

Chic Republic Public Company Limited and its subsidiary
Review report and interim financial information
For the three-month period ended 31 March 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Chic Republic Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Chic Republic Public Company Limited and its subsidiary as at 31 March 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Chic Republic Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Sumesa Tangyoosuk

Certified Public Accountant (Thailand) No. 7627

EY Office Limited

Bangkok: 15 May 2023

Chic Republic Public Company Limited and its subsidiary

Statements of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		105,120	149,122	103,979	148,233
Trade and other receivables	3	119,802	134,634	130,736	145,207
Short-term loans to subsidiary	2	-	-	3,200	1,500
Inventories	4	95,235	107,852	90,812	102,552
Advance payment for inventories		8,435	5,938	7,833	5,935
Other current financial assets		306	2,255	306	2,255
Other current assets		3,480	3,578	3,448	3,453
Total current assets		332,378	403,379	340,314	409,135
Non-current assets					
Restricted bank deposit		25	25	25	25
Other non-current financial assets		200	200	200	200
Investment in subsidiary		-	-	159	159
Long-term loans to subsidiary	2	-	-	29,300	29,300
Investment properties	5	29,669	30,314	29,669	30,314
Building and equipment	6	797,782	785,964	782,119	769,140
Right-of-use assets	7	437,631	446,209	420,000	427,353
Intangible assets		6,639	6,829	6,452	6,631
Deferred tax assets		29,748	27,966	25,177	25,142
Other non-current assets		2,776	2,530	532	273
Total non-current assets		1,304,470	1,300,037	1,293,633	1,288,537
Total assets		1,636,848	1,703,416	1,633,947	1,697,672

The accompanying notes are an integral part of the financial statements.

Chic Republic Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	8	68,344	119,501	68,344	119,501
Trade and other payables		131,614	123,350	129,083	119,761
Current portion of long-term loans	9	63,797	62,978	63,797	62,978
Current portion of lease liabilities		22,060	21,863	18,527	18,577
Other current financial liabilities		-	180	-	180
Income tax payable		16	22	-	-
Other current liabilities		6,595	7,694	6,521	7,630
Total current liabilities		292,426	335,588	286,272	328,627
Non-current liabilities					
Long-term loans, net of current portion	9	122,427	139,100	122,427	139,100
Lease liabilities, net of current portion		361,098	370,743	342,846	351,149
Provision for long-term employee benefits		17,578	17,081	17,558	17,081
Other non-current liabilities		7,161	6,981	7,161	6,981
Total non-current liabilities		508,264	533,905	489,992	514,311
Total liabilities		800,690	869,493	776,264	842,938

The accompanying notes are an integral part of the financial statements.

Chic Republic Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
1,360,000,000 ordinary shares of Baht 0.5 each	680,000	680,000	680,000	680,000
Issued and fully paid-up				
1,360,000,000 ordinary shares of Baht 0.5 each	680,000	680,000	680,000	680,000
Share premium	133,776	133,776	133,776	133,776
Retained earnings				
Appropriated - statutory reserve	18,000	18,000	18,000	18,000
Unappropriated	4,606	3,815	25,907	22,958
Other components of shareholders' equity	(224)	(1,668)	-	-
Total shareholders' equity	836,158	833,923	857,683	854,734
Total liabilities and shareholders' equity	1,636,848	1,703,416	1,633,947	1,697,672
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Chic Republic Public Company Limited and its subsidiary

