

MBK Public Company Limited and its subsidiaries

Management discussion and analysis

For the three-month and nine-month periods ended 30 September 2023 (The third quarter)

Analysis of operating results

1. Overall operating results

The operating results of MBK Public Company Limited and its subsidiaries (“the Group”) for the three-month and nine-month periods ended 30 September 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	2023	2022	Inc./Dec.		2023	2022	Inc./Dec.	
1) Operating revenue	2,558	1,980	578	29%	7,317	5,916	1,401	24%
2) Operating profit	121	54	67	124%	658	178	480	270%
3) Share of profit from investments in associates and joint venture	583	148	435	294%	1,121	294	827	281%
4) Other income	29	65	(36)	(55%)	537	359	178	50%
5) Loss on fair value measurement of investments	(23)	-	(23)	(100%)	(131)	-	(131)	(100%)
6) Finance costs	(181)	(183)	2	1%	(544)	(552)	8	1%
7) Income tax expense	(147)	(66)	(81)	(123%)	(319)	(169)	(150)	(89%)
8) Net profit	382	18	364	2,022%	1,322	110	1,212	1,102%
9) <u>Less</u> Profit attributable to non-controlling interest of the subsidiaries	(18)	(14)	(4)	(29%)	(64)	(29)	(35)	(121%)
10) Net profit – attributable to equity holders of the Company	364	4	360	9,000%	1,258	81	1,177	1,453%
11) Earnings per share (Baht)	0.240	0.002	0.238	11,900%	0.836	0.056	0.780	1,393%

1.1 The operating results for the three-month period (The third quarter)

The overall operating results of the Group in comparison with the same period of last year showed that the operating revenue for the three-month periods ended 30 September 2023 and 2022 were Baht 2,558 million and Baht 1,980 million, respectively, increased by Baht 578 million or 29%. The net profit attributable to equity holders of the Company for the three-month periods then ended were Baht 364 million and Baht 4 million, respectively, increased by Baht 360 million or 9,000%.

1.2 The operating results for the nine-month period

The overall operating results of the Group in comparison with the same period of last year showed that the operating revenue for the nine-month periods ended 30 September 2023 and 2022 were Baht 7,317 million and Baht 5,916 million, respectively, increased by Baht 1,401 million or 24%. The net profit for the nine-month periods then ended were Baht 1,258 million and Baht 81 million, respectively, the net profit increased by Baht 1,177 million or 1,453%.

The significant events and movements were as follows.

a) The spread of Corona Virus (“COVID-19”)

From several waves of the epidemic outbreak of COVID-19 in Thailand starting from March 2020 to late 2021 had an impact on conducting business of the Group, particularly the shopping center business, hotel and tourism business, golf business, and food center business. In addition, there was a temporary closure of such business operations according to the government measures during March to May 2020 and July - August 2021.

In 2022 until the current year, there are still several new waves of outbreaks, but the level of severity and concerns about the epidemic has steadily declined continuously. The government has gradually issued relief measures starting from the fourth quarter of 2021 to reduce the strict control of the epidemic and launched the measures to stimulate and recover the economy, especially in the tourism sector. Moreover, the opening of the country for foreign tourists resulted that consumers are more confident in spending. As a result, all business sectors, especially the tourism business, began gradually to recover. However, entrepreneurs and consumers remained cautious in their spending as the overall and global economy continued to be affected by numerous factors such as the fuel price, inflation, technology disruption, and the war crisis between Russian-Ukrainian, and Israel-Hamas.

The board of directors and management made constant arrangements and strategic adjustments to the business in response to the crisis, changes, and business environment. Strategies were also modified to accommodate the improving situation and gradually recuperating purchasing power, and to create new business opportunities from the changes in consumer behaviors and circumstance, especially in the tourism-related business.

As a result, the overall revenue and net profit of the current year improved considerably. The significant changes in operating revenue and operating profit (loss) of the Group business segments were noted in No. 2.1 - Operating revenue – by segment and No. 2.2 – Operating profit (loss) – by segment.

