



PROUD
REAL ESTATE PLC

MORE THAN JUST LIVING

ANNUAL REPORT 2019
PROUD REAL ESTATE (PUBLIC) COMPANY LIMITED



PROUD
REAL ESTATE PLC



MORE THAN
JUST LIVING



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Vision

Balance of life....we aim to create the unique 'Lifestyle' by combining modernity with the environment and nature in order to step over the general pattern of 'Living' and creating value for society.





An aerial photograph of a coastline. On the left, a sandy beach is bordered by green vegetation. The ocean extends to the right, with two speedboats leaving white wakes. The water transitions from a shallow, light blue near the shore to a deeper blue further out.

Mission

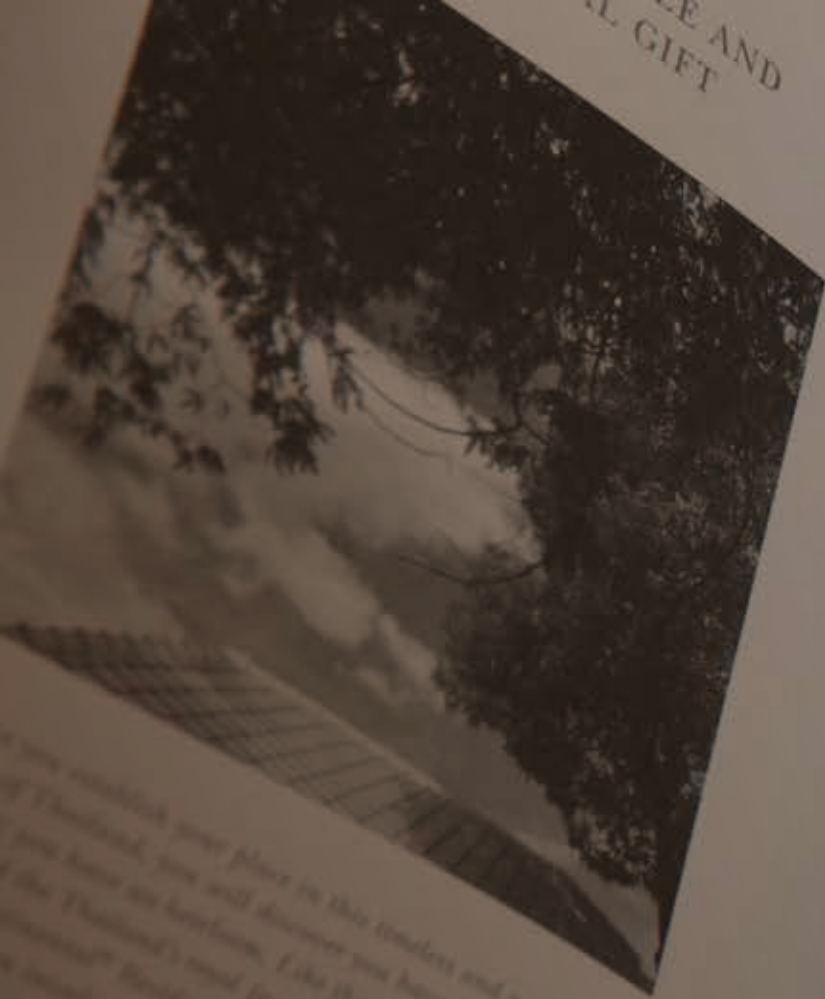
We dare to challenge the boundaries of “Living” is more than just a residence or home. All our projects are aimed at creating new standards that enable people to live life through impeccable service stepped through limitations and can adore the environment.

MORE THAN
JUST LIVING





LE AND
L GIFT



...and your place is in this timeless and much-loved
of Thailand, you will discover you have more than a place
you have an heirloom. Like the royal palace and villas
of the Thai royal family and their guests for over a century,
our "Bamboo" Residence Hua Hin will offer owners a lifetime
of unparalleled luxury to bequeath upon the next generation.

KEY ACHIEVEMENT

in 2019







In 2019,
Proud Real Estate PLC.
has successfully launched
new project
**“InterContinental
Residences Hua Hin”**,
which total project value
3,500 million Baht



RESIDENCES



Revenue from Real Estate Business has **increased 266%** compared to last year.

→ Financial Highlights



Financial Highlights	2019	2018	2017
Financial Position (Million Baht)			
Total Assets	1,720.41	316.74	307.43
Total Liabilities	982.40	191.90	140.91
Total Shareholders' Equity	738.01	124.84	166.52
Paid-up Share Capital	641.47	190.08	190.08
Performance (Million Baht)			
Total Revenues	114.65	114.14	150.06
Revenue from Construction	31.43	87.17	51.44
Revenue from Property Development	58.29	15.91	90.22
Net Profit (Loss) for the year	(40.09)	(41.03)	(45.28)
Share Value (Baht per Share)			
Earnings (Loss) per Share	(0.08)	(0.22)	(0.28)
Book Value per Share	1.15	0.66	0.88
Financial Ratio			
Current Ratio (times)	7.33	1.36	2.56
Return on Equity (ROE) (%)	(9.29)	(28.16)	(29.93)
Return on Assets (ROA) (%)	(2.33)	(12.95)	(14.73)
Debt to Equity Ratio (times)	1.33	1.54	0.85
Total Assets Turnover (times)	0.07	0.36	0.49
Gross Profit Margin (%)	35.96	17.25	19.84
Net Profit (Loss) Margin (%)	(34.97)	(35.95)	(30.17)

A portrait of Mr. Anuwat Maytheewibulwut, an older man with dark hair, wearing a dark suit, white shirt, and a patterned tie. He has his arms crossed and is looking directly at the camera. A small red pin is visible on his left lapel. The background is a light, neutral color.

→ Message from Chairman of the Board of Directors

Mr. Anuwat Maytheewibulwut

Chairman of the Board of Directors

The real estate market in 2019 faced multiple headwinds affecting growth. The slowdown of Thai and global economies resulted in reduced demand and supply. The loan-to-value (LTV) measure governing mortgage lending, despite some easing measures, remained a barrier. This is a challenging time for the board of directors and management as management strategy has to be constantly adapted to the fast-changing situations.

However, the Company remained driven to grow continuously. The 2019 capital increase was used in the development and expansion under a new real estate business concept. The concept combines leisure with hotel service level, resort-like design, marketing to create different experience, and utilization of technology to increase residents' convenience.

In 2019, the Company launched 1 condominium project – InterContinental Residences Hua Hin. The residential project located on the beach in the middle of Hua Hin on Petchkasem road under the concept of “Colonial with a Modern Twist”. The concept combines Hua Hin character in colonial style with modern luxury style to accommodate clients with high-purchasing power and spending potential.

The Company is committed to growth and to operate business under good governance with consideration of all stakeholders to drive sustainable growth. On behalf of Proud Real Estate Public Company Limited, I would like to express my sincere gratitude to all stakeholders for their continuous trust and confidence in the Company's business.



(Mr. Anuwat Maytheewibulwut)
Chairman of the Board of Directors
Proud Real Estate Public Company Limited

A professional portrait of Mr. Paisit Kaenchan, Managing Director. He is a middle-aged man with short, grey hair, smiling at the camera. He is wearing a dark navy blue suit jacket over a light blue button-down shirt. He is seated on a black metal stool, with his arms crossed over his chest. He is wearing dark trousers and black leather shoes. The background is a plain, light grey studio backdrop. A semi-transparent teal banner is overlaid on the lower half of the image, containing the text '→ Message from Managing Director' and a smaller teal box with his name and title.

→ Message from Managing Director

Mr.Paisit Kaenchan

Managing Director

2019 was an important year for Proud Real Estate Public Company Limited. The Company completed capital increase and changed the name from Focus Development and Construction Public Company Limited to Proud Real Estate Public Company Limited in May 2019 and marched forward with the development of residential project under the concept of “More Than Just Living”.

Despite having to face many challenges in real estate business in 2019, including the loan-to-value measure governing mortgage lending by the government sector and economic factors from both domestically and internationally; the Company continued to launch new project. In the fourth quarter of 2019, the Company launched “InterContinental Residences Hua Hin” project – a modern luxury residence operated by a world class hotel chain IHG. The project located in the heart of Hua Hin with over 238 units covering over 7 rais of space with project value over 3,500 million baht.

Customers of the Company are mid-to-upper tier group with purchase power. Unaffected by the economic impact, the loan-to-value measure, the customers intend to buy for family leisure and retirement purposes rather than for speculations. Moreover, the Company is confident in residential and tourism potentials of Hua Hin – a renowned and convenient seaside resort town. Additionally, the government’s policy to elevate tourism quality in the western coastline or Thailand Riviera has drawn various interests from both Thai and foreign customers to Proud’s project.

With this opportunity, I would like to express my gratitude towards the board of directors, management, employees of Proud Real Estate Public Company Limited, customers, trade partners, shareholders, and financial institutions for their continuous trusts and support; and please be assured that Proud Real Estate Public Company Limited is driven to grow sustainably and steadily.



Mr.Paisit Kaenchan
Managing Director

→ **Market and
Competition**



Characteristics of Customers and Target Market

The main target market of the Company is customers in B+ or higher tier as the remaining products in this year are high rise projects with price from 5 million baht or higher. The Company has 1 project in Bangkok, the Focus Ploenchit project; and 1 project outside of Bangkok, the InterContinental Residences Hua Hin, with price ranging from 5 million baht up to 100 million baht. In addition, the Company intends to highlight the perception that Proud Real Estate is a developer with the concept of “More Than Just Living”. In 2019, the Company expands customer base via 2 strategies.

1

Collaborate with CBRE to quickly and accurately reach new target customer group with high purchase power and existing demand for real estates.

2

Expand customer base using existing database from previous projects e.g. Park 24 project, combined with marketing activities in both Bangkok and Hua Hin. The Company foresaw growth in residential market and continuous rise in demand-supply of the market in Hua Hin district, Prachuabkirikhan province as the province expands constantly under the Western Economic Corridor zone supported by investments in infrastructure, transportation, and tourism. The Company launched a world class branded residence in collaboration with IHG Hotels Group under the InterContinental Hotel and Resorts brand in the location and received welcoming response with noticeably increased customer base. In this regard, the Company maintains focus in expanding customers in luxury group and mid-level condominium group with real demand for true residential purpose in Bangkok -- CBD zone near sky train. Thus, the Company is marketing for the Focus Ploenchit project in response to customers' demand.



Sale and Distribution Channel

The Company has strategized distribution channel to be in line with product type:

1 Sale by professional salesperson like CBRE in the InterContinental Residences Hua Hin project and sales team under Proud Real Estate PLC. Salesperson, under training and service development standard of the Company, will promote marketing and selling activities in sales office of each project and outside of the project e.g. setting up booths in road shows in various locations or in housing expos.

2 CRM ICON FRAMEWORK : Utilization of customer relationship management (CRM), sale, and financial accounting systems. By combining offline and online selling channels with customer data collection, the Company performs analysis on customer behaviors. The purchase data of customers will be stored and used to further develop business. PDPA Act is applied. Collected data is treated with need-to-know basis and has clear collection period and deletion timeline.



Real Estate Industry Overview

For the past two years, the real estate sector contributed approximately 8% to the gross domestic product (GDP). The government has set 2020 to be the year of government investment. The investment in infrastructure by state enterprise has investment budget of 346 billion baht. Moreover, the government also supports joint investment between public and private sectors or Public-Private Partnership (PPP) in infrastructure which will boost confidence in business sector and stimulate private investment within the country. In terms of the real estate sector, to support people in having their own residence, the government divides people wanting to own residence into 4 groups:

1. Low income and no potential,
2. Low income with potential,
3. Middle income, and
4. High income.



The government provides supporting measures for group 1 to 3 through Specialized Financial Institutions (SFIs). For low income with potential group, the government has measures to reduce barriers in owning residences:

1. Subsidize certain expenses through state welfare cards,
2. Support to reduce housing interest rate through Government Housing Bank (GHB) e.g. Housing Loan for State Welfare Card Holder with Low Income project, and
3. Set up housing development fund via National Housing Authority (NHA) to support housing loans and guarantees and to increase opportunity in owning residence for low income citizens.

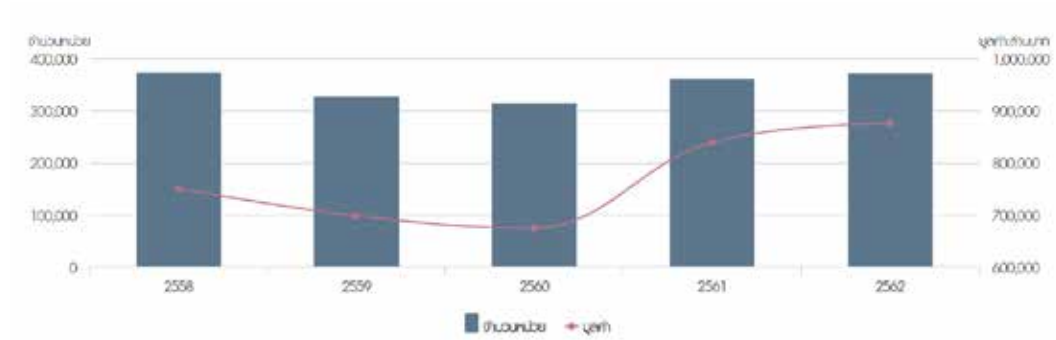
For group 3, middle income citizens, the government provides support measures through various lending projects of GHB including fee reduction for registration of right and juristic act to 0.01% for residence not exceeding 3 million baht. This is in line with and builds on the One Million House project for middle income citizens. For middle income citizens registered on tax database of the Revenue Department whom are in the Baan Dee Mee Down project, the government provides subsidy to reduce down payment. Moreover, the interest rate is in downward trend and Bank of Thailand is also easing down the LTV measure.

Summary of Residential Market in 2019

For 2019, transfer of ownership from residential juristic person in Thailand was at 875,189 million baht increased from 2018 by 4.3%. The highest value was from condominium transfer of 317,526 million baht decreased by 4.8% YoY, while detached house transfer was at 276,455 million baht increased by 12.6% YoY, and townhouse transfer was at 166,331 million baht rose by 9.9% YoY. The decrease in condominium ownership transfer was due to flattening of unit quantity and pricing of condominium in 2019.

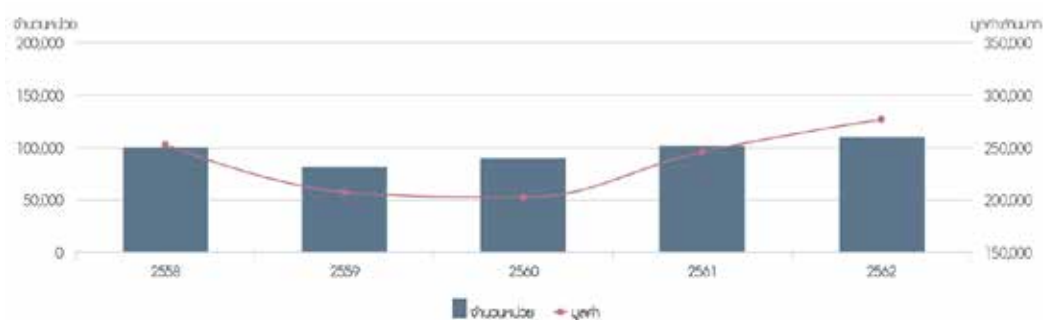


Units and Value of Ownership Transfer of Residence in Thailand during 2015 – 2019



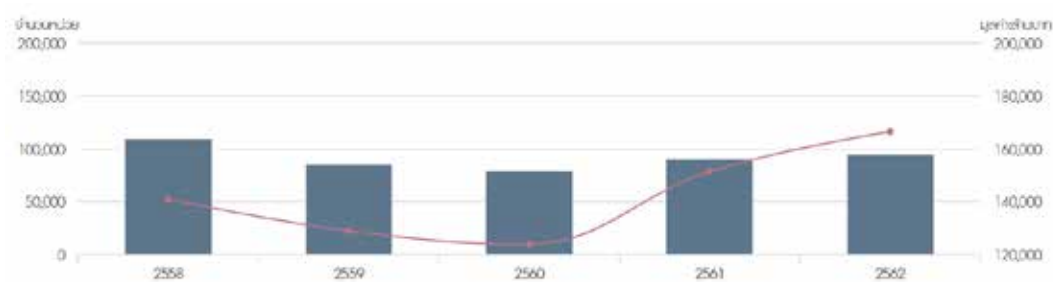
Source : Real Estate Information Center of Government Housing Bank (REIC-GHB)

Units and Value of Ownership Transfer of Detached House in Thailand during 2015 - 2019



Source: REIC-GHB

Units and Value of Ownership Transfer of Townhouse in Thailand during 2015 - 2019



Source: REIC-GHB

Summary of Residential Market in 2019

Units and Value of Ownership Transfer of Condominium in Thailand during 2015 - 2019



Source: REIC-GHB

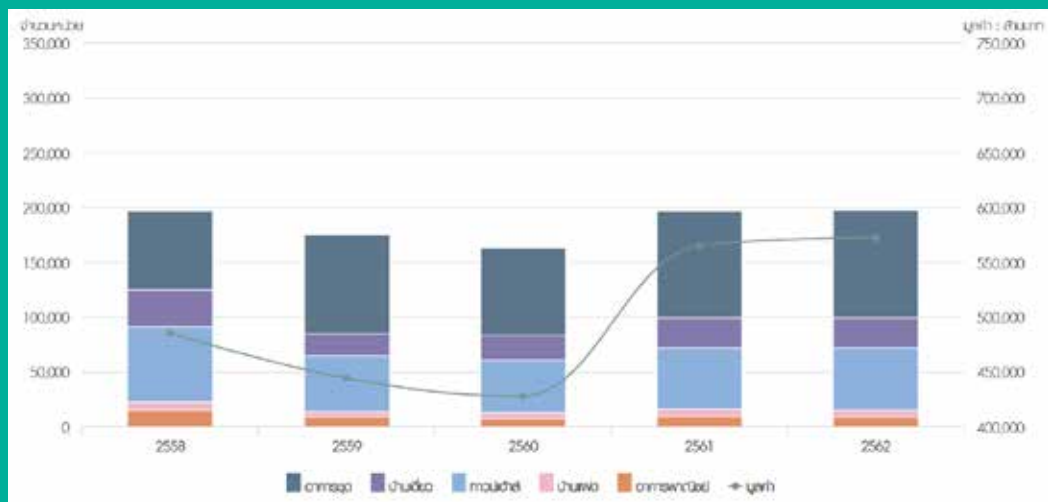
For 2019, transfer of ownership from residential juristic person in Bangkok and vicinity was at 572,367 million baht increased slightly from 2018 by 1.3%. The highest value was from condominium transfer of 260,271 million baht decreased by 4.1% YoY, while detached house transfer was at 139,345 million baht increased by 6.6% YoY, and townhouse transfer was at 116,000 million baht rose by 6.2% YoY. In terms of units, the ownership transfer units increased by 0.7% from 2018.

