|  |
| --- |
| **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 9 September 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.

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| **4 Adoption of new and amended financial reporting standards and changes in accounting policies** |

**4.1 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 do not have material impacts on the Group.**

**4.2 Amended financial reporting standards that are significant and effective for** **the accounting period beginning on or after 1 January 2024 and are relevant to the Group.**

**Amendments to TAS 12 - Income taxes**require companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

* right-of-use assets and lease liabilities, and
* decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

The Group has not early adopted them. The management is considering the impact of these financial reporting.

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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 12.

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| **7 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 nine-month period ended 30 September 2023** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | |
| Revenue |  |  |  |  | |
| Gross segment revenues | 143,918,463 | 292,390,379 | 128,269,433 | 564,578,275 | |
| Revenue from inter - segment | - | (1,934,427) | - | (1,934,427) | |
|  |  |  |  |  | |
| Net revenue | 143,918,463 | 290,455,952 | 128,269,433 | 562,643,848 | |
|  |  |  |  |  | |
| Segment results | 17,087,788 | 95,028,772 | 9,102,625 | 121,219,185 | |
| Other income |  |  |  | 2,635,775 | |
| Unallocated costs |  |  |  | (88,029,662) | |
| Finance costs |  |  |  | (20,734,123) | |
| Share of profits from  investments in associates |  |  |  | (2,841,662) | |
|  |  |  |  |  | |
| Profit before income tax |  |  |  | 12,249,513 | |
| Income tax expense |  |  |  | (3,238,962) | |
|  |  |  |  |  | |
| Net profit |  |  |  | 9,010,551 | |
|  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  | |
| At a point in time | 143,918,463 | - | - | 143,918,463 | |
| Over time | - | 290,455,952 | 128,269,433 | 418,725,385 | |
|  |  |  |  |  | |
| Total revenue | 143,918,463 | 290,455,952 | 128,269,433 | 562,643,848 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **For the nine-month period ended 30 September 2022** | | | |
|  | **IT equipment distribution** | **Internet data center and related services** | **Construction** | **Total** | |
|  | **Baht** | **Baht** | **Baht** | **Baht** | |
| Revenue |  |  |  |  | |
| Gross segment revenues | 482,957,674 | 230,329,978 | 528,714,002 | 1,242,001,654 | |
| Revenue from inter - segment | - | (7,215,653) | - | (7,215,653) | |
|  |  |  |  |  | |
| Net revenue | 482,957,674 | 223,114,325 | 528,714,002 | 1,234,786,001 | |
|  |  |  |  |  | |
| Segment results | 21,776,513 | 66,521,037 | 64,518,034 | 152,815,584 | |
|  |  |  |  |  | |
| Other income |  |  |  | 16,143,393 | |
| Unallocated costs |  |  |  | (88,601,827) | |
| Finance costs |  |  |  | (21,287,562) | |
|  |  |  |  |  | |
| Profit before income tax |  |  |  | 59,069,588 | |
| Income tax income |  |  |  | (4,407,777) | |
|  |  |  |  |  | |
| Net profit |  |  |  | 54,661,811 | |
|  |  |  |  |  | |
| **Timing of revenue recognition** |  |  |  |  | |
| At a point in time | 482,957,674 | - | - | 482,957,674 | |
| Over time | - | 223,114,325 | 528,714,002 | 751,828,327 | |
|  |  |  |  |  | |
| Total revenue | 482,957,674 | 223,114,325 | 528,714,002 | 1,234,786,001 | |

**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 nine-month period ended** |  |  |  |  |
| **30 September 2023** |  |  |  |  |
|  |  |  |  |  |
| Major customer 1 | 12,968,925 | 108,904,549 | - | 121,873,474 |
| Major customer 2 | - | - | 48,774,136 | 48,774,136 |
| Major customer 3 | 39,967,429 | - | - | 39,967,429 |
|  |  |  |  |  |
| **For the nine-month period ended** |  |  |  |  |
| **30 September 2022** |  |  |  |  |
|  |  |  |  |  |
| Major customer 1 | 273,459,612 | 111,407,231 | - | 384,866,843 |
| Major customer 2 | - | - | 243,931,988 | 243,931,988 |

