

Peace & Living Public Company Limited
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 Peace & Living Public Company Limited

I have reviewed the accompanying statement of financial position of Peace & Living Public Company Limited as at 30 September 2023, the related statements of comprehensive income for the three-month and nine-month periods then ended, the related 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 financial statements (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*.

Chatchai Kasemsrihanawat
Chatchai Kasemsrihanawat
Certified Public Accountant (Thailand) No. 5813

EY Office Limited
Bangkok: 9 November 2023

Peace & Living Public Company Limited

Statement of financial position

As at 30 September 2023

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		45,431	284,843
Restricted bank deposit	3	1,149	2,372
Property development costs for sales	4	2,090,473	1,792,753
Deposits for construction materials		2,325	864
Deposits for land purchase		521,560	145,237
Other current financial assets	5	-	150,554
Other current assets		6,253	5,715
Total current assets		<u>2,667,191</u>	<u>2,382,338</u>
Non-current assets			
Restricted bank deposit	3	-	1,149
Building and equipment		10,084	8,233
Intangible assets		2,324	2,608
Deferred tax assets		6,161	12,862
Other non-current assets		327	366
Total non-current assets		<u>18,896</u>	<u>25,218</u>
Total assets		<u>2,686,087</u>	<u>2,407,556</u>

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

Peace & Living Public Company Limited
Statement of financial position (continued)
As at 30 September 2023

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables		137,016	128,517
Current portion of long-term loans from financial institutions	6	189,377	-
Current portion of lease liabilities		1,077	2,139
Retention guarantees		17,603	14,708
Deposits and advances received from customers		3,946	13,902
Income tax payable		-	32,711
Total current liabilities		<u>349,019</u>	<u>191,977</u>
Non-current liabilities			
Long-term loans from financial institutions - net of current portion	6	112,067	-
Lease liabilities - net of current portion		115	665
Provision for long-term employee benefits		17,085	15,250
Total non-current liabilities		<u>129,267</u>	<u>15,915</u>
Total liabilities		<u>478,286</u>	<u>207,892</u>

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

Peace & Living Public Company Limited
Statement of financial position (continued)
As at 30 September 2023

(Unit: Thousand Baht)

	<u>30 September 2023</u>	<u>31 December 2022</u>
	(Unaudited but reviewed)	(Audited)
Shareholders' equity		
Share capital		
Registered		
504,000,000 ordinary shares of Baht 1 each	504,000	504,000
Issued and fully paid up		
503,997,673 ordinary shares of Baht 1 each	503,998	503,998
Share premium	244,394	244,394
Capital reserve for share-based payments	12,910	12,910
Retained earnings		
Appropriated - statutory reserve	50,400	50,400
Unappropriated	1,396,099	1,387,962
Total shareholders' equity	<u>2,207,801</u>	<u>2,199,664</u>
Total liabilities and shareholders' equity	<u>2,686,087</u>	<u>2,407,556</u>

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

Directors

(Unaudited but reviewed)

Peace & Living Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 September 2023

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

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Profit or loss:			
Revenues			
Revenue from sales of real estate		166,405	475,165
Other income		704	382
Total revenues		<u>167,109</u>	<u>475,547</u>
Expenses			
Cost of real estate sold		98,412	276,095
Selling expenses		30,130	33,839
Administrative expenses		31,510	29,481
Total expenses		<u>160,052</u>	<u>339,415</u>
Operating profit		7,057	136,132
Finance cost		(194)	(40)
Profit before income tax expenses		6,863	136,092
Income tax expenses		(1,355)	(27,218)
Profit for the period		<u>5,508</u>	<u>108,874</u>
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>5,508</u></u>	<u><u>108,874</u></u>
Earnings per share	7		
Basic earnings per share			
Profit for the period		<u><u>0.01</u></u>	<u><u>0.22</u></u>

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

(Unaudited but reviewed)

Peace & Living Public Company Limited

Statement of comprehensive income

For the nine-month period ended 30 September 2023

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

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Profit or loss:			
Revenues			
Revenue from sales of real estate		806,434	1,422,921
Other income		3,347	1,781
Total revenues		<u>809,781</u>	<u>1,424,702</u>
Expenses			
Cost of real estate sold		464,421	843,254
Selling expenses		80,188	96,797
Administrative expenses		97,333	88,081
Total expenses		<u>641,942</u>	<u>1,028,132</u>
Operating profit		167,839	396,570
Finance cost		(247)	(138)
Profit before income tax expenses		167,592	396,432
Income tax expenses		(33,456)	(79,278)
Profit for the period		<u>134,136</u>	<u>317,154</u>
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>134,136</u></u>	<u><u>317,154</u></u>
Earnings per share	7		
Basic earnings per share			
Profit for the period		<u>0.27</u>	<u>0.65</u>

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

(Unaudited but reviewed)

Peace & Living Public Company Limited
Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2023