- b) Share of profit from investments in associates and joint venture for the three-month and nine-month periods increased by Baht 435 million or 294% and Baht 827 million or 281%, respectively, due to the following reasons:
- Share of profit from an associate that operates shopping center business for the three-month and nine-month periods increased by Baht 105 million and Baht 209 million, respectively, as the situation of the epidemic outbreak of COVID-19 has continued to improve.
 - On 20 April 2023, the investment in Thanachart Capital Public Company Limited (“TCAP”) changed the status from investment in equity securities designated at fair value through other comprehensive income to investment in associated company. Therefore, profit sharing commenced to recognize under equity method from 20 April 2023 onwards. The recognition of profit sharing for the three-month and nine-month periods were Baht 340 million and Baht 618 million, respectively.
- c) Other income for the nine-month period increased by Baht 178 million or 50% due to an increase in investment in TCAP resulting in higher dividend recognition in the second quarter of 2023 by Baht 145 million.

2. Revenue and operating results by segment

The Group’s business operations are divided into 8 principal segments as follows:

1. Shopping Center business engages in the business of rental space to retail tenants in the shopping centers and the business of office space for rent.
2. Hotel and tourism business engages in providing for lodging, food and drink, fitness and other facilities and services related for accommodation and travel.
3. Golf business engages in golf services, clubhouse and selling golf equipment.
4. Real-estate business engages in residential for sale, property management and asset appraisal.
5. Food Solution business engages in selling rice for both local and export markets, food center business, and marina for rental/service business.
6. Finance business engages in (i) providing general loan for housing and bridge loan of which the security is marketable property in good location, and (ii) motorcycle hire-purchase business.
7. Auction business engages in the business of car and motorcycle auctions.
8. Corporate Supporting Center business performs as a back-office function for the Group, and Others business engages in the water supply business.

The significant movements in operating revenue and operating profit/(loss) by segment for the three-month and nine-month periods ended 30 September 2023 when compared to the same period of 2022 were as follows:

2.1 Operating revenue – by segment

(Unit: Million Baht)

Segment	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	2023	2022	Inc./Dec.		2023	2022	Inc./Dec.	
1) Shopping Center	669	478	191	40%	1,903	1,157	746	64%
2) Hotel and Tourism	273	209	64	31%	936	513	423	82%
3) Golf	101	91	10	11%	363	288	75	26%
4) Real-estate	224	74	150	203%	424	599	(175)	(29%)
5) Food Solution	541	408	133	33%	1,339	1,170	169	14%
6) Finance	546	551	(5)	(1%)	1,774	1,766	8	0%
7) Auction	200	163	37	23%	558	402	156	39%
8) Corporate Supporting Center and Others	4	6	(2)	(33%)	20	21	(1)	(5%)
Total	2,558	1,980	578	29%	7,317	5,916	1,401	24%

The operating revenue of the Group for the three-month and the nine-month periods ended 30 September 2023 was Baht 2,558 million and Baht 7,317 million, respectively, increased by Baht 578 million or 29% and Baht 1,401 million or 24%, respectively. The major changes in operating revenue by segment were as follows:

- a) The revenue of shopping center business for the three-month and nine-month periods increased by Baht 191 million or 40% and Baht 746 million or 64%, respectively. In the same period of last year, there was a discount on rental and service fees to tenants affected by COVID-19. The measures helping tenants had been implemented since the outbreak of the disease in 2020 until the end of 2022. The discount rates for tenants have continued to decline according to the epidemic situation which has gradually improved.

During 2021 – 2022, MBK Shopping Center renovated the rental area and communal area to suit changes of the situation. There were many aspects of the overhaul and diversification of shops and goods that better met the needs of both Thai and foreign customers. In addition, the government's measure to reopen the country attracted the return of foreign customers.