Statement of comprehensive income

For the three-month period ended 31 March 2023

(Unit: Thousand Baht, except for earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales income		125,408	197,821	121,710	190,710
Services income		10,108	7,161	10,338	7,404
Revenue from agreement with vendors		13,653	12,153	13,523	12,016
Other income		667	377	661	376
Total revenues		<u>149,836</u>	<u>217,512</u>	<u>146,232</u>	<u>210,506</u>
Expenses					
Cost of sales		56,771	115,240	55,772	113,401
Cost of services		3,064	1,669	3,064	1,669
Selling and distribution expenses		45,466	41,192	42,408	37,193
Administrative expenses		36,825	31,682	35,356	30,432
Total expenses		<u>142,126</u>	<u>189,783</u>	<u>136,600</u>	<u>182,695</u>
Profit before finance cost and income tax expenses		<u>7,710</u>	<u>27,729</u>	<u>9,632</u>	<u>27,811</u>
Finance income		102	47	466	417
Finance cost		(6,856)	(8,751)	(6,578)	(8,424)
Profit before income tax expenses		<u>956</u>	<u>19,025</u>	<u>3,520</u>	<u>19,804</u>
Income tax expenses	10	(165)	(4,312)	(571)	(4,019)
Profit for the period		<u>791</u>	<u>14,713</u>	<u>2,949</u>	<u>15,785</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		1,444	(1,487)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		1,444	(1,487)	-	-
Other comprehensive income for the period		<u>1,444</u>	<u>(1,487)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>2,235</u>	<u>13,226</u>	<u>2,949</u>	<u>15,785</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chic Republic Public Company Limited and its subsidiary
Statement of comprehensive income (continued)
For the three-month period ended 31 March 2023

(Unit: Thousand Baht, except for earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit attributable to				
Equity holders of the Company	791	14,713	2,949	15,785
Total comprehensive income attributable to				
Equity holders of the Company	2,235	13,226	2,949	15,785
Basic earnings per share				
	11			
Profit for the period (Baht)	0.0006	0.0147	0.0022	0.0158
Weighted average number of ordinary share (Thousand shares)	1,360,000	1,000,000	1,360,000	1,000,000

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chic Republic Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements					
					Other	
					components of equity	
					Other	
	Issued and paid-up		Retained earnings		Exchange differences	Total
	share capital	Share premium	Appropriated -	Unappropriated	on translation of	shareholders'
			statutory reserve		financial statements	equity
					in foreign currency	
Balance as at 1 January 2022	500,000	-	16,500	87,589	450	604,539
Profit for the period	-	-	-	14,713	-	14,713
Other comprehensive income for the period	-	-	-	-	(1,487)	(1,487)
Total comprehensive income for the period	-	-	-	14,713	(1,487)	13,226
Balance as at 31 March 2022	<u>500,000</u>	<u>-</u>	<u>16,500</u>	<u>102,302</u>	<u>(1,037)</u>	<u>617,765</u>
Balance as at 1 January 2023	680,000	133,776	18,000	3,815	(1,668)	833,923
Profit for the period	-	-	-	791	-	791
Other comprehensive income for the period	-	-	-	-	1,444	1,444
Total comprehensive income for the period	-	-	-	791	1,444	2,235
Balance as at 31 March 2023	<u>680,000</u>	<u>133,776</u>	<u>18,000</u>	<u>4,606</u>	<u>(224)</u>	<u>836,158</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chic Republic Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid-up		Retained earnings		
	share capital	Share premium	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	500,000	-	16,500	100,746	617,246
Profit for the period	-	-	-	15,785	15,785
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	15,785	15,785
Balance as at 31 March 2022	<u>500,000</u>	<u>-</u>	<u>16,500</u>	<u>116,531</u>	<u>633,031</u>
Balance as at 1 January 2023	680,000	133,776	18,000	22,958	854,734
Profit for the period	-	-	-	2,949	2,949
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,949	2,949
Balance as at 31 March 2023	<u>680,000</u>	<u>133,776</u>	<u>18,000</u>	<u>25,907</u>	<u>857,683</u>
	-	-	-	-	-
	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chic Republic Public Company Limited and its subsidiary