|  |
| --- |
| **8 Trade and other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Trade receivables** |  |  |  |  |
| Trade receivables - third parties | 268,208,915 | 194,760,973 | 191,155,460 | 167,434,987 |
| Trade receivables - related parties (Note 19) | - | - | - | 998,159 |
|  |  |  |  |  |
| Total trade receivables | 268,208,915 | 194,760,973 | 191,155,460 | 168,433,146 |
| Less Expected credit loss | (41,045,780) | (42,999,810) | (26,790,882) | (28,744,912) |
|  |  |  |  |  |
| Trade receivables, net | 227,163,135 | 151,761,163 | 164,364,578 | 139,688,234 |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Unbilled contract revenue | 420,287,099 | 442,630,753 | 328,961,480 | 387,356,867 |
| Retention receivable from construction contract | 43,754,351 | 29,461,894 | 38,469,308 | 24,095,146 |
| Advance payments for construction contract | 43,532,124 | 28,529,687 | 13,727,168 | 19,280,045 |
| Advance payments for goods and services | 2,223,061 | 3,687,489 | 2,125,186 | 3,687,489 |
| Advance payments for building construction | 29,187,097 | - | 29,187,097 | - |
| Accrued income | 6,254,522 | 15,356,844 | 14,574,250 | 25,202,289 |
| Prepayments | 9,706,969 | 13,020,314 | 7,700,642 | 11,431,819 |
| Accrued interest income | 1,311,676 | 56,633 | 11,387,570 | 11,201,030 |
| Other receivables | 5,554,480 | 12,958,123 | 112,520 | - |
| Advance payments | 425,330 | 619,475 | 352,180 | 557,858 |
|  |  |  |  |  |
| Total trade and other receivables, net | 789,399,844 | 698,082,375 | 610,961,979 | 622,500,777 |

Outstanding trade accounts receivable can be analyzed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current | 74,236,283 | 71,559,730 | 51,487,960 | 59,377,170 |
| Up to 3 months | 57,744,543 | 51,107,481 | 52,045,113 | 51,142,363 |
| 3 - 6 months | 56,340,012 | 16,625,149 | 28,203,553 | 16,625,149 |
| 6 - 12 months | 33,606,966 | 12,468,803 | 27,392,621 | 12,543,552 |
| Over 12 months | 46,281,111 | 42,999,810 | 32,026,213 | 28,744,912 |
|  |  |  |  |  |
| Total trade account receivables | 268,208,915 | 194,760,973 | 191,155,460 | 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 | 227,163,135 | 151,761,163 | 164,364,578 | 139,688,234 |

Trade receivable aged over 12 months, which has not set expected credit loss, is receivables from construction contract. The Group will receive the full amount when the electrical installation is completely tested and the project passes the work inspection by the committee. Management expects to receive the remaining balance within December 2023.

|  |
| --- |
| **9 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Construction material | 3,791,248 | 160,295 | 3,460,041 | - |
| Work in process | 708,186 | 7,516,358 | 708,186 | 7,516,358 |
| Finished goods | 2,590,371 | 2,137,659 | 2,590,371 | 2,137,659 |
| Work in process under construction contract | 2,474,865 | - | 193,922 | - |
|  |  |  |  |  |
| Total inventories | 9,564,670 | 9,814,312 | 6,952,520 | 9,654,017 |
| Less Allowance for diminution in value of inventories | (15,220) | (23,528) | (15,220) | (23,528) |
|  |  |  |  |  |
| Inventories, net | 9,549,450 | 9,790,784 | 6,937,300 | 9,630,489 |

|  |
| --- |
| **10 Investment in subsidiaries and associates** |

**Movements of investments**

*Movements of subsidiaries*

Movements of investments in subsidiaries for nine-month period ended 30 September 2023 are as follows:

|  |  |
| --- | --- |
|  | **Separate**  **financial information** |
|  | **Investment**  **in cost method** |
|  | **Baht** |
|  |  |
| Opening balance | 13,624,575 |
| Increase in investment | 51,510,000 |
|  |  |
| Closing balance | 65,134,575 |

On 12 May 2023, the Board of Directors' Meeting of PROEN Telebiz Company Limited (PROEN Telebiz) no.1/2023 approved to increase the shares which is amounting to Baht 50 million, comprising 500,000 shares with a par value of Baht 100 per share, and fully paid in the amount Baht of 50 million in May 2023. As a result, the number of authorised and paid up shares will increase from Baht 10 million to Baht 60 million. The Group interest in PROEN Telebiz remains unchanged at 100%.