New Residential Projects Sale in Bangkok and Vicinity in 2019

Type	Projects			Units			Value (Million Baht)		
	2018	2019	YoY	2018	2019	YoY	2018	2019	YoY
Housing estate	372	277	-25.5%	60,897	43,217	-29.0%	298,229	230,473	-22.7%
Condominium	185	135	-27.0%	85,075	55,901	-34.3%	359,535	326,244	-9.3%
Total	557	412	-26.0%	145,972	99,118	-32.1%	657,764	556,717	-15.4%

Source: REIC-GHB

Units and Value of Ownership Transfer of Residence in Bangkok and Vicinity during 2015 – 2019 (By Product Type)



Source: REIC-GHB

In 2019, there were 412 new projects totaling of 99,118 units with value of 556,717 million baht. The project amount decreased 26% YoY, the unit amount decreased 32.1% YoY, and the project value decreased 15.4% YoY. For 2020, the registration of new residence trend is expected to be contributed by horizontal residence 45% and condominium 55% with expected change ranging from -4.4% to 23.7% from 2019.

New Residential Projects Sale (Units) in Bangkok and Vicinity in 2019 and 2020 Outlook



Source: REIC-GHB



Residential Market Outlook

The real estate market in 2020 faces many headwinds limiting growth potential. The domestic and global economic slowdown, the COVID-19 impact which the ending has yet to come, the LTV measures, and the yet-to-recover financial conditions of both household and business sectors all contribute to the 2020 adjustments period to face continued slowdown. It is expected that both demand and supply will decrease from 2018 in terms of units and value in all residential categories. The pandemic situation, recovery of tourisms, and global economy will have to be closely monitored. The real estate business is likely to sell existing projects and target for customers with real demand for residence by focusing on horizontal projects. Competition will revolve around pricing, ability to address new customer groups such as elderly group, and mixed-use project development for the modern people with continuous income generation.



Residential Market in Cha-am, Hua Hin, and Pranburi

Cha-am, Hua Hin and Pranburi are preferred area for second holiday home for Thai home buyers whom are majority buyers with high purchase power. In 2019, foreign home buyers attributed for over 10% of purchases within the area. Most foreign buyers are retirees whom chose to spend retirement years in Thailand due to lower cost of living, convenience, and life security with international standard hospitals. Residential market in Cha-am, Hua Hin, and Pranburi continued to expand with upward trend especially the condominium market in Hua Hin as supply was limited and high absorption rate. Moreover, sea-side land is limited and land acquisition for project development is rather challenging. In the second half of 2019, the real estate business still has interests in developing new condominium projects in Hua Hin area in 2020; the area includes Khao Tao, Khao Takiab, and beachfront location in the heart of Hua Hin.

Procurement of Product or Service

Land Acquisition

The Company has Business Development and Strategy department responsible for conducting project feasibility including land acquisition by the following sources:

1

contact via land broker

2

contact via financial institutions for customers facing liquidity shortage

Building Materials Procurement

Most of building materials are procured by the Company's contractors per agreement made with the Company. However, the Company is in consideration of self-procuring building materials to reduce building materials costs and attain better credit terms. The Company sources building materials from various vendors instead of relying on one vendor. The sourcing of building materials covers considerations in terms of both price and quality of the building materials. In the selection of contractors, the Company has engineer team and related personnel in charge of selecting qualified, experienced contractors with good credit terms. Internal standards have been set with defined procedures and timeline for acceptance inspection.

Environmental Impact

All projects of the Company are subject to the Environmental Impact Assessment (EIA) and must be approved by the Office of Natural Resources and Environmental Policy and Planning (ONEP) prior to the start of construction.

Undelivered Units

As of 31 December 2019, the Company has undelivered units of 266 units with value of 3,763 million baht with the following details:

Project	Number of units	Project Value (Million Baht)	Status
Focus Ploenchit	32	248	Ready to move in
InterContinental Residences Hua Hin	234	3,515	Under construction
Total	266	3,763	

→ **Bussiness Operation**



POLICY AND BUSINESS OVERVIEW

Vision Mission and History of group company

Vision

Balance of life....we aim to create the unique 'Lifestyle' by combining modernity with the environment and nature in order to step over the general pattern of 'Living' and creating value for society.

Mission

We dare to challenge the boundaries of "Living" is more than just a residence or home. All our projects are aimed at creating new standards that enable people to live life through impeccable service stepped through limitations and can adore the environment.

→ Corporate Strategy

Proud Real Estate Public Company Limited focus on run business under the concept of “ **More than just living** ” key success factors for strategies as follows





Prime location



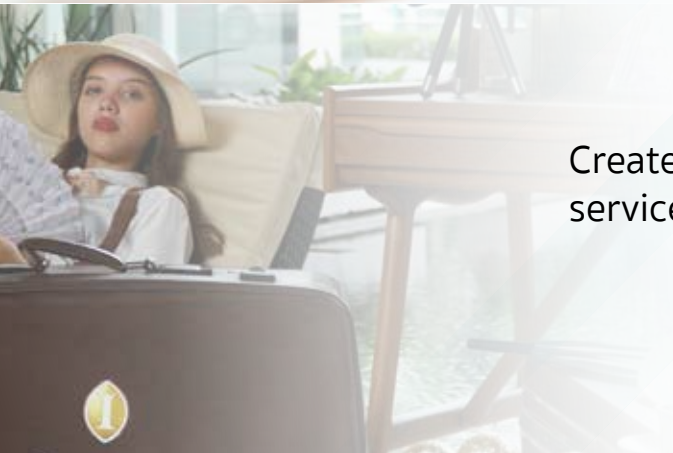
Focusing on high-end and luxury customer,
both Thai and foreigners



Focus at Bangkok and Coastline City
(Such as Hua Hin, Phuket)



Satisfy of the needs customers, added
convenience with technology



Create different of living by offering upscale
service and management than other properties.



History

Proud Real Estate Public Company Limited is a property developer in Thailand Which is listed on the Market for Alternative Investment (MAI) under the Stock Exchange of Thailand (SET) Our company has significantly progressed over a period of time as followed.

1989

Established on March 30 th,1989 under the name of PhasuPhuth company limited as a contractor company for government and private sectors

2002

November 4th, 2002 the company was converted into a public limited

2003

November 21st, 2003 we changed the company's name to Focus Engineering and Construction Public Company Limited

2004

October 5th, 2004 listed in the Stock Exchange of Thailand

2008

November 19th, 2008 we changed the company's name to Focus Development and Construction Public Company Limited

2019

May 13rd, 2019 Our company's name has changed the Company 's name to Proud Real Estate Public Company Limited

Changes in the shareholding structure

Proud Real Estate Public Company Limited took over Focus Development and Construction Public Company Limited by backdoor listing. The Board of Directors from Focus Development and Construction Public Co., Ltd. passed the first resolution on February 20th, 2019 and reached the conclusion by closer and offered common stock for sales by adding new capital 451,388,889 shares, 1.44 baht per share together with purchasing 2 lands, 12 Rai 3 Ngan 57.85 Square Wah located in Hua Hin, Prachuap Khiri Khan with to amounting 1,325 Million Baht from Proud Resort Hua Hin Company Limited (7 Rai 2 Ngan 48.8 Wah) and Vana Nava Company Limited (5 Rai 1 Ngan 9.05 Wah) so investment in that area have a potential location of real estate development business for living and have a reduce the price risk to increases in the future therefore our company can operate business to success, our company will make profit and return for shareholder appropriately which have a conditions for payment of land as follows

1. Paid in common stock increase value 650 Million Baht for Mr. Pasu Liptapanlop and Miss Proudpuh Liptapanlop
2. Paid in money (financing from bank amount 650 Million Baht)
3. Paid in cash flow/promissory note amount 25 Million Baht

According to condition 1 (paid in common stock), Mr. Pasu Liptapanlop and Miss Proudpuh Liptapanlop are major shareholders of Focus Development and Construction Public Company Limited, more than 70% that changing the name to Proud Real Estate Public Company Limited and call name is "PROUD"

From this reason, So Mr. Pasu Liptapanlop and Miss Proudpuh Liptapanlop have a power to control and manage the Company at present in company name of Proud Real Estate Public Company Limited

Shareholder structure after Backdoor Listing

Name	Number of Shares	Percentage of Shareholding (%)
Mr. Pasu Liptapanlop	225,694,445.0	35.2%
Miss Proudputh Liptapanlop	225,694,444.0	35.2%
Mrs. Napharat Sihanatkathakul	66,385,800.0	10.3%
Mr. Chakkaphon Thongcharoen	9,001,600.0	1.4%
Mr. Anurak Boonswang	5,090,000.0	0.8%
Miss Siripen Ramanuch	4,097,000.0	0.6%
Mr. Kiat Srichomkwan	3,500,000.0	0.5%
Miss Taweeporn Kiratiadisai	3,335,700.0	0.5%
Mr. Prachuap Atemrum	2,850,000.0	0.4%
Mr. ThaninChot Tantiphanrak	2,025,900.0	0.3%
Mrs. Orawan Methaworakun	2,000,000.0	0.3%
Mr. Kongkiat Boonyaarak	1,700,000.0	0.3%
Others	90,094,063.0	14.0%
Total	641,468,952.0	100%

Key Development In 2019

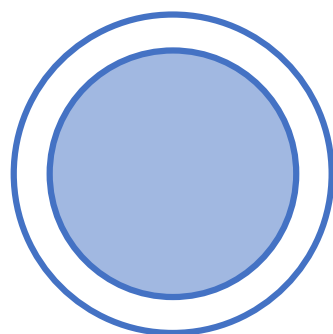
April

Hua Hin Alpha 71
Company Limited was
established which the
company holds 99.99
percent of the shares

May

The company has
changed its name to
Proud Real Estate Plc.

2019



April

Hua Hin Sky living
Company Limited was
established which the
company holds 99.97
percent of the shares

November

The company has signed MOU
with InterContinental group
(IHG) to develop

“InterContinental Residences Hua Hin”



November

Grand Opening

“InterContinental Residences Hua Hin”

Project, which is the first and super luxury
residence in Thailand managed by
InterContinental group (IHG)

Milestone

Formerly Focus Development and Construction Public Co., Ltd. was mainly a building construction company that ran a business for government sectors, state-owned enterprises, and private sectors through main contractors or subcontractors. At present, after the fund increase and change of name to Proud Real estate Public Company Limited, we has focused on real estate development business under the concept of "More than just living" as the key.

Milestone during 3 Years

2019

April

Hua Hin Alpha 71 Company Limited was established which Proud Real estate Public Company Limited is holding 99.99 percent of the shares, with a registered capital of 1,000,000 baht. The company's objective is development real estate.

Hua Hin Sky living Company Limited was established which Proud Real estate Public Company Limited is holding 99.97 percent of the shares, with a registered capital of 1,000,000 baht. The company's objective is development real estate.

Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved a decrease of the Company's registered capital from Baht 227,760,073 to Baht 221,760,062 by cancelling 6,000,011 registered but unissued ordinary shares with a par value of Baht 1 per share, and the amendment to Clause 4 of the Memorandum

Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved an increase of the Company's registered capital from Baht 221,760,062 to Baht 673,148,951 by issuing 451,388,889 new ordinary shares, with a par value of Baht 1 per share, and the amendment to Clause 4 of the Memorandum

Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved the sale of all shares in Focus Wheig Corporation Limited, which is considered the disposition of all investment of the Company in Focus Wheig resulting in Focus Wheig ceased to be the subsidiary of the Company, to Mr. Anucha Sihanatkathakul, the director of the Company, or the person and/or juristic person designated by himself

Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved the allocation of 451,388,889 newly issued ordinary shares of the Company at the par value of 1 Baht to be allocated under Private Placement scheme in reliance upon the general meeting's resolution specifying the offering price of Baht 1.44 per share

May

November

December

Our company has changed the Company 's name to Proud Real Estate Public Company Limited

Our company launched the project "InterContinental Residences Hua Hin",a luxury residential project managed by the world-class hotel chain "IHG", the first in Thailand on 7 Rai 2 Ngan 48.8 Wah land near the beach, Heart of Hua Hin On Petchkasem Road In the area of Soi Hua Hin 71

Hua Hin Alpha 71 Company Limited,a subsidiary company which Proud Real estate Public Company Limited is holding 99.98 percent of the shares, has resolved to increase the registered capital of 25,000,000 baht from 1,000,000 baht to 26,000,000 baht.

Hua Hin Alpha 71 Company Limited,a subsidiary company which Proud Real estate Public Company Limited is holding 99.98 percent of the shares, has resolved to increase the registered capital of 24,000,000 baht from 26,000,000 baht to 50,000,000 baht.

Milestone during 3 Years

2018

April

The Annual General Meeting 2018 approved the cancellation of the issuance and offering of warrants to purchase ordinary shares of the Company to directors, management and staff of the

Company (ESOP Warrants) in the amount of 6,000,000 units since the Announcement of the Capital Supervisory Board No. Thor.Jor. 32/2551 regarding the offer for sale of newly issued securities to directors or staff dated 15 December 2008 specifies that the Company must complete the offer for sale of the ESOP Warrants to directors and staff within one year from the date of the Annual General Meeting of Shareholders for year 2017, held on 28 April 2017. The Nomination and Remuneration Committee and the Audit and Corporate Governance Committee have the same opinion as proposed by the management of the Company to cancel the issuance and offer for sale of the said ESOP Warrants because of the unfavorable market situation and the exercise price of 1.80 Baht per share is not attractive enough. It is, therefore, not appropriate to offer for sale of the ESOP Warrants to directors, management and staff during this time.