Cash flow statement

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	956	19,025	3,520	19,804
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	23,642	23,885	21,713	21,804
Amortisation of deferred front end fee	27	52	27	52
Reversal of allowance for expected credit losses	(713)	(686)	(713)	(686)
Reduction of inventory to net realisable value (reversal)	780	(686)	782	(839)
Gain on sales of equipment	(1)	-	(1)	-
Unrealised (gain) loss on exchange	138	(16)	138	(16)
Gain on fair value adjustment of financial assets and liabilities	(430)	(93)	(430)	(93)
Provision for long-term employee benefits	497	506	477	489
Interest income	(102)	(47)	(466)	(417)
Interest expenses	6,829	8,699	6,551	8,372
Profit from operating activities before changes in operating assets and liabilities	31,623	50,639	31,598	48,470
Operating assets (increase) decrease				
Trade and other receivables	15,405	(33,934)	15,425	(33,073)
Inventories	11,837	(8,694)	10,958	(9,449)
Advance payment for inventories	(2,497)	11,393	(1,898)	11,279
Other current assets	98	(246)	5	(257)
Other non-current assets	(231)	1,150	(259)	(136)
Operating liabilities increase (decrease)				
Trade and other payables	6,773	23,656	7,831	24,312
Other current liabilities	(1,099)	2,897	(1,109)	3,061
Paid for long-term employee benefits	-	(698)	-	(698)
Other non-current liabilities	180	-	180	-
Cash flows from operating activities	62,089	46,163	62,731	43,509
Cash paid for interest expenses	(6,875)	(8,733)	(6,597)	(8,406)
Cash paid for income tax	(1,953)	(700)	(606)	(595)
Net cash flows from operating activities	53,261	36,730	55,528	34,508

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Chic Republic Public Company Limited and its subsidiary

Cash flow statement (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease in other current financial assets	2,199	58	2,199	58
Increase in short-term loans to subsidiary	-	-	(1,700)	-
Decrease in long-term loans to subsidiary	-	-	-	750
Cash paid for acquisition of building and equipment	(24,321)	(263)	(24,321)	(252)
Cash paid for acquisition of intangible asstes	(101)	(249)	(101)	(249)
Proceeds from sales of equipment	4	-	4	-
Interest income	87	61	85	417
Net cash flows from (used in) investing activities	(22,132)	(393)	(23,834)	724
Cash flows from financing activities				
Decrease in short-term loans from banks	(51,157)	(2,634)	(51,157)	(2,634)
Repayment of long-term loans	(15,881)	(20,559)	(15,881)	(20,559)
Repayment of lease liabilities	(10,005)	(7,168)	(8,910)	(6,841)
Net cash flows used in financing activities	(77,043)	(30,361)	(75,948)	(30,034)
Increase (decrease) in translation adjustments	1,912	(1,973)	-	-
Net increase (decrease) in cash and cash equivalents	(44,002)	4,003	(44,254)	5,198
Cash and cash equivalents at beginning of period	149,122	100,974	148,233	95,918
Cash and cash equivalents at end of period	105,120	104,977	103,979	101,116
	-		-	
Supplemental cash flows information				
Non-cash transaction				
Increase (decrease) in acquisition of assets payable	1,539	(22)	1,539	(22)
Acquisition of assets under lease liabilities	557	726	557	726

The accompanying notes are an integral part of the financial statements.

Chic Republic Public Company Limited and its subsidiary
Notes to interim consolidated financial statements
For the three-month period ended 31 March 2023

1. General information

1.1 Corporate information

Chic Republic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution and installation of all kind of furniture, house and garden decoration including related services. The registered office of the Company’s head office is at No. 90 Soi Yothinpatana, Praditmanutham Road, Klongjan Sub-district, Bangkapi District, Bangkok.

The Stock Exchange of Thailand approved the listing of the ordinary shares of the Company, to be traded from 27 July 2022.

As at 31 March 2023, the Company and its subsidiary have 5 branches in Thailand and 1 branch in Cambodia (The Company only has 5 branches in Thailand).

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 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 statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Chic Republic Public Company Limited and its subsidiary and are prepared on the same basis as the consolidated financial statements for the year ended 31 December 2022, with no structural changes related to subsidiary during the period.

1.4 Significant accounting policies

The interim financial statements are prepared by 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 Company and its subsidiary's financial statements.

2. Related party transactions

During the periods, the Company and its subsidiary had significant business transactions with related persons. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiary and those related persons and companies. 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 as follows.