As for Paradise Park Shopping Center, the land rental contract was renewed for another 20 years (1 August 2023 – 31 July 2043). Therefore, there is a renovation plan for Paradise Park shopping center to be a modern shopping center, selecting varieties of tenants to serve all customer needs. In addition, there will be a comprehensive health care center outside the area of Ramathibodi Hospital “Rama Health Space @Paradise Park” under the concept of “Shopping Center with Health” which will open the operations in December 2023. The rental space of Paradise Park shopping center has been gradually closed for renovation by zones since February 2023, and is expected to be completed wholly by the first quarter of 2024. In addition, there were discounts on rental and service fees provided to assist some tenants that opened their shops during the renovation period.

- b) The revenue of hotel and tourism business for the three-month and nine-month periods increased by Baht 64 million or 31% and Baht 423 million or 82%, respectively. According to the government policy to re-open the country since November 2021 and the measures to boost tourism business resulted that during 2022 until present the number of Thai and foreign tourists have increased continuously. Moreover, the hotel business had prepared a promotion for room rates and package tours, including to participate in various government projects. As a result, the hotel business had higher occupancy rates and revenue per room rates which returned to normal conditions (before the epidemic).
- c) The revenue of golf business for the three-month and nine-month periods increased by Baht 10 million or 11% and Baht 75 million or 26%, respectively. The tourism recovery, particularly the country reopening for foreign tourists and the preparation of promotional programs through various channels to increase the number of golfers, these factors helped to continuously improve the performance of golf business, especially the two golf courses in Phuket as most customers are foreigners. In addition, the two golf courses in Pathum Thani have consistently improved performance since 2022 and have been honored to host professional golf tournaments on many occasions. In 2023, Bangkok Golf Club hosted Singha Bangkok Open 2023 on 7-10 September 2023, and Riverdale Golf Course will host the 51st Thailand Open 2023 on 7-10 December 2023, to promote the golf courses to be more famous and well-known. At present, the golf business has returned to normal situation and has a better growth trend.
- d) The revenue of real-estate business for the three-month period increased by Baht 150 million or 203%, however for the nine-month period decreased by Baht 175 million or 29%, mainly due to the recognition of revenue under residential projects which the significant changes were as follows.

(Unit: Million Baht)

	For the three-month periods			For the nine-month periods		
	ended 30 September			Ended 30 September		
Residential projects	2023	2022	Inc/(Dec)	2023	2022	Inc/(Dec)
1.Riverdale Residence – Land	-	-	-	-	215	(215)
2.Park Riverdale – Housing	10	15	(5)	25	93	(68)
3.Quaritz Rama IX – Premium residential	140	-	140	140	90	50
4.Quinn Sukhumvit 101 - Condominium	30	6	24	107	57	50
5.Baan Rom-Mai-Borwin – Small housing	11	32	(21)	15	87	(72)
6.Residential projects (housing & plot of land) in Phuket	19	11	8	103	32	71
Total	210	64	146	390	574	(184)

The ownership transfer of residential for the three-month period increased by Baht 146 million, whereas for the nine-month period was lower than the same period of last year by Baht 184 million. However, at present, the sales backlog of residential under several projects are waiting for the legal transfer of ownership and the expected revenue will be recognized in the fourth quarter of the current year amounting to Baht 252 million.

During the past period of COVID-19 epidemic, the real-estate business has slowed down the launch of new projects and has always monitored and assessed the risks of the situation to adapt the business operations under uncertainties that may arise, and to response the better needs of customers.

On 19 April 2023, MBK Resort Public Company Limited, a subsidiary operates in golf course, real-estate, and hotel businesses in Phuket, donated a plot of land 36 rai to Prince of Songkhla University to develop the project “Andaman International Health Center”, therefore, the real-estate business is planning to develop new residential projects to meet the higher demand of residence. In addition, the group management is in the process of studying to develop lots of land held for development to be a location with highest potential and benefits.

- e) The revenue of food solution business for the three-month and nine-month periods increased by Baht 133 million or 33% and Baht 169 million or 14%, respectively. The significant changes were as follows:
- The revenue of rice business for the three-month and nine-month periods increased by Baht 123 million or 34% and Baht 114 million or 11%, respectively.
 - Domestic sales for the three-month and nine-month periods increased by Baht 121 million and Baht 245 million, respectively due to an increase in rice selling prices according to the economic situation. In addition, the demand for rice consumption in the country is likely to improve following the recovery of the restaurant, hotel, and related industries, especially food production, after the COVID-19 situation is resolved.