July

The Company entered into the contract for the building of waste management factory for Focus Wheig Bangna Limited which is situated in Amphur Plangyao, Changwad Chachoengsao with the total work value of 50 Million Baht



Milestone during 3 Years

2017

April

28 April 2017 The Annual General Meeting of Shareholders 2017 has resolved to increase the Company's

registered capital from 126,720,042 Baht to 227,760,073 Baht, by issuing 101,040,031 new ordinary shares with the par value of 1.00 Baht each, as follows

1. To be allocated to the existing shareholders (Rights Offering)
for not exceeding 63,360,021 shares
at the ratio of 2 existing shares per 1 new share
at the price of 1.20 Baht per share
2. To accommodate the exercise of FOCUS-W2
for not exceeding 31,680,010 shares
at the ratio of 1 new share per 1 warrant
with the exercise price of 1.80 Baht per share
3. To accommodate the exercise of ESOP Warrants
for not exceeding 6,000,000 shares
at the ratio of new share per 1 warrant
with the exercise price of 1.80 Baht per share
4. Totally 101,040,031 shares

May

19 May 2017 The Company has registered the capital increase at the Department of Business Development, Ministry of Commerce from 126,720,042 Baht to 227,760,073 Baht by issuing 101,040,031 new ordinary shares with the par value of 1.00 Baht each

25 May 2017 The Company has notified the terms and conditions concerning the sale and allocation of capital increase ordinary shares to the existing shareholders of the Company according to their proportion ratio (Rights Offering) and has determined the issue date and the exercise date under the warrants to purchase the said ordinary shares of the Company No. 2 (FOCUS-W2) as follows:

1. 1. Subscription period and payment for the capital increase ordinary shares : during 12-16 June 2017
2. 2. Issue date and exercise date under the warrants to purchase the ordinary shares of the Company No. 2(FOCUS-W2)

Issue date of the warrants : 8 July 2017

First exercise date : 29 September 2017

Last exercise date : 30 June 2020

Milestone during 3 Years

2017

June

August

26 June 2017 The Company has registered its paid-up capital with the Department of Business Development, Ministry of Commerce from 126,720,042 Baht to 190,080,063 Baht as per details concerning the registered capital and the paid-up capital of the Company as follows:

Registered Capital divided into with the par value of	227,760,073 Baht, 227,760,073 ordinary shares 1.00 Baht each
---	--

Paid-Up Capital divided into with the par value of	190,080,063 Baht, 190,080,063 ordinary shares 1.00 Baht each
--	--

15 August 2017 The Company has notified the transfer of shares in Focus Wheig Corporation Limited (holding company) as follows:

Transferor	Wheig S.A.S., France
Transferee	Wheign Asia Ltd., Hong Kong
No.of Shares	599,999
Shareholding Ratio	39.99%

November

15 August 2017 The Board of Directors Meeting No. 3/2017 of the Company has resolved to invest in the waste management project of Focus Wheig Bangna Limited which is a subsidiary of Focus Wheig Corporation Limited which is a “holding company” with the project value of approximately 180 Million Baht. The project will be situated on the land with the area of 23 Rai 16 Square Wa in the industrial and warehouse zone (purple zone), High Way No. 331-Baan Nong Rua, Tambon Plangyao, Amphur Plangyao, Changwad Chachoengsao.

August and September 2017 The Company entered into the contract for the building of quality of life improvement building for Thai Navy officers, Amphur Sattahee, Changwad Chonburi with the total work value of 79 Million Baht.

15 November 2017 Focus Wheig Bangna Limited (subsidiary of Focus Wheig Corporation Limited) has received the land ownership for the waste management project with the area of 23 Rai 16 Square Wa in the industrial and warehouse zone (purple zone), High Way No. 331-Baan Nong Rua, Tambon Plangyao, Amphur Plangyao, Changwad Chachoengsao. Presently, the project is under construction of the plant which is expected to be completed to start the operations of the waste management business within the 2nd quarter of 2019.

Shareholding structure of group company

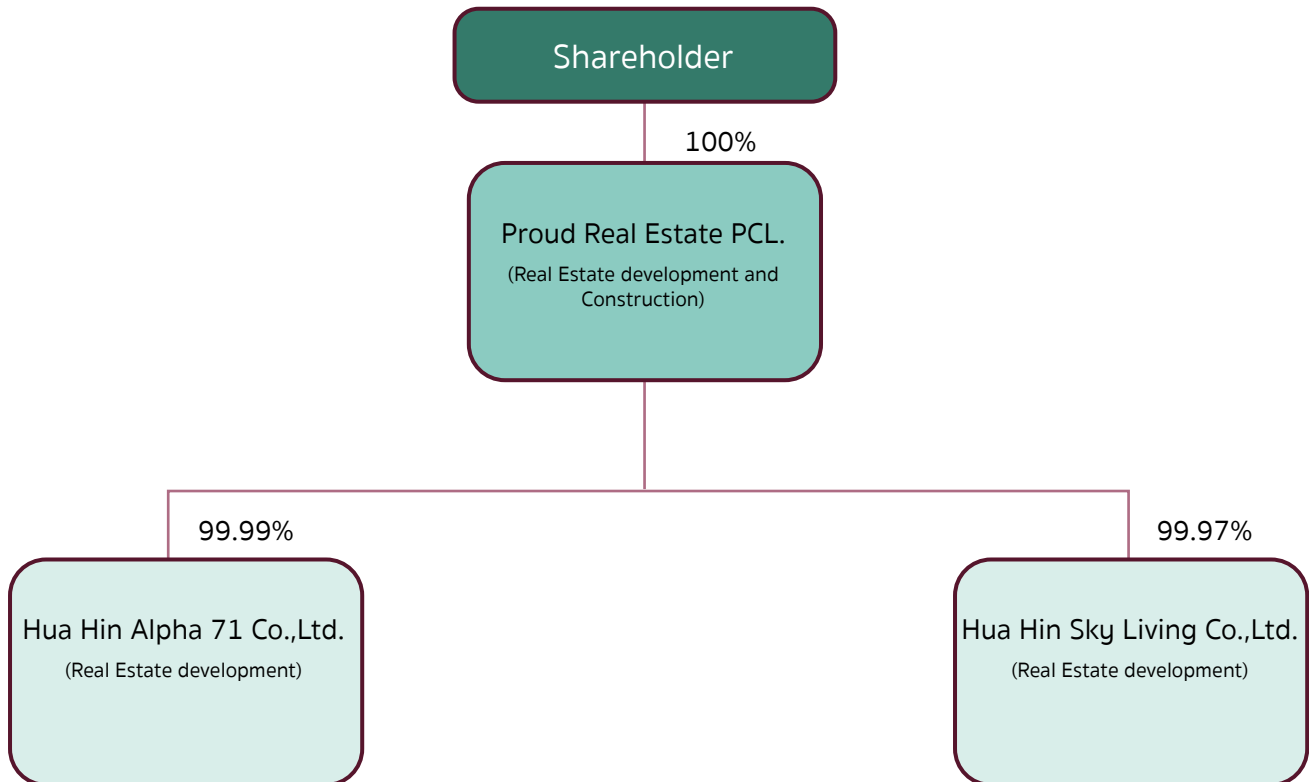
Overview of the business and management policy of the Group

Proud Real estate Public Company Limited is a Real estate development company in Thailand by divided into two major business groups, which are:

1 Real Estate Development Business, This group focuses on designing residential projects creatively to lift up the quality of life into a living experience under the concept of "More than just living " which combines relaxation and resort service that will make you enjoy the nature and luxury of modern life every day.

2 Construction Business, This group is not the main group as we have changed the management aim from Focus Development and Construction Public Company Limited to Proud Real Estate Public Company Limited

Investment structure of the group company



Policy of business

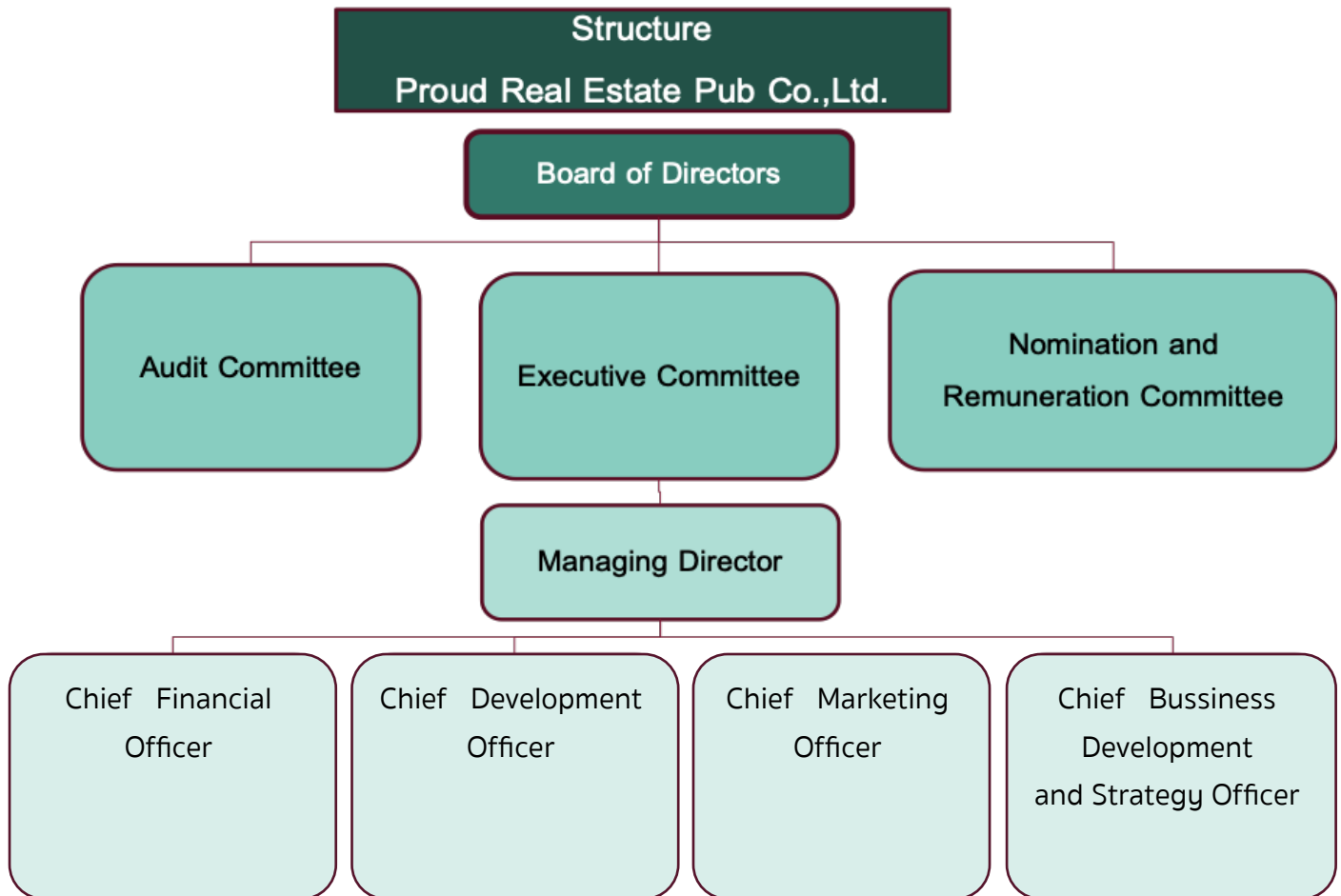
The company has current management policies as follows:

1. Financing a project from Commercial Bank to run the business in companies and the Groups.
2. Financing a project from joint ventures which do not belong to our companies to maintain much of the liquidity in management.
3. Investing in any other joint ventures that are not in the group for the benefit in the return on investment.
4. Centering various supports at Proud Real Estate Public Company Limited

Currently, that provide main support services in the following areas:

- » To provide financial and accounting support
- » To provide supports for project development
- » To provide marketing and sales support.
- » To support business development and strategies
- » To support organizations from various departments which are Law, Information Technology, Human Resources, Procurement, and Administration

In addition, the company also assigned to the Finance and Accounting Division responsible for risk management and internal audit.



→ **Business Overview**

Overviews of products and services



Proud Real Estate Public Company Limited which mainly focuses on real estate development business currently has developing projects in major areas in Bangkok and Coastline City. At the beginning of the business, the company only had products or services in condominiums which have details as follows:

Real Estate for sell and Land Bank

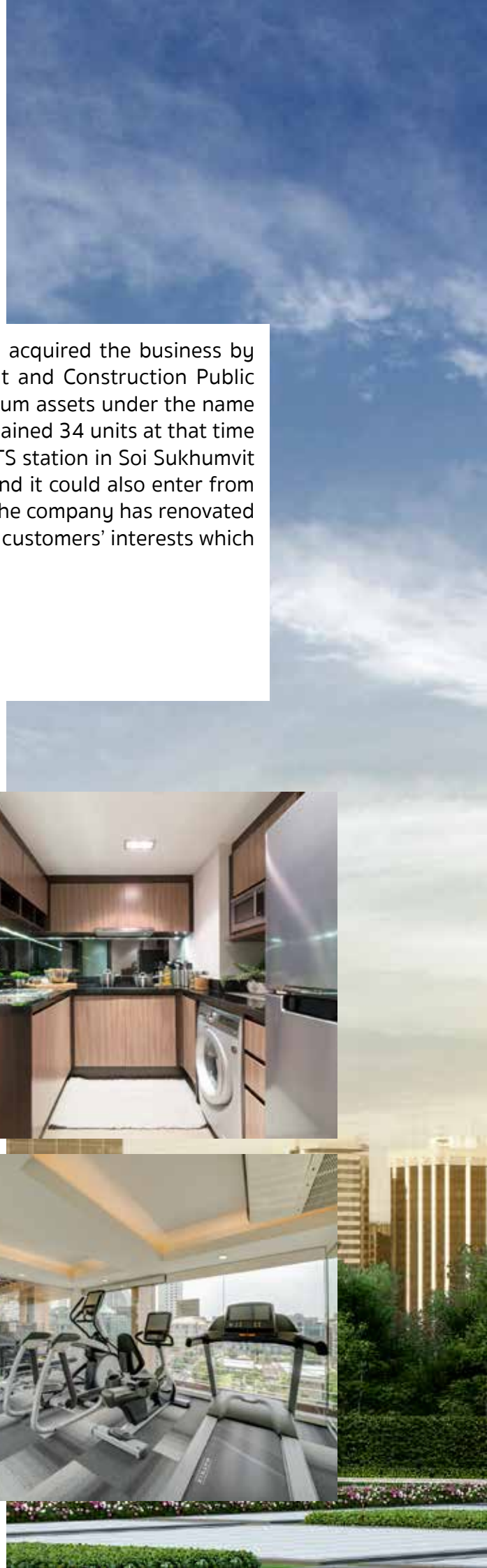
As of February 2020

Project	Location	Type	Ownership	Area	Numer of units	Project value (Million baht)	Timeline	Sales progress (Percentage of project value)
Ready to move project								
Focus Ploenchit Project	Sukhumvit 2, Khlong Toei District, Province Bangkok	Condominium	Proud Real Estate PCL.	1-0-3	132	840	Construction Complete	79%
Land development project								
Intercontinental Residences Project	Soi 71, Hua Hin District, Prachuap Khiri Khan Province	Condominium	Hua Hin Alpha 71 Co.,Ltd.	7-2-48.8	234	3,515	Mar 2020 - Sep 2021	20%
Land Bank project								
Land of Vana Nava Water Park and Hotel Holiday Inn Hua Hin area	Hua Hin District, Prachuap Khiri Khan Province	Study	Hua Hin Sky Living Co.,Ltd.	5-1-9.05	Study	Study	Study	Study

Current Project

Focus Ploenchit Project

After Proud Real Estate Public Company Limited acquired the business by using Backdoor Listing from Focus Development and Construction Public Company Limited, as well as obtaining condominium assets under the name of "Focus Ploenchit", The condominium assets remained 34 units at that time and the project was located near the Ploenchit BTS station in Soi Sukhumvit 2. It had an access road to Rama IV, Sukhumvit and it could also enter from the South Ploenchit Expressway Exit. At present, the company has renovated the remaining rooms including facilities to attract customers' interests which results in the possibility of selling some rooms.



FOCUS

PLOENCHIT



Current Project

InterContinental Residences Hua Hin Project

Since the company had vacant land for development because Focus Development and Construction Public Company Limited acquired two plots in Amphoe Hua Hin, Prachuap Khiri Khan Province by starting to develop a large land first which was approximately 7 rai closed to the beach and was the last remaining land in the middle of Mueang Hua Hin District, Petchkasem Road, Soi Hua Hin 71 (opposite Market Village). From this location, the land prices in this area reached the highest in Hua Hin at more than 150 million baht per rai. In this regard, the company designed this project to be 'Luxury' by using the brand InterContinental under the project named "InterContinental Residences" The objective is to meet the needs of high-end customers in order to share a luxury and grand living experience with services and facilities. The hotel is fully integrated with international standards in the style of InterContinental







As the first residential project in Thailand under the international brand InterContinental Hotels and Resorts, is the only exclusive brand in the world. It is also a prototype of a residential development project under the concept of 'More Than Just Living', therefore, it is clear that the success of the InterContinental Residences Hua Hin project is a collection of best components to fulfill a living experience and an extraordinary service that is equivalent to enjoying a luxury hotel but more with privacy. The interior design of the project also combines the contemporary and unique colonial-style architecture, laying the building in the position so that the sea view can be certainly seen. It as well as provides a private pool and other facilities.



1

INTERCONTINENTAL[®]
RESIDENCES HUA HIN1 to 10
Top
Luxury1st LUXURY RESIDENCESภายใต้แบรนด์ อินเตอร์คอนติเนนตัล
แห่งแรกและแห่งเดียวในประเทศไทย บน
ทำเลที่ดีที่สุดของหัวหิน

2 ผู้นำฝึกทำสิ่งบริการระดับโลก

INTERCONTINENTAL[®]
RESIDENCES HUA HIN x PROUD
REAL ESTATE PUAพร้อมเติมเต็มประสบการณ์การใช้ชีวิตแบบ
MORE THAN JUST LIVINGเชื่อมโยงสมาชิกครอบครัว 3 เจเนอเรชัน
ให้สามารถใช้ชีวิตร่วมกันได้อย่างลงตัว

สิทธิพิเศษในการใช้บริการ

5,900 โรงแรมในเครือทั่วโลก

ผ่านการบินสมาชิก IHG[®] Rewards Club

และสิทธิประโยชน์มากมายผ่าน

Proud Privileges

ทุกยูนิตกว้างกว่า 6 เมตร

• เต็มอัม วิวทะเล
ผ่าน ประตูกระจก full heightบริการระดับโลกด้วย
มาตรฐานอินเตอร์คอนติเนนตัล

7 วัน/สัปดาห์/24 ชม.



