|  |
| --- |
| **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 May 2022.

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

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

**Debenture offering**

On 4 February 2022, the Board of Directors meeting No.1/2022 approved the offering of debenture totalling Baht 500 million. On 30 March 2022, the Company issued debenture of Baht 500 million with a fixed interest rate of 6.5% per annum and will be redeemed on 30 March 2024.

|  |
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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 2021.

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** |

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2021.

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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 for the long term loans from financial institutions and debenture that have the fair value according to disclosure in Note 14 and financial assets measured at fair value through profit or loss are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and Separate**  **financial information** | |
|  | **31 March**  **2022**  **Baht** | **31 December**  **2021**  **Baht** |
| Level 1 |  |  |
| Assets |  |  |
| Financial assets measured at fair value through profit or loss |  |  |
| Fixed Income Fund | 148,852,127 | 149,572,705 |
|  |  |  |
| Total | 148,852,127 | 149,572,705 |

|  |
| --- |
| **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 three-month period ended 31 March 2022** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | |
| Revenue |  |  |  |  | |
| Gross segment revenues | 212,462,222 | 70,806,158 | 227,896,274 | 511,164,654 | |
| Revenue from inter - segment | - | (2,846,767) | - | (2,846,767) | |
|  |  |  |  |  | |
| Net revenue | 212,462,222 | 67,959,391 | 227,896,274 | 508,317,887 | |
|  |  |  |  |  | |
| Segment results | 12,142,507 | 16,007,232 | 22,152,929 | 50,302,668 | |
|  |  |  |  |  | |
| Other income |  |  |  | 275,886 | |
| Unallocated costs |  |  |  | (28,842,684) | |
| Finance costs |  |  |  | (2,787,700) | |
|  |  |  |  |  | |
| Profit before income tax |  |  |  | 18,948,170 | |
| Income tax expense |  |  |  | (4,404,888) | |
|  |  |  |  |  | |
| Net profit |  |  |  | 14,543,282 | |
|  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  | |
| At a point in time | 212,462,222 | - | - | 212,462,222 | |
| Over time | - | 67,959,391 | 227,896,274 | 295,855,665 | |
|  |  |  |  |  | |
| Total revenue | 212,462,222 | 67,959,391 | 227,896,274 | 508,317,887 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **For the three-month period ended 31 March 2021** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | |
|  |  |  |  |  | |
| Revenue |  |  |  |  | |
| Gross segment revenues | 99,931,436 | 72,048,182 | 33,779,276 | 205,758,894 | |
| Revenue from inter - segment | (96,140) | (2,809,569) | - | (2,905,709) | |
|  |  |  |  |  | |
| Net revenue | 99,835,296 | 69,238,613 | 33,779,276 | 202,853,185 | |
|  |  |  |  |  | |
| Segment results | 4,879,213 | 19,415,171 | 4,726,141 | 29,020,525 | |
|  |  |  |  |  | |
| Other income |  |  |  | 371,233 | |
| Unallocated costs |  |  |  | (15,998,350) | |
| Finance costs |  |  |  | (2,982,668) | |
|  |  |  |  |  | |
| Profit before income tax |  |  |  | 10,410,740 | |
| Income tax expense |  |  |  | (1,366,092) | |
|  |  |  |  |  | |
| Net profit |  |  |  | 9,044,648 | |
|  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  | |
| At a point in time | 99,835,296 | - | - | 99,835,296 | |
| Over time | - | 69,238,613 | 33,779,276 | 103,017,889 | |
|  |  |  |  |  | |
| Total revenue | 99,835,296 | 69,238,613 | 33,779,276 | 202,853,185 | |

**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 three-month period ended** |  |  |  |  |
| **31 March 2022** |  |  |  |  |
| Major customer 1 | 135,008,649 | 36,411,680 | - | 171,420,329 |
| Major customer 2 | - | - | 182,444,126 | 182,444,126 |
|  |  |  |  |  |
| **For the three-month period ended** |  |  |  |  |
| **31 March 2021** |  |  |  |  |
| Major customer 1 | 83,714,691 | 28,871,283 | - | 112,585,974 |
| Major customer 2 | - | - | 33,779,276 | 33,779,276 |

