

Chic Republic Public Company Limited and its subsidiary
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 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 30 September 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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: 13 November 2023

Chic Republic Public Company Limited and its subsidiary

Statements of financial position

As at 30 September 2023

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	105,104	149,122	102,734	148,233
Trade and other receivables	3 159,620	134,634	170,506	145,207
Short-term loans to subsidiary	2 -	-	5,700	1,500
Current portion of long-term loans to subsidiary	2 -	-	2,700	-
Inventories	4 89,513	107,852	83,817	102,552
Advance payment for inventories	5,538	5,938	5,534	5,935
Other current financial assets	311	2,255	311	2,255
Other current assets	5,031	3,578	4,815	3,453
Total current assets	365,117	403,379	376,117	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				
- net of current portion	2 -	-	26,600	29,300
Investment properties	5 28,980	30,314	28,980	30,314
Building and equipment	6 788,599	785,964	773,723	769,140
Right-of-use assets	7 421,351	446,209	404,557	427,353
Intangible assets	6,576	6,829	6,394	6,631
Deferred tax assets	31,796	27,966	27,960	25,142
Other non-current assets	2,658	2,530	221	273
Total non-current assets	1,280,185	1,300,037	1,268,819	1,288,537
Total assets	1,645,302	1,703,416	1,644,936	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 30 September 2023

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	8	89,775	119,501	89,775	119,501
Trade and other payables		166,685	123,350	163,372	119,761
Current portion of long-term loans	9	59,179	62,978	59,179	62,978
Current portion of lease liabilities		24,052	21,863	19,047	18,577
Other current financial liabilities		-	180	-	180
Income tax payable		2,946	22	2,922	-
Other current liabilities		8,523	7,694	8,460	7,630
Total current liabilities		351,160	335,588	342,755	328,627
Non-current liabilities					
Long-term loans - net of current portion	9	70,123	139,100	70,123	139,100
Lease liabilities - net of current portion		353,550	370,743	336,362	351,149
Provision for long-term employee benefits		18,538	17,081	18,512	17,081
Other non-current liabilities		7,595	6,981	7,595	6,981
Total non-current liabilities		449,806	533,905	432,592	514,311
Total liabilities		800,966	869,493	775,347	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 30 September 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 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	14,235	3,815	37,813	22,958
Other components of shareholders' equity	(1,675)	(1,668)	-	-
Total shareholders' equity	844,336	833,923	869,589	854,734
Total liabilities and shareholders' equity	1,645,302	1,703,416	1,644,936	1,697,672
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Chic Republic Public Company Limited and its subsidiary**Statement of comprehensive income****For the three-month period ended 30 September 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales income		162,576	128,555	158,645	123,176
Services income		11,586	7,759	11,827	8,013
Revenue from agreement with vendors		14,415	15,077	14,170	14,844
Other income		3,292	9,294	2,088	6,920
Total revenues		191,869	160,685	186,730	152,953
Expenses					
Cost of sales		88,605	67,918	87,225	66,114
Cost of services		4,254	1,871	4,254	1,871
Selling and distribution expenses		45,346	47,162	42,103	43,325
Administrative expenses		34,077	36,597	34,403	35,288
Total expenses		172,282	153,548	167,985	146,598
Operating profit		19,587	7,137	18,745	6,355
Finance income		86	33	491	388
Finance cost		(6,410)	(8,153)	(6,141)	(7,872)
Profit (loss) before income tax benefits (expenses)		13,263	(983)	13,095	(1,129)
Income tax benefits (expenses)	10	(2,875)	876	(2,773)	82
Profit (loss) for the period		10,388	(107)	10,322	(1,047)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Exchange differences on translation of					
financial statements in foreign currency		(555)	(1,463)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		(555)	(1,463)	-	-
Other comprehensive income for the period		(555)	(1,463)	-	-
Total comprehensive income for the period		9,833	(1,570)	10,322	(1,047)