	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payments	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	336,000	-	12,910	33,805	1,186,567	1,569,282
Total comprehensive income for the period	-	-	-	-	317,154	317,154
Increase share capital	84,000	250,320	-	-	-	334,320
Transaction costs - net of income tax	-	(5,926)	-	-	-	(5,926)
Stock dividend payment (Note 8)	83,998	-	-	-	(83,998)	-
Dividend paid (Note 8)	-	-	-	-	(83,998)	(83,998)
Balance as at 30 September 2022	503,998	244,394	12,910	33,805	1,335,725	2,130,832
Balance as at 1 January 2023	503,998	244,394	12,910	50,400	1,387,962	2,199,664
Total comprehensive income for the period	-	-	-	-	134,136	134,136
Dividend paid (Note 8)	-	-	-	-	(125,999)	(125,999)
Balance as at 30 September 2023	503,998	244,394	12,910	50,400	1,396,099	2,207,801

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

(Unaudited but reviewed)

Peace & Living Public Company Limited

Cash flow statement

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Profit before tax	167,592	396,432
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Decrease in property development costs for sales transferring to cost of real estate sold	464,421	843,254
Depreciation and amortisation	3,851	3,658
Loss (gain) on disposal and write off of equipment	2	(1)
Gain on sales of unit trust in fixed income open-ended fund	(836)	-
Unrealised gain on changes in fair value of unit trust in fixed income open-ended fund	-	(85)
Provision for long-term employee benefits	1,835	2,010
Interest income	(549)	(428)
Finance cost	247	138
Profit from operating activities before changes in operating assets and liabilities	636,563	1,244,978
Operating assets (increase) decrease		
Property development costs for sales	(754,189)	(1,019,342)
Deposits for construction materials	(1,461)	2,682
Deposits for land purchase	(382,060)	(93,758)
Other current assets	(846)	(541)
Other non-current assets	41	(120)
Operating liabilities increase (decrease)		
Trade and other payables	8,907	12,090
Retention guarantees	2,896	(576)
Deposits and advances received from customers	(9,956)	783
Cash flows from (used in) operating activities	(500,105)	146,196
Interest received	549	428
Corporate income tax paid	(59,466)	(87,004)
Net cash flows from (used in) operating activities	<u>(559,022)</u>	<u>59,620</u>

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

(Unaudited but reviewed)

Peace & Living Public Company Limited

Cash flow statement (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities		
Cash receipt from redeem restricted bank deposit	2,372	-
Acquisition of unit trust in fixed income open-ended fund	-	(150,000)
Acquisition of equipment	(5,950)	(895)
Acquisition of intangible assets	(94)	(110)
Proceeds from sales of equipment	-	1
Cash receipt from sales of unit trust in fixed income open-ended fund	151,390	-
Net cash flows from (used in) investing activities	<u>147,718</u>	<u>(151,004)</u>
Cash flows from financing activities		
Cash receipt from long-term loans from financial institutions	459,200	-
Repayment of long-term loans from financial institutions	(156,009)	-
Proceeds from increase in share capital	-	334,320
Transaction costs on issuance of shares	-	(7,407)
Payment of principal portion of lease liabilities	(1,613)	(1,678)
Interest paid and front-end fee paid	(3,687)	(2,042)
Dividend payment	(125,999)	(83,998)
Net cash flows from financing activities	<u>171,892</u>	<u>239,195</u>
Net increase (decrease) in cash and cash equivalents	(239,412)	147,811
Cash and cash equivalents at beginning of period	<u>284,843</u>	<u>106,377</u>
Cash and cash equivalents at end of period	<u><u>45,431</u></u>	<u><u>254,188</u></u>

Supplemental cash flow information:

Non-cash items consist of:

Transfer of deposits for land purchase to the cost of property development project for sales	5,737	-
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The accompanying notes are an integral part of the interim financial statements.

Peace & Living Public Company Limited

Notes to interim financial statements

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

1. General information

1.1 Basis of the 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 interim financial statements.

1.2 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 Company's financial statements.

1.3 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 believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. 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>For the three-month periods ended 30 September</u>	
	<u>2023</u>	<u>2022</u>
<u>Transaction with related party</u>		
Purchases of materials used for projects	459	597
<u>Transaction with related persons</u>		
Rental expense	450	450

	(Unit: Thousand Baht)	
	<u>For the nine-month periods ended 30 September</u>	
	<u>2023</u>	<u>2022</u>
<u>Transaction with related company</u>		
Purchase of materials used for projects	1,651	2,983
<u>Transaction with related persons</u>		
Revenue from sales of real estate	-	24,323
Rental expense	1,350	1,350

The balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	<u>30 September 2023</u>	<u>31 December 2022</u>
		(Audited)
Trade payables - related party	200	621
Lease liabilities - related persons	742	2,044

Directors and management's benefits

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	6,136	6,277
Post-employment benefits	210	251
Total	<u>6,346</u>	<u>6,528</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	17,667	18,733
Post-employment benefits	628	754
Total	<u>18,295</u>	<u>19,487</u>

3. Restricted bank deposit

The balance of restricted bank deposit as at 30 September 2023 amounting to Baht 1.1 million represents a fixed deposit that the Company has pledged to secure a letter of guarantee for utility maintenance of property development, which was issued by a bank on behalf of the Company. The Company intends to redeem this fixed deposit within 1 year, therefore, the Company has presented it under current assets.