- Export sales for the three-month period increased slightly by Baht 2 million, but for the nine-month period decreased by Baht 131 million due to the slow-down in orders of rice from customers in the United States. In addition, the selling price of such customers included shipping expense to the destination country.
 - The revenue of food center business for the three-month and nine-month periods increased by Baht 10 million or 19% and Baht 55 million or 50%, respectively, due to the impact of the COVID-19 outbreak during the same period last year. At present the epidemic situation is more relaxing, resulting in a higher number of customers to eat in the food center.
- f) The revenue of finance business for the three-month period slightly decreased by Baht 5 million or 1%, whereas for the nine-month period slightly increased by Baht 8 million. Under COVID-19 situation, finance business is more conservative in lending loans to customers, monitored debt collection status, and reviewed credit risk assessment on a regular basis to reduce default debtor.
- The revenue of hire-purchase for motorcycle business for the three-month and nine-month periods decreased by Baht 21 million or 6% and Baht 118 million or 10%, respectively. Although, the number of new loans is higher than last year period according to the growth of motorcycle market, but the overall performance of hire-purchase business has begun to get the impact of the new ceiling interest charge at 23% per annum which issued by the Office of the Consumer Protection Board and is applied to the hire-purchase contract made from 10 January 2023 onwards. However, the management is in the process of studying a new business to create more opportunities and revenue.

In addition, in the second quarter of last year, there was revenue recognition of Baht 34 million from the disposition by auction process of non-performing loan receivables portfolios. However, if such an item was excluded, the hire-purchase revenue for the three-month period would increase by Baht 13 million, whereas for the nine-month period would decrease by Baht 84 million.

- The revenue of lending business for the three-month and nine-month periods increased by Baht 16 million or 9% and Baht 130 million or 23%, respectively. The major factor was that in June 2023, a major debtor, which was classified as a non-performing loan, closed the loan account, and repaid all outstanding loan balance and paid for related interest of Baht 133 million, which was fully recognized as interest income in the second quarter of 2023.

- g) The revenue of auction business for the three-month and nine-month periods increased by Baht 37 million or 23% and Baht 156 million or 39%, respectively. The outbreak of COVID-19 situation over the past 3 years affected the consumer purchasing power of a new car and the government's debt moratorium policy resulted that the number of new cars, used cars and seized cars in the market declined. Currently, the situation has gradually improved, and the car auction sites were expanded to other provinces. As a result, the number of cars for auction increased accordingly. Moreover, in comparison with the revenue before the COVID-19 situation, it was found that the revenue for the current nine-month period was higher than the revenue of 2019 by Baht 236 million or 73%.

2.2 Operating profit (loss) – by segment

(Unit: Million Baht)

Segment	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
	2023	2022	Inc./Dec.		2023	2022	Inc./Dec.	
1) Shopping Center	(9)	(129)	120	93%	(148)	(576)	428	74%
2) Hotel and Tourism	51	12	39	325%	212	(23)	235	1,022%
3) Golf	13	9	4	44%	82	41	41	100%
4) Real-estate	15	(10)	25	250%	42	141	(99)	(70%)
5) Food Solution	(13)	(18)	5	28%	(72)	(47)	(25)	(53%)
6) Finance	(7)	124	(131)	(106%)	333	498	(165)	(33%)
7) Auction	72	67	5	7%	204	137	67	49%
8) Corporate Supporting Center and Others	(1)	(1)	-	-	5	7	(2)	(29%)
Total	121	54	67	124%	658	178	480	270%

The operating profit of the Group for the three-month and nine-month periods ended 30 September 2023 were Baht 121 million and Baht 658 million, respectively, increased by Baht 67 million or 124% and Baht 480 million or 270%, respectively. In overall, operating results varied according to the operating revenue by segment as mentioned in No.2.1, normal economic conditions. The other significant changes were as follows:

- a) Due to the continual relaxation of the COVID-19 epidemic situation resulted that the group revenue had a better trend. However, the Group management has closely monitored the progress of COVID-19 situation and manage operating expenses to be more efficient.