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 30 September 2023

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit (loss) attributable to					
Equity holders of the Company		10,388	(107)	10,322	(1,047)
Total comprehensive income attributable to					
Equity holders of the Company		9,833	(1,570)	10,322	(1,047)
Basic earnings per share	11				
Profit (loss) for the period (Baht)		0.0076	(0.0001)	0.0076	(0.0008)
Weighted average number of ordinary share (Thousand shares)		1,360,000	1,281,739	1,360,000	1,281,739

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****For the nine-month period ended 30 September 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales income		420,590	526,499	409,388	508,281
Services income		33,167	23,438	33,887	24,189
Revenue from agreement with vendors		39,557	39,178	38,953	38,650
Other income		7,233	12,032	5,089	8,178
Total revenues		500,547	601,147	487,317	579,298
Expenses					
Cost of sales		208,822	309,171	205,721	303,613
Cost of services		12,208	5,219	12,208	5,219
Selling and distribution expenses		134,683	134,922	125,033	123,046
Administrative expenses		106,147	106,817	104,008	103,068
Total expenses		461,860	556,129	446,970	534,946
Operating profit		38,687	45,018	40,347	44,352
Finance income		422	160	1,570	1,246
Finance cost		(19,916)	(25,423)	(19,095)	(24,541)
Profit before income tax expenses		19,193	19,755	22,822	21,057
Income tax expenses	10	(5,373)	(4,858)	(4,567)	(4,465)
Profit for the period		13,820	14,897	18,255	16,592
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Exchange differences on translation of					
financial statements in foreign currency		(7)	(3,811)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		(7)	(3,811)	-	-
Other comprehensive income for the period		(7)	(3,811)	-	-
Total comprehensive income for the period		13,813	11,086	18,255	16,592

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 nine-month period ended 30 September 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		13,820	14,897	18,255	16,592
Total comprehensive income attributable to					
Equity holders of the Company		13,813	11,086	18,255	16,592
Basic earnings per share					
	11				
Profit for the period (Baht)		0.0102	0.0136	0.0134	0.0152
Weighted average number of ordinary share (Thousand shares)		1,360,000	1,094,945	1,360,000	1,094,945

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 nine-month period ended 30 September 2023

(Unit: Thousand Baht)