On 11 May 2023, the Board of Directors' Meeting no.3/2023 approved the establishment of a subsidiary, Jumpbox Company Limited, located in Thailand. The registered capital of Baht 4 million consists of 40,000 ordinary shares with a par value of Baht 100 per share. PROEN Corp Public Company Limited, the parent company, is a shareholder, representing 51% of the total issued shares. On 28 June 2023, the Company paid up 25%, totaling Baht 0.51 million.

Jumpbox Company Limited is a company registered in Thailand, and principally engages in providing training services, as well as consulting on educational technology and human resource services.

On 11 August 2023, the Board of Directors' Meeting of Secure Network Operation Center Company Limited (Secure Network) no.1/2023 approved to increase the shares which is amounting to Baht 1 million, comprising 10,000 shares with a par value of Baht 100 per share, and fully paid in the amount Baht of 1 million in September 2023. As a result, the number of authorised and paid up shares will increase from Baht 2 million to Baht 3 million. The Group interest in Secure Network remains unchanged at 100%.

*Investments in associate*

Movements of investments in associate for nine-month period ended 30 September 2023 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Investment**  **in equity method** | **Investment in cost method** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening balance | - | - |
| Increase in investment | 95,000,040 | 95,000,040 |
| Share of net loss | (2,841,662) | - |
|  |  |  |
| Closing balance | 92,158,378 | 95,000,040 |

In March 2023, the Company invested in Gateway Service Company Limited consists of 1,172,840 ordinary shares with a price of Baht 81 per share, totaling Baht 95 million. PROEN Corp Public Company Limited is a shareholder, representing 19% of the total issued shares, and already paid of Baht 70 million. The remaining balance of Bath 25 million will be paid within December 2023.

Gateway Service Company Limited located in Thailand, and principally engages in providing 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 30 September 2023, the Company is in the process of preparing a report on purchase price allocation (PPA) of Gateway Service Company Limited.

Summarised financial information for associate. The financial information is included in associates’ own financial statements which has been adjusted with the adjustments necessary for the equity method including adjusting fair value and differences in accounting policy.

|  | **Acquisition date** |
| --- | --- |
|  | **Baht** |
|  |  |
| **Summarised statement of financial position** |  |
|  |  |
| **Assets** |  |
| Current assets | 31,297,041 |
| Non-current assets | 240,331,937 |
| **Liabilities** |  |
| Current liabilities | (442,153,513) |
| Non-current liabilities | - |
|  |  |
| Net assets | (170,524,535) |
| Group’s share in associates (%) | 19.00% |
|  |  |
| Group’s share in associates | **(32,399,662)** |
|  |  |
| Cash paid for investment in associate | **95,000,040** |
|  |  |
| Goodwill (included in the balance of investments in associates) | **127,399,702** |

The Group is currently assessing the fair value of net assets as at the acquisition date, which is expected to be completed within December 2023.

As at 30 September 2023 and 31 December 2022, investments in subsidiaries and associate are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **% of ownership interest** | | **Investment at**  **equity method** | | **Investment at**  **cost method** | |
|  |  |  | **30 September** | **31 December** | **30 September** | **31 December** | **30 September** | **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 | - | - | 2,999,800 | 1,999,800 |
|  |  |  |  |  |  |  |  |  |
| Proen Telebiz Company Limited | Thailand | Construction | 100 | 100 | - | - | 59,999,800 | 9,999,800 |
|  |  |  |  |  |  |  |  |  |
| ICONNEXT Company Limited | Thailand | Provide network operation | 64.99 | 64.99 | - | - | 1,624,975 | 1,624,975 |
|  |  |  |  |  |  |  |  |  |
| Jumpbox Company Limited | Thailand | Provide training teaching and consulting  about computers and technology | 51 | - | - | - | 510,000 | - |
|  |  |  |  |  |  |  |  |  |
| 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 | - | 92,158,378 | - | 95,000,040 | - |

