

Proud Real Estate Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2023

1. General information

1.1 General information of the Company

Proud Real Estate Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in real estate development. The registered office of the Company is at 548 One City Centre, 19th Floor, Unit No. 1902 - 1903, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok.

The Company has changed its registered address from 900 Tonson Tower, 6th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok, to the new address at 548 One City Centre, 19th Floor, Unit No. 1902 - 1903, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok, effective from 1 August 2023. The Company registered the change in registered address with the Ministry of Commerce on 20 July 2023.

1.2 Basis for the preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, it focuses on new activities, events, and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

1.3 Basis of consolidation

This interim financial information includes the financial statements of Proud Real Estate Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) (collectively as “the Group”) and has been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022. There have been no change in shareholding structure of subsidiaries during the current period, except as described in Note 4 to the interim consolidated financial statements.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

1.5 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

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

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties are as follows:

(Unit: Million Baht)				
For the three-month periods ended				
30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Transactions with subsidiary companies				
(eliminated from the consolidated financial statements)				
Management income	-	-	23	22
Interest income	-	-	20	8
Other income	-	-	-	9
Interest expense	-	-	16	-
Transactions with related companies				
Rental fee	1	1	-	-
Other expenses	-	2	-	1
Transactions with related person				
Return on cumulative and redeemable preference shares	-	1	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended
30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Transactions with subsidiary companies				
(eliminated from the consolidated financial statements)				
Management income	-	-	69	53
Interest income	-	-	37	22
Dividend income	-	-	8	-
Other income	-	-	-	13
Interest expense	-	-	21	-
Transactions with related companies				
Rental fee	3	3	-	-
Other expenses	2	4	-	1
Transactions with related persons				
Return on cumulative and redeemable preference shares	1	1	1	-

The balances of the accounts as at 30 September 2023 and 31 December 2022 between the Group and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other receivables and advance to related parties				
Subsidiaries	-	-	163,969	37,901
Total other receivables and advance to related parties	-	-	163,969	37,901
Interest receivables - related parties				
Subsidiaries	-	-	86,204	48,761
Total interest receivables - related parties	-	-	86,204	48,761
Prepaid expenses - related parties				
Related companies	28,251	-	-	-
Total prepaid expenses - related parties	28,251	-	-	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Other payables and advance receive from related parties				
Related person	-	110	-	110
Related companies	2,255	819	189,441	24,773
Total other payables and advance receive from related parties	2,255	929	189,441	24,883
Interest payable - related party				
Subsidiary	-	-	21,616	131
Total interest payable - related party	-	-	21,616	131
Redeemable preference shares - related parties				
Related persons	-	20,028	-	-
Total redeemable preference shares - related parties	-	20,028	-	-
Lease liabilities - related party				
Related company	939	3,084	-	-
Total lease liabilities - related party	939	3,084	-	-

Loans to related parties

As at 30 September 2023 and 31 December 2022, the balances of loans between the Company and those related parties and the movements were as follows:

Loans to subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiary companies	Separate financial statements		
	Increase		
	31 December 2022	during the period	30 September 2023
Convent Beta Co., Ltd.	369,942	-	369,942
Proud Horseshoe Co., Ltd.	64,288	-	64,288
Hua Hin Sky Living Co., Ltd.	34,670	-	34,670
Khu Khot Station Alliance Co., Ltd.	-	301,007	301,007
Phraram 9 Alliance Co., Ltd.	-	660,993	660,993
Total	468,900	962,000	1,430,900

Short-term loans to subsidiary companies are due at call, carrying interest at the rate of MLR-0.5% per annum.

(Unit: Thousand Baht)

Long-term loan to subsidiary company	Separate financial statements		
	31 December 2022	During the period	30 September 2023
Hua Hin Sky Living Co., Ltd.	100,000	-	100,000
Total	100,000	-	100,000
Less: Current portion	(100,000)	-	(100,000)
Long-term loan to related party, net of current portion	-	-	-

Long-term loan to subsidiary company bears interest at the rate of MLR-0.5% per annum. The payment schedules of principal and interests are due within 31 December 2023.