ระเบียงกว้างเกือบ 10 ตร.ม.

พร้อม DAYBED เพื่อรับลม
ชมวิวทะเลอย่างเต็มที่แต่ละอาคารมีเพียง 8 units
per corridor
เพื่อความเป็น
ส่วนตัวสูงสุดทั้ง 9 อาคาร
จัดสรรเป็น 7 กลุ่มเหมาะสมกับความต้องการ
ที่หลากหลาย



The project of InterContinental Residences Hua Hin has key features as follows:

1. It is a luxury residential project under the brand InterContinental. The first and the only place in Thailand is located in the best location of Hua Hin which is in the price of New High level since it is the last piece of beach land in the middle of Hua Hin district.
2. InterContinental Hotel Group (IHG) entered into a contract with Proud Real Estate company which makes the project qualified and supports various services such as the concierge desks in the lobby, luggage rooms with porters, Golf carts shuttling in the project area including other services such as Beach pavilion that can be used as a banquet hall with services from the hotel.
3. Support living together among family members with rooms by building spacious area and common areas to support joint activities such as Chess field, maze, etc.
4. Green and the central area of the project, about 4 rai by allocating approximately 70% or approximately 7,000 square meters was a large garden, private beach with common facilities such as 7 swimming pools for children, families, the elderly and those who want to do exercise, including a beach pool, exercise room hidden under the swimming pool (Hidden Gym) and other facilities.
5. Privilege to use the service from 5,900 affiliated hotels in InterContinental Hotel Group worldwide and exclusive "Proud Privileges" membership from businesses in the Proud Group and alliances as well as the right to use the service 111 Social Club which is a beachfront colonial style cafe located next to the project. InterContinental Residences Hua Hin.

6. The unit is approximately 6 meters wide with a full-height glass door. 80 percent of the project is a room with a sea view and the penthouse provides approximately 9 meters in front of the sea with a 270-degree sea view.

7. InterContinental provides 7 day and 24-hour services for the residents in the project with international standard services. We received international standard hotel services such as Butler service, concierge services, special meal preparation services delivered directly to the room, chef preparation service for parties, housekeeping service, laundry, bedding set, residential repair services, free internet service in common areas as well as a shuttle service to main locations near the project.

8. Each building has a maximum of 8 units per corridor for privacy.

9. All 9 buildings are allocated into 7 groups to suit various needs, consisting of a building with seven stories and eight buildings with four-stories in which all units are fully-furnished by the standards of InterContinental.

10. The balcony is nearly 10 square meter with Daybed in order to see a sea view the most.



A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are primarily composed of glass and steel, reflecting the bright sunlight. The sky is a deep blue with scattered white clouds. The sun is visible in the upper left corner, creating a strong lens flare and illuminating the scene. The perspective makes the buildings appear to converge towards the top of the frame.

Future project

1.) Land Bank for development

The company's land bank was bought from Vana Nava Company Limited (Since the acquisition of Focus Development Plc.), Area of 5 Rai 1 Ngan 9.05 Wah at the beginning of the year 2019. The project was expected to start at the end of 2020. The project is developed in the same area as the Vana Nava Water Park and Holiday Inn Resort Vana Nava Hua Hin Hotel, the potential for growth in the area is complementary.

2.) Developed lands are vacant for expanding future development

Our company aims to study the vacant land located in Bangkok and main tourist cities which can have benefits for the existing projects in Proud Hospitality Co., Ltd., as in Phuket, etc. by pointing out the feasibility of projects that can make a difference in competition. Under the unique lifestyle, we focus on the customers who like being different, exceptional and have the ability to afford both Thai and foreigners which corresponds to the company's concept of "More than just living".

3.) Short-term project

The company is now studying the possibility of investing in more than 80% of the completed assets and have a big lots in order to earn short-term income for the company.

Privileges for project customers

Proud Privilege

(For InterContinental Residences Hua Hin Project)

Most of the projects that the company is currently developing and in the future still create privileges for the residents in terms of living that covers every lifestyle through the benefits of "Proud Privilege" which are

- » InterContinental Hua Hin Resort Hotel
- » InterContinental Phuket Resort Hotel
- » Holiday Inn Resort Vana Nava Hua Hin Hotel
- » True Arena Hua Hin
- » Vana Nava water park
- » Vana Nava Sky
- » Bluport HuaHin
- » 111 Social Club
(Colonial classic style houses close to InterContinental Residences Hua-Hin which is now modified to Club House close to the beach).

◇

EXCLUSIVE PROUD PRIVILEGES CARD FOR RESIDENTS



WITH LUXURY FACILITIES
CATER TO ALL PARTS OF LIVING

Lounge at InterContinental Hua Hin Resort
Lounge at Vana Nava Water Jungle
Access to 111 Social Club
Priority Parking at BluPort Hua Hin Resort Mall



*A 5-star Luxury Global
Branded Resort in Hua Hin*



*15% off at Tea Salon, Savaan Lounge,
Azure Restaurant and Bar, Pirom
and Lee La Bar*
15% off at Spa and other services



*A 5-star Luxurious Modern and Classic
Thai design & sustainability in Kamala Beach*



*15% off at Sawan,
Pine, Pinto, Jarvis*
15% off at Spa and other services



*A resort in Water Park project
with convention center*



*15% off at Plamong,
and Thalay Bar*
15% off at Spa and other services



*The first-of-its-kind sport facility
in Hua Hin,
with world-class facilities.*



20% off at Sportsman
15% off Tennis private session
*Special rate for Tennis Court
and Football field*
15% off daily ticket pass



*A tropical oasis in the well-loved
resort town of Hua Hin, brings family
entertainment and vibrancy for all ages,
making it one of the most dynamic
tourist destinations in ASEAN.*



Free Locker, Towel and Water
Free pick-up service from the Residences



*The roof-top bar in
Holiday Inn Resort Hua Hin
with natural elegance view.*



15% off on drink and beverage
Exclusive offer for Event

*Proud card is valid year by year, 1 name/unit
The details and services are subject to changes and/or terminate under terms and conditions of the services provider(s),
and the project owner reserves its right to make any change to the details and contents specified herein without prior notice.

→ Income structure

Income classified by business types

Description	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Construction	31.43	27.41	87.17	76.37	51.44	34.28
Revenue from Property Development	58.29	50.84	15.91	13.94	90.22	60.12
Other income	24.93	21.74	11.06	9.69	8.40	5.60
Total revenue	114.65	100.00	114.14	100.00	150.06	100.00

After Proud Real Estate Public Company Limited continually managed from Focus Development and Construction Public Company Limited and continued to focus mainly on real estate business. It resulted in a decrease in the revenue from the construction business to since the 2nd quarter of the year 2019. Moreover, other revenues are a result of interest from loans to subsidiaries. In the 3rd quarter of the year 2019, the company also recognizes profits from sales of investments in joint ventures.

→ Risk Factor

Risk from Real Estate Competition

The real estate business has many competitors resulting in high competition whether the competition is from small unlisted developers or large listed developers whom are considered direct competitor to the Company. The Company track record is limited which may result in less credibility when compared against well-known developers. Moreover, the Company has only 1 project in Bangkok area; this resulted in limited reach to customers. At present, many competitors have various development plans to capture customers' demand. And many developers deploy various stimulating strategy to boost sale and increase customer base and reduce outstanding inventory.

The Company manages such risk by promoting the Company name to be more well-known to target customers e.g. continuous marketing campaigns in magazines and various media to capture top-tier customers for the InterContinental Residences Hua Hin. Moreover, the Company develops strategy to address customers demand with considerations of location, transportation, and various innovations to be used in future projects. The Company aims to be a leading real estate developer within 1 – 2 years from now.

1. Business Risks

1.1 Risk from Regulatory Changes Affecting Real Estate Business

The Company develops residential real estate projects under the laws and related regulations. At present, there are many related laws and regulations which are different for each area, adaptive to economic conditions, and affected by government's policy e.g. the Land Allocation Act, the Town Planning Act, traffic planning, and controlled area, etc. Thus, risk may arise from operations not comply with the laws and regulations.

The Company is aware of such risk and thus performs all relevant laws and regulation check, in all areas with the Company's projects, to be in compliance and ensure timely schedule of operations.

1.2 Risk from Reliance of Key Shareholder

The Company operates business with major shareholders from the Liptapanlop family consisting of Mr. Pasu Liptapanlop, and Ms. Proudputh Liptapanlop holding over 70.48% of registered and paid-up capital (as of 11 December 2019). Thus, the Company has risk from major shareholders holding deciding votes in shareholders meeting. This includes appointment of directors and approval of various agenda, with the exception of matters requiring 3 out of 4 shareholders' approval per related laws and regulations. In addition, the remaining shareholders do not have enough vote to check or audit the decision.

However, the Company has Audit Committee and independent directors responsible for auditing and assessing business appropriateness to prevent transactions with conflict of interests. By doing so, this increases transparency in the Company's business operation and builds confidence of other shareholders that the Company operates with good governance.

2. Risk from Main Business Operation

2.1 Risk from Land Acquisition

Land acquisition for residential real estate development has been challenging as high potential lands suitable for development are limited, while companies searching for such lands increase, and land price increases every year. In addition, the Company has been known as a developer for short period of time compared to other well-known and long-standing developers. Thus, land acquisition is challenging for the Company. The Company has to address potential risk from lack of land for development. At present, the Company has limited target land for development leading to lack of consistency of operation.

The Company sets up risk management structure to analyze trends of land development in various places including both Bangkok and outside of Bangkok. The analysis allows the Company to identify land areas suitable for projects within the next 3 – 5 years to ensure consistent land acquisition and development, while such land will continuously increase in value and profit for the Company.

2.2 Risk from Labor and Hiring of Contractors

At present, the real estate business faces challenges in hiring qualified and high potential labors and contractors as there are many developers with intensifying competition. In addition, the Company has been known as a developer for short period of time; this could hinder contractors' confidence to work with the Company when compared to other well-known long-standing developers. Moreover, the Company's project is mainly outside of Bangkok which resulted in long commuting time -- further reducing interests of labors and contractors in the project. Furthermore, the Company's project is limited, contractors might be unsure about continuity for future projects. These reasons have made it challenging for the Company to select contractors. Consequently, the Company may face construction delay and lack of efficiency to meet the Company's standards.

The Company is mindful of such problem and has been increasing the Company's reliability and confidence for contractors to work with the Company. The Company ensures continuity of future projects to attract contractors to work with the Company.

2.3 Risk from Reliance of Success from Future Project

The Company has been known as a real estate developer for short period of time; while the current and only project is in construction process – the InterContinental Residences Hua Hin project, excluding existing project after the acquisition of Focus Development and Construction Public Company Limited. Thus, there are high expectations on the InterContinental Residences Hua Hin project to build public confidence in project development standard and ability to further develop other projects.

In this regard, the Company has explored various methods in new project development and formulated business plan in both short-term and long-term for future projects. The business plan also covers both condominium and horizontal residences at appropriate timeline to prevent concentration risk.

3. Financial Risks

3.1 Risk from Economic Fluctuations

In 2019, the economy negatively affected the real estate sector. There were competitions from on-going real estate projects, economic slowdown resulting in increasing concern over spending of Thai customers, and the global economic slowdown leading to reduction in foreign buyers contribution. Thus, there is risk that the inventory will face selling challenges and affects the real estate business.

The Company considered feasibility to develop project during this economic condition by analyzing economic conditions which would affect the long-term business and ability to respond to customers' demand. To prepare for such conditions, the Company placed high importance in strategizing various business developments. The Company is trusted by the Intercontinental Hotel Group (IGH), the world class real estate development brand, to develop the InterContinental Residences Hua Hin project. The project will boost public confidence in the Company to weather the current economic conditions.

3.2 Risk from Tightening Conditions from Financial Institutions

The economic condition for the past years were in shrinkage trend. Financial institutions become stricter in approving mortgage loans for home buyers to filter customers without repayment ability. Moreover, the preventive mortgage lending loan-to-value (LTV) measure, to maintain economic stability from the Bank of Thailand (BOT), has resulted in lower purchase power of home buyers. This directly affects the Company's main revenue; and securing source of fund for operations from financial institutions become more challenging.

The Company placed high importance to the situation. The Company has ensured financial institutions that the Company has adequate repayment ability by formulating appropriate and careful business plan. Moreover, the Company has formed business alliance with various financial institutions to increase offerings to customers during the process of applying for mortgage lending and increase convenience of customers in contacting financial institutions to apply for mortgage lending.



→ Major Shareholders

Information on Securities and Shareholders

Registered and Paid-Up Capital as of 31 December 2019

Registered Capital : 673,148,951 Baht divided into 673,148,951 ordinary shares with a par value of 1 Baht each. Paid-Up Capital: 641,468,952 Baht divided into 641,468,952 ordinary shares with a par value of 1 Baht each.

The Company has no other type of share apart from ordinary shares, every shareholder then has and equality in voting , i.e. one share on vote.

SHAREHOLDERS

(1) The name list of top 10 shareholders as of 11 December 2019 is as follows:

No.	Name	Number of shares (shares)	Percentage of Shareholdings (%)
1	MR. PASU LIPTAPANLOP ¹	226,046,445	35.23
2	MISS PROUDPUTH LIPTAPANLOP ¹	226,046,444	35.23
3	RAMKHAMHAENG 191 COMPANY LIMITED	62,000,000	9.66
4	MR. THANINCHOT TANTIPHANRAK	13,641,100	2.12
5	MISS KALYARAT KRUAWAN	9,000,000	1.40
6	MISS NUNNARIN PAIBOONPREDEE	7,763,900	1.21
7	MR.SINCHOK PIRIYOTASAKUL	7,744,600	1.21
8	MISS ORACHORN JAROENPONGANAN	5,062,400	0.79
9	MRS. NAPHARAT SIHANATKATHAKUL	4,525,800	0.71
10	MISS PIYANAN CHARANRATTANASRI	2,890,700	0.45

Remark: 1 Mr. Pasu Liptapanlop and Miss Proudputh Liptapanlop are directors and executive directors of the Company

(2) Agreement between major shareholders

-None-

Issuance of other securities

Warrants

The Warrants to purchase the Company's Ordinary Shares No. 2 (FOCUS-W2) with details as follows:

Type of securities	:	Warrants to purchase newly issued ordinary shares of Focus Development and Construction Public Company Limited No. 2 (FOCUS-W2).
Type of warrants	:	Specified warrant's holder and transferable.
Term of warrants	:	3 years from the issuance date.
Number of warrants	:	31,679,999 units.
Offering price	:	0 Baht per unit.
Exercise ratio	:	1 warrant will be entitled to purchase 1 newly issued ordinary share.
Exercise price	:	Baht 1.80 per share.
Exercise period	:	Shall be able to exercise at every last working day of each quarter. In case of the last Exercise Date, the notification period shall not be less than 15 days prior to the last Exercise Date. The last Exercise Date will be not to exceed the date of expiration of the Warrants.

As at December 31, 2019 and 2018, the Company had outstanding balance of the warrants of the Company No. 2 (FOCUS-W2) which has not yet been exercised of 31,679,999 units.

Change in warrants

1. On May 10, 2019, the Company has adjusted the rights (adjust the price and former exercise rate) with the effective adjustment on May 13, 2019.

Previous exercise price	(Baht/share) 1.80
New exercise price	(Baht/share) 1.533
Previous exercise rate	(Unit : share) 1 : 1
New exercise rate	(Unit : share) 1 : 1.174

2. On May 13, 2019, The Company has changed its new abbreviated name from FOCUS-W2 to PROUD-W2.

The Warrants of 6,000,000 units were allocated to offer the eligible directors, management and employees of the Company as ESOP Project (ESOP-Warrant) at the offering price of Baht 0 per unit. The Warrants shall have a term of 5 years from the issue date and have the exercise price of Baht 1.80 per ordinary share and the exercise rate of 1 unit of the Warrants right to purchase 1 newly issued share by allocating up to 6,000,000 newly issued ordinary shares to accommodate the exercise of the Warrants with exercise period as follows:

- » The exercise period is determined that the first exercise the right to purchase the newly issued shares of the Company at the end of 1 year period from the issuance date of the ESOP-Warrants and the last exercise date is the date of expiration of the Warrants, having the proportion exercise as follows:
- » Within the end of the second year, may exercise the right to purchase the newly issued shares in the proportion of up to 25%.
- » Within the end of the third year, may exercise the right to purchase the newly issued shares in the proportion of up to 50%.
- » Within the end of the fourth year, may exercise the right to purchase the newly issued shares in the proportion of up to 75%.
- » Within the end of the fifth year, may exercise the right to purchase the newly issued shares in the proportion of up to 100%.

