

IT City Public Company Limited and its subsidiary
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of IT City Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of IT City Public Company Limited and its subsidiary as at 30 June 2023, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 IT City Public Company Limited for the same periods (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.

Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377

EY Office Limited
Bangkok: 9 August 2023

IT City Public Company Limited and its subsidiary

Statement of financial position

As at 30 June 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		141,858	216,994	141,858	216,994
Trade and other receivables	2, 3	334,845	325,526	334,845	325,526
Current portion of finance lease receivables	8.2	5,293	4,783	5,293	4,783
Inventories	4	1,083,325	1,205,801	1,083,325	1,205,801
Withholding tax deducted at source		93,785	75,909	93,785	75,909
Other current assets		13,508	15,213	13,508	15,213
Total current assets		1,672,614	1,844,226	1,672,614	1,844,226
Non-current assets					
Finance lease receivables - net of current portion	8.2	5,007	4,487	5,007	4,487
Investments in associates	5	176,125	179,719	70,000	70,000
Investment in subsidiary	6	-	-	89,067	89,067
Investment properties		8,200	8,200	8,200	8,200
Property, plant and equipment	7	283,359	290,339	283,359	290,339
Right-of-use assets	8.1	791,562	999,936	791,562	999,936
Intangible assets		260,816	264,612	260,816	264,612
Goodwill		77,385	77,385	77,385	77,385
Deferred tax assets		18,917	22,788	18,917	22,788
Other non-current assets		271,171	263,896	271,171	263,896
Total non-current assets		1,892,542	2,111,362	1,875,484	2,090,710
Total assets		3,565,156	3,955,588	3,548,098	3,934,936

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

IT City Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 30 June 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	9	886,411	930,750	886,411	930,750
Trade and other payables	2, 6, 10	634,499	803,825	732,312	901,638
Current portion of lease liabilities	8.1	319,338	375,496	319,338	375,496
Other current liabilities		10,640	11,443	10,640	11,443
Total current liabilities		1,850,888	2,121,514	1,948,701	2,219,327
Non-current liabilities					
Lease liabilities - net of current portion	8.1	497,969	647,285	497,969	647,285
Provision for decommissioning		18,420	19,247	18,420	19,247
Provision for long-term employee benefits		24,262	22,909	24,262	22,909
Deferred tax liabilities		42,512	42,512	42,512	42,512
Other non-current liabilities		200	436	200	436
Total non-current liabilities		583,363	732,389	583,363	732,389
Total liabilities		2,434,251	2,853,903	2,532,064	2,951,716
Shareholders' equity					
Share capital					
Registered					
366,398,859 ordinary shares of Baht 1 each		366,399	366,399	366,399	366,399
Issued and fully paid up					
366,398,859 ordinary shares of Baht 1 each		366,399	366,399	366,399	366,399
Share premium		488,385	488,385	488,385	488,385
Retained earnings					
Appropriated - statutory reserve		36,680	36,680	36,680	36,680
Unappropriated		239,441	210,221	124,570	91,756
Total shareholders' equity		1,130,905	1,101,685	1,016,034	983,220
Total liabilities and shareholders' equity		3,565,156	3,955,588	3,548,098	3,934,936
		-	-	-	-

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

Directors

IT City Public Company Limited and its subsidiary
Statement of comprehensive income
For the three-month period ended 30 June 2023