|  |
| --- |
| **11 Property, plant, equipment, and intangible assets** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | | | **Separate**  **financial information** | | | |
|  | **Property** |  | **Right** | **Property** | |  | **Right** |
|  | **plant, and** | **Intangible** | **of use** | **plant, and** | | **Intangible** | **of use** |
|  | **equipment** | **assets** | **assets** | **equipment** | | **assets** | **assets** |
|  | **Bath** | **Bath** | **Bath** | **Bath** | | **Bath** | **Bath** |
|  |  |  |  |  | |  |  |
| **For the nine-month period** |  |  |  |  | |  |  |
| **ended 30 September 2023** |  |  |  |  | |  |  |
| Opening net book amount | 172,268,548 | 4,434,249 | 17,494,872 | 170,785,031 | | 4,414,977 | 17,494,872 |
| Additions | 222,621,160 | 390,610 | 9,325,566 | 222,261,092 | | 312,810 | 6,742,566 |
| Depreciation/amortization | (15,021,679) | (293,007) | (10,172,405) | (14,473,515) | | (281,039) | (10,035,117) |
| Remeasurment fair value of  digital asset | - | (573,547) | - | - | | (573,547) | - |
|  |  |  |  |  | |  |  |
| Closing net book amount | 379,868,029 | 3,958,305 | 16,648,033 | 378,572,608 | | 3,873,201 | 14,202,321 |

Borrowing costs of Baht 9.58 million (30 September 2022: Baht 2.26 million) were capitalized in property, plant and equipment that purchased during the period. The Group uses a capitalization rate of 6.59 % per annum (30 September 2022: 5.81%) in calculating the cost for the capitalizations.

At 30 September 2023, the land and buildings at net book value of Baht 84.57 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).

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current |  |  |  |  |
| Bank overdrafts | 2,810,146 | 2,174,767 | - | - |
| Current portion of long-term borrowings |  |  |  |  |
| from financial institutions | 13,721,561 | 14,836,694 | 11,789,425 | 12,974,046 |
| Current portion of debentures | 497,813,666 | - | 497,813,666 | - |
|  |  |  |  |  |
| Total current borrowings | 514,345,373 | 17,011,461 | 509,603,091 | 12,974,046 |
|  |  |  |  |  |
| **Non-current** |  |  |  |  |
| Long-term borrowings from financial institutions | 22,633,129 | 32,537,087 | 21,659,397 | 30,140,102 |
| Debenture | - | 494,811,722 | - | 494,811,722 |
|  |  |  |  |  |
| Total non-current borrowings | 22,633,129 | 527,348,809 | 21,659,397 | 524,951,824 |
|  |  |  |  |  |
| **Total borrowings** | 536,978,502 | 544,360,270 | 531,262,488 | 537,925,870 |

The borrowings are secured by saving and fixed deposits of the Company, land and building of the Company (Note 11), land and building of Director, and 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 nine-month period ended 30 September 2023** |  |  |
| Opening balance | 47,373,781 | 43,114,148 |
| Repayment of loan | (11,156,476) | (9,764,897) |
| Amortization of front-end fee | 137,385 | 99,571 |
|  |  |  |
| Closing balance | 36,354,690 | 33,448,822 |

**12.2 Debenture**

The movements in debenture are analyzed as follows:

|  |  |
| --- | --- |
|  | **Consolidated and Separate**  **financial information** |
|  | **Baht** |
| **For the nine-month period ended 30 September 2023** |  |
| Opening balance | 494,811,722 |
| Amortization of front-end fee | 3,001,944 |
|  |  |
| Closing balance | 497,813,666 |