- b) Employee expenses for the three-month and nine-month periods increased by Baht 68 million or 17% and Baht 179 million or 15%, due to the better of COVID-19 situation resulted in higher employment and increasing staff expenses in accordance with business operations.
- c) Bad debt and provision for expected credit losses (provision for doubtful debts) for the three-month and nine-month increased by Baht 115 million or 62% and Baht 156 million or 30%. The significant reasons were as follows:
- The lending business had bad debt and provisions for doubtful debts for the three-month and nine-month periods increased by Baht 86 million and Baht and 50 million, respectively. In the current quarter, there was an additional reserve from management overlay of Baht 100 million because the management has carefully considered various factors including fluctuations in economic conditions both in the country and abroad. These factors may affect the quality of loans in the future.
 - The hire-purchase for motorcycle business had bad debt and provisions for doubtful debts for the three-month and nine-month periods increased by Baht 28 million and Baht 111 million, respectively, according to the growth of portfolios.
- d) In the first quarter and third quarter of last year, shopping center business and hotel business received a rental discount on land and its related buildings due to the impact of the COVID-19 epidemic a total of Baht 231 million.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at 30 September 2023 when compared with the balance as at 31 December 2022 were as follows:

(Unit: Million Baht)

	30 Sep 2023	31 Dec 2022	Increase/(Decrease)	
Total assets	58,434	54,350	4,084	8%
Total liabilities	36,414	32,537	3,877	12%
Total shareholders' equity	22,020	21,813	207	1%

3. Assets

3.1 Other current financial assets

Other current financial assets mainly represented investments in debt and equity marketable securities at fair value through profit or loss. The balance as at 30 September 2023 was Baht 1,557 million, decreased by Baht 253 million or 14%, primarily due to the sales of investments (net of purchases) during the current period of Baht 121 million and the decrease in fair value adjustment of investments on hand as at 30 September 2023 by Baht 132 million.

3.2 Loans to customers

Loans to customers (including current portion), net of allowance for expected credit losses (allowance for doubtful accounts), balance as at 30 September 2023 was Baht 14,736 million, increased by Baht 168 million or 1%. The major changes were as follows:

- a) The portfolio of motorcycle hire-purchase receivables increased by Baht 600 million or 9% because the situation of the COVID-19 epidemic gradually improved resulted that consumers had more demand to purchase a motorcycle. In addition, a new motorcycle model was released at the beginning of this year, which helped to drive the growth of motorcycle market, especially small and medium bikes.
- b) The portfolio of loan receivables which secured by pledged/mortgaged of assets specified in the loan agreements decreased by Baht 198 million or 2%.
- c) Allowance for expected credit losses (provision for doubtful debts) increased by Baht 233 million or 28%.

3.3 Investment in associates and joint venture

Investment in associates and joint venture balance as at 30 September 2023 was Baht 15,429 million, increased by Baht 10,021 million or 185%. The major changes were as follows:

- a) On 20 April 2023, the status of investment in equity securities of Thanachart Capital Public Company Limited ("TCAP") was transferred to investment in an associate. The investment was recognised at a fair value of Baht 9,091 million as mentioned in No.3.4.
- b) The increase of Baht 1,121 million was from the recognition share of profit under the equity method.
- c) The decrease of Baht 193 million was from dividend income.