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

Movements of short-term investments for three-month period ended 31 March 2022 is as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate**  **financial information** |
|  | **Financial assets measured at**  **fair value through profit or loss** |
|  |  |
|  |  |
| **Opening net book value** | 149,572,705 |
| Change in fair value | (720,578) |
|  |  |
| **Closing net book value** | 148,852,127 |

At 31 March 2022, Fixed Income Fund measured at fair value by Net Asset Value (NAV) which announced by the financial institution.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade receivables** |  |  |  |  |
| Trade receivables - third parties | 155,645,237 | 165,343,538 | 138,647,538 | 148,539,777 |
| Trade receivables - related parties (Note 20) | - | - | 3,670,140 | 5,029,579 |
|  |  |  |  |  |
| Total trade receivables | 155,645,237 | 165,343,538 | 142,317,678 | 153,569,356 |
| Less Expected credit loss | (43,984,523) | (42,110,204) | (30,374,177) | (32,444,517) |
|  |  |  |  |  |
| Trade receivables, net | 111,660,714 | 123,233,334 | 111,943,501 | 121,124,839 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Unbilled contract revenue | 323,478,431 | 123,829,602 | 309,007,289 | 123,829,602 |
| Retention receivable from construction contract | 13,730,337 | 40,595,069 | 7,719,037 | 34,583,769 |
| Advance payments for construction contract | 76,163,986 | 91,344,037 | 60,581,091 | 75,761,142 |
| Advance payments for goods and services | 5,777,383 | 5,410,036 | 5,777,383 | 5,401,116 |
| Accrued income | 11,936,385 | 23,203,814 | 19,626,157 | 29,771,880 |
| Prepayments | 15,759,671 | 16,143,972 | 15,172,931 | 15,494,993 |
| Accrued interest income | 41,953 | 26,336 | 6,558,996 | 5,431,085 |
| Other receivables | 867,155 | 867,155 | - | 14,894 |
| Advance payments | 1,166,098 | 104,901 | 1,116,098 | 49,958 |
|  |  |  |  |  |
| Total other receivables | 448,921,399 | 301,524,922 | 425,558,982 | 290,338,439 |
|  |  |  |  |  |
| Total trade and other receivables, net | 560,582,113 | 424,758,256 | 537,502,483 | 411,463,278 |

Outstanding trade accounts receivable can be analysed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current | 81,294,012 | 96,105,064 | 82,391,110 | 97,180,951 |
| Up to 3 months | 27,952,300 | 19,203,637 | 26,988,490 | 19,053,190 |
| 3 - 6 months | 459,167 | 3,538,572 | 608,666 | 4,374,547 |
| 6 - 12 months | 4,617,568 | 18,747,475 | 4,617,568 | 5,673,359 |
| Over 12 months | 41,322,190 | 27,748,790 | 27,711,844 | 27,287,309 |
|  |  |  |  |  |
| Total trade account receivables | 155,645,237 | 165,343,538 | 142,317,678 | 153,569,356 |
| Less Expected credit loss on trade receivables | (43,984,523) | (42,110,204) | (30,374,177) | (32,444,517) |
|  |  |  |  |  |
| Trade receivables, net | 111,660,714 | 123,233,334 | 111,943,501 | 121,124,839 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw material | 355,295 | 160,295 | 195,000 | - |
| Work in process | 63,219,419 | 59,792,059 | 63,219,419 | 59,792,059 |
| Finished goods | 9,334,522 | 14,711,210 | 9,334,522 | 14,711,210 |
| Work in process under construction contract | 1,363,266 | 29,052,291 | 1,363,266 | 29,052,291 |
|  |  |  |  |  |
| Total inventories | 74,272,502 | 103,715,855 | 74,112,207 | 103,555,560 |
|  |  |  |  |  |
| Inventories, net | 74,272,502 | 103,715,855 | 74,112,207 | 103,555,560 |