The warrants shall be exercised on the last business day of March, June, September and December of each year.

The Ordinary General Meeting of Shareholders passed the approval that the Board of Directors may authorize the Chairman of the Executive Director or Managing Director or any person designation to determine the grant date, terms, conditions and other details as necessary for and in connection with the issuance and offering of the warrants as ESOP-Warrant. At present, the Company has not yet determined the grant date of the ESOP Warrant.

At the Board of Directors' Meeting held on February 27, 2018, a resolution was passed to cancel the issuing and offering of the Warrants of 6,000,000 units to offer to the eligible directors, management and employees of the Company as ESOP Project (ESOP-Warrant) and was already approved from the annual general meeting of the shareholders of the Company for year 2018, held on April 27, 2018, already.

Dividend Payment Policy

The Company has a policy to pay dividend to shareholders at the rate not less than 40 percent of the net profit after tax with an approval from the shareholders' meeting. The Board will consider the dividend payment by focusing the benefits to shareholders such as reserve for future investment, repayment of loans or for working capital of the Company.

Dividend Payment Information

Description	2017	2018	2019
1. Net profit (loss)	Baht (45.29)million	Baht (41.03)million	Baht (40.09) million
2. Number of paid-up shares	Baht 190.08 million	Baht 190.08 million	Baht 641.47 million
3. Dividend per Share	No dividend payment	No dividend payment	No dividend payment
4. Total dividend payment	No dividend payment	No dividend payment	No dividend payment
5. Percentage of dividend payment	No dividend payment	No dividend payment	No dividend payment



General and Other Information

Company Information

Securities Issuer Company	:	Proud Real Estate Public Company Limited
Symbol	:	PROUD
Type of Business	:	Property development
Registration Number	:	0107545000331
Registered Capital	:	673,148,951 shares as of 31 December 2019
Paid-Up Capital	:	Baht 641,468,952 as of 31 December 2019
Type of Shares	:	Common
Par Value Per Share	:	Baht 1 per share
Head Office	:	900 Tonson Tower Building 6 th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Tel	:	0-2035-0999
Fax	:	0-2035-0998
Website	:	www.proudrealestate.co.th
Listed on the MAI	:	5 October 2004

As of December 31, 2019, the Company held over 10 percent of the issued shares of the following companies:

Company Name	: Hua Hin Alpha 71 Company Limited
Type of Business	: Property development
Registration Number	: 0105562068876
Registered Capital	: 500,000 shares as of 31 December 2019
Paid-Up Capital	: Baht 50,000,000 as of 31 December 2019
Type of Shares	: Common
Par Value Per Share	: Baht 100 per share
Head Office	: 900 Tonson Tower Building 6 th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Percentage of Shareholding	: 99.99%

Company Name	: Hua Hin Sky Living Company Limited
Type of Business	: Property development
Registration Number	: 0105562068957
Registered Capital	: 10,000 shares as of 31 December 2019
Paid-Up Capital	: Baht 250,000 as of 31 December 2019
Type of Shares	: Common
Par Value Per Share	: Baht 100 per share
Head Office	: 900 Tonson Tower Building 6 th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Percentage of Shareholding	: 99.97%

Other Reference Persons

Securities Registrar	: Thailand Security Depository Company Limited. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. (662) 009-9000 Fax (662) 009-9991
Auditor	: Auditor for the Fiscal Year Ended 31 December 2019 Miss Wannisa Ngambuathong Certified Public Account Registration No. 6838 178 Dharmniti Building, 6th-7th Floor, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok 10800

→ **Board of Directors, Management
and Company Secretary**



Board of Directors



Mr. Anuwat Maytheewibulwut
Independent Director
Chairman of the Board of Directors
Chairman of the Audit Committee
Chairman of the Nomination and Remuneration Committee



Mr. Verapong Chaiperm
Vice Chairman of the Board of Directors
Chairman of the Executive Committee



Mr. Pasu Liptapanlop
Director
Executive Director



Ms. Proudpuh Liptapanlop
Director
Executive Director

Board of Directors



Mr. Anucha Sihanatkathakul

Director

Nomination and Remuneration
Committee



Mr. Paisit Kaenchan

Director

Executive Director
Managing Director
Company Secretary



Mr. Pumipat Sinacharoen

Independent Director

Director
Audit Committee
Nomination and Remuneration
Committee



Ms. Anchalee Bunsongsikul

Independent Director

Director
Audit Committee



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Management



1. Mr. Paisit Kaenchan

Director
Executive Director
Managing Director
Company Secretary

2. Mr.Chuntorn Chuntratip

Chief Development Officer

3. Ms. Budsabong Pansawadi

Chief Financial Officer

4. Ms. Anotai Worasunthararom

Senior Vice President of
Business Development and
Strategy Department

5. Mr.Asava Thongprasert

Assistant Vice President of
Marketing Department (Project)

6. Mr.Narongsak Sritongkum

Assistant Vice President of Project
Management Department

7. Ms.Thanijchayapha Sirirajchatanuphap

Assistant Vice President of
Marketing Department (Corporate)

8. Ms. Saruda Samaksamarn

Assistant Vice President of
Sales Department

Profile of Directors



Mr. Anuwat Maytheewibulwut

Age 69

Date of Appointment: 15 May 2019

Positions: Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee

Shareholding proportion: Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- Master of Public Administration Program in Public Administration, Chulalongkorn University
- 2nd Hons in Bachelor of Laws, Chulalongkorn University

Training

- Training Course for DAP Directors, Class 104/2013
- Training course for senior judicial process administrators, class 15/2011 - 2012
- Training Course, National Defense College of Thailand, Class 45/ 2002 - 2003
- Training Course for Senior Administrators, Class 36
- Training Course for Senior Land Administrators, Class 7

Work Experience

2019	- Present	Chairman, Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee	Proud Real Estate Public Company Limited
2014	- 2018	Chairman of the board	J.S.P. Property Public Company Limited
2012	- Present	Board of Director	Rojana Industrial Park Public Company Limited
2012	- Present	Executive Vice President	Charoen Pokphand Group



Mr. Verapong Chaiperm

Age 54

Date of Appointment: 15 May 2019

Position: Vice Chairman of the Board of Directors, Chairman of the Executive Committee

Shareholding proportion: Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- PhD.Eng. In Environmental Engineering (Water and Wastewater Engineering) Asian Institute of Technology (AIT)
- M.S. in Civil Engineering (Environmental Engineering), University of Missouri-Rolla, U.S.A.
- B.Eng. (Civil Engineering), Chulalongkorn University

Training

- Director Accreditation Program (DAP) 163/2019
- Top Executive in Industrial Development and Investment, class 1, Institute of Business and Industrial Development (IBID)
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 3, Thailand Energy Academy
- Executive Program, Poompalungpadin Program (Batch 1)
- Director Certification program, Thai Institute of Directors 161/2012
- Advanced Certificate course in Politics and Governance in Democratic Systems for Executives Class 15, The College of Politics and Governance, King Prajadhipok's
- Advanced Senior Executive Program, Northwestern University (USA)
- Management Development Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Work Experience

2019	- Present	Vice Chairman of the Board of Directors, Chairman of the Executive Committee	Proud Real Estate Public Company Limited
2019	- Present	Independent Director and Member of the Audit Committee	Industrial and Commercial Bank of China (Thai) Public Company Limited
2018	- Present	Chief Expert in Targeted Industries	Industries Eastern Economic Corridor (EEC) Office
2017	- 2018	Assistant Secretary	Eastern Economic Corridor Development Executive Board
2017	- 2018	Assistant Secretary	Eastern Economic Corridor Development Policy Committee
2012	- 2018	Governor	Industrial Estate Authority of Thailand
2011	- 2012	Governor (Corporate Strategy and Finance)	Industrial Estate Authority of Thailand
2008	- 2011	Deputy Governor (Industrial Port)	Industrial Estate Authority of Thailand



Mr. Pasu Liptapanlop

Age 34

Date of Appointment: 15 May 2019

Position: Director and Executive Director

Shareholding proportion: Director 226,046,445 shares (35.23%)

Spouse / lived together as spouse

None

Minor

None

Family relationship with other directors, executive
Ms. Proudpuh Liptapanlop's brother

Education

- MSc in Real Estate Investment, Cass Business School, United Kingdom
- BA Business Management (Finance), Second Class Honors, University of Westminster, United Kingdom

Work Experience

2019	- Present	Director and Executive Director
2019	- Present	Director
2019	- Present	Director
2017	- 2019	Director
2016	- Present	Director & Co-Founder
2016	- Present	Director
2015	- Present	Director

2015 - 2018 Vice President FICC Sales

2013 - 2015 Director Financial Market Sales

Proud Real Estate Public Company Limited.
Hua Hin Alpha 71 Co.,Ltd.,
Hua Hin Sky Living Co.,Ltd
Origin Property Public Company Limited.
Robowealth Mutual Fund
Brokerage Securities Co., Ltd.
Whitewater west SEA Ltd.
VANA NAVA Co., Ltd.
Proud Group Holding Co., Ltd.
Proud Hospitality Co., Ltd.
Proud Resort Hua Hin Co., Ltd.
The Royal Bank of Scotland Plc
(Singapore & Hong Kong)
Standard Chartered Bank Plc, Singapore



Ms. Proudpuh Liptapanlop

Age 32

Date of Appointment: 15 May 2019

Position: Director and Executive Director

Shareholding proportion: Director 226,046,444 shares (35.23%)

Spouse / lived together as spouse

None

Minor

None

Family relationship with other directors, executive
Mr. Pasu Liptapanlop's sister

Education

- London Business School, United Kingdom - MSc (Distinction) in Management
- University of Oxford, United Kingdom - BA (Hons) in Economics and Management

Training

- Director Accreditation Program (DAP) 138/2017, Thai Institute of Directors

Work Experience

2019	- Present	Director and Executive Director	Proud Real Estate Public Company Limited
2019	- Present	Director	Hua Hin Alpha 71 Co.,Ltd.
2019	- Present	Director	Hua Hin Sky Living Co.,Ltd.
2016	- Present	Director	Whitewater west SEA Ltd.
2013	- Present	Director	VANA NAVA Co., Ltd.
2012	- Present	Director	Proud Group Holding Co., Ltd.
			Proud Hospitality Co., Ltd.
			Proud Resort Hua Hin Co.,Ltd.
			Hua Hin Asset Co., Ltd.
2010	- 2012	Business Analyst	Mckinsey & Company (Thailand) Co., Ltd.



Mr Anucha Sihanatkathakul

Age 61

Date of Appointment: 15 May 2019

Position: Director and Nomination and Remuneration Committee

Shareholding proportion: Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- M.B.A (Finance), University of Houston, Texas, U.S.A.
- B.A. (Accounting & Management), Houston Baptist University, Texas, U.S.A.

Training

- Fellow Member, Thai Institute of Directors (IOD) 2/2001
- Directors Certification Program (DCP), Thai Institute of Directors (IOD) 4/2000

Work Experience

2019	- Present	Director and Nomination and Remuneration Committee	Proud Real Estate Public Company Limited
2017	- Present	Director	Thai Chinese Rayong Industrial estate development Co.,Ltd.
			Focus Wheig Corporation Limited
2016	- Present	Chairman	Vana Nava Co.,Ltd.
2016	- Present	Director	Amata B. Grimm Power (Rayong) 3 Co.,Ltd.
			Amata B. Grimm Power (Rayong) 4 Co.,Ltd.
			Amata B. Grimm Power (Rayong) 3 Co.,Ltd.
2015	- Present	Director	Rai Arthit Co.,Ltd
			Data In Motion Co.,Ltd.
2013	- Present	Director	Amata B. Grimm Power Co.,Ltd.
2010	- Present	Chairman	Amata B. Grimm Power 1 Co.,Ltd.
2010	- Present	Director	Amata B. Grimm Power 2 Co.,Ltd.
			Amata B. Grimm Power 4 Co.,Ltd.
			Amata B. Grimm Power 5 Co.,Ltd.
			Amata Power (Rayong) Co.,Ltd.

Mr Anucha Sihanatkathakul (Con't)

Work Experience

2010	- Present	Director	Amata B. Grimm Power (Rayong) 1 Co.,Ltd.
			Amata B. Grimm Power (Rayong) 2 Co.,Ltd.
2008	- Present	Vice Chairman	Amata Water Co.,Ltd.
2008	- Present	Director	Amata Asia Ltd.
			Amata Summit Reay Built Co.,Ltd.
			888 Property Co.,Ltd.
2007	- Present	Director and Chairman of the Audit Committee	Amata Corporation Plc.
2003	- Present	Chairman of the Board and Executive Chairman	Focus Development and Construction Pcl.
			Focus Environmental Co.,Ltd.
2002	- Present	Director	Capital Focus Co.,Ltd.
1998	- Present	Director	Moon dance Development Co.,Ltd.
1989	- Present	Director	



Mr. Paisit Kaenchan

Age 59

Date of Appointment: 1 October 2019

Position: Director, Executive Director, Managing Director and Company Secretary

Shareholding proportion : Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- MBA Sasin Graduate Institute of Business Administration
- Master of Arts. Political science Western Michigan University Michigan
- Master of Arts; Program in Social Development Administration Western Michigan University Michigan
- Bachelor of Arts, Political Science, Thammasat University

Training

- Risk Management Committee Program (RMP) 4/2014
- Role of Compensation Committee Program (RCC)
- Role of Nomination and Governance Committee Program (RNG) 6/2014
- Advance Audit Committee Program (AACP) 13/2013
- Certificate in Hotel Real Estate Investment & Asset Management 2008
- Directors Certification Program (DCP), Thai Institute of Directors (IOD)56/2005
- Advance Management, Thammasat Leadership Program class 1

Work Experience

2019	- Present	Director, Executive Director, Managing Director and Company Secretary	Proud Real Estate Public Company Limited
2018	- Present	Director	IAM Real Estate Management Co., Ltd.
2010	- Present	Independent Director and Audit Committee	AEC Securities Public Company Limited
2010	- Present	Steering Committee Real Estate Business Program	Faculty of Commerce and Accountancy Thammasat University
2017	- Present	Founder and Advisory	Hospitality Advisory Service Co., Ltd.
2016	- 2018	Chief Executive Officer / Director / Executive Director	Grande Asset Hotels And Property Public Company Limited

Mr. Paisit Kaenchan (Con't)

Work Experience

2010	-	2012	Head of hotel representatives in Thailand	Marriott Hotels & Resorts Asia
2007	-	2009	SEVP & Chief Investment / Operation Officer / Directors	T.C.C group and Land Development Co., Ltd
1996	-	2006	Managing Director	Grand Asset Development Public Company Limited
1996	-	2006	Deputy Managing Director	The Erawan Group Public Company Limited
1995	-	1996	Vice president, Asset Management	JF. Thanakom Securities Public Company Limited
1988	-	1995	Vice president, Provident fund	Tisco securities Public Company Limited



Mr. Pumipat Sinacharoen

Age 50

Date of Appointment : 15 May 2019

Position: Independent Director ,Director, Audit Committee,
Nomination and Remuneration Committee

Shareholding proportion : Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- MBA, Thunderbird School of Global Management, USA
- BA in Economics, Thammasat University, Thailand

Training

- Director Accreditation Program (DAP) 2007, Thai Institute of Directors
- Leading in Disruptive World (Innovation), Stanford University, USA
- Design Thinking, Stanford University

Work Experience

2019	- Present	Independent Director ,Director, Audit Committee, Nomination and Remuneration Committee	Proud Real Estate Public Company Limited.
2018	- Present	Executive Vice President	PTG Energy Public Company Limited
2013	- 2017	Chief People Excellence	AP (Thailand) Public Company Limited
2009	- 2013	Deputy Chief Finance Officer	AP (Thailand) Public Company Limited
2005	- 2017	Chief Executive Officer and Director	Bangkok CitiSmart (BC) Property Agent (100% held by AP (Thailand) Public Company Limited.)
2005	- Present	Director and Audit Committee	Fortune Parts Industry Public Company Limited. (FPI)
2001	- 2002	Financial Planning	Hutchison SET Wireless Multimedia Co.,LTd (Thailand)
1997	- 2001	Equity Research	ING Baring Securities (Thailand)



Ms. Anchalee Bunsongsikul

Age 50

Date of Appointment : 15 May 2019

Position: Independent Director, Director, Audit Committee

Shareholding proportion : Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- Master of Science in Finance, Saint Louis University
- Bachelor of Business Administration, Major in Finance, Chulalongkorn University

Training

- Academy of Business Creativity # 6/2517, Sri Pratum University
- Capital Market Leader Program # 25, Capital Market Academy
- The Executive Program in Energy Literacy for a Sustainable Future # 12, Thailand Energy Academy

Work Experience

2019	- Present	Director, Audit Committee (Independent Director)	Proud Real Estate Public Company Limited
2017	- Present	MD & Head, Global Banking, Thailand	Standard Chartered Bank (Thai) PCL
2015	- 2017	MD & Head, Financial Markets, Thailand	Standard Chartered Bank (Thai) PCL
2012	- 2015	MD & Head, Corporates, Thailand	Standard Chartered Bank (Thai) PCL
2008	- 2012	Managing Director, Head of Coverage and Origination	The Royal Bank of Scotland, Thailand
2005	- 2008	Group Head, Local Corporate and FI Clients	The Royal Bank of Scotland, Thailand
2002	- 2004	Head, Telecom, Media, Technology, and Industrial sector	The Royal Bank of Scotland, Thailand



Mr.Chuntorn Chuntratip

Age 53

Position: Chief Development Officer

Shareholding proportion: Director

Spouse / lived together as spouse

Minor

Family relationship with other directors, executive

None

None

None

None

Education

- Master of Business Administration Kasetsart University
- Bachelor Degree of Engineering Kasetsart University

Work Experience

2019	- Present	Chief Development Officer
2019	- Present	Director
2019	- Present	Director
2017	- 2019	Managing Director
2013	- 2017	Vice President of Project Development
2009	- 2013	Assistant Vice President of Project Management
2002	- 2009	Vice President of Project Development

Proud Real Estate Public Company Limited
 Hua Hin Alpha 71 Co.,Ltd.
 Hua Hin Sky Living Co.,Ltd.
 Park Origin Co.,Ltd.
 Proud Residence Co.,Ltd.
 Narai Property Co.,Ltd.
 Plus Property Co.,Ltd.