Consolidated financial statements						
	Issued and paid-up		Retained earnings		Other components of equity	
	share capital	Share premium	Appropriated -		Other comprehensive income	
			statutory reserve	Unappropriated	Exchange differences on translation of	Total
					financial statements in foreign currency	shareholders' equity
Balance as at 1 January 2022	500,000	-	16,500	87,589	450	604,539
Profit for the period	-	-	-	14,897	-	14,897
Other comprehensive income for the period	-	-	-	-	(3,811)	(3,811)
Total comprehensive income for the period	-	-	-	14,897	(3,811)	11,086
Increase in share capital	180,000	133,776	-	-	-	313,776
Dividend paid (Note 13)	-	-	-	(100,000)	-	(100,000)
Balance as at 30 September 2022	<u>680,000</u>	<u>133,776</u>	<u>16,500</u>	<u>2,486</u>	<u>(3,361)</u>	<u>829,401</u>
Balance as at 1 January 2023	680,000	133,776	18,000	3,815	(1,668)	833,923
Profit for the period	-	-	-	13,820	-	13,820
Other comprehensive income for the period	-	-	-	-	(7)	(7)
Total comprehensive income for the period	-	-	-	13,820	(7)	13,813
Dividend paid (Note 13)	-	-	-	(3,400)	-	(3,400)
Balance as at 30 September 2023	<u>680,000</u>	<u>133,776</u>	<u>18,000</u>	<u>14,235</u>	<u>(1,675)</u>	<u>844,336</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 nine-month period ended 30 September 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	-	-	-	16,592	16,592
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	16,592	16,592
Increase in share capital	180,000	133,776	-	-	313,776
Dividend paid (Note 13)	-	-	-	(100,000)	(100,000)
Balance as at 30 September 2022	<u>680,000</u>	<u>133,776</u>	<u>16,500</u>	<u>17,338</u>	<u>847,614</u>
Balance as at 1 January 2023	680,000	133,776	18,000	22,958	854,734
Profit for the period	-	-	-	18,255	18,255
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	18,255	18,255
Dividend paid (Note 13)	-	-	-	(3,400)	(3,400)
Balance as at 30 September 2023	<u>680,000</u>	<u>133,776</u>	<u>18,000</u>	<u>37,813</u>	<u>869,589</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 nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	19,193	19,755	22,822	21,057
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	72,370	73,350	66,321	66,649
Amortisation of deferred front end fee	75	133	75	133
Allowance for expected credit losses (reversal)	(681)	(465)	819	(465)
Reduction of inventory to net realisable value	2,434	507	2,426	333
Gain on sales of equipment	(1)	-	(1)	-
Unrealised gain on exchange	(654)	(780)	(654)	(780)
(Gain) loss on fair value adjustment of financial assets and liabilities	(436)	890	(436)	890
Difference from lease modification	-	4,200	-	4,200
Provision for long-term employee benefits	1,457	1,489	1,431	1,467
Interest income	(423)	(160)	(1,570)	(1,246)
Interest expenses	19,842	25,290	19,021	24,408
Profit from operating activities before changes in operating assets and liabilities	113,176	124,209	110,254	116,646
Operating assets (increase) decrease				
Trade and other receivables	(23,664)	(39,107)	(24,277)	(38,594)
Inventories	15,905	(30,253)	16,309	(32,778)
Advance payment for inventories	400	12,536	401	12,422
Other current assets	(1,453)	170	(1,362)	181
Other non-current assets	(81)	(255)	52	128
Operating liabilities increase (decrease)				
Trade and other payables	39,463	(128)	39,739	947
Other current liabilities	829	1,356	830	1,470
Paid for long-term employee benefits	-	(699)	-	(699)
Other non-current liabilities	614	898	614	898
Cash flows from operating activities	145,189	68,727	142,560	60,621
Cash paid for interest expenses	(19,880)	(25,327)	(19,059)	(24,445)
Cash paid for income tax	(6,279)	(8,180)	(4,463)	(8,914)
Net cash flows from operating activities	119,030	35,220	119,038	27,262

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 nine-month period ended 30 September 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	2,200	10,054	2,200	10,054
Increase in short-term loans to subsidiary	-	-	(4,200)	-
Decrease in long-term loans to subsidiary	-	-	-	2,200
Cash paid for acquisition of investment properties	(403)	-	(403)	-
Cash paid for acquisition of building and equipment	(40,645)	(2,768)	(40,499)	(2,724)
Cash paid for acquisition of intangible asstes	(596)	(604)	(596)	(575)
Proceeds from sales of equipment	4	3	4	3
Interest income	376	204	370	1,124
Net cash flows (used in) from investing activities	(39,064)	6,889	(43,124)	10,082
Cash flows from financing activities				
Decrease in short-term loans from banks	(29,726)	(7,947)	(29,726)	(7,947)
Proceed of long-term loans	-	20,000	-	20,000
Repayment of long-term loans	(72,851)	(123,366)	(72,851)	(123,366)
Repayment of lease liabilities	(16,123)	(26,844)	(15,436)	(27,912)
Proceeds from increase in share capital	-	313,776	-	313,776
Dividend paid	(3,400)	(100,000)	(3,400)	(100,000)
Net cash flows (used in) from financing activities	(122,100)	75,619	(121,413)	74,551
Decrease in translation adjustments	(1,884)	(9,785)	-	-
Net (decrease) increase in cash and cash equivalents	(44,018)	107,943	(45,499)	111,895
Cash and cash equivalents at beginning of period	149,122	100,974	148,233	95,918
Cash and cash equivalents at end of period	105,104	208,917	102,734	207,813
	-		-	
Supplemental cash flows information				
Non-cash transactions				
Increase in acquisition of assets payable	3,923	26	3,923	26
Decrease in right-of-use assets due to lease modification	-	45,457	-	45,457
Decrease in lease liabilities due to lease modification	-	(41,257)	-	(41,257)
Acquisition of assets under lease liabilities	1,119	1,740	1,119	1,740

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 and nine-month periods ended 30 September 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 30 September 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 significant change in shareholding structure of subsidiary during the current period.