3.4 Other non-current financial assets

Other non-current financial assets balance as at 30 September 2023 was Baht 337 million, decreased by Baht 6,319 million or 95%. The major factors were the additional purchases of investment in TCAP during January – April 2023 amounting to Baht 2,737 million resulted that the percentage of shareholding reaching 20.05% and met the criteria of significant influence to be an associate under the accounting standards. Therefore, the classification of all investment in TCAP, which had a fair value as of 20 April 2023 in the amount of Baht 9,091 million, was transferred to record as investment in associate as mentioned in No. 3.3 (a)

3.5 Investment properties

Investment properties balance as at 30 September 2023 was Baht 13,340 million, increased by Baht 942 million or 8%. The significant movements during the nine-month period were as follows:

Description		Million Baht
1	Paradise Park Shopping Center – as of 1 August 2023, the recognition rights of use assets was from the renewal of land lease contract for another 20 years (starting from 1 August 2023 to 31 July 2043). The total obligations over the lease contract period which discounted by the additional interest rate on the loan, were recorded as rights of use and long-term liabilities under financial lease agreements (as mentioned in note No. 4.4)	1,446
2	The costs of renovation Paradise Park and Paradise Place Shopping centers	285
3	The costs of renovation MBK Shopping center	48
4	The project costs of Riverdale Waterfront & Marina in Pathumtani	65
5	Depreciation and amortisation	(910)
5	Others	8
Total net movements		942

3.6 Property, plant and equipment

Property, plant and equipment balance as at 30 September 2023 was Baht 5,362 million, decreased by Baht 83 million or 2%. The significant movements during the nine-month period were as follows:

Description		Million Baht
1	To reclassify a plot of land from land held for development to operate car auction business	77
2	Renovation costs of hotels and purchases of operating equipment	88
3	Renovation costs of golf courses	24
4	Recognition rights of use from the long-term rental contracts – car auction sites	23
5	Purchases of other operating assets	67
6	Depreciation and amortisation	(363)
7	Others	1
Total net movements		(83)

4. Liabilities

4.1 Short-term loans from financial institutions

Short-term loans from financial institutions balance as at 30 September 2023 was Baht 2,599 million, increased by Baht 1,661 million or 177%. The increase in short-term borrowings was to reserve for finance business operations and to get the most out of financial costs, which continuously increase.

4.2 Other current liabilities

Other current liabilities balance as at 30 September 2023 was Baht 1,513 million, increased by Baht 711 million or 89%, due to the accrued interim dividend payments of Baht 607 million which were due for payments in October 2023.

4.3 Long-term loans from financial institution

Long-term loans from financial institutions (including current portion) are loans of finance business and the balance as at 30 September 2023 was Baht 413 million, decreased by Baht 1,020 million or 71%, due to the repayments of loans which were due during the period.

4.4 Long-term debentures

Long-term debentures (including current portion) balance as at 30 September 2023 was Baht 15,783 million, increased by Baht 1,575 million or 11%. In April and May 2023, there were issuance of long-term debentures in the amount of Baht 3,000 million for a period of 2-3 years, bearing interest rates of 2.96% - 3.20% per annum. The purposes of debentures issuance were to redeem the maturity of debentures for a total of Baht 1,300 million which were due for repayment in March and April 2023, and to invest in other projects.

4.5 Long-term liabilities under financial lease agreements

Long-term liabilities under financial lease agreements (including current-portion) which presented net of deferred interest expense, balance as at 30 September 2023 was Baht 12,226 million, increased by Baht 790 million or 7%. The significant movements were as follows:

- a) Liabilities under the lease agreements granting the right to utilize the shopping center at Pathumwan intersection decreased by Baht 628 million, due to the payment which was due in April 2023 amounting to Baht 1,056 million. However, deferred interest expense decreased by Baht 428 million because of the amortisation as interest expense for the period.
- b) Liabilities under the lease agreement of Paradise Park Shopping Center - net of deferred interest expense, balance as at 30 September 2023 was Baht 1,411 million, an increase in the entire amount. Because Paradise Park Shopping Center has extended the land lease contract for another 20 years (starting from 1 Aug. 23 - 31 Jul. 43) as mentioned in No. 3.5 (1). Therefore, there was recognition of rights-of-use assets and liabilities under long-term lease agreements, in the amount of Baht 1,446 million. During the current quarter, the first installment of debt was paid of Baht 50 million, and deferred interest expense was amortized as interest expense of Baht 15 million.