Ms. Budsabong Pansawadi

Age 35

Position: Chief Financial Officer

Shareholding proportion: Director

None

Spouse / lived together as spouse

None

Minor

None

Family relationship with other directors, executive

None

Certified Public Accountant

Education

- Bachelor of Commerce and Accountancy, Thammasat University

Work Experience

2019	- Present	Chief Financial Officer	Proud Real Estate Public Company Limited
2018	- 2019	Deputy Managing Director of Accounting and Finance	Seven Utilities and Power Public Company
2017	- 2018	Vice President - Accounting Department	Seven Utilities and Power Public Company
2014	- 2017	Assistant Group Corporate Controller	Central Plaza Hotel Public Company Limited
2007	- 2014	Audit Manager II	PricewaterhouseCoopers ABAS Ltd.



Ms. Anotai Worasunthararom

Age 38

Position: Senior Vice President of Business Development and Strategy Department

Shareholding proportion: Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- Master of Business Administration (MBA), Thammasat University
- Bachelor of Engineering, Kasetsart University

Work Experience

2019	- Present	SVP of Business and strategy Department	Proud Real Estate Public Company Limited
2016	- 2019	Vice President of Business Development Group	Fragrant Property Public Company Limited
2012	- 2016	Senior Manager (Business Development and Product Development - Condo BU)	Pruksa Real Estate Public Company Limited
2007	- 2011	Executive Cost Engineer	K.P.K. Quantity Surveyors (Thailand) Co.,Ltd
2003	- 2007	Senior Office Engineer	D.K.J. Construction Co.,Ltd



Mr.Narongsak Sritongkum

Age 40

position: Assistant Vice President of Project Mangement
Department

Shareholding proportion: Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- Bachelor of Engineering Program in Civil Engineering, Sripatum University

Work Experience

2019	- Present	AVP of Contract And Project Management Department	Proud Real Estate Public Company Limited
2018	- 2019	Project Cost Cotrol Manager	Origin Property Public Company Limited
2009	- 2019	Senior Construction Management Specialist	Prukha Real Estate Public Company Limited
2005	- 2009	Section Chief and Senior Coordinator	Sansiri Public Company Limited



Ms. Saruda Samaksamarn

Age	39
Position	Assistant Vice President of Sales Department
Shareholding proportion	Director None
Spouse / lived together as spouse	None
Minor	None
Family relationship with other directors, executive	None

Education

- Bachelor of Arts Program in Mass Communication, RamkhamhaengUniversity

Work Experience

2019	- Present	Assistant Vice President of Sales Department	Proud Real Estate Public Company Limited
2017	- 2019	Assistant Vice President of Sales and Marketing	Origin Property Public Company Limited
2013	- 2017	Sales Manager	Major Development Public Company Limited
2011	- 2013	Sales Manager	AP (Thailand) Public Company Limited



Mr.Asava Thongprasert

Age 37

Position : Assistant Vice President of Marketing Department (Project)

Shareholding proportion : Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- Bachelor of Finance and Banking, Chulalongkorn University

Work Experience

2019	- Present	AVP-Marketing Department (Project)	Proud Real Estate Public Company Limited
2018	- 2019	Sales Manager	OgilvyOne Worldwide Co., Ltd.
2016	- 2018	Sales SuperVisor	Pruksa Real Estate Public Company Limited



Ms.Thanijchayapha Sirirajchatanuphap

Age : 37

Position : Assistant Vice President of Marketing Department (Corporate)

Shareholding proportion : Director None

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive None

Education

- Master of Marketing Communication, University of the Arts London
- Bachelor degree, Assumption University

Work Experience

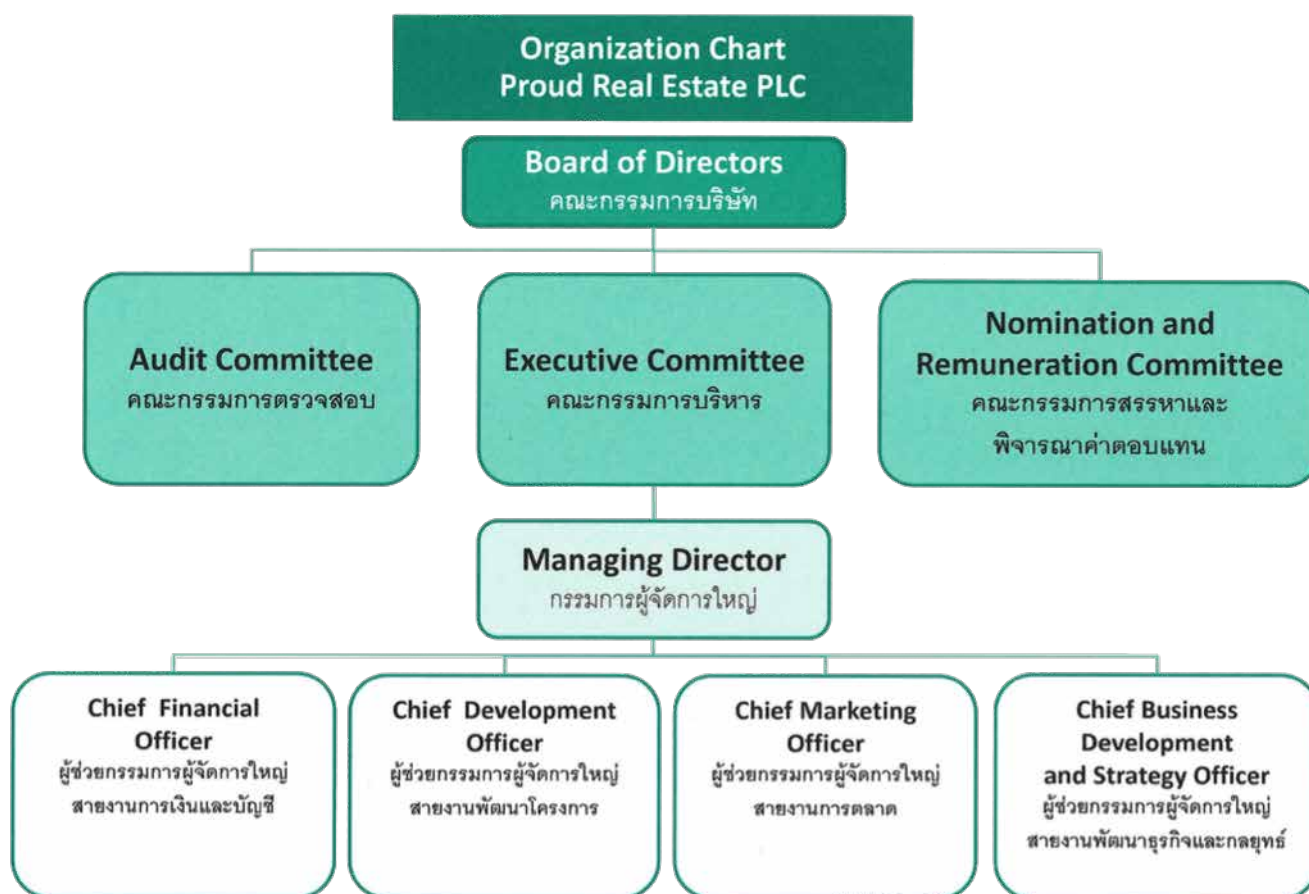
2019	- Present	AVP of Marketing Department (Corporate)
2012	- 2018	Brand Manager
2011	- 2012	Account Manager
2009	- 2011	Marketing Manager
2005	- 2007	Account Executive

Proud Real Estate Public Company Limited
 Diageo Moet Hennessy Thailand
 Serendipity CO., Ltd.
 Dootv media CO., Ltd., London England
 Wunderman Agency Co., Ltd (WPP Group)



→ Management Structure

The structure of company consists of the Board of Directors and 3 sub-committees namely, the Audit Committee, the Executive Committee and the Nomination and Remuneration Committee as follows;



The Board of Directors

As of 31 December 2019, the Company's Board of Directors consists of 8 directors as follows:

No.	Name	Position
1	Mr. Anuwat Maytheewibulwut	Chairman of the Board of Directors, Chairman of Audit Committee and Chairman of Nomination and Remuneration Committee (Independent Director)
2	Mr. Verapong Chaiperm	Vice Chairman of the Board of Directors and Chairman of Executive Committee
3	Mr. Pasu Liptapanlop	Director and Executive Director
4	Ms. Proudpuh Liptapanlop	Director and Executive Director
5	Mr. Anucha Sihanatkathakul	Director and Nomination and Remuneration Committee
6	Mr. Paisit Kaenchan	Director, Executive Director and Managing Director
7	Mr. Pumipat Sinacharoen	Director, Audit Committee and Nomination and Remuneration Committee (Independent Director)
8	Ms. Anchalee Bunsongsikul	Director, Audit Committee and Nomination and Remuneration Committee (Independent Director)

Structure of Company Directors

As of 31 December 2019, the Company's Board of Directors consists of 8 directors as follows:

No.	Name	Position
1	Mr. Anuwat Maytheewibulwut	Chairman of the Board of Directors
2	Mr. Verapong Chaiperm	Vice Chairman of the Board of Directors
3	Mr. Anucha Sihanatkathakul	Director
4	Mr. Pasu Liptapanlop	Director
5	Ms. Proudpuh Liptapanlop	Director
6	Ms. Anchalee Bunsongsikul	Director
7	Mr. Pumipat Sinacharoen	Director
8	Mr. Paisit Kaenchan	Managing Director

Term of Directorship

The term of appointment of each director is 3 years, and after the expiration of the term, may be considered to continue to be a director of the company.

At every annual general meeting of shareholders, one-third of the directors shall retire from office. If the number of directors is not a multiple of three, then the number closest to one-third shall apply.

The directors to retire from office in the first and second years after the conversion of corporate status shall be selected by drawing lots. In subsequent years, the directors having served longest in the office shall retire. The directors retiring from office may be re-elected by the shareholders' meeting.

Apart from retirement by rotation, the directors shall vacate office upon:

1. Death
2. Resignation
3. Unqualified or disqualified for legal reasons
4. Shareholders who attend the meeting and have voting rights approve the removal with a majority vote greater than three quarters. Those shareholders must also combine to hold more than half the shares of shareholders that attended the meeting with rights to vote.
5. A court's orders

Any director who intend to resign from the position he/she shall submit a resignation letter to the Chairman of the Board of Directors.

In any case that the position of the Director shall be vacant due to other reasons than the expiration of the term, The Board of Directors shall appoint a person who has qualifications and does not have any prohibited characteristics to be the Director in the later Board of Directors' meeting, except the term of that Director is less than 2 months, the Board of Directors may not appoint any Directors to replace the vacancy. However, if the new Director is appointed, he/she will be in office for the remaining term of the resigned Directors

Duties and Responsibilities of the Board of Directors

1. Acting in a best interest of shareholders (fiduciary duty) by observing the following four main practices:
 - 1.1 Performing its duties with responsibility and all due circumspection and caution (duty of care).
 - 1.2 Performing its duties with faithfulness and honesty (duty of loyalty).
 - 1.3 Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders, Meetings (Duty of Obedience).
 - 1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness (Duty of Disclosure).
2. Defining and reviewing the structure of the Board of Directors, number of directors, proportion of independent directors as well as Board diversity and director qualifications to align with the Company's business operations.

3. Directing the Company's visions, missions, and business strategies, with an annual revision and approval.
4. Reviewing the major operating plan, budgets, business goals, and business policies and enhancing.
5. Overseeing and monitoring the implementation of the Company's strategies: overseeing and monitoring of each business unit's and the Company's overall performance by requiring their performance reports periodically; and setting policies to develop and improve the business operations with concern for safety, hygiene, social and environmental responsibility and development of the Company's employees.
6. Devoting their time and efforts to the Company without seeking benefits for themselves Or others and not acting in conflict of interest or in competition with the Company.
7. Directing the Company's Operation in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care to preserve the highest interests of the Company and fairness to all involved parties.
8. Overseeing and developing the Company's corporate governance to keep it consistent with the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to provide guidelines for business operations while monitoring to ensure compliance and being a role model in complying with the principles of good corporate governance and the Company's Code of Conduct.
9. Encouraging staff at all levels to be conscious of ethics and morality and comply with the Company's principles of corporate governance, Code of Conduct and the Anti-corruption policy while promoting awareness of the importance of internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.
10. Protecting the fair rights and interests of both major and minor shareholders along with supporting shareholders in exercising their rights to protect their own interests, and receive accurate, complete, transparent, veritable, and timely information.
11. Recognizing the roles, duties, and responsibilities of the Board of Directors, respecting the rights of shareholders and equitable and transparent treatment to all stakeholders, establishing a clear process and channels for receiving and handling complaints from informants or stakeholders effectively and ensuring an opportunity for all stakeholders to contact or lodge complaints about potential issues directly to the Board of Directors.
12. Reviewing top executive development plans and the succession plan for the Managing Director while Overseeing to ensure the effective performance assessment of top management on an annual basis and determining appropriate remuneration in line with the Company's operating results to provide both short term and long-term incentives.
13. Assessing the performance of the Board of Directors, the Sub-committees and each individual director on an annual basis together with monitoring the assessment results of the Board and its Sub-committees which will be jointly deliberated by the Board of Directors as well as reviewing the assessment results of the Board and Sub-committees on a regular basis.

14. Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and Sub-committee members are determined appropriately.

15. Attending all meetings of the Board of Directors and Shareholders' Meetings, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman or the Secretary to the Board in advance prior to the meeting.

16. Developing their knowledge and competency related to their duties consistently through courses or curricula related to directorial duties or seminars that enhance their knowledge. In performing its duties, the Board of Directors may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate.

Policy on the Board Meetings

(1) Board of Directors' Meetings will be held at least 4 times a year with at least one Board meeting will be discussed only among non-authorized directors and independent directors without the Company's management.

(2) Notice of the Board meeting will be given to all directors at least 7 days in advance unless with the case of emergency or necessity for the rights and benefits of the Company, such notice may be shorter than 7 days as appropriate.

(3) The Chairman of the Board and the Managing Director shall jointly consider determining the meeting agenda while each director is entitled to propose any matters for consideration of the Board meeting. In case the Chairman of the Board is also the top management of the Company, the agenda of the Board meeting shall also be reviewed and agreed by the Chairman of the Audit and Corporate Governance Committee and/or an independent director as appropriate.

(4) Significant matters shall require the Board resolutions passed by at least 2/3 of all directors of the Company.

(5) A summary report of the monthly operating results will be prepared and given by the Company to all directors for their information, except with the month in which the Board meeting also takes place.

Policy on the Board Meetings of Directors

(1) Board of Directors' Meetings will be held at least 4 times a year with at least one Board meeting will be discussed only among non-authorized directors and independent directors without the Company's management.

(2) Notice of the Board meeting will be given to all directors at least 7 days in advance unless with the case of emergency or necessity for the rights and benefits of the Company, such notice may be shorter than 7 days as appropriate.

(3) The Chairman of the Board and the Managing Director shall jointly consider determining the meeting agenda while each director is entitled to propose any matters for consideration of the Board meeting. In case the Chairman of the Board is also the top management of the Company, the agenda of the Board meeting shall also be reviewed and agreed by the Chairman of the Audit and Corporate Governance Committee and/or an independent director as appropriate.

(4) Significant matters shall require the Board resolutions passed by at least 2/3 of all directors of the Company.

(5) A summary report of the monthly operating results will be prepared and given by the Company to all directors for their information, except with the month in which the Board meeting also takes place.

Roles and Responsibilities of Chairman of Board of Directors

(1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the Company's objectives.

(2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.