Loans from subsidiary company

(Unit: Thousand Baht)

Short-term loans from subsidiary company	Separate financial statements		
	31 December 2022	Increase during the period	30 September 2023
Hua Hin Alpha 71 Co., Ltd.	-	600,000	600,000
Khu Khot Station Alliance Co., Ltd.	-	540,000	540,000
Phraram 9 Alliance Co., Ltd.	-	30,000	30,000
Total	-	1,170,000	1,170,000

On 30 March 2023, the Extraordinary General Meeting of Shareholders of Hua Hin Alpha 71 Co., Ltd., a subsidiary, passed a resolution approving a loan to the Company. The purpose of the loan is to redeem the subsidiary's cumulative and redeemable preference shares in the amount of Baht 600 million. The redemption will be divided into 3 installments, with the first installment of Baht 200 million to be paid on 31 March 2023. The remaining amount will be paid in the second and third installments, which are scheduled to occur within the third quarter of 2023. As at 31 March 2023, the Company received a loan from the subsidiary to redeem the preference shares of Baht 200 million. Therefore, the Company's investment in preference shares of the subsidiary increased by Baht 200 million.

On 17 May 2023 and 30 September 2023, the Company additionally drew down loans from the aforementioned subsidiary to redeem cumulative and redeemable preference shares for the second and third installments, with each installment amounting to Baht 200 million. As a result, the Company's investment in the preference shares of the subsidiary increased by Baht 400 million. As of 30 September 2023, the total investment in preference shares amounts to Baht 600 million, as described in Note 4 to the interim consolidated financial statements.

Short-term loans from subsidiary company bears interest at the rate of MLR-0.5% per annum. The payment schedules of principal and interests are due within 30 March 2024.

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	For the three-month periods ended 30 September	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	8,677	6,714
Post-employment benefits	291	279
Total	<u>8,968</u>	<u>6,993</u>

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	For the nine-month periods ended 30 September	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	30,147	24,347
Post-employment benefits	873	837
Total	<u>31,020</u>	<u>25,184</u>

3. Real estate development costs

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>30 September 2023</u>	<u>31 December 2022</u>
Land	3,675,416	1,998,408
Construction in progress and design expenses	2,872,629	636,213
Capitalised borrowing costs	437,489	86,829
Total	<u>6,985,534</u>	<u>2,721,450</u>

During the three-month and nine-month periods ended 30 September 2023 and 2022, the subsidiaries capitalised borrowing costs to be included in the cost of land and construction in progress which were calculated from capitalisation rate from weighted average rate of loans as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Borrowing costs included in the cost of land and construction in progress (Million Baht)	24	9	43	35
Capitalisation rate (%)	5.10 - 5.86	3.25 - 5.08	5.10 - 5.86	3.25 - 5.08

As at 30 September 2023 and 31 December 2022, the subsidiaries have pledged some land and construction thereon as collateral for credit facilities of the subsidiaries which have net book value as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	30 September 2023	31 December 2022
Net book value of land and construction that has been pledged as collateral	5,448	1,630

4. Investments in subsidiaries

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)
<u>Ordinary shares</u>						
Hua Hin Alpha 71 Co., Ltd.	800,000	200,000	99.99	99.99	800,000	200,000
Hua Hin Sky Living Co., Ltd.	50,000	50,000	99.99	99.99	50,000	50,000
Proud Horseshoe Co., Ltd.	20,000	20,000	99.99	99.99	19,999	19,999
Convent Beta Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000
Prompt Solution Management Co., Ltd.	500	500	99.94	99.94	500	500
The Estate 345 Co., Ltd.	1,000	-	99.99	-	1,000	-
Khu Khot Station Alliance Co., Ltd.	300,000	300,000	99.99	-	228,489	-
Phraram 9 Alliance Co., Ltd.	768,000	768,000	99.99	-	344,762	-
Total investments in subsidiaries					1,445,750	271,499

The establishment of new subsidiary

On 17 July 2023, a meeting of the Company's Board of Directors passed a resolution approving the establishment of a new subsidiary company under the name "The Estate 345 Company Limited". This new subsidiary is engaged in real estate development and has a registered capital of 10,000 ordinary shares of Baht 100 each, totaling Baht 1 million. The Company holds shares 99.99 percent of the shares in the new subsidiary. The subsidiary company registered its establishment with the Ministry of Commerce on 21 July 2023.