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss					
Revenues					
Revenue from contracts with customers		2,023,785	2,160,124	2,023,785	2,160,124
Dividend income	5.2	-	-	20,300	20,300
Other income		1,010	2,580	1,010	2,580
Total revenues		2,024,795	2,162,704	2,045,095	2,183,004
Expenses					
Cost of sales and services		1,679,491	1,814,919	1,679,491	1,814,919
Selling and distribution expenses		243,401	258,304	243,401	258,304
Administrative expenses		74,863	72,459	74,863	72,459
Total expenses		1,997,755	2,145,682	1,997,755	2,145,682
Operating profit		27,040	17,022	47,340	37,322
Share of profit from investments in associates	5.2	7,072	8,322	-	-
Finance income		236	51	236	51
Finance cost		(15,943)	(15,275)	(15,943)	(15,275)
Profit before income tax expenses		18,405	10,120	31,633	22,098
Income tax expenses	11	(2,946)	(318)	(2,946)	(318)
Profit for the period		15,459	9,802	28,687	21,780
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		15,459	9,802	28,687	21,780
Profit attributable to:					
Equity holders of the Company		15,459	9,802	28,687	21,780
Total comprehensive income attributable to:					
Equity holders of the Company		15,459	9,802	28,687	21,780
Earnings per share					
12					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.042	0.027	0.078	0.059
Weighted average number of ordinary shares (Thousand shares)		366,399	366,399	366,399	366,399

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

IT City Public Company Limited and its subsidiary

Statement of comprehensive income

For the six-month period ended 30 June 2023

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

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss					
Revenues					
Revenue from contracts with customers		4,134,698	4,415,654	4,134,698	4,415,654
Dividend income	5.2	-	-	21,740	20,300
Other income		1,816	4,771	1,816	4,771
Total revenues		4,136,514	4,420,425	4,158,254	4,440,725
Expenses					
Cost of sales and services		3,458,877	3,692,273	3,458,877	3,693,021
Selling and distribution expenses		493,793	514,826	493,793	514,826
Administrative expenses		137,406	141,720	137,406	141,720
Total expenses		4,090,076	4,348,819	4,090,076	4,349,567
Operating profit		46,438	71,606	68,178	91,158
Share of profit from investments in associates	5.2	18,146	16,981	-	-
Finance income		304	53	304	53
Finance cost		(31,797)	(29,341)	(31,797)	(29,341)
Profit before income tax expenses		33,091	59,299	36,685	61,870
Income tax expenses	11	(3,871)	(7,874)	(3,871)	(7,874)
Profit for the period		29,220	51,425	32,814	53,996
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		29,220	51,425	32,814	53,996
Profit attributable to:					
Equity holders of the Company		29,220	51,425	32,814	53,996
Total comprehensive income attributable to:					
Equity holders of the Company		29,220	51,425	32,814	53,996
Earnings per share					
12					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.080	0.140	0.090	0.147
Weighted average number of ordinary shares (Thousand shares)		366,399	366,399	366,399	366,399

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

(Unaudited but reviewed)

IT City Public Company Limited and its subsidiary
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Consolidated financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	366,399	488,385	36,680	300,181	1,191,645
Profit for the period	-	-	-	51,425	51,425
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	51,425	51,425
Dividend paid (Note 13)				(109,919)	(109,919)
Balance as at 30 June 2022	<u>366,399</u>	<u>488,385</u>	<u>36,680</u>	<u>241,687</u>	<u>1,133,151</u>
Balance as at 1 January 2023	366,399	488,385	36,680	210,221	1,101,685
Profit for the period	-	-	-	29,220	29,220
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	29,220	29,220
Balance as at 30 June 2023	<u>366,399</u>	<u>488,385</u>	<u>36,680</u>	<u>239,441</u>	<u>1,130,905</u>

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

(Unaudited but reviewed)

IT City Public Company Limited and its subsidiary
Statement of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	366,399	488,385	36,680	202,068	1,093,532
Profit for the period	-	-	-	53,996	53,996
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	53,996	53,996
Dividend paid (Note 13)	-	-	-	(109,919)	(109,919)
Balance as at 30 June 2022	<u>366,399</u>	<u>488,385</u>	<u>36,680</u>	<u>146,145</u>	<u>1,037,609</u>
Balance as at 1 January 2023	366,399	488,385	36,680	91,756	983,220
Profit for the period	-	-	-	32,814	32,814
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	32,814	32,814
Balance as at 30 June 2023	<u>366,399</u>	<u>488,385</u>	<u>36,680</u>	<u>124,570</u>	<u>1,016,034</u>