5. Shareholders' equity

Total shareholders' equity balance as at 30 September 2023 was Baht 22,020 million, increased by Baht 207 million or 1%. The significant movements were as follows:

- a) The increase of Baht 312 million was the warrant holders of 59 million units exercised their rights to purchase ordinary share at Baht 2.2935 – 2.8881 each, resulted in an increase in paid-up share capital of Baht 65 million and premium on ordinary of Baht 247 million.

b) Retained earnings increased by Baht 3,197 million due to the followings:

- The increase of Baht 1,258 million was from net profit for the nine-month period.
- The increase of Baht 3,148 million was due to the change in status of investment in TCAP as described in No.3.3 and 3.4, from investment in equity securities designated at fair value through other comprehensive income to investment in an associate. As a result, the fair value reserve for unrealized gain of such investment, net of related deferred tax, in the amount of Baht 3,148 million (presented under other components of shareholders' equity) was transferred directly to retained earnings.
- The decrease of Baht 1,209 million was from dividend payments.

c) Other components of shareholders' equity decreased by Baht 3,104 million due to the transfer of fair value reserve of unrealized gain of investment in TCAP of Baht 3,148 million to be retained earnings as mentioned above in b).

d) The decrease of Baht 242 million due to an increase in treasury shares. This was because a subsidiary purchased additional shares of the Company in the amount of Baht 181 million and exercised the rights to purchase ordinary shares of the Company of Baht 61 million.

Analysis of the liquidity

6. Cash flows of the Group for the nine-month periods ended 30 September 2023 and 2022 are summarised in the table below.

(Unit: Million Baht)

For the nine-month periods ended 30 September				
	2023	2022	Cash flows Increase/(Decrease)	
Net income from operating activities before changes in operating assets and liabilities	2,228	1,623	605	37%
Net movements in operating assets and liabilities	11	1,007	(996)	(99%)
Net cash flows received from (used in) operating activities	2,239	2,630	(391)	(15%)
Net cash flow received from (used in) investing activities	(2,525)	(1,396)	(1,129)	(81%)
Net cash flows received from (used in) financing activities	85	(1,672)	1,757	105%
Net increase (decrease) in cash and cash equivalents	(201)	(438)	237	54%

6.1 Cash flows from operating activities

Net cash flows from operating activities decreased by Baht 391 million or 15%. The significant movements in cash flows from operating activities and operating assets and liabilities are as mentioned in the analysis of operating results and financial status above and the significant changes as follows: -

- a) The major cash increases were from: (i) Cash receipts from operating activities increased by Baht 605 million (ii) Other current liabilities increased by Baht 113 million, and (iii) Cash receipts of deposits increased by Baht 145 million.
- b) The major cash decreases were from loans to customers (net of cash receipts) increased by Baht 1,260 million,

6.2 Cash flows from investing activities

Net cash flows received from investing activities decreased by Baht 1,129 million or 81% due to the following major reasons:-

- a) The major cash increases were from: (i) Cash receipts from dividend income increased by Baht 296 million (ii) Cash receipts from sales of investments in debt and equity securities for liquidity management increased by Baht 411 million, and (iii) Cash paid (net of cash receipts) for purchase of land for development decreased by Baht 78 million.
- b) The major cash decreases were from cash payments for purchases of additional investment in TCAP of Baht 2,085 million.

6.3 Cash flows from financing activities

Net cash flows received from financing activities increased by Baht 1,757 million or 105% due to the following major reasons:-

- a) The major cash increases were from: (i) Cash receipts from short-term loans from financial institutions (net of repayments) increased by Baht 1,812 million, and (ii) Cash receipts from issuance of long-term debentures (net of repayments) increased by Baht 2,406 million.
- b) The major cash decreases were from: (i) Cash payments for long-term loans from financial institutions (net of cash receipts) increased by Baht 1,181 million (ii) Dividend payments increased by Baht 608 million, (iii) Cash payments to long-term lease liabilities increased by Baht 482 million, and (iv) Cash payments for treasury stock increased by Baht 303 million.