The Company issued debenture with face value 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** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 36,354,690 | 47,373,781 | 36,719,748 | 48,274,442 |
| Debenture | 497,813,666 | 494,811,722 | 496,000,190 | 497,132,341 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial information** | | | |
|  | **Carrying amounts** | | **Fair values** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Long-term from financial institutions borrowings | 33,448,822 | 43,114,148 | 33,851,611 | 44,066,663 |
| Debenture | 497,813,666 | 494,811,722 | 496,000,190 | 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**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
|  |  |  |  |  |
| Current portion of lease liabilities | 9,914,900 | 14,750,815 | 9,586,909 | 14,750,815 |
| Lease liabilities | 7,586,141 | 13,089,978 | 6,159,064 | 13,089,978 |

The movement of lease liabilities for the nine-month period ended 30 September 2023 can be analyzed as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Consolidated 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 | 9,146,865 | (596,198) | 8,550,667 |
| Repayment | (12,698,890) | 963,184 | (11,735,706) |
| Terminate lease contract | (7,529,987) | 375,274 | (7,154,713) |
|  |  |  |  |
| Closing net book value | 18,481,507 | (980,466) | 17,501,041 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **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 | 7,090,150 | (347,584) | 6,742,566 |
| Repayment | (12,630,332) | 947,659 | (11,682,673) |
| Terminate lease contract | (7,529,987) | 375,274 | (7,154,713) |
|  |  |  |  |
| Closing net book value | 16,493,350 | (747,377) | 15,745,973 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade accounts payable** |  |  |  |  |
| Trade accounts payable - third parties | 121,526,984 | 171,398,784 | 108,168,135 | 168,396,328 |
|  |  |  |  |  |
| Total trade accounts payable | 121,526,984 | 171,398,784 | 108,168,135 | 168,396,328 |
|  |  |  |  |  |
| **Other accounts payable** |  |  |  |  |
| Accrued expenses | 26,212,426 | 25,848,945 | 54,141,134 | 48,102,355 |
| Accrued cost of services | 10,178,525 | 21,227,003 | 10,178,525 | 21,227,003 |
| Accrued cost of construction contracts | 168,354,084 | 222,561,905 | 113,672,529 | 187,587,386 |
| Unearned income | 7,336,778 | 14,346,429 | 5,908,878 | 14,246,828 |
| Advance received for services | 68,125 | 1,458,223 | 68,125 | 1,458,223 |
| Advance received for construction contracts | 24,201,711 | 32,193,777 | 16,135,140 | 21,067,778 |
| Retention payable | 36,448,145 | 14,701,693 | 32,044,892 | 11,370,921 |
| Other payables | 6,541,097 | 2,382,717 | 6,311,030 | 2,297,845 |
| Payable from purchase of investment | 25,000,040 | - | 25,000,040 | - |
| Interest payable | 8,235,626 | 65,333 | 8,235,626 | 65,333 |
|  |  |  |  |  |
| Total other accounts payable | 312,576,557 | 334,786,025 | 271,695,919 | 307,423,672 |
|  |  |  |  |  |
| Total trade and other payables | 434,103,541 | 506,184,809 | 379,864,054 | 475,820,000 |

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

Movements of share capital for nine-month period ended 30 September 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 | 316,000,000 | 158,000,000 | 228,732,200 |
| Issue of shares | 158,000,000 | 79,000,000 | - | - | - |
|  |  |  |  |  |  |
| At 30 September 2022 | 474,000,000 | 237,000,000 | 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 | - | - | 30,317,500 | 15,158,750 | 93,984,350 |
|  |  |  |  |  |  |
| At 30 September 2023 | 474,000,000 | 237,000,000 | 346,317,500 | 173,158,750 | 322,716,550 |

On 29 December 2022, the warrant holders exercised their warrants (PROEN-W1) totaling 974,150 units to purchase 974,150 ordinary shares at the exercise price of Baht 3.60 per unit in total amount of Baht 3,409,740 which is fully received, and the Company registered the capital increase with Ministry of Commerce on 9 January 2023.

As 29 June 2023, the warrant holders exercised their warrants (PROEN-W1) totaling 29,370,350 units to purchase 29,370,350 ordinary shares at the exercise price of Baht 3.60 per unit in total amount of Baht 105,733,360 which is fully received, and the Company registered the capital increase with Ministry of Commerce on 4 July 2023.