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

The movements of investments insubsidiaries can be analysed as follows:

|  |  |
| --- | --- |
|  | **Separate**  **financial information** |
|  | **Baht** |
|  |  |
| **For the three-month period ended 31 March 2022** |  |
| Opening balance | 11,999,600 |
| Addition | - |
|  |  |
| Closing balance | 11,999,600 |

At 31 March 2022, 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** | |
|  |  |  | **31 March** | **31 December** | **31 March** | **31 December** | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **Country of** | **Nature of** | **2022** | **2021** | **2022** | **2021** | **2022** | **2021** | **2022** | **2021** |
| **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 | - | - |

There was no movement in investment in subsidiaries during the period.

|  |
| --- |
| **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 three-month period ended** |  |  |  |  |
| **31 March 2022** |  |  |  |  |
| Opening net book amount | 137,990,459 | 2,784,010 | 137,133,785 | 2,778,858 |
| Additions | 22,837,765 | 167,450 | 22,834,774 | 167,450 |
| Depreciation/amortization | (6,346,183) | (127,691) | (6,209,291) | (122,543) |
|  |  |  |  |  |
| Closing net book amount | 154,482,041 | 2,823,769 | 153,759,268 | 2,823,765 |

At 31 March 2022, the land and buildings at net book value of Baht 87.27 million (31 December 2021: Baht 87.74 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 three-month period ended 31 March 2022 are as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate financial information** |
|  | **Right-of-use** |
|  | **Baht** |
|  |  |
| Opening net book value | 8,720,818 |
| Addition | 11,845,851 |
| Amortisation | (3,319,779) |
|  |  |
| Closing net book value | 17,246,890 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Current** |  |  |  |  |
| Bank overdrafts | 1,949,242 | 3,933,371 | - | 930,664 |
| Short-term borrowings from financial institutions | 177,335,000 | 85,000,000 | 177,335,000 | 85,000,000 |
| Current portion of long-term borrowings |  |  |  |  |
| from financial institutions | 22,110,518 | 19,303,920 | 20,580,254 | 18,203,630 |
|  |  |  |  |  |
| Total current borrowings | 201,394,760 | 108,237,291 | 197,915,254 | 104,134,294 |
|  |  |  |  |  |
| **Non-current** |  |  |  |  |
| Long-term borrowings from financial institutions | 51,458,307 | 42,081,949 | 47,588,571 | 37,782,239 |
| Debenture | 491,960,025 | - | 491,960,025 | - |
|  |  |  |  |  |
| Total non-current borrowings | 543,418,332 | 42,081,949 | 539,548,596 | 37,782,239 |
|  |  |  |  |  |
| **Total borrowings** | 744,813,092 | 150,319,240 | 737,463,850 | 141,916,533 |

The borrowings are secured by saving and fixed deposits of the Company, partial of investment in debt security, land and properties of the Company (Note 12), land and properties of Director, and also secured by Director of the Company, the Company’s subsidiary and Director of the Company’s subsidiary.

**14.1 Long-term borrowings from financial institutions**

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Baht** | **Baht** |
| **For the three-month period ended 31 March 2022** |  |  |
| Opening balance | 61,385,869 | 55,985,869 |
| Addition of loans | 17,385,680 | 17,385,680 |
| Repayment of loan | (5,248,024) | (5,248,024) |
| Amortisation of front end fee | 45,300 | 45,300 |
|  |  |  |
| Closing balance | 73,568,825 | 68,168,825 |

**14.2 Debenture**

The movements in debenture is analysed as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Baht** | **Baht** |
| **For the three-month period ended 31 March 2022** |  |  |
| Opening balance | - | - |
| Issue of debenture | 500,000,000 | 500,000,000 |
| Debt issuance cost | (8,060,000) | (8,060,000) |
| Amortisation of front end fee | 20,025 | 20,025 |
|  |  |  |
| Closing balance | 491,960,025 | 491,960,025 |

During the period, the Company issued debenture of Baht 500 million with a fixed interest rate of 6.5% per annum and will be redeemded on 30 March 2024.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated statements** | | | |
|  | **Carrying amounts** | | **Fair values** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 73,568,825 | 61,385,869 | 73,568,225 | 61,548,241 |
| Debenture | 491,960,025 | - | 500,119,728 | - |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | |
|  | **Carrying amounts** | | **Fair values** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 68,168,825 | 55,985,869 | 69,354,285 | 56,088,911 |
| Debenture | 491,960,025 | - | 500,119,728 | - |

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 expects to pay as date of statement of financial position and are within level 2 of the fair value hierarchy.