Additional investments in subsidiaries

On 29 June 2023, the Extraordinary General Meeting of Shareholders of the Company passed the resolution to approve the acquisition of all ordinary shares in Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited (referred to collectively as the "Target Company"), which are to be acquired from Noble Development Public Company Limited and TNL Alliance Company Limited (referred to collectively as the "Sellers"). The number of shares to be acquired is 3,000,000 shares and 7,680,000 shares, respectively. The consideration for the shares was paid in cash, totaling Baht 573,251,877. Furthermore, the meeting approved the execution of a share purchase agreement between the Company and the Sellers, along with other relevant documents pertaining to the aforementioned transaction. On 26 May 2023, the Company executed the share purchase agreement and paid a deposit of Baht 15 million to the Sellers as a guarantee for the agreement.

In addition, due to an existing loan agreement, apart from the share purchase agreement, between the Target Company and the Sellers, with a total outstanding debt of Baht 1,161,891,951, the Company will undertake the following actions. The Company (1) will receive a partial transfer of claims under the loan agreement between the Target Company and the Sellers. The Company will receive the transfer of debts amounting to Baht 426,748,123 and will assume the role of the borrower on behalf of the Sellers. The Company is obligated to pay consideration in cash for the transfer of the claims, equivalent to the outstanding debt received to the Sellers. Additionally, (2) the Company will facilitate Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited in borrowing funds from commercial banks and/or raising capital through the issuance of preferred shares to be used to repay the remaining loan amount under the loan agreement between the Target Company and the Sellers, for the portion where the transfer of debts has not been assigned to the Company. The Target Company will repay the aforementioned loan amount to the Sellers in cash, totaling Baht 735,143,828, either on the same day as the business acquisition or within 1 day thereafter.

On 25 July 2023, the fulfillment of conditions precedent has been completed as stipulated in the agreement. The Company purchased and signed the share transfer documents of the aforementioned ordinary shares. Therefore, the status of the Target Company was changed to the subsidiaries of the Company and the financial statements of the Target Company has been included in the consolidated financial statements since 25 July 2023, which was the date on which the Company assumed control.

In acquiring shares of the following subsidiary companies, the Company analysed the acquisition transactions in accordance with Thai Financial Reporting Standard No.3 Business Combinations and identified that the acquisitions of these investments qualified as assets acquisitions.

	(Unit: Thousand Baht)	
	Khu Khot Station Alliance Company Limited	Phraram 9 Alliance Company Limited
Cash and cash equivalents	21,402	36,554
Other receivables	59,811	44,618
Real estate development costs	651,427	2,452,251
Deferred front end fee	303	528
Other current assets	11,558	7
Deferred tax assets	-	204,637
Property and equipment, net	-	18,722
Cost to obtain contract	70,268	293,828
Trade and other payables	(17,449)	-
Deferred revenue from sale of real estate	(178,031)	(978,691)
Short-term loans from shareholders	(364,006)	(810,993)
Long-term loans from financial institutions	(263,047)	(1,297,190)
Accrued interest expenses	(879)	(4,108)
Accrued expenses	(290)	(1,016)
Other current liabilities	(9,140)	(16,339)
Net liabilities	(18,073)	(57,192)
Cash paid for investments in subsidiaries	228,490	344,763
Cash paid for existing shareholders loans	510	426,237
Less: Cash and cash equivalents of the subsidiaries	(21,402)	(36,554)
Net cash paid for investments in subsidiaries	207,598	734,446

Redemption of subsidiary's cumulative and redeemable preference shares

On 30 March 2023, the Extraordinary General Meeting of Shareholders of Hua Hin Alpha 71 Co., Ltd., a subsidiary, passed a resolution approving a loan to the Company for the purpose of redeeming the subsidiary's cumulative and redeemable preference shares. On 31 March 2023, the subsidiary paid dividends and accumulated accrued dividends of preference shares to investors (net of withholding tax). On the same day, the Company exercised its right to partially purchase the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve, for a total of Baht 200 million. As a result, the Company's investment in preference shares in the subsidiary increased by Baht 200 million.

On 17 May 2023 and 30 June 2023, the Company additionally drew down loans from the aforementioned subsidiary and subsequently redeemed cumulative and redeemable preference shares for the second and third installments, with each installment amounting to Baht 200 million. As a result, the Company's investment in the preference shares of the subsidiary increased by Baht 400 million. As of 30 June 2023, the total investment in preference shares amounts to Baht 600 million.

