2021 due to having additional deductible items from capital expenditure.

|  |
| --- |
| **21 Related party transactions** |

The major shareholders of the Company are Mr. Kittipan Sribuaiam and Wealth Water House Co., Ltd. that own 38.09% and 26.58% of the Company’s shares, respectively. The remaining 35.33% of the shares are widely held.

The significant investments in subsidiaries set out in Note 11.

The following material transactions were carried out with related parties:

1. **Revenue from sales and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods ended** | **30 September**  **2021** | **30 September**  **2020** | **30 September**  **2021** | **30 September**  **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Sales of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 6,506,632 | 6,241,909 |
| Parent company | 22,500 | 24,293 | 22,500 | 24,293 |
|  |  |  |  |  |
|  | 22,500 | 24,293 | 6,529,132 | 6,266,202 |
|  |  |  |  |  |
| **Management fee income** |  |  |  |  |
| Subsidiaries | - | - | 4,058,296 | 3,815,268 |
|  |  |  |  |  |
|  | - | - | 4,058,296 | 3,815,268 |
|  |  |  |  |  |
| **Interest income** |  |  |  |  |
| Subsidiaries | - | - | 3,125,619 | 2,747,556 |
|  |  |  |  |  |
|  | - | - | 3,125,619 | 2,747,556 |

1. **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods ended** | **30 September**  **2021** | **30 September**  **2020** | **30 September**  **2021** | **30 September**  **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Costs of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 6,857,197 | 8,883,444 |
|  |  |  |  |  |
|  | - | - | 6,857,197 | 8,883,444 |
|  |  |  |  |  |
| **Rental expense** |  |  |  |  |
| Director | 78,947 | 78,947 | 78,947 | 78,947 |
|  |  |  |  |  |
|  | 78,947 | 78,947 | 78,947 | 78,947 |

1. **Outstanding balances arising from purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Trade accounts receivable** (Note 9) |  |  |  |  |
| Subsidiaries | - | - | 4,343,103 | 3,724,440 |
| Parent company | - | 5,350 | - | 5,350 |
|  |  |  |  |  |
|  | - | 5,350 | 4,343,103 | 3,729,790 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Subsidiaries | - | - | - | 44,683 |
|  |  |  |  |  |
|  | - | - | - | 44,683 |
|  |  |  |  |  |
| **Accrued income** |  |  |  |  |
| Subsidiaries | - | - | 6,814,324 | 4,214,173 |
| Parent company | 1,250 | - | 1,250 | - |
|  |  |  |  |  |
|  | 1,250 | - | 6,815,574 | 4,214,173 |
|  |  |  |  |  |
| **Prepaid rental** |  |  |  |  |
| Director | 87,719 | 61,404 | 87,719 | 61,404 |
|  |  |  |  |  |
|  | 87,719 | 61,404 | 87,719 | 61,404 |
|  |  |  |  |  |
| **Interest receivable** |  |  |  |  |
| Subsidiaries | - | - | 4,329,915 | 5,972,217 |
|  |  |  |  |  |
|  | - | - | 4,329,915 | 5,972,217 |
|  |  |  |  |  |
| **Trade accounts payable** (Note 16) |  |  |  |  |
| Subsidiaries | - | - | 168,017 | 250,220 |
|  |  |  |  |  |
|  | - | - | 168,017 | 250,220 |
|  |  |  |  |  |
| **Accrued expense** |  |  |  |  |
| Subsidiaries | - | - | 16,631,098 | 11,548,326 |
|  |  |  |  |  |
|  | - | - | 16,631,098 | 11,548,326 |
|  |  |  |  |  |
| **Unearned revenue** |  |  |  |  |
| Subsidiaries | - | - | 17,840 | 8,920 |
| Parent company | - | 1,250 | - | 1,250 |
|  |  |  |  |  |
|  | - | 1,250 | 17,840 | 10,170 |

1. **Short-term loans to subsidiary**

The movements of short-term loans to subsidiary can be analysed as follows:

|  |  |
| --- | --- |
|  | **Separate**  **financial information** |
|  | **Baht** |
|  |  |
| **For the nine-month period ended 30 September 2021** |  |
| Opening balance | 62,477,572 |
| Additions during the period | 16,110,000 |
| Repayment during the period | (26,530,369) |
|  |  |
| Closing balance | 52,057,203 |

Short-term loans to subsidiary were given on commercial terms and conditions. The related interest income was Baht of 3,125,619 in the separate financial information. The short-term loans to subsidiary bear interest rate at 8.00% per annum and due for repayment in October to December 2021.

1. **Key management compensation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods ended** | **30 September**  **2021** | **30 September**  **2020** | **30 September**  **2021** | **30 September**  **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 12,878,131 | 10,649,289 | 12,878,131 | 10,649,289 |
| Post-employee benefits | 1,667,227 | 2,094,959 | 1,667,227 | 2,094,959 |
|  |  |  |  |  |
|  | 14,545,358 | 12,744,248 | 14,545,358 | 12,744,248 |

|  |
| --- |
| **22 Commitments and contingencies** |

1. **Guarantees**

At 30 September 2021, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million and letter guarantees facilities of subsidiary Baht of 16.51 million.

1. **Bank guarantees**

At 30 September 2021, the Group has outstanding bank guarantees as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September**  **2021** | **31 December**  **2020** | **30 September**  **2021** | **31 December**  **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank guarantee | 205,094,967 | 173,055,221 | 188,586,525 | 156,399,629 |