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

The movement of lease liabilities for the three-month period ended 31 March 2022 can be analysed as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated financial information** | | |
|  | **Lease payables** | **Deferred interest** | **Lease liabilities** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Opening net book | 31,976,664 | (2,406,196) | 29,570,468 |
| Cash outflows: |  |  |  |
| Addition | 10,607,323 | (774,750) | 9,832,573 |
| Repayment | (6,810,199) | 523,877 | (6,286,322) |
|  |  |  |  |
| Closing net book value | 35,773,788 | (2,657,069) | 33,116,719 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial information** | | |
|  | **Lease payables** | **Deferred interest** | **Lease liabilities** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Opening net book | 31,940,664 | (2,405,931) | 29,534,733 |
| Cash outflows: |  |  |  |
| Addition | 10,607,323 | (774,750) | 9,832,573 |
| Repayment | (6,774,199) | 523,612 | (6,250,587) |
|  |  |  |  |
| Closing net book value | 35,773,788 | (2,657,069) | 33,116,719 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade accounts payable** |  |  |  |  |
| Trade accounts payable - third parties | 236,519,786 | 228,219,472 | 227,521,561 | 219,134,630 |
| Trade accounts payable |  |  |  |  |
| - related parties (Note 20) | - |  | 134,820 | 168,017 |
|  |  |  |  |  |
| Total trade accounts payable | 236,519,786 | 228,219,472 | 227,656,381 | 219,302,647 |
|  |  |  |  |  |
| **Other accounts payable** |  |  |  |  |
| Accrued expenses | 23,144,941 | 25,685,889 | 41,616,796 | 42,559,368 |
| Accrued cost of services | 16,179,747 | 25,014,539 | 16,179,747 | 25,014,539 |
| Accrued cost of construction contracts | 189,561,296 | 149,277,189 | 187,742,179 | 146,976,372 |
| Unearned income | 3,342,829 | 3,396,914 | 3,081,288 | 3,160,400 |
| Advance received for services | 7,992,422 | 6,739,066 | 7,992,422 | 6,739,066 |
| Advance received for construction contracts | 17,383,191 | 3,934,704 | 17,268,782 | 3,820,295 |
| Retention payable | 3,804,242 | 3,804,242 | - | - |
| Other payables | 8,142,485 | 2,220,802 | 8,083,739 | 1,563,887 |
| Interest payable | 651,944 | 377,700 | 349,081 | 138,246 |
|  |  |  |  |  |
| Total other accounts payable | 270,203,097 | 220,451,045 | 282,314,034 | 229,972,173 |
|  |  |  |  |  |
| Total trade and other payables | 506,722,883 | 448,670,517 | 509,970,415 | 449,274,820 |

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

Movements of share capital for three-month period ended 31 March 2022 are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Authorised** | | **Issued and paid-up** | | **Share** |
|  | **share capital** | | **share capital** | | **premium** |
|  | **Shares** | **Baht** | **Shares** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| At 1 January 2021 | 316,000,000 | 158,000,000 | 230,000,000 | 115,000,000 | - |
| Issue of shares | - | - | - | - | - |
|  |  |  |  |  |  |
| At 31 March 2021 | 316,000,000 | 158,000,000 | 230,000,000 | 115,000,000 | - |
|  |  |  |  |  |  |
| At 1 January 2022 | 316,000,000 | 158,000,000 | 316,000,000 | 158,000,000 | 228,732,200 |
| Issue of shares | - | - | - | - | - |
|  |  |  |  |  |  |
| At 31 March 2022 | 316,000,000 | 158,000,000 | 316,000,000 | 158,000,000 | 228,732,200 |

