|  |
| --- |
| **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 NT Bangrak Building 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   
11 May 2023.

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

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| --- |
| **2 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 2022

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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| **3 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 2022, except for

**Associates**

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting.

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group’s subsequently recognises shares of its associates’ profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group’s share of losses in associates equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

In the separate financial statements, investments in associates are accounted for using cost method.

Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 do not have significant impacts to the Group.

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| --- |
| **4 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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| --- |
| **5 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 12.

|  |
| --- |
| **6 Segment and revenue information** |

The Group has three segments report which are comprised of IT equipment distribution, internet data center and related services and construction. The Group is operating in Thailand only. Therefore, the Group considers that there is only one geographic area.

Reporting segments are referred from the Group’s internal report which is reviewed by chief operating decision-maker. Chief executive officer and chief financial officer decision-maker are the chief executive who makes decisions about resource allocation and assesses the segment performance by considering from revenue and segment results.

The Board of Directors consider the following reporting segments.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **For the three-month period ended 31 March 2023** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | |
| Revenue |  |  |  |  | |
| Gross segment revenues | 77,807,232 | 76,870,329 | 47,271,511 | 201,949,072 | |
| Revenue from inter - segment | - | (609,785) | - | (609,785) | |
|  |  |  |  |  | |
| Net revenue | 77,807,232 | 76,260,544 | 47,271,511 | 201,339,287 | |
|  |  |  |  |  | |
| Segment results | 8,290,197 | 22,103,073 | 1,761,291 | 32,154,561 | |
|  |  |  |  |  | |
| Other income |  |  |  | 219,101 | |
| Unallocated costs |  |  |  | (26,147,670) | |
| Finance costs |  |  |  | (8,088,338) | |
|  |  |  |  |  | |
| Profit before income tax |  |  |  | (1,862,346) | |
| Income tax expense |  |  |  | 127,768 | |
|  |  |  |  |  | |
| Net loss |  |  |  | (1,734,578) | |
|  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  | |
| At a point in time | 77,807,232 | - | - | 77,807,232 | |
| Over time | - | 76,260,544 | 47,271,511 | 123,532,055 | |
|  |  |  |  |  | |
| Total revenue | 77,807,232 | 76,260,544 | 47,271,511 | 201,339,287 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **For 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 | |

**Information about major customers**

The details of major customers can be analyzed 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 2023** |  |  |  |  |
|  |  |  |  |  |
| Major customer 1 | - | 37,187,028 | - | 37,187,028 |
| Major customer 2 | - | - | 22,305,271 | 22,305,271 |
| Major customer 3 | 39,967,429 | - | - | 39,967,429 |
|  |  |  |  |  |
| **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 |

|  |
| --- |
| **7 Trade and other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Trade receivables** |  |  |  |  |
| Trade receivables - third parties | 232,852,554 | 194,760,973 | 152,547,674 | 167,434,987 |
| Trade receivables - related parties (Note 17) | - | - | 74,749 | 998,159 |
|  |  |  |  |  |
| Total trade receivables | 232,852,554 | 194,760,973 | 152,622,423 | 168,433,146 |
| Less Expected credit loss | (41,045,780) | (42,999,810) | (26,790,882) | (28,744,912) |
|  |  |  |  |  |
| Trade receivables, net | 191,806,774 | 151,761,163 | 125,831,541 | 139,688,234 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Unbilled contract revenue | 444,031,860 | 442,630,753 | 387,133,656 | 387,356,867 |
| Retention receivable from construction contract | 34,731,437 | 29,461,894 | 29,364,689 | 24,095,146 |
| Advance payments for construction contract | 31,279,725 | 28,529,687 | 18,235,579 | 19,280,045 |
| Advance payments for goods and services | 24,151,361 | 3,687,489 | 14,532,375 | 3,687,489 |
| Advance payments for building construction | 14,644,777 | - | 14,644,777 | - |
| Accrued income | 16,530,886 | 15,356,844 | 25,604,122 | 25,202,289 |
| Prepayments | 16,645,784 | 13,020,314 | 10,288,245 | 11,431,819 |
| Accrued interest income | 98,431 | 56,633 | 13,264,197 | 11,201,030 |
| Other receivables | 10,347,460 | 12,958,123 | - | - |
| Advance payments | 259,906 | 619,475 | 213,643 | 557,858 |
|  |  |  |  |  |
| Total other receivables | 592,721,627 | 546,321,212 | 513,281,283 | 482,812,543 |
| Less Expected credit loss | (1,028,437) | - | (1,028,437) | - |
| Other receivables, net | 591,693,190 | 546,321,212 | 512,252,846 | 482,812,543 |
|  |  |  |  |  |
| Total trade and other receivables, net | 783,499,964 | 698,082,375 | 638,084,387 | 622,500,777 |