Dividend income from subsidiary

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Company recognised dividend income from the following subsidiary:

(Unit: Thousand Baht)

Subsidiary	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Hua Hin Alpha 71 Co., Ltd.	-	-	7,562	-

5. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Long-term loans	3,731,815	999,991	450,000	1,206
Less: Deferred front end fee	(23,637)	(7,394)	(2,108)	-
Add: Finance cost - Interest expenses on borrowings	107,188	-	-	-
Net	3,815,366	992,597	447,892	1,206
Less: Current portion	-	(1,206)	-	(1,206)
Long-term loans, net of current portion	<u>3,815,366</u>	<u>991,391</u>	<u>447,892</u>	<u>-</u>

Movements in the long-term loans account during the nine-month period ended 30 September 2023 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	992,597	1,206
Add: Increase in acquisition of a subsidiaries during the period	1,560,237	-
Additional borrowings	1,169,387	450,000
Amortisation of front end fee	2,383	142
Finance cost - Interest expenses on borrowings	107,188	-
Less: Repayment	(1,206)	(1,206)
Front end fee	(15,220)	(2,250)
Balance as at 30 September 2023	3,815,366	447,892

Under loan agreements, the Group must comply with the conditions stipulated in the agreements such as the maintenance of net debt to equity ratio.

As at 30 September 2023, the loan facilities of the Group which have not yet been drawn down amounted to Baht 3,671 million (31 December 2022: Baht 1,724 million).

6. Deferred revenue from sale of real estate

Deferred revenue from sale of real estate comprises cash received in advance from customers which can be classified by entity as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2023	31 December 2022
Hua Hin Alpha 71 Co., Ltd.	93,662	345,682
Hua Hin Sky Living Co., Ltd.	164,574	54,285
Convent Beta Co., Ltd.	78,298	-
Khu Khot Station Alliance Co., Ltd.	197,678	-
Phraram 9 Alliance Co., Ltd.	1,070,367	-
Total	1,604,579	399,967

7. Cumulative and redeemable preference shares

On 25 July 2023, the Company, Phraram 9 Alliance Company Limited, which is a subsidiary, and investors entered into an agreement of the shareholders of Phraram 9 Alliance Company Limited. The subsidiary agrees to offer 7.5 million newly issued ordinary shares to the Company at the price of Baht 100 per share, totaling Baht 750 million.

The rights attached to the preference shares shall be as follows:

Voting right	50 shares per 1 vote
Right to receive dividends	<p>Preference shares are entitled to a dividend of 7.00%, 9.00% and 9.50% per annum of the par value of the preference shares.</p> <p>Preference shareholders have the right to accumulate accrued dividends of the preference shares.</p>
	Preference shares are not entitled to receive dividends other than dividends at the rates as specified above.
The right to receive a return of capital	In the event of company dissolution and liquidation, preference shareholders have the right to receive capital return of preference shares and accrued dividend payable of preference shares (if any) at their residual value prior to liquidation before ordinary shareholders.
Redemption of preference shares	<p><u>Redemption of preference shares after the maturity of 1 year but less than 3 years 6 month</u></p> <p>(a) In case Phraram 9 Alliance Company Limited has sufficient retained earnings.</p> <p>(1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to investors (net of withholding tax).</p> <p>(2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve.</p> <p>(b) In case Phraram 9 Alliance Company Limited has insufficient retained earnings</p> <p>(1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to the investors in the amount that can be afforded (net of withholding tax).</p>

- (2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors in the same proportions at the price equal to the sum of (1) the par value of the shares (2) the legal reserve (3) the amount of unpaid dividends and accumulated accrued dividends of preference shares and (4) the net of the capital gains tax minus withholding tax at the rate of 10%, as the investors are obligated on tax payable for the accumulated dividend of the preference shares.

Redemption of preference shares at maturity of 3 years 6 month

The investors have the put option to request the Company to purchase entirely preference shares from the investors. The Company guarantees to act according to the rights of the investors as follows:

- (a) In case Phraram 9 Alliance Company Limited has sufficient retained earnings.
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to investors (net of withholding tax).
 - (2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve.
- (b) In case Phraram 9 Alliance Company Limited has insufficient retained earnings
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to the investors in the amount that can be afforded (net of withholding tax).
 - (2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors in the same proportions at the price equal to the sum of (1) the par value of the shares (2) the legal reserve (3) the amount of unpaid dividends and accumulated accrued dividends of preference shares and (4) the net of the capital gains tax minus withholding tax at the rate of 10% , as the investors are obligated on tax payable for the accumulated dividend of the preference shares.