The total authorised number of ordinary shares is 316,000,000 shares with a par value of Baht 0.5 per share. The issued and fully paid-up ordinary shares is 316,000,000 shares.

|  |
| --- |
| **18 Legal reserve** |

The movements of legal reserve can be analysed as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate financial information** |
|  | **Baht** |
|  |  |
| **For the three-month period ended 31 March 2022** |  |
| Opening balance | 8,850,000 |
| Appropriation during the period | 810,000 |
|  |  |
| Closing balance | 9,660,000 |

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.

|  |
| --- |
| **19 Income taxes expense** |

Income tax expense is recognized 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   
31 March 2022 is 23.25%, compared to 13.12%, for the three-month ended 31 March 2021. The current period tax rate was higher due to having expenditure expenses not deductible for tax purpose.

|  |
| --- |
| **20 Related party transactions** |

The major shareholders of the Company are Mr. Kittipan Sribuaiam and Wealth Water House Co., Ltd. That own 33.20% and 26.58% of the Company’s shares, respectively. The remaining 40.22% 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 three-month periods ended** | **31 March**  **2022** | **31 March**  **2021** | **31 March**  **2022** | **31 March**  **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Sales of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 2,336,242 | 2,214,634 |
| Parent company | 7,500 | 7,500 | 7,500 | 7,500 |
|  |  |  |  |  |
|  | 7,500 | 7,500 | 2,343,742 | 2,222,134 |
|  |  |  |  |  |
| **Management fee income** |  |  |  |  |
| Subsidiaries | - | - | 1,384,470 | 1,321,129 |
|  |  |  |  |  |
|  | - | - | 1,384,470 | 1,321,129 |
|  |  |  |  |  |
| **Interest income** |  |  |  |  |
| Subsidiaries | - | - | 1,112,293 | 1,012,511 |
|  |  |  |  |  |
|  | - | - | 1,112,293 | 1,012,511 |

1. **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month periods ended** | **31 March**  **2022** | **31 March**  **2021** | **31 March**  **2022** | **31 March**  **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Costs of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 1,837,705 | 2,342,526 |
|  |  |  |  |  |
|  | - | - | 1,837,705 | 2,342,526 |
|  |  |  |  |  |
| **Rental expense** |  |  |  |  |
| Director | 78,947 | 26,316 | 78,947 | 26,316 |
|  |  |  |  |  |
|  | 78,947 | 26,316 | 78,947 | 26,316 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2022** | **2021** | **2022** | **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Trade accounts receivable** (Note 9) |  |  |  |  |
| Subsidiaries | - | - | 3,670,140 | 5,029,579 |
| Parent company | - | - | - | - |
|  |  |  |  |  |
|  | - | - | 3,670,140 | 5,029,579 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Subsidiaries | - | - | - | 14,894 |
|  |  |  |  |  |
|  | - | - | - | 14,894 |
|  |  |  |  |  |
| **Accrued income** |  |  |  |  |
| Subsidiaries | - | - | 8,561,272 | 7,665,066 |
| Parent company | 1,250 | 1,250 | 1,250 | 1,250 |
|  |  |  |  |  |
|  | 1,250 | 1,250 | 8,562,522 | 7,666,316 |
|  |  |  |  |  |
| **Prepaid rental** |  |  |  |  |
| Director | 192,982 | 61,404 | 192,982 | 61,404 |
|  |  |  |  |  |
|  | 192,982 | 61,404 | 192,982 | 61,404 |
|  |  |  |  |  |
| **Interest receivable** |  |  |  |  |
| Subsidiaries | - | - | 6,517,043 | 5,404,749 |
|  |  |  |  |  |
|  | - | - | 6,517,043 | 5,404,749 |
|  |  |  |  |  |
| **Trade accounts payable** (Note 16) |  |  |  |  |
| Subsidiaries | - | - | 134,820 | 168,017 |
|  |  |  |  |  |
|  | - | - | 134,820 | 168,017 |
|  |  |  |  |  |
| **Accrued expense** |  |  |  |  |
| Subsidiaries | - | - | 19,292,858 | 17,965,678 |
|  |  |  |  |  |
|  | - | - | 19,292,858 | 17,965,678 |
|  |  |  |  |  |
| **Unearned revenue** |  |  |  |  |
| Subsidiaries | - | - | 444,000 | 683,668 |
|  |  |  |  |  |
|  | - | - | 444,000 | 683,668 |