Outstanding trade accounts receivable can be analyzed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current | 83,477,980 | 71,559,730 | 33,068,134 | 59,377,170 |
| Up to 3 months | 71,644,393 | 51,107,481 | 56,004,257 | 51,142,363 |
| 3 - 6 months | 18,738,088 | 16,625,149 | 18,738,088 | 16,625,149 |
| 6 - 12 months | 13,266,702 | 12,468,803 | 13,341,451 | 12,543,552 |
| Over 12 months | 45,725,391 | 42,999,810 | 31,470,493 | 28,744,912 |
|  |  |  |  |  |
| Total trade account receivables | 232,852,554 | 194,760,973 | 152,622,423 | 168,433,146 |
| Less Expected credit loss on trade receivables | (41,045,780) | (42,999,810) | (26,790,882) | (28,744,912) |
|  |  |  |  |  |
| Trade receivables, net | 191,806,774 | 151,761,163 | 125,831,541 | 139,688,234 |

|  |
| --- |
| **8 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Raw material | 160,295 | 160,295 | - | - |
| Work in process | - | 7,516,358 | - | 7,516,358 |
| Finished goods | 2,537,860 | 2,137,659 | 2,537,860 | 2,137,659 |
|  |  |  |  |  |
| Total inventories | 2,698,155 | 9,814,312 | 2,537,860 | 9,654,017 |
| Less Allowance for diminution in value of inventories | (7,228) | (23,528) | (7,228) | (23,528) |
|  |  |  |  |  |
| Inventories, net | 2,690,927 | 9,790,784 | 2,530,632 | 9,630,489 |

|  |
| --- |
| **9 Investment in subsidiaries and associates** |

**Movements of investments**

*Investments in subsidiaries*

There was no movements in investments in subsidiaries for three-month period ended 31 March 2023.

*Investments in associate*

Movements of investments in associate for three-month period ended 31 March 2023 are as follows:

|  |  |
| --- | --- |
|  | **Consolidated**  **financial information and Separate**  **financial information** |
|  | **Investment**  **in equity method** |
|  | **Baht** |
|  |  |
| Opening balance | - |
| Increase in investment | 95,000,040 |
|  |  |
| Closing balance | 95,000,040 |

In March 2023, the Company has invested in Gateway Service Company Limited consists of 1,172,840 ordinary shares with a price of Baht 81 per share, totalling Baht of 95 million. PROEN Corp Public Company Limited is a shareholder in the investment, representing 19% of the total issued shares, and already paid in the amount Baht of 50 million. The remaining shares will be paid in the amount Baht of 20 million and 25 million within April 2023 and June 2023, respectively.

Gateway Service Company Limited located in Thailand, and principally engages in provide electronic pre-screening and verification services for applicants for electronic visa applicants (Electronics Visa On Arrival: E-VOA). The Company has ability to participate in policy-making processes and decision-making regarding dividend payments or other equity sharing, which shows that the Company has significant influence, but does not reach the control level. So, Gateway Service Company Limited is classified as investment in associate.

As of March 31, 2023, the Company is in the process of preparing a report on purchase price allocation (PPA) of Gateway Service Company Limited.

As at 31 March 2023 and 31 December 2022, investments in subsidiaries and associate are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | | **Consolidated financial information** | | **Separate**  **financial information** | |
|  |  |  | **% of ownership interest** | | **Investment at**  **equity method** | | **Investment at**  **cost method** | |
|  |  |  | **31 March** | **31 December** | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **Country of** | **Nature of** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| **Name** | **incorporation** | **business** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |  |
| Secure Network Operation Center Company Limited | Thailand | Provide internet securities services | 100 | 100 | - | - | 1,999,800 | 1,999,800 |
|  |  |  |  |  |  |  |  |  |
| Proen Telebiz Company Limited | Thailand | Construction | 100 | 100 | - | - | 9,999,800 | 9,999,800 |
|  |  |  |  |  |  |  |  |  |
| ICONNEXT Company Limited | Thailand | Provide network operation | 64.99 | 64.99 | - | - | 1,624,975 | 1,624,975 |
|  |  |  |  |  |  |  |  |  |
| Joint Venture - Proen Fit | Thailand | Provide internet services | 97 | 97 | - | - | - | - |
|  |  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |  |
| Gateway Service Company Limited | Thailand | Providing pre-screening and document  checking services for applicants  applying for Electronic Visa On Arrival  (E-VOA) | 19 | - | 95,000,040 | - | 95,000,040 | - |