The subsidiary presents the preference shares as a financial liability component in "Cumulative and redeemable preference shares" account at amortised cost until maturity in the consolidated statement of financial position. The Company is confident that preference shares will be redeemed.

Movements of cumulative and redeemable preference shares net from the transaction cost for issuance of the cumulative and redeemable preference shares for the nine-month period ended 30 September 2023 were summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2023	663,740
Add: Issuing during the period	750,000
Financial cost - Return on cumulative and redeemable preference shares	34,562
Less: Repayment	(600,000)
Paid for financial cost - Return on cumulative and redeemable preference shares	(86,425)
Balance as at 30 September 2023	761,877

8. Share capital

On 29 June 2023, the Extraordinary General Meeting of Shareholders of the Company passed the resolution to approve the following matters.

- 8.1 The meeting approved a capital reduction of Baht 31,679,911 from the Company's current registered capital of Baht 673,148,951, resulting in a new registered capital of Baht 641,469,040. This reduction will be accomplished by canceling 31,679,911 ordinary shares that have not yet been issued, with a par value of Baht 1 per share. In addition, the meeting has approved an amendment to the memorandum of association to align with the proposed capital reduction. The Company registered the decrease in share capital with the Ministry of Commerce on 10 July 2023.
- 8.2 The meeting approved an increase of Baht 356,371,689 in the registered capital of the Company, bringing the current registered capital of Baht 641,469,040 to a new registered capital of Baht 997,840,729, by issuing additional ordinary shares, not exceeding 356,371,689 shares, with a par value of Baht 1 per share. These new shares will be allocated to the existing shareholders of the Company in proportion to their current shareholding, without allotment to shareholders that would result in the Company having any obligations under foreign laws (Preferential Public Offering: PPO), at a price of Baht 1.75 per share. The offering will be made at a ratio of 1.8 new shares for every 1 existing shares. In addition, the meeting approved an amendment to the memorandum of association to align with the aforementioned capital increase. The Company registered the increase in share capital with the Ministry of Commerce on 11 July 2023. On 20 July 2023, the Company received a total of Baht 581,953,698 from the newly issued and paid-up ordinary shares in the amount of 332,544,970 shares of Baht 1.75 each. The Company registered the increase in its paid-up share capital with the Ministry of Commerce on the same date.

9. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses (income) for the three-month and nine-month periods ended 30 September 2023 and 2022 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current tax				
Interim corporate income tax charge	7,259	13,356	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(938)	22,338	574	(163)
Income tax expenses (income) reported in profit or loss	<u>6,321</u>	<u>35,694</u>	<u>574</u>	<u>(163)</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current tax				
Interim corporate income tax charge	58,826	13,356	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	273	19,514	403	(430)
Income tax expenses (income) reported in profit or loss	<u>59,099</u>	<u>32,870</u>	<u>403</u>	<u>(430)</u>

10. Segment information

The Group is principally engaged in the real estate development. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profit or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

11. Commitments and contingent liabilities

11.1 As at 30 September 2023, the Group had commitments in respect of service agreements payable in the future, which the terms of the agreements are generally between 1 and 3 years, of approximately Baht 17 million (31 December 2022: Baht 21 million) (Separate financial statements: Baht 16 million (31 December 2022: Baht 19 million)).

11.2 Commitments with respect to project development and related services

The subsidiary companies had commitments in respect of property development cost and related services totaling Baht 2,451 million (31 December 2022: Baht 189 million).

11.3 Bank guarantees

- 1) As at 30 September 2023, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 2,823 million (31 December 2022: Baht 2,823 million).
- 2) As at 30 September 2023, there were outstanding bank guarantees of approximately Baht 0.3 million (31 December 2022: Baht 0.3 million) issued by banks on behalf of the Company to guarantee contractual performance.

12. Financial instrument

Fair value of financial instrument

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, its fair value is not expected to be materially different from the amounts presented in the statement of financial position.

13. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 13 November 2023.