**15.1 Warrants to purchase ordinary share**

Changes to warrants to purchase ordinary shares for the nine-month period ended 30 September 2023 are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Determined exercising date** | | **31 December**  **2022** |  | **30 September**  **2023** |
|  | **First**  **Exercise Date** | **Last**  **Exercise Date** | **Number of Remaining**  **shares** | **Exercise during the period** | **Number of Remaining**  **shares** |
|  |  |  |  |  |  |
| PROEN-W1 | 29/12/2022 | 22/03/2024 | 156,880,122 | 29,370,350 | 127,509,772 |

As 29 June 2023, the warrant holders exercised their warrants (PROEN-W1) totaling 29,370,350 units to purchase 29,370,350 ordinary shares at the exercise price of Baht 3.60 per unit in total amount of Baht 105,733,360 which is fully received.

|  |
| --- |
| **16 Legal reserve** |

The movements of legal reserve can be analysed as follows:

|  |  |
| --- | --- |
|  | **Baht** |
| **For the nine-month period ended 30 September 2023** |  |
| Opening balance | 11,770,000 |
| Appropriation during the period | 320,000 |
|  |  |
| Closing balance | 12,090,000 |

Under Public Limited Companies Act, B.E. 2535(1992), 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) at each dividend declaration until the reserve is not less than 10% of the registered capital of the Company.

|  |
| --- |
| **17 Dividends** |

**2023**

On 27 April 2023, the annual general meeting of shareholders 2023 approved the dividend payment for the operating results for the year ended date 31 December 2022 at the rate of Baht 0.12 per share, totaling Baht 38.03 million.   
The dividends were distributed to shareholders on 18 May 2023.

**2022**

On 28 April 2022, the annual general meeting of shareholders 2022 approved interim dividends payment for the period during the 1 April 2021 to 31 December 2021 operating results by cash of Baht 0.0577 per share, totalling of Baht 18.22 million. The dividends were distributed to the shareholders on 25 May 2022.

|  |
| --- |
| **18 Income taxes expense** |

Income tax 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 nine-month ended 30 September 2023 for consolidated financial information and separate financial information is 26.44% and 20.01% per annum (30 September 2022: 7.46% and 19.24% per annum) respectively. An increase in tax rate is because the Group did not recognise deferred tax asset from tax losses of subsidiaries.

|  |
| --- |
| **19 Related party transactions** |

The major shareholders of the Company are Wealth Water House Co., Ltd. and Mr. Kittipan Sribuaiam which own 27.48% and 15.34% of the Company’s shares, respectively. The remaining 57.18% of the shares are widely held.

The significant investments in subsidiaries and associate set out in Note 10.

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**  **2023** | **30 September**  **2022** | **30 September**  **2023** | **30 September**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Sales of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 629,652 | 5,709,278 |
| Parent company | 22,500 | 22,500 | 22,500 | 22,500 |
|  |  |  |  |  |
|  | 22,500 | 22,500 | 652,152 | 5,731,778 |
|  |  |  |  |  |
| **Management fee income** |  |  |  |  |
| Subsidiaries | - | - | 1,781,231 | 3,507,359 |
| **Rental income** |  |  |  |  |
| Subsidiaries | - | - | 156,600 | 156,600 |
| **Interest income** |  |  |  |  |
| Subsidiaries | - | - | 7,532,831 | 4,032,044 |
| Associates | 1,130,137 | - | 1,130,137 | - |
|  |  |  |  |  |
|  | 1,130,137 | - | 8,662,968 | 4,032,044 |
| **Dividend income** |  |  |  |  |
| Subsidiaries | - | - | 1,000,000 | - |