However, on 20 July 2023, the Company's Board of Directors Meeting No. 4/2023 passed the resolution to approve the establishment of a new subsidiary. This new subsidiary will be engaged in providing management services and leasing of real estate and movable properties. The registered capital of this subsidiary on the establishment date will be Baht 6.50 million, consisting of 650,000 ordinary shares with par value of Baht 10 each. The Company will hold 60% of the shares in subsidiary. At present, the Company is in the process of establishing this subsidiary.

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.

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 Company and its subsidiary believes that adoption of these amendments will 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.

(Unaudited but reviewed)

Summaries significant business transactions with related parties as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2023	2022	2023	2022
<u>Transactions with subsidiary</u>				
Sales income	-	-	512	677
Management income	-	-	265	271
Interest income	-	-	422	370
<u>Transactions with related companies</u>				
Sales income	30,646	6,826	30,646	6,826
<u>Transactions with management and directors</u>				
Sales income	-	990	-	990

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2023	2022	2023	2022
<u>Transactions with subsidiary</u>				
Sales income	-	-	2,904	3,571
Management income	-	-	780	777
Interest income	-	-	1,200	1,135
<u>Transactions with related companies</u>				
Sales income	33,114	38,377	33,114	38,377
<u>Transactions with management and directors</u>				
Sales income	58	1,052	58	1,052

As at 30 September 2023 and 31 December 2022, the balances of the accounts between the Company, the subsidiary and related companies are as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
				(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Subsidiary	-	-	9,886	10,738
Related companies	5,621	4,211	5,621	4,211
	5,621	4,211	15,507	14,949

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Accrued income - related parties</u> (Note 3)				
Related companies	13,278	16,302	13,278	16,302
	13,278	16,302	13,278	16,302
<u>Accrued interest - related party</u> (Note 3)				
Subsidiary	-	-	1,200	-
	-	-	1,200	-

Loans to subsidiary

As at 30 September 2023 and 31 December 2022, the balance of loans between the Company and its subsidiary and the movement are as follows.

(Unit: Thousand Baht)

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 30 September 2023
		(Audited)			
Chic Republic Co., Ltd.					
- Short-term	4.00	1,500	4,200	-	5,700
- Long-term	5.00	29,300	-	-	29,300
Less: Current portion		-			(2,700)
Net of current portion		29,300			26,600

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		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Short-term employee benefits	5,703	5,669	17,395	15,712
Post-employment benefits	125	136	376	407
Total	5,828	5,805	17,771	16,119

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 2)</u>				
Aged on the basis of due dates				
Not yet due	5,621	265	5,984	643
Past due				
Up to 3 months	-	3,946	211	4,084
3 - 6 months	-	-	701	-
6 - 12 months	-	-	260	4,388
Over 12 months	-	-	9,851	5,834
Total	5,621	4,211	17,007	14,949
Less: Allowance for expected credit losses	-	-	(1,500)	-
Total trade receivables - related parties, net	5,621	4,211	15,507	14,949
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	34,526	22,439	34,514	22,428
Past due				
Up to 3 months	6,592	8,781	6,592	8,781
3 - 6 months	880	385	880	385
6 - 12 months	99	30	99	30
Over 12 months	372	672	372	672
Total	42,469	32,307	42,457	32,296
Less: Allowance for expected credit losses	(122)	(803)	(122)	(803)
Total trade receivables - unrelated parties, net	42,347	31,504	42,335	31,493
Total trade receivables - net	47,968	35,715	57,842	46,442
<u>Other receivables</u>				
Retention receivables	18,831	36,546	18,831	36,546
Prepaid expenses	5,208	3,050	5,020	2,896
Accrued income	74,221	42,918	74,221	42,918
Accrued income - related parties (Note 2)	13,278	16,302	13,278	16,302
Accrued interest - related party (Note 2)	-	-	1,200	-
Other receivables	114	103	114	103
Total other receivables	111,652	98,919	112,664	98,765
Trade and other receivables - net	159,620	134,634	170,506	145,207