During the current period, the Company redeemed the restricted bank deposit amounting to Baht 2.4 million from the bank which is a letter of guarantee for utility maintenance of property development.

4. Property development costs for sales

Movements of property development costs for sales account during the nine-month period ended 30 September 2023 were summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2023	1,792,753
Increase in land costs and development costs	434,013
Increase in construction costs	326,436
Increase in borrowing costs	1,692
Cost of real estate sold for the period	<u>(464,421)</u>
Balance as at 30 September 2023	<u>2,090,473</u>

During the current period, the Company included borrowing costs in property development costs for sales amounting to Baht 1.7 million. These were determined by applying an interest rates of long-term loans at rates of 4.53 to 5.43 percent per annum for each project.

The Company has mortgaged its total project land and construction thereon with banks as collateral for bank overdrafts, loans from financial institutions, and issuance of bank guarantees.

5. Other current financial assets

During the current period, the Company sold unit trust in fixed income open-ended fund amounting to Baht 151 million. As a result, the Company recognised gain from selling unit trust of Baht 0.8 million in the statement of comprehensive income for the period as part of other income.

6. Long-term loans from financial institutions

	(Unit: Thousand Baht)
	<u>30 September 2023</u>
Long-term loans from financial institutions	303,191
Less: Deferred front-end fees	(1,747)
Long-term loans from financial institutions - net	301,444
Less: Current portion	(189,377)
Long-term loans from financial institutions - net of current portion	<u>112,067</u>

Movement of the long-term loans from financial institutions account for the nine-month period ended 30 September 2023 are summarised below:

	(Unit: Thousand Baht)
Balance as at 1 January 2023	-
Add: Additional borrowings	459,200
Less: Repayment	(156,009)
Less: Payment for front-end fees	(1,747)
Balance as at 30 September 2023	<u>301,444</u>

Long-term loans from financial institutions carry interest at the minimum loan rate (MLR) less percentages prescribed in the agreements. The conditions of the loans require monthly payment of interest and payment of principal at the higher of a percentage of the selling price or a minimum amount prescribed in the agreements, when the mortgages are released and/or land is redeemed and within the dates prescribed in the agreements.

As at 30 September 2023, the long-term credit facilities from financial institutions of the Company which have not yet been drawn down amounted to Baht 1,149 million (31 December 2022: Baht 1,136 million).

The long-term loans of the Company are secured by the mortgage of project land and construction thereon and the loan agreements contain several covenants which, among other things, require the Company to maintain a debt-to-equity ratio at the rate prescribed in the agreements.

7. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of ordinary shares as a result of the distribution of the stock dividend of 83,997,673 ordinary shares, as discussed in Note 8 to the financial statements. The number of ordinary shares of the prior year has been adjusted as if the stock dividend had been distributed at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share:

	For three-month periods ended 30 September	
	<u>2023</u>	<u>2022</u>
Profit for the period (Thousand Baht)	5,508	108,874
Weighted average number of ordinary shares (Thousand shares)	503,998	503,998
Earnings per share (Baht per share)	0.01	0.22
	For the nine-month periods ended 30 September	
	<u>2023</u>	<u>2022</u>
Profit for the period (Thousand Baht)	134,136	317,154
Weighted average number of ordinary shares (Thousand shares)	503,998	490,336
Earnings per share (Baht per share)	0.27	0.65

8. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2021	Annual General Meeting of the		
Cash dividend	shareholders on 28 April 2022	83,998	0.20
Stock dividend (in a ratio of 1 dividend share to 5 existing shares)		83,998	0.20
Total		<u>167,996</u>	<u>0.40</u>
Dividends for 2022	Annual General Meeting of the		
Cash dividend	shareholders on 25 April 2023	<u>125,999</u>	<u>0.25</u>

9. Commitments and contingent liabilities**9.1 Capital commitments**

As at 30 September 2023, the Company had capital commitments of approximately Baht 775 million, relating to land purchase contracts and construction of property development.

9.2 Service commitments

As at 30 September 2023, the Company had service commitments of approximately Baht 20 million, relating to advertising expenses and others.

9.3 Guarantees

As at 30 September 2023, there were outstanding bank guarantees issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business as follows.

	(Unit: Thousand Baht) 30 September 2023
Bank guarantee for utilities	249,464
Bank guarantee for trade payables	20,000
Total	<u>269,464</u>

The Company pledged bank deposit and projects land and construction thereon with a bank to secure the issuance of bank guarantees.

10. Fair values of financial instruments

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

11. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2023.