1. **Purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods ended** | **30 September**  **2023** | **30 September**  **2022** | **30 September**  **2023** | **30 September**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| **Costs of goods and services** |  |  |  |  |
| Subsidiaries | - | - | 1,304,775 | 5,456,057 |
| **Management fee expense** |  |  |  |  |
| Subsidiaries | - | - | 6,779,233 | 3,949,682 |
| **Rental expense** |  |  |  |  |
| Director | 184,211 | 236,842 | 184,211 | 236,842 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2023** | **2022** | **2023** | **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Trade accounts receivable (Note 8)** |  |  |  |  |
| Subsidiaries | - | - | - | 998,159 |
|  |  |  |  |  |
| **Accrued income** |  |  |  |  |
| Subsidiaries | - | - | 11,536,427 | 10,357,453 |
| Parent company | 1,333 | 1,250 | 1,333 | 1,250 |
|  |  |  |  |  |
|  | 1,333 | 1,250 | 11,537,760 | 10,358,703 |
|  |  |  |  |  |
| **Prepaid rental** |  |  |  |  |
| Director | 92,105 | 61,404 | 92,105 | 61,404 |
|  |  |  |  |  |
| **Interest receivable** |  |  |  |  |
| Subsidiaries | - | - | 10,085,164 | 11,146,547 |
| Associates | 1,130,137 | - | 1,130,137 | - |
|  |  |  |  |  |
|  | 1,130,137 | - | 11,215,301 | 11,146,547 |
|  |  |  |  |  |
| **Accrued expense** |  |  |  |  |
| Subsidiaries | - | - | 30,004,503 | 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 nine-month period ended 30 September 2023** |  |
| Opening balance | 87,323,303 |
| Additions during the period | 102,638,300 |
| Repayment during the period | (41,491,728) |
|  |  |
| Closing balance | 148,469,875 |

Short-term loans to subsidiary were given on commercial terms and conditions. The related interest income was Baht 7,532,831 in the separate financial information. The short-term loans to subsidiary bear interest rate at 8.00% per annum and due for repayment from October to December 2023.

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

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

|  |  |
| --- | --- |
|  | **Consolidated and Separate**  **financial information** |
|  | **Baht** |
|  |  |
| **For the nine-month period ended 30 September 2023** |  |
| Opening balance | - |
| Additions during the period | 25,000,000 |
|  |  |
| Closing balance | 25,000,000 |

Short-term loans to associates were given on commercial terms and conditions. The related interest income was Baht 1,130,137 in the consolidated and separate financial information. The short-term loans to associates bear interest rate at 15.00% per annum and due for repayment in March 2024.

1. **Key management compensation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods ended** | **30 September**  **2023** | **30 September**  **2022** | **30 September**  **2023** | **30 September**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 15,663,776 | 13,760,487 | 12,795,042 | 13,760,487 |
| Post-employee benefits | 691,457 | 1,479,287 | 691,457 | 1,892,151 |
|  |  |  |  |  |
|  | 16,355,233 | 15,239,774 | 13,486,499 | 15,652,638 |

|  |
| --- |
| **20 Commitments and contingencies** |

1. **Capital expenditure commitments**

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and separate**  **financial information** | |
|  | **30 September** | **31 December** |
|  | **2023**  **Bath** | **2022**  **Bath** |
|  |  |  |
| Building and equipment | 285,927,209 | 3,297,100 |

1. **Guarantees**

At 30 September 2023, the Company has obligation to secure overdraft facilities of subsidiary of Baht 5 million (2022: Baht 5 million) and letter guarantees facilities of subsidiary of Baht 21.55 million (2022: Bath 16.78 million).

1. **Bank guarantees**

At 30 September 2023, the Group has outstanding bank guarantees as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September**  **2023** | **31 December**  **2022** | **30 September**  **2023** | **31 December**  **2022** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Bank guarantee | 148,343,029 | 145,845,137 | 109,643,002 | 132,322,542 |

|  |
| --- |
| **21 Events after the reporting period** |

**Establishment of new subsidiary**

On 9 September 2023, the Board of Directors' Meeting no.7/2023 approved to increase the shares of WESTINGHOUSE Company Limited which is a subsidiary amounting to Baht 3 million, comprising 30,000 shares with a par value of Baht 100 per share. PROEN Corp Public Company Limited, the parent company, is a shareholder, representing 99.99% of the total issued shares. WESTINGHOUSE Company Limited is principally engaged in the business of selling and providing machinery and other equipment for construction contract.