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 three-month period ended 31 March 2022** |  |
| Opening balance | 54,058,203 |
| Additions during the period | 14,000,000 |
| Repayment received during the period | - |
|  |  |
| Closing balance | 68,058,203 |

Short-term loans to subsidiary were given on commercial terms and conditions. The related interest income was Baht of 1,112,293 in the separate financial information. The short-term loans to subsidiary bear interest rate at 8.00% per annum and due for repayment in April to June 2022.

1. **Key management compensation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month periods ended** | **31 March**  **2022** | **31 March**  **2021** | **31 March**  **2022** | **31 March**  **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 4,518,384 | 4,176,572 | 4,518,384 | 4,176,572 |
| Post-employee benefits | (320,698) | 742,348 | 135,444 | 742,348 |
|  |  |  |  |  |
|  | 4,197,686 | 4,918,920 | 4,653,828 | 4,918,920 |

|  |
| --- |
| **21 Commitments and contingencies** |

1. **Guarantees**

At 31 March 2022, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million.

1. **Bank guarantees**

At 31 March 2022, the Group has outstanding bank guarantees as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March**  **2022** | **31 December**  **2021** | **31 March**  **2022** | **31 December**  **2021** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank guarantee | 189,745,776 | 159,457,162 | 184,824,376 | 159,393,139 |

1. **Litigation Case**

In February 2022, the Company was filed a lawsuit by the Company’s contractor (the “Plaintiff”) for breach of construction contract the amount of Baht 6.98 million plus interest at the rate of 7.5% per annum from the date of default until the date of filing the case, totaling Baht 0.65 million. Subsequently, in April 2022, the Company filed for mediation with the Civil Court. The Company’s management has recorded the sufficient liabilities in the financial information and believe that no significant impact would result from this case.

|  |
| --- |
| **22 Events after the reporting period** |

At the Annual General Meeting of Shareholders of the Company held on April 28, 2022, the shareholders approved the following transactions:

**Dividend payment**

Shareholders approved the dividend payment for the operating results from 1 April 2021 to 31 December 2021 at the rate of Baht 0.0577 per share, totaling Baht 18.23 million.

**Issuance of warrants to purchase ordinary shares (PROEN-W1)**

Shareholders resolved to issue warrants to purchase ordinary shares in the name of holders and transferable of Proen Corp Public Company Limited No.1 (PROEN-W1). The preliminary features of the PROEN-W1 are:

|  |  |
| --- | --- |
| Number of warrants issued and offered | Not exceeding 158,000,000 units |
| Method of allotment of warrants | 2 shares: 1 warrant |
| Offering price (Baht per unit) | Baht 0 per unit |
| Tenor of warrants | Within 1 year 10 months after being granted  (from 23 May 2022 to 22 March 2024) |
| Warrants issuance and offering date | 23 May 2022 |
| Exercise ratio | 1 warrant unit : 1 newly issued ordinary share |
| Exercise price | Baht 3.60 per share (at the par value of Baht 0.50) |
| Excise period | Warrant holders will be able to exercise the warrants four times:  1st 30 December 2022  2nd 30 June 2023  3rd 29 December 2023  4th 22 March 2024 |
| Expiration of the exercise period | 22 March 2024 |
| Record date | 10 May 2022 |

**Increase registered share capital**

Shareholders approved to increase the registered capital from Baht 158,000,000 to Baht 237,000,000 by issuing 158,000,000 new ordinary shares with a par value of Baht 0.50 per share to support the exercise of the warrants to purchase shares of the Company's newly issued ordinary shares No. 1 (PROEN-W1).