(3) Set the Board meeting agenda by discussing with the Managing Director where important matters should be included in the agenda. In case the Chairman of the Board is also one of the top managements of the Company, the consultation on such agenda must be made with the Chairman of the Audit and Corporate Governance Committee or an independent director as appropriate.

(4) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company.

(5) Promote the good relationship between executive and non-executive directors, and between the board and management.

Authorized directors who sign to bind the company

The names and number of the authorized directors of the company are Mr. Verapong Chaiperm or Mr. Pasu Liptapanlop or Ms. Proudputh Liptapanlop or Mr. Paisit Kaenchan. Two of these four jointly sign and affix the seal of company.

Training Courses or Relevant Seminars for Directors

It is a policy of the Company and its Board of Directors to encourage directors to consistently obtain appropriate knowledge applicable for performance of their roles and duties through attendance of training courses and relevant seminars such as participation in courses offered by the Thai Institute of Directors as well as courses held by other organizations. The purpose of this policy is for these participants to apply any obtained knowledge for promoting continuity of our corporate stability and sustainable growth, Details of Directors' Training Courses Attendance held by Thai Institute of Directors (IOD) are as follows;

Name	Course
Mr. Anuwat Maytheewibulwut	<ul style="list-style-type: none"> • Training Course for DAP Directors, Class 104/2013 • Training course for senior judicial process administrators, class 15/2011 - 2012 • Training Course, National Defense College of Thailand, Class 45/ 2002 - 2003 • Training Course for Senior Administrators, Class 36 • Training Course for Senior Land Administrators, Class 7
Mr. Verapong Chaiperm	<ul style="list-style-type: none"> • Top Executive in Industrial Development and Investment, class 1, Institute of Business and Industrial Development (IBID) • Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 3, Thailand Energy Academy • Executive Program, Poompalungpadin Program (Batch 1) • Director Certification program, Thai Institute of Directors 161/2012
Ms. Proudpuh Liptapanlop	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) 138/2017, Thai Institute of Directors
Mr. Anucha Sihanatkathakul	<ul style="list-style-type: none"> • Fellow Member, Thai Institute of Directors (IOD) 2/2001 • Directors Certification Program (DCP), Thai Institute of Directors (IOD) 4/2000
Mr. Paisit Kaenchan	<ul style="list-style-type: none"> • Risk Management Committee Program (RMP) 4/2014 • Role of Compensation Committee Program (RCC) • Role of Nomination and Governance Committee Program (RNG) 6/2014 • Advance Audit Committee Program (AACP) 13/2013 • Certificate in Hotel Real Estate Investment & Asset Management 2008 • Director Certification Program (DCP) 56/2005 • Advance Management, Thammasat Leadership Program class 1
Mr. Pumipat Sinacharoen	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) 2007, Thai Institute of Directors

In 2019, with the following additional training course

Name	Course
Mr. Verapong Chaiperm	<ul style="list-style-type: none"> • Director Certification program (DCP) 161/2012, Thai Institute of Directors

Summary of meeting attendance data for the Board of Directors in 2019

As of 31 December 2019

No.	Name	Number of Meeting in 2019	Number of meetings held	Number of meetings attended
1	Mr.Anucha Sihanatkathakul	11	11	9/11
2	Mr.Phasunsook Ayanaputra	11	5	5/5
3	Pol.Maj.Gen.Sunthorn Boonruang	11	5	5/5
4	Mr.Wera Suriyaarchanon	11	5	2/5
5	Mr.Nontawat Thongmee	11	5	4/5
6	Mr.Jeremt Lechemere King	11	5	1/5
7	Mr.Tomas C. Thompson	11	5	0/5
8	Mr.Patrick Michael Devenport	11	5	4/5
9	Mr.Tanakorn Leelasiri	11	5	4/5
10	Mr.Anuwat Maytheewibulwut	11	6	5/6
11	Mr.Verapong Chaiperm	11	6	6/6
12	Ms. Proudputh Liptapanlop	11	6	5/6
13	Mr.Pasu Liptapanlop	11	6	5/6
14	Ms.Anchalee Bunsongsikul	11	6	4/6
15	Mr.Pumipat Sinacharoen	11	6	5/6
16	Mr.Sarath Pavorndechapong	11	4	4/4
17	Mr.Paisit Kaenchan	11	1	1/1

- Remarks:
1. Directors No. 2-9 had been vacated from the office since 15 May 2019
 2. Mr. Sarath Pavorndechapong had been appointed as the Director from 15 May – 1 October 2019
 3. Directors No. 10-15 had been appointed in the office since 15 May 2019 onwards
 4. Mr. Paisit Kaenchan had been appointed as the Director from 1 October 2019 onwards

Management Team

As of December 31, 2019, the Company's first four executives according to definitions prescribed by the Securities and Exchange Commission comprise 8 persons as follows:

No.	Name	Position
1	Mr. Paisit Kaenchan	Managing Director
2	Mr.Chuntorn Chuntratip	Chief Development Officer
3	Ms. Budsabong Pansawadi	Chief Financial Officer
4	Ms. Anotai Worasunthararom	Senior Vice President of Business Development and Strategy Department
5	Mr.Narongsak Sritongkum	Assistant Vice President of Project Management Department
6	Ms. Saruda Samaksamarn	Assistant Vice President of Sales Department
7	Mr.Asava Thongprasert	Assistant Vice President of Marketing Department (Project)
8	Ms.Thanijchayapha Sirirajchatanuphap	Assistant Vice President of Marketing Department (Corporate)

Roles and Responsibilities of the Managing Director

(1) To monitor and supervise the management of the Company and its subsidiaries to be in line with the vision, mission, value and policies, board resolutions, shareholders' resolutions, regulations and objectives of the Company for the highest efficiency and legitimacy of the business operations of the Company and its subsidiaries.

(2) To manage and supervise the Company and its subsidiaries general administration and ensure that it is in line with the objectives, policies, rules and regulations of the Company as well as to monitor the performance of the management to report the overall operations of the Company and its subsidiaries and performance to the Board of Directors on a regular basis.

(3) To determine the human resource management policy and encourage the operations of all functions to be in line with the guidelines of the Board of Directors.

(4) To give advice and hand down the experience in business operations to the management and staff for the benefits of the business operations of the Company and its subsidiaries.

(5) To manage the financial matters and the spending of the budget for the highest benefits and efficiency of the Company and its subsidiaries.

(6) To perform any other tasks as assigned by the Board of Directors of the Company and/ or the shareholders' meeting of the Company according to the objectives, rules and related laws.

Company Secretary

The resolution of the Board of Directors had approved Mr. Paisit Kaenchan on 1 October 2019 onwards to be the Company Secretary

Roles and Responsibilities of Company Secretary

1. Organize the meeting of the Board of Directors in accordance with the Company's regulations.
2. Inform relevant executive directors about resolutions and policies of the Board of Directors so they acknowledge them and perform accordingly.
3. Give initial advice and recommendations to the Board of Directors on issues regarding the law, regulations of the Company's articles of association and always practice good governance. Follow up on implementation and ensure people are following through correctly and with continuity. This includes a report on significant changes to the Board of Directors.
4. Record the Board of Directors meeting and follow up on the implementation in accordance with the resolutions of the meeting of the Board of Directors.
5. Prepare and keep the following important documents:
 - 5.1 Registration of the Company's Directors
 - 5.2 Minutes of the Meeting of the Board of Directors
 - 5.3 Minutes of the Shareholder's Meeting
 - 5.4 Company's Annual Report
 - 5.5 Stakeholder's Report relating to the directors and executive directors
6. Supervise the activities of the Board of Directors and carry out other matters as provided by law or assigned by the Board of Directors.

Remuneration of the Board and Executives

Directors' Remuneration

Summary on the Board of Directors, Audit Committee and Nomination and Remuneration Committee's Remunerations in 2019

No.	Name	Nomination and Remuneration Committee	Audit Committee	Board of Director	Bonus	Total
1	Mr. Phasunsook Ayanaputra	30,000	15,000	60,000	-	105,000
2	Pol.Maj.Gen.Sunthorn Boonreang	24,000	12,000	60,000	-	96,000
3	Mr. Wera Suriyaarchanon	12,000	12,000	60,000	-	84,000
4	Mr. Nontawat Thongmee	-	-	48,000	-	48,000
5	Mr. Jeremt Lechemere King	-	-	12,000	-	12,000
6	Mr. Tomas C. Thompson	-	-	-	-	-
7	Mr. Patrick Michael Devenport	-	-	48,000	-	48,000
8	Mr. Tanakorn Leelasiri	-	-	48,000	-	48,000
9	Mr. Sarath Pavorndechapong	-	-	48,000	-	48,000
10	Mr. Anucha Sihanatkathakul	12,000	-	60,000	-	72,000
11	Mr. Anuwat Maytheewibulwut	30,000	15,000	75,000	-	120,000
12	Mr. Verapong Chaiperm	-	-	72,000	-	72,000
13	Ms. Proudpuh Liptapanlop	-	-	60,000	-	60,000
14	Mr. Pasu Liptapanlop	-	-	60,000	-	60,000
15	Ms. Anchalee Bunsongsikul	-	12,000	48,000	-	60,000
16	Mr. Pumipat Sinacharoen	24,000	12,000	60,000	-	96,000
17	Mr. Paisit Kaenchan	-	-	-	-	-

Remarks: 1. Directors No. 1-9 had been vacated from the office
 2. Mr. Paisit Kaenchan had been appointed as the Managing Director and not intend to receive the meeting allowance

Remuneration for Executive

In the year 2019, the company has paid compensation and benefits after left the company to 14 executives in the total amount of 17.81 million baht

Other remuneration for executives

- Provident fund

The company has provided a provident fund for executives, with the company funding by 5 percent of the salary. In the year 2019, the company contributed to the provident fund for 14 executives total 0.32 million baht

Personnel

As of 31 December 2019, the Company has employees with the following details:

Department	As of 31 December 2019 (Person)
Management Department	3
Project Development Department	2
Internal Audit Department	1
Accounting and Finance Department	7
Investor Relations Department	1
Project Management Department	6
Sales and Marketing Department	8
Legal and Compliance Department	2
Information Technology Department	2
Human Resource Department	2
Purchasing and Administrative Department	6
Total	40

Total compensation of personnel

Total compensation for the employees from 2017 - 2019 total 38.85, 35.57 and 36.25 million baht respectively, which consists of salaries, wages, overtime pay, bonuses and other compensation.

Human Resource development

The company has a policy to develop the employees at all levels to have knowledge and ability consistently. Regardless of any position, the management emphasize the importance of human resource development by encouraging the employees to develop knowledge, ability, skills and decent working attitude.



→ Corporate Governance



Proud Real Estate Public Company Limited is an organization that is managed efficiently in business operations, good corporate governance, and excellent management by conducting business with responsibility, ethics, transparency, and accountability. The company determined to benefit for shareholders and taking into account all stakeholders in order to build trust and sustainable growth together.

Corporate Governance Policies

The Company has established Good Corporate Governance policies in writing and reviewed the aforementioned policies on a regular basis. The good corporate governance policies have been conducted based on the Stock Exchange of Thailand Principles of Good Corporate Governance for Listed Companies 2012 (CG Principles) and the Securities and Exchange Commission Code of Good Corporate Governance for Listed Companies 2017 (CG Code) with the purpose of creating benefits for the business sustainably to meet the aims of business sectors, investors, including capital market and overall society

In addition, the Company has also prepared code of conduct and business ethics for directors, the management, and employees of the Company, and monitored the compliance with Good Corporate Governance policies, code of conduct and business ethics for directors, the management, and employees of the Company, as well as best practices regularly. Moreover, the Company has also used public relations to inform all employees throughout the organization.

Implement with Good Corporate Governance Principles for the Year 2019

Section 1 Rights of Shareholders

The Company realizes and recognizes the importance and rights of all shareholders, and to ensure the basic equal legitimate rights of shareholders such as the right to attend shareholders' meetings and the right to receive sufficient, accurate, complete, and timely information. The Company supports the rights of shareholders as follows:

1. The 2019 Annual General Meeting of Shareholders, the Company has promoted and supported all groups of shareholders including institutional investors to attend the meeting by proceeding as follows:

Procedures before the Date of Shareholders' Meeting

The Company gives shareholders the opportunity to propose the meeting agenda, nominate a person to be elected as a director and send questions in advance of the 2019 Annual General Meeting of Shareholders, in which the Company has announced the criteria on the Company's website and also notify through information disclosure

system of the Stock Exchange of Thailand to shareholders.

The Company published the Notice of Annual General Meeting of Shareholders and related documents in both Thai and English in advance more than 14 days before the meeting on the Company's website and send Notice of Annual General Meeting of Shareholders which clearly specifies the date, time, venue and agenda together with proxy form and supplementary documents for each agenda including the Company's Articles of Association relating to the Shareholders' Meeting in both Thai and English more than 14 days prior to the meeting, with sufficient information of each meeting agenda and also provided the opinion of the Board of Directors for shareholders to make a decision in exercising voting rights. In addition, the Company has notified the details, documents and evidence that shareholders or proxies have to present in order to protect their rights to attend the shareholders' meeting. In the event that the shareholders were unable to attend the shareholders' meeting, shareholders were able to appoint an independent director of the Company or any persons to attend the meeting and votes through the proxy form in which shareholders could specify the voting direction

Procedures on the Date of Shareholders' Meeting

- » The Company determined the date, time and location of the meeting that was appropriate so that shareholders could easily to attend the meeting.
- » The Company has provided sufficient and appropriate officers to facilitate the shareholders for inspection the meeting documents including providing stamp duties as well.
- » The Company provided a barcode system registration to ensure the accuracy, convenience, and speed, and to notify the number and proportion of shareholders attending the meeting in person and by proxy. Clear voting methods and vote counting in which voting and vote counting were conducted openly. The company has provided a barcode system for vote counting and display the results which help the meeting conducted efficiently and rapidly.
- » The Company has appointed external legal advisors to oversee the meeting to be transparent and in accordance with the laws, regulations, and Article of Association of the Company.
- » The Company conducted the meeting in accordance with the agenda specified in the notice of the shareholders' meeting and did not add any agendas to the meeting.
- » The Company allocated sufficient time and allowed the shareholders to express opinions and ask questions. The directors and executives of the Company have completely explained and provided various information to shareholders.

- » The Company using voting ballots in every agenda. In accordance with the best practice in holding a shareholders' meeting, the Company requested all shareholders and proxies who attending the meeting return all remaining voting ballots to the Company as evidence and could be rechecked.
- » The Company provided the video recording of the meeting.

Procedures after the Date of Shareholders' Meeting

- » The Company notified the meeting resolution and voting results for each agenda through the information disclosure system of the Stock Exchange of Thailand and on the Company's website on the date of the shareholders' meeting.
- » The Company has recorded the minutes of the meeting correctly and completely and has sent to the Stock Exchange of Thailand within 14 days after the meeting date, published on the Company website as well.

2. Providing important and necessary information to shareholders by disclosing information on the Company's website and through the information disclosure system of the Stock Exchange of Thailand in order for the shareholders to be informed of the information thoroughly.

Section 2 Equitable Treatment of Shareholders

1. The Company realized an importance to treat shareholders equally. The Company has set up a process and channel for minority shareholders to participate in the selection and election of directors before the general meeting of shareholders by allowing shareholders to propose meeting agenda, nominate a person to be elected as a director and ask questions in advance before the meeting date as per the Company's criteria during the period of 27 January 2019 – 29 February 2020. There were no shareholders proposed any matters to be included in the meeting agenda or nominated a person to be elected as a director.

2. The Company has a written policy to prevent the use of inside information as a guideline for keeping and preventing the use of internal information of the Company. The Company notified the employees, executives, and directors for acknowledgement and must strictly comply with the policy. In the year 2019, there were no directors, executives, and employees using the company's inside information to seek benefits for themselves.

3. The Company has clearly set out the connected transactions policy. The connected transaction was a transaction between the Company and the person who may have conflict of interest. The Audit Committee provided opinions on the necessity of entering into the transaction and will proceed in accordance with the notification of the Capital Market Supervisory Board and the notification of the Stock Exchange of Thailand which must be approved by the management or the Board of Directors or shareholders, as the case may be. The connected transactions were done fairly, market price and in accordance with the normal course of business. In the case that there is no comparison

market price, the said connected transaction must have reasonable price for the maximum benefits of the Company and shareholders.

The company does not have a policy to provide financial assistance to companies that are not subsidiaries. Except in the case of granting loans or guarantee loans in proportion to the shareholding in accordance with the joint venture agreement

4. The Company has set out the conflict of interest policy, by disclosing the interest of directors and executives in order to provide the information to the Company to perform according to the requirements regarding connected transactions, which may cause conflicts of interest and may lead to the transfer of benefits.