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the three-month periods ended 31 March			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with subsidiary</u>				
Sales income	-	-	560	1,766
Management income	-	-	255	247
Interest income	-	-	381	385
<u>Transactions with related companies</u>				
Sales income	-	8,860	-	8,860
<u>Transactions with management and directors</u>				
Sales income	50	3	50	3

(Unaudited but reviewed)

As at 31 March 2023 and 31 December 2022, the balances of the accounts between the Company, the subsidiary and related companies are as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 3)				
Subsidiary	-	-	10,674	10,738
Related companies	2,096	4,211	2,096	4,211
	<u>2,096</u>	<u>4,211</u>	<u>12,770</u>	<u>14,949</u>
<u>Accrued income - related parties</u> (Note 3)				
Related companies	8,365	16,302	8,365	16,302
	<u>8,365</u>	<u>16,302</u>	<u>8,365</u>	<u>16,302</u>
<u>Accrued interest - related party</u> (Note 3)				
Subsidiary	-	-	381	-
	<u>-</u>	<u>-</u>	<u>381</u>	<u>-</u>

Loans to subsidiary

As at 31 March 2023 and 31 December 2022, the balance of loans between the Company and its subsidiary and the movement are as follows:

Loans to	Interest rate (% per annum)	Separate financial statements			
		Balance as at 31 December 2022	Increase during the period	Decrease during the period	Balance as at 31 March 2023
		(Audited)			
Chic Republic Co., Ltd.					
- Short-term	4.00	1,500	1,700	-	3,200
- Long-term	5.00	29,300	-	-	29,300

Directors and management's benefits

During the three-month periods ended 31 March 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	
	31 March	
	2023	2022
Short-term employee benefits	5,696	5,320
Post-employment benefits	125	135
Total	<u>5,821</u>	<u>5,455</u>

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 2)</u>				
Aged on the basis of due dates				
Not yet due	2,096	265	2,469	643
Past due				
Up to 3 months	-	3,946	248	4,084
3 - 6 months	-	-	136	-
6 - 12 months	-	-	1,322	4,388
Over 12 months	-	-	8,595	5,834
Total trade receivables - related parties	2,096	4,211	12,770	14,949
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	22,654	22,439	22,645	22,428
Past due				
Up to 3 months	9,736	8,781	9,736	8,781
3 - 6 months	222	385	222	385
6 - 12 months	362	30	362	30
Over 12 months	27	672	27	672
Total	33,001	32,307	32,992	32,296
Less: Allowance for expected credit losses	(90)	(803)	(90)	(803)
Total trade receivables - unrelated parties, net	32,911	31,504	32,902	31,493
Total trade receivables - net	35,007	35,715	45,672	46,442
<u>Other receivables</u>				
Retention receivables	29,957	36,546	29,957	36,546
Prepaid expenses	3,959	3,050	3,847	2,896
Accrued income	42,340	42,918	42,340	42,918
Accrued income - related parties (Note 2)	8,365	16,302	8,365	16,302
Accrued interest - related party (Note 2)	-	-	381	-
Other receivables	174	103	174	103
Total other receivables	84,795	98,919	85,064	98,765
Trade and other receivables - net	119,802	134,634	130,736	145,207

(Unaudited but reviewed)

As at 31 March 2023 and 31 December 2022, the Company has accrued income from projects which have not been invoiced by delivering period are as follows.

	(Unit: Thousand Baht)	
	Consolidated /	
	Separate financial statements	
	31 March 2023	31 December 2022
		(Audited)
Have been delivered		
Up to 3 months	15,142	20,496
3 - 6 months	34,390	20,326
6 - 12 months	1,173	18,398
Total	50,705	59,220

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
As at 1 January 2023	803
Reversal of provision for expected credit losses	(713)
As at 31 March 2023	90

4. Inventories

Set out below is the movement in the reduce cost to net realisable value of inventories.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2023	10,625	10,466
Reduction of inventory to net realisable value	780	782
As at 31 March 2023	11,405	11,248

5. Investment properties

As at 31 March 2023, the Company has pledged investment properties amounting to approximately Baht 8.37 million (31 December 2022: Baht 26.60 million) as collateral against credit facilities received from banks.

6. Building and equipment

As at 31 March 2023, the Company has pledged building and building improvement amounting to approximately Baht 394.62 million (31 December 2022: Baht 621.52 million) as collateral against credit facilities received from banks.

7. Right-to-use assets

As at 31 March 2023, the Company has pledged right-of-use assets amounting to approximately Baht 192.93 million (31 December 2022: Baht 281.83 million) as collateral against credit facilities received from banks.