(Unaudited but reviewed)

As at 30 September 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	
	30 September 2023	31 December 2022
		(Audited)
Have been delivered		
Up to 3 months	32,841	20,496
3 - 6 months	18,842	20,326
6 - 12 months	35,799	18,398
Over 12 months	17	-
Total	<u>87,499</u>	<u>59,220</u>

4. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Inventories - cost	102,572	118,477	96,709	113,018
Reduce cost to net realisable value	<u>(13,059)</u>	<u>(10,625)</u>	<u>(12,892)</u>	<u>(10,466)</u>
Inventories - net	<u>89,513</u>	<u>107,852</u>	<u>83,817</u>	<u>102,552</u>

5. Investment properties

As at 30 September 2023, the Company has pledged investment properties amounting to approximately Baht 8.18 million (31 December 2022: Baht 26.60 million) as collateral against credit facilities received from banks.

6. Building and equipment

As at 30 September 2023, the Company has pledged building and building improvement amounting to approximately Baht 379.77 million (31 December 2022: Baht 621.52 million) as collateral against credit facilities received from banks.

7. Right-to-use assets

As at 30 September 2023, the Company has pledged right-of-use assets amounting to approximately Baht 188.02 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

	(Unit: Thousand Baht)			
	Interest rate (% per annum)		Consolidated/ Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Promissory notes	3.10 - 4.00	2.00 - 3.40	76,000	99,000
Trust receipt	3.55	3.10	13,775	20,501
Total			89,775	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 nine-month period ended 30 September 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		75
Less: Repayments during the period		(72,851)
Balance as at 30 September 2023		129,302
Less: Current portion		(59,179)
Long-term loans - net of current portion		70,123

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 and nine-month periods ended 30 September 2023 and 2022 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 September			
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	4,520	1,318	4,317	1,032
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,645)	(2,194)	(1,544)	(1,114)
Income tax expenses (benefits) reported in profit or loss	2,875	(876)	2,773	(82)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the nine-month periods ended 30 September			
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	9,203	8,043	7,385	8,802
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,830)	(3,185)	(2,818)	(4,337)
Income tax expenses reported in profit or loss	5,373	4,858	4,567	4,465

11. Basic earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Final dividend from 2022 operations	Annual General Shareholders' Meeting on 17 April 2023	3,400	0.0025
Total dividends for the nine-month period ended 30 September 2023		<u>3,400</u>	
Final dividend from 2021 operations and final dividend from 2020 operations	Annual General Shareholders' Meeting on 18 April 2022	20,000	0.0200
Interim dividend	Board of Directors Meeting on 27 June 2022	<u>80,000</u>	0.0800
Total dividends for the nine-month period ended 30 September 2022		<u><u>100,000</u></u>	

14. Commitments and contingent liabilities**14.1 Capital commitments**

As at 30 September 2023, the Company had capital commitments of approximately Baht 0.83 million (31 December 2022: Baht 35.85 million), relating to the construction of building and building improvement.

14.2 Purchase commitments

As at 30 September 2023, the Company had commitments relating to purchases of goods of approximately Baht 14.09 million (31 December 2022: Baht 2.60 million).

14.3 Service commitments

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

As at 30 September 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 statements		(Unit: Million Baht) Separate financial statements	
	30 September 2023	31 December 2022 (Audited)	30 September 2023	31 December 2022 (Audited)
Payable				
In up to 1 year	3.36	3.24	1.24	1.24
In over 1 year and up to 5 years	8.16	10.18	0.57	1.50
	<u>11.52</u>	<u>13.42</u>	<u>1.81</u>	<u>2.74</u>

14.4 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.

14.5 Guarantees

As at 30 September 2023, there were outstanding bank guarantees of approximately Baht 57.06 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 49.05 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.

15. Financial instrument

15.1 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.

15.2 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 were no transfers between the levels of the fair value hierarchy.

16. Approval of interim financial statements

These interim consolidated financial statements were authorised for issue by the Company's Board of Directors on 13 November 2023.