|  |
| --- |
| **10 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 2023** |  |  |  |  |
| Opening net book amount | 172,268,548 | 4,434,249 | 170,785,031 | 4,414,977 |
| Additions | 54,620,960 | 58,596 | 54,489,108 | 58,596 |
| Depreciation/amortization | (5,048,873) | (90,885) | (4,872,120) | (89,098) |
| Impairment | - | 29,997 | - | 29,997 |
|  |  |  |  |  |
| Closing net book amount | 221,840,635 | 4,431,957 | 220,402,019 | 4,414,472 |

Borrowing costs of Baht 2.17 million (31 March 2022: nil) were capitalised in property, plant and equipment that purchased during the period. The Group uses a capitalization rate of 6.35% per annum (31 March 2022: nil) in calculating the cost for the capitalisation.

At 31 March 2023, the land and buildings at net book value of Baht 85.60 million (31 December 2022: Baht 86.01 million) in the consolidated and separate financial statements are mortgaged as collateral for long-term borrowings from financial institutions (Note 12).

|  |
| --- |
| **11 Right-of-use assets** |

Movements of right-of-use assets for the three-month period ended 31 March 2023 are as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate financial information** |
|  | **Baht** |
|  |  |
| Opening net book value | 17,494,872 |
| Addition | 3,576,161 |
| Amortization | (3,555,578) |
|  |  |
| Closing net book value | 17,515,455 |

|  |
| --- |
| **12 Borrowings** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current |  |  |  |  |
| Bank overdrafts | 899,642 | 2,174,767 | 899,642 | - |
| Current portion of long-term borrowings |  |  |  |  |
| from financial institutions | 14,271,254 | 14,836,694 | 12,381,855 | 12,974,046 |
| Current portion of debentures | 495,791,862 | - | 495,791,862 | - |
|  |  |  |  |  |
| Total current borrowings | 510,962,758 | 17,011,461 | 509,073,359 | 12,974,046 |
|  |  |  |  |  |
| **Non-current** |  |  |  |  |
| Long-term borrowings from financial institutions | 29,175,475 | 32,537,087 | 27,233,003 | 30,140,102 |
| Debenture | - | 494,811,722 | - | 494,811,722 |
|  |  |  |  |  |
| Total non-current borrowings | 29,175,475 | 527,348,809 | 27,233,003 | 524,951,824 |
|  |  |  |  |  |
| **Total borrowings** | 540,138,233 | 544,360,270 | 536,306,362 | 537,925,870 |

The borrowings are secured by saving and fixed deposits of the Company, land and building of the Company (Note 10), land and building of Director, and also secured by Director of the Company, Director of the Company’s subsidiary,   
the Company’s parent, the Company’s subsidiary and Thai Credit Guarantee Corporation.

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

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

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Baht** | **Baht** |
| **For the three-month period ended 31 March 2023** |  |  |
| Opening balance | 47,373,781 | 43,114,148 |
| Repayment of loan | (3,995,811) | (3,536,261) |
| Amortization of front-end fee | 68,759 | 36,971 |
|  |  |  |
| Closing balance | 43,446,729 | 39,614,858 |

**12.2 Debenture**

The movements in debenture are analyzed as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate**  **financial information** |
|  | **Baht** |
| **For the three-month period ended 31 March 2023** |  |
| Opening balance | 494,811,722 |
| Amortization of front end fee | 980,140 |
|  |  |
| Closing balance | 495,791,862 |

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.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated information** | | | |
|  | **Carrying amounts** | | **Fair values** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 43,446,729 | 47,373,781 | 43,393,383 | 48,274,442 |
| Debenture | 495,791,862 | 494,811,722 | 496,191,562 | 497,132,341 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial information** | | | |
|  | **Carrying amounts** | | **Fair values** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 39,614,858 | 43,114,148 | 39,611,336 | 44,066,663 |
| Debenture | 495,791,862 | 494,811,722 | 496,191,562 | 497,132,341 |