The land lease agreements contain conditions about agreement renewal whereby the Company has a right to be the first to select whether to purchase or continue to lease the land after the expiration of the agreements and upon the termination of the land lease agreements, the Company will transfer building on the leased land to the lessee or remove building from such land. Some of land lease agreements stipulated the Company to remove the building from the land at the end of the lease term. However, the management did not record the assets retirement obligation as the management had reviewed that the Company will not incur additional costs of removing the building.

8. Short-term loans from banks

	Interest rate		(Unit: Thousand Baht)	
	(% per annum)		Consolidated/ Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
		(Audited)		(Audited)
Promissory notes	2.00 - 3.25	2.00 - 3.40	59,000	99,000
Trust receipt	2.90	3.10	9,344	20,501
Total			68,344	119,501

Some of loans are secured by the mortgage of leasehold land, building and construction of the Company.

9. Long-term loans

Movements of the long-term loans account during the three-month period ended 31 March 2023 are summarised below:

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Balance as at 1 January 2023	202,078
Add: Amortisation of deferred front end fee	27
Less: Repayments during the period	(15,881)
Balance as at 31 March 2023	186,224
Less: Current portion	(63,797)
Long-term loans, net of current portion	<u>122,427</u>

The loans are secured by the mortgage of leasehold land, building and construction of the Company.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio at the rate prescribed in the agreements.

10. 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 for the three-month periods ended 31 March 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March			
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	1,947	3,391	606	4,606
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,782)	921	(35)	(587)
Income tax expenses reported in profit or loss	<u>165</u>	<u>4,312</u>	<u>571</u>	<u>4,019</u>

11. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

12. Segment information

The Company and its subsidiary are principally engaged in the distribution and installation of furniture, house and garden decoration including related services.

13. Commitments and contingent liabilities**13.1 Capital commitments**

As at 31 March 2023, the Company had capital commitments of approximately Baht 15.18 million (31 December 2022: Baht 35.85 million), relating to the construction of building and building improvement.

13.2 Purchase commitments

As at 31 March 2023, the Company had commitments relating to purchases of goods of approximately Baht 6.63 million (31 December 2022: Baht 2.60 million).

13.3 Service commitments

The Company and its subsidiary have entered into service agreements. The terms of the agreements are 9 years.

As at 31 March 2023 and 31 December 2022, the Company and its subsidiary have future minimum payments required under these non-cancellable service contracts were as follows.

	Consolidated financial		Separate	
	statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
Payable:				
In up to 1 year	3.22	3.24	1.24	1.24
In over 1 year and up to 5 years	9.26	10.18	1.19	1.50
	<u>12.48</u>	<u>13.42</u>	<u>2.43</u>	<u>2.74</u>

13.4 Guaranty of brand sublicensing commitment

The Company entered into a trademark license agreement with a vendor, the licensee for the right to use the ASHLEY FURNITURE HOMESTORE Brand. This agreement grants the Company the right to sell products under the "ASHLEY" brand names as stipulated in the agreement without any payments for trademark license fee. The agreement is effective for a period of 3 years and will be renewed for further periods of 2 years. The agreement requires major shareholders of the Company to guaranty the performance of the terms and conditions of the agreement.

13.5 Guarantees

As at 31 March 2023, there were outstanding bank guarantees of approximately Baht 92.40 million (31 December 2022: Baht 81.13 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 84.39 million (31 December 2022: Baht 73.12 million) to guarantee contractual performance with customers and Baht 8.01 million (31 December 2022: Baht 8.01 million) to guarantee electricity use.

14. Financial instrument

14.1 Fair value of financial instrument

Most of the Company and its subsidiary's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

14.2 Fair value hierarchy

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there was no transfers between the levels of the fair value hierarchy.

15. Events after the reporting period

On 17 April 2023, the Annual General Meeting of Shareholders for 2023 of the Company passed a resolution to pay a dividend payment from the 2022 operations of Baht 3.4 million, or Baht 0.0025 per share. Such dividend will be paid on 12 May 2023.

16. Approval of interim financial statements

These interim consolidated financial statements were authorised for issue by the Company's Board of Directors on 15 May 2023.