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

IT City Public Company Limited and its subsidiary**Cash flow statement****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit before tax	33,091	59,299	36,685	61,870
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	242,388	256,141	242,388	256,141
Reduction in lease payments by lessors	-	(6,916)	-	(6,916)
Reversal of allowance for diminution in inventory value	(1,689)	(7,990)	(1,689)	(7,990)
Loss on disposals/write off of equipment	9,877	1,209	9,877	1,209
Net difference of right-of-use assets and lease liabilities arising from termination of contracts	(1,672)	(501)	(1,672)	(501)
Gain from sublease	(632)		(632)	
Reversal of allowance for impairment loss on assets	(20,619)	(416)	(20,619)	(416)
Reversal of provision for decommissioning	(1,349)	(597)	(1,349)	(597)
Dividend income from associates	-	-	(21,740)	(20,300)
Share of profit from investments in associates	(18,146)	(16,981)	-	-
Reversal of other provision for liabilities	(236)	332	(236)	332
Provision for long-term employee benefits	1,353	1,152	1,353	1,152
Unrealised loss on exchange rate	21	123	21	123
Interest income	(304)	(53)	(304)	(53)
Interest expenses	31,797	29,341	31,797	29,341
Profit from operating activities before changes in operating assets and liabilities	273,880	314,143	273,880	313,395
Operating assets (increase) decrease				
Trade and other receivables	(9,319)	(6,539)	(9,319)	(6,539)
Finance lease receivables	2,427	-	2,427	-
Inventories	122,170	(2,487)	122,170	(1,739)
Other current assets	1,705	2,241	1,705	2,241
Other non-current assets	(2,168)	(16,678)	(2,168)	(16,678)
Operating liabilities increase (decrease)				
Trade and other payables	(160,355)	6,420	(160,355)	6,420
Other current liabilities	180	90	180	90
Cash from operating activities	228,520	297,190	228,520	297,190
Cash paid for interest expenses	(17,838)	(13,970)	(17,838)	(13,970)
Cash paid for income tax	(17,876)	(26,843)	(17,876)	(26,843)
Net cash from operating activities	192,806	256,377	192,806	256,377

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

IT City Public Company Limited and its subsidiary**Cash flow statement (continued)****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from investing activities				
Cash received from interest income	304	53	304	53
Dividend received from associates	21,740	20,300	21,740	20,300
Proceeds from disposals of equipment	28	263	28	263
Purchases of equipment	(39,552)	(114,780)	(39,552)	(114,780)
Purchases of computer software	(1,933)	(11,274)	(1,933)	(11,274)
Net cash used in investing activities	(19,413)	(105,438)	(19,413)	(105,438)
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	1,722,671	1,399,791	1,722,671	1,399,791
Repayment of short-term loans from financial institutions	(1,767,010)	(1,315,759)	(1,767,010)	(1,315,759)
Cash paid for lease liabilities	(204,190)	(208,243)	(204,190)	(208,243)
Dividend paid	-	(109,919)	-	(109,919)
Net cash used in financing activities	(248,529)	(234,130)	(248,529)	(234,130)
Net decrease in cash and cash equivalents	(75,136)	(83,191)	(75,136)	(83,191)
Cash and cash equivalents at beginning of period	216,994	275,651	216,994	275,651
Cash and cash equivalents at end of period	141,858	192,460	141,858	192,460
	-		-	
Supplemental cash flow information				
Non-cash related transactions				
Transfer inventories to equipment	1,995	1,510	1,995	1,510
Payables for purchases of plant and equipment	5,951	5,195	5,951	5,195
Payables for purchases of computer software	53	634	53	634
Payable from the entire business transfer from subsidiary	-	-	97,813	97,813
Right-of-use assets increase from leases	44,804	150,938	44,804	150,938

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