The fair value is 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.

|  |
| --- |
| **13 Lease liabilities** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and Separate financial information** | |
|  | **31 March** | **31 December** |
|  | **2023** | **2022** |
|  | **Baht** | **Baht** |
|  |  |  |
| Current portion of lease liabilities | 17,138,717 | 14,750,815 |
| Lease liabilities | 9,361,300 | 13,089,978 |

The movement of lease liabilities for the three-month period ended 31 March 2023 can be analyzed as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated and Separate financial information** | | |
|  | **Lease payables** | **Deferred interest** | **Lease liabilities** |
|  | **Baht** | **Baht** | **Baht** |
|  |  |  |  |
| Opening net book | 29,563,519 | (1,722,726) | 27,840,793 |
| Cash outflows: |  |  |  |
| Addition | 3,672,000 | (95,839) | 3,576,161 |
| Repayment | (5,359,544) | 442,607 | (4,916,937) |
|  |  |  |  |
| Closing net book value | 27,875,975 | (1,375,958) | 26,500,017 |

|  |
| --- |
| **14 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade accounts payable** |  |  |  |  |
| Trade accounts payable - third parties | 108,455,244 | 171,398,784 | 85,291,963 | 168,396,328 |
|  |  |  |  |  |
| Total trade accounts payable | 108,455,244 | 171,398,784 | 85,291,963 | 168,396,328 |
|  |  |  |  |  |
| **Other accounts payable** |  |  |  |  |
| Accrued expenses | 21,488,915 | 25,848,945 | 44,649,917 | 48,102,355 |
| Accrued cost of services | 21,816,522 | 21,227,003 | 21,816,522 | 21,227,003 |
| Accrued cost of construction contracts | 193,784,685 | 222,561,905 | 165,552,558 | 187,587,386 |
| Unearned income | 6,055,461 | 14,346,429 | 5,782,061 | 14,246,828 |
| Advance received for services | 14,337,973 | 12,829,144 | 14,337,973 | 12,829,144 |
| Advance received for construction contracts | 32,079,368 | 32,193,777 | 21,067,778 | 21,067,778 |
| Retention payable | 3,330,772 | 3,330,772 | - | - |
| Other payables | 1,504,460 | 2,382,717 | 1,320,215 | 2,297,845 |
| Investment payable | 45,000,040 | - | 45,000,040 | - |
| Interest payable | 175,573 | 65,333 | 175,573 | 65,333 |
|  |  |  |  |  |
| Total other accounts payable | 339,573,769 | 334,786,025 | 319,702,637 | 307,423,672 |
|  |  |  |  |  |
| Total trade and other payables | 448,029,013 | 506,184,809 | 404,994,600 | 475,820,000 |

|  |
| --- |
| **15 Share capital** |

Movements of share capital for three-month period ended 31 March 2023 and 2022 are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Authorized** | | **Issued and paid-up** | | **Share** |
|  | **share capital** | | **share capital** | | **premium** |
|  | **Shares** | **Baht** | **Shares** | **Baht** | **Baht** |
|  |  |  |  |  |  |
| At 1 January 2022 | 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 31 March 2022 | 316,000,000 | 158,000,000 | 316,000,000 | 158,000,000 | 228,732,200 |
|  |  |  |  |  |  |
| At 1 January 2023 | 474,000,000 | 237,000,000 | 316,000,000 | 158,000,000 | 228,732,200 |
| Increase the registered capital | - | - | 947,150 | 473,575 | 2,936,165 |
|  |  |  |  |  |  |
| At 31 March 2023 | 474,000,000 | 237,000,000 | 316,947,150 | 158,473,575 | 231,668,365 |

On December 29, 2022, the warrant holders exercised their warrants (PROEN-W1) totalling 947,150 units to purchase 947,150 ordinary shares at the exercise price of Baht 3.60 per unit in total amount of Baht 3,409,740. The Company received full payment and registered the capital increase with Ministry of Commerce at 9 January 2023.

**15.1 Warrants to purchase ordinary share**

There was no movements of warrants to purchase ordinary share for three-month period ended 31 March 2023.

|  |
| --- |
| **16 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 2023 is 6.86%, compared to 23.25%, for the three-month ended 31 March 2022. A decrease in tax rate is because the Group did not recognise deferred income tax from tax losses during the period of 2023.

|  |
| --- |
| **17 Related party transactions** |

The major shareholders of the Company are Wealth Water House Co., Ltd. and Mr. Kittipan Sribuaiam which own 26.50% and 20.19% of the Company’s shares, respectively. The remaining 53.31% of the shares are widely held.

The significant investments in subsidiaries and associate set out in Note 9.

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**  **2023** | **31 March**  **2022** | **31 March**  **2023** | **31 March**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Sales of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 174,860 | 2,336,242 |
| Parent company | 7,500 | 7,500 | 7,500 | 7,500 |
|  |  |  |  |  |
|  | 7,500 | 7,500 | 182,360 | 2,343,742 |
|  |  |  |  |  |
| **Management fee income** |  |  |  |  |
| Subsidiaries | - | - | 688,201 | 1,384,470 |
|  |  |  |  |  |
| **Interest income** |  |  |  |  |
| Subsidiaries | - | - | 2,022,016 | 1,112,293 |

1. **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month periods ended** | **31 March**  **2023** | **31 March**  **2022** | **31 March**  **2023** | **31 March**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Costs of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 1,799,726 | 1,837,705 |
|  |  |  |  |  |
|  |  |  |  |  |
| **Rental expense** |  |  |  |  |
| Director | 26,316 | 78,947 | 26,316 | 78,947 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Trade accounts receivable (Note 7)** |  |  |  |  |
| Subsidiaries | - | - | 74,749 | 998,159 |
|  |  |  |  |  |
| **Accrued income** |  |  |  |  |
| Subsidiaries | - | - | 10,780,234 | 10,357,453 |
| Parent company | - | 1,250 | - | 1,250 |
|  |  |  |  |  |
|  | - | 1,250 | 10,780,234 | 10,358,703 |
|  |  |  |  |  |
| **Prepaid rental** |  |  |  |  |
| Director | 35,088 | 61,404 | 35,088 | 61,404 |
|  |  |  |  |  |
| **Interest receivable** |  |  |  |  |
| Subsidiaries | - | - | 13,168,563 | 11,146,547 |
|  |  |  |  |  |
| **Accrued expense** |  |  |  |  |
| Subsidiaries | - | - | 24,590,071 | 23,225,270 |
|  |  |  |  |  |

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

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

|  |  |
| --- | --- |
|  | **Separate**  **financial information** |
|  | **Baht** |
|  |  |
| **For the three-month period ended 31 March 2023** |  |
| Opening balance | 87,323,303 |
| Additions during the period | 67,406,500 |
|  |  |
| Closing balance | 154,729,803 |

Short-term loans to subsidiary were given on commercial terms and conditions. The related interest income was Baht of 2,022,016 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 2023.

1. **Key management compensation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month periods ended** | **31 March**  **2023** | **31 March**  **2022** | **31 March**  **2023** | **31 March**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 5,100,835 | 4,518,384 | 5,100,835 | 4,518,384 |
| Post-employee benefits | 691,457 | (320,698) | 691,457 | 135,444 |
|  |  |  |  |  |
|  | 5,792,292 | 4,197,686 | 5,792,292 | 4,653,828 |

|  |
| --- |
| **18 Commitments and contingencies** |

1. **Guarantees**

At 31 March 2023, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million.

1. **Bank guarantees**

At 31 March 2023, the Group has outstanding bank guarantees as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March**  **2023** | **31 December**  **2022** | **31 March**  **2023** | **31 December**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank guarantee | 124,744,217 | 145,845,137 | 107,363,122 | 132,322,542 |

|  |
| --- |
| **19 Events after the reporting period** |

**Dividend payment**

On 27 April 2023, the 2023 Annual General Meeting of Shareholders approved the dividend payment for the operating results during the year 2022 at the rate of Baht 0.12 per share, totaling Baht 38.03 million and the dividend payment is scheduled to be made to shareholders by 18 May 2023.

**Increase registered share capital of subsidiaries**

On 11 May 2023, the Board of Directors' Meeting no.3/2023 approved to increase the shares of PROEN Telebiz Company Limited which is a subsidiary amounting to Baht 50 million, comprising 5,000,000 shares with a par value of Baht 10 per share. As a result, the number of authorised shares will increase from Baht 10 million to Baht 60 million.