Section 3 Roles of Stakeholders

The Company recognizes the rights of all stakeholders disclosed to the “Code of Business Conduct” handbook as practice guidelines in conjunction with the corporate rules and regulations, ethics, morality and integrity in a constructive manner. Details are as follows:

Treatment of Stakeholders

1. Treatment of and Responsibility to Shareholders

The Company aware that the shareholders are owners of the business and the Company has a duty to bring value addition to them in the long term, the Company requires its employees to comply with the following guidelines:

1.1. To perform their duties with integrity, and carefully and prudently make decisions that are fair to every shareholder for the benefit of shareholders as a whole.

1.2 To oversee the operations to ensure that the Company has good financial status and operating performance, and that the reports on corporate position, operating results, financial and accounting status along with other matters are prepared and presented regularly and accurately.

1.3 To report to all shareholders on future trends, both positive and negative, of the Company based on feasibility projections supported by sufficient and rational information.

1.4 Not to use non-public information for personal or other persons’ gain, or to perform any acts in a manner that may lead to conflicts of interest.

1.5 The Company shall treat every shareholder equally at a shareholders’ meeting.

2. Treatment of and Responsibility to Government Sector

The Company places significance on compliance with the laws, rules and regulations of the government sector, particularly in undertaking its business transactions. The Company avoids any acts that may induce improper conduct of the government authorities or officials. Instead, it shall focus on developing mutually good relationships with them in an appropriate and permitted manner, such as meetings in public places and greetings on customary or festive occasions. Practices are as follows:

2.1 To act properly when contacting government officials or authorities.

2.2 To always be aware that the laws, rules or regulations of different government authorities may vary in conditions, processes or procedures, and the Company shall strictly comply with them.

3. Treatment of and Responsibility to Employees

The Company realizes at all times that all employees are the most valuable resources and crucial to the achievement of corporate goals, the Company establishes a policy toward fair treatment in terms of job opportunities, remuneration, appointment, transfer and capacity development, based on the following practices

3.1 To treat all employees with respect for their honor, dignity and personal rights.

3.2 To keep the work environment safe for the lives and properties of its employees.

3.3 The appointment, transfer, reward and punishment of employees shall be done in good faith, based on the knowledge, competency and qualifications of such employees.

3.4 To put emphasis on the enhancement of employees' knowledge and capacity by arranging regular seminars and trainings and also giving them equal opportunities.

3.5 To set employee remuneration fairly based on market conditions, business competition, nature of duty, operating performance, and the Company's financial capacity.

3.6 To avoid any unfair acts that may affect job security of employees.

3.7 To give employees an opportunity to make recommendations or complaints regarding their work, and to seek pertinent solutions in order to bring benefits to all parties and develop good relationships among colleagues

4. Treatment of and Responsibility to Customers

The Company earnestly undertakes the real estate development business with an aim to present to its customers creative products and services managed based on high standards alongside ethical conduct. To achieve this, the Company has laid down the following practices;

4.1 To supply and develop products and services that fulfill customer needs.

4.2 To deliver high quality products and services under fair conditions.

4.3 To provide correct and sufficient information of its products and services so that customers can make informed decisions; and not to make an overstatement either in advertisements or other communications with customers that may mislead them over the quality, quantity or any conditions of the products and services.

4.4 To put in place a feedback and complaint procedure for customers, so that the Company can address and resolve the said problems promptly and also use the information to improve or develop its products and services.

4.5 To maintain customer confidentiality, without disclosure or abuse of such information

5. Treatment of and Responsibility to Suppliers and Contractual Parties

The Company treats suppliers and contractual parties as important business partners and success factors, the Company has a policy to treat them on the basis of fairness and mutual benefits, under the following practices:

5.1 The Company intends to attain an efficient supply of products and services under the following principles:

- To compete based on equal information provided.
- To set criteria for assessment and selection of suppliers and contractual parties.
- To prepare contracts with proper and fair terms to both parties.
- To set a management and monitoring system to ensure full compliance with the contractual terms and to prevent corruptive actions throughout the procurement process.
- To make punctual payments to suppliers and contractual parties in accordance with the agreed terms of payment.

5.2 The Company is intent on developing and maintaining sustainable relationships with the suppliers and contractual parties who have a clear objective of attaining price worthy quality of their products and services in tandem with mutual trust.

5.3 All executives and employees are prohibited from personally accepting, directly or indirectly.

5.4 Not to use the information obtained in the course of procurement for personal or another persons' interest.

The Company has criteria for selecting suppliers with the following qualifications:

- Meet the criteria that the Company determines both quality, price, delivery schedule and service
- Compliance with laws, having ethical standards of society and pay attention to human rights, society and environment
- Having good business conditions, stable financial status and can be checked. The suppliers have a reliable business history and have not banning trade due to corruption or in the list of banned companies of government and private sectors
- Comply with the policies and rules set by the Company

6. Treatment of and Responsibility to Creditors

The Company is committed to operating its business in accordance with principles and discipline in order to build trust for creditors by adhering to the following principles:

6.1 To strictly comply with the conditions stipulated under contracts or as mutually agreed.

6.2 In case that the agreed conditions cannot be complied with, the Company will inform its creditors in advance to jointly consider solutions.

The Company will treat creditors with responsibility and fairness by adhering to best practices according to the terms and conditions of the contract, guarantee conditions, capital management and debt repayment, timeline, as well as financial obligations strictly. Moreover, the Company will not conceal information or facts that will result in damage to creditors and will report financial status to creditors in accordance with the terms and conditions of the loan contract correctly, completely, without distorting the facts.

7. Treatment of and Responsibility to Competitors

The Company is intent on undertaking its business toward sustainable success and business leadership, while competing in the industry fairly and ethically under the following practices:

7.1 To engage in fair competition.

7.2 Not to seek confidential information of its competitors by dishonest or improper means to benefit the Company's business operations.

7.3 Not to make a malicious accusation against or bring discredit on its competitors.

7.4 Not to perform any acts that infringe intellectual property rights of other persons or competitors.

8. Treatment of and Responsibility to Society

The Company pays attention to community and society, the Company values the importance of sustainable development of its neighboring communities, the society and environment. It has therefore carried out social and community activities continually alongside socially responsible business operations, as follows:

8.1 To adopt a policy on eco-conscious business operations and to strictly comply with applicable environmental laws and rules.

8.2 To adopt a clear corporate social responsibility (CSR) policy, which is implemented across-the- board.

8.3 To promote among employees the awareness of and responsibility to the environment and society.

8.4 To have respect for the tradition, custom and culture of each locality in which the Company operates.

8.5 To regularly carry out social, community and environmental activities, either organized on its own or in cooperation with the government, private and community sector organizations, in order to help improve the quality of life in the communities in which the Company's operations are located.

8.6 To cooperate, as appropriate, with activities of neighboring communities in the areas in which the Company operates.

8.7 To respond promptly and efficiently to incidents, arisen from the Company's operations, that affect the environment, communities, lives and properties of the locals, by cooperating fully with relevant government authorities and agencies.

8.8 To adopt an anti-corruption policy, which prohibits the Company's personnel from engaging in all forms of bribery, either directly or indirectly, by offering, promising, soliciting, demanding, giving or accepting bribes or exhibiting any behaviors indicative of misconduct or corruption, in an attempt to gain or retain any other improper business benefits either for the Company's personnel or a third party. Particularly in the giving of gifts, assets or other benefits to government officials in Thailand and other countries, it must be ensured that such giving is not against the laws and local traditions.

Anti-Corruption

The Company pursues a policy of conducting business with fairness and resolute responsibility to the society and all stakeholders, based on the good corporate governance principles, code of business ethics and guidelines on stakeholder treatment in order to develop into a sustainable organization. Also, as a guideline for practice for directors, executives, and employees of the company has strictly complied with. By focusing on raising awareness for employees and executives at all levels to be aware of the dangers of corruption, including creating correct values to develop the organization to be transparent.

Risk Management and Assessment

The Company put great importance on risk management process to identify corruption risks associated with its business operations. The risks are analyzed, in terms of both likelihood and impact, in order to devise risk response and management measures. To mitigate and prevent such risks, the process takes into consideration the control activities, the monitoring of internal control function, including the assessment of the ability to prevent and detect corrupt transactions, errors, and regulation compliance or non-compliance.

In business risk assessment program, the corruption risks in all units of the Company. Each unit shall identify potential risks of corruption, scores of likelihood and respective impacts, as well as risk mitigation guidelines and measures to prevent or counter potential corruption. Risks are assessed based on nature of business activities, operational processes, industrial conditions, business conditions, policies concerning anti-corruption measures, along with handbooks on policies.

Implementation of Anti-Corruption Measures

The Company emphasizes the importance of internal audit process and the evaluation of internal control adequacy by means of self-assessment. It also encourages the use of technology in examining corruption on a regular and all-embracing basis. Internal Audit Office is responsible for examining and reviewing that business operations are accurate and in compliance with policies, guidelines, delegated authority, rules, the laws and regulations of regulatory bodies, in order to ensure that the Company's internal control system is appropriate and adequate against potential risks of corruption. Results thereof shall be reported to the Audit Committee.

The Internal Audit Office has set out guidelines for monitoring and assessment of compliance with anti-corruption measures, as follows:

1. All directors, executives and employees of the Company which it has management control are required to strictly comply with this Anti- Corruption Policy.

2. Compliance with anti-corruption measures are monitored and assessed by reviewing each step of the process where internal control deficiencies may be detected and thus exposed to corruption, in order to develop preventive guidelines and practices.

3. In order to mitigate risks of corruption, relevant practice processes, guidelines and policies shall be adjusted based on the results of process review, the Audit Committee's comments and suggestions upon reviewing the adequacy of practice processes against the results of complaint investigation, the result of risk assessment, as well as the employees' comments.

4. Results of process revision and post-revision outcome shall be monitored in order to ensure that the recommendations intended for improvement of processes, practices and policies have been implemented in a prompt manner.

5. Results of monitoring and assessment of compliance with anti-corruption measures along with process revision and post-revision outcome shall be reported to the Audit Committee, which shall review the completeness, appropriateness and adequacy of processes, practices and policies relating to anti- corruption measures. The Audit Committee is responsible for reporting the review results to the Board of Directors, so that relevant processes, practices and policies can be revised to ensure a more efficient internal control function.

Whistleblowing and Complaint Reporting or Violation of Rights

Adopting a policy to undertake business with fairness, transparency and accountability under the good corporate governance principles, the Company provides its stakeholders an opportunity to report or give information on complaint reporting or violation of rights via provided channels:

1. Postal mail to The Board of Directors of Proud Real Estate Public Company Limited
2. Email to The Audit Committee, Chairman of the Audit Committee, Chief Executive Officer and Internal Audit Office

Protection Measures for Whistleblowers

1. The whistleblower can choose to remain anonymous in case he/she anticipates damage, but must indicate sufficiently clear details, facts or evidence which can constitute reasonable grounds to believe that an act in violation of laws, or breach of the Company's regulations or code of conduct has taken place.

2. In case the whistleblower anticipates danger or damage, he/she can request the complaint recipient to provide appropriate protection measures, or else the complaint recipient may establish ones without the whistleblower's request if the case is deemed to potentially cause damage or danger.

3. In case the whistleblower or other person affected by the complaint is unjustly or inappropriately treated by an employee or complaint recipient of the Company, it is deemed that said employee or complaint recipient has committed a gross breach of discipline and is thus subject to disciplinary action, including legal action if such act violates the laws.

4. Any person undergoing trouble or damage shall be relieved from such distress through appropriate and fair means or process.

Complaint Handling

The Secretary of the Audit Committee shall consider appropriate further action or forward the matter to related party (investigator) by considering freedom to duly act on the issue in question so as to find facts and track progress. This is to ensure that the Company's actions fit the complaints. Guidelines are as below;

1. Violations of personnel aspects of Company's policies and procedures should be forwarded to the Human Resources Manager.

2. Violations of laws, government regulations, the Company's policy and principles of corporate governance, code of conduct, or regulations should be forwarded to the Company Secretary.

3. Doubtful acts for unlawful gains for one or other parties, including embezzlement, corrupt practices, and fraud should be forwarded to the Audit Committee or the Vice President of Internal Audit Office.

4. If the matter under (1), (2), or (3) is complicated or involves several units, it should be forwarded to the Chief Executive Officer (CEO) and President, who will appoint the investigation committee to consider proper actions.

Investigator, under (1), (2), (3), and (4), shall verify and assess the fact and validity of the complaint. In case that an allegation (or a complaint) is proved valid, the guilty party is subject to the Company's disciplinary measures or penalty by law if the violation is unlawful, or both.

When the investigation of a complaint has been concluded, the investigator, under (1), (2), (3), and (4), has duties to report the resolution to the Secretary of the Audit Committee; the Secretary of the Audit Committee then shall inform the Audit Committee and inform the complainant on such matter (in case he or she reveals his or her identity). The

processes from receiving a complaint until the announcement of complaint resolution to the complainant shall appropriately perform under an appropriate period of time.

Monitoring of Complaint Resolution

1. When the complaint recipient received a complaint, the complaint recipient shall inform in writing to the complainant within 7 days from the date of receiving the complaint.
2. The complaint recipient shall inform the management of the relevant departments regarding the subject of the complaint within 1 day so that the relevant departments can take corrective actions immediately by considering and implementing the complaint resolution completely within 30 days from the date of receiving the complaint. Unless in the case of force majeure that solution may not be completed within the specified period, the complainant shall be informed the progress of action and expected time to be completed on a weekly basis.
3. The relevant departments shall report performance results to the Secretary of the Audit Committee within 7 days so that the Secretary of the Audit Committee shall inform the Audit Committee to inform the complainant as the next step.

Reporting of Complaint Resolution to the Management

1. To collect and report the summary of complaints / grievances to the management on a monthly basis.
2. To compile a summary report of complaints subsequent to the end of the year in order to analyze overall complaints / grievances of departments to be used as guidelines to resolve, improve, develop, and plan for the implementation of monitoring the internal control system as the next step

In 2019, the Company treated its stakeholders fairly in all aspects in accordance with the laws, rules, regulations and the articles of association of the Company, as well as the good corporate governance policy and other policies, e.g. treatment of suppliers, creditors and debtors in a fair manner according to the agreed trading conditions or obligations. In regard to competitors, the Company observed fair competition conduct, did not act in a manner detrimental or destructive to competitors, and also maintained customer confidentiality. Thus, there was no misconduct in relation to intellectual property, patent

infringement or human right violation. In part of personnel, each employee received remuneration commensurate with knowledge, competence, responsibility and performance, as well as adequate and appropriate fringe benefits. The Company has provided a provident fund with investment options employees could select as appropriate according to Provident Fund Act B.E. 2530. The fund provided employees with financial security upon resignation or retirement. Furthermore, the Company arranges the training course and knowledge sharing to develop our people continuously and also encourage our people to use resources effectively.

Section 4 Disclosure of Information and Transparency

The Company has set out a policy and guidelines regarding to the disclosure of information to investors in the corporate governance policy by specifying important principles of information disclosure as follows;

1. The Board of Directors has a policy to disclose financial information and non-financial information pertinent to the business and operating results of the Company in a factual, complete, sufficient, regular and timely manner, which reflect the actual financial status, operations and business outlook of the Company.
2. The Board endeavors to ensure strict compliance with the laws, rules and regulations pertinent to information disclosure and transparency. The Company's information, both in Thai and English versions, shall be published via the corporate website, mass media, and the Stock Exchange of Thailand's electronic channel, so that it is widely disseminated to the shareholders and related parties.
3. The Company arranges for Investor Relations Unit to communicate with investors and the shareholders, The Company periodically holds meetings to present the Company's performance. In addition, the Company also discloses the information in both of Thai and English to shareholders regularly through the Company's website.
4. The Company emphasizes importance on representing its financial reports in a manner that portrays the Company's actual financial position and operating results, based on accurate, complete and sufficient accounting information in accordance with generally accepted accounting standards.
5. The Company has disclosed information on director profiles, roles and responsibilities of the Board of Directors as well as sub-committees, the number of meetings held and director attendance records in the past year, including remuneration of directors and senior executives in the Company's annual report (Form 56-2) and annual registration statement (Form 56-1).
6. The Company has a policy enabling its stakeholders to make enquiries, lodge complaints or report cases of wrongdoings, inaccuracy of financial reports, weakness in internal control system, unfair treatment caused by a wrongdoing, or the Company's violation of business ethics to any independent director or the Audit Committee member. Such complaints and information shall be protected and treated as confidential. The

independent director or the Audit Committee member shall call for an investigation into the case in order to seek a solution thereto (if possible) and report such matter to the Board of Directors

In 2019, the Company regularly holds press conferences and media events to present key updates of the Company and promotes its activities, such as Proud Real Estate business plan, Lunching Hua Hin project through press releases as well.

Interested persons can contact Investor Relations Unit at:

Ms. Budsabong Pansawadi, Investor Relations Unit

Proud Real Estate Public Company

900 Tonson Tower, 6th fl., Ploenchit Road, Lumpini, Patumwan, Bangkok 10330

Tel: 0-2035-0999 Fax: 0-2035-0998

E-mail: ir@proudrealestate.co.th

Website : www.proudrealestate.co.th

Sub-Committees

The management structure of Proud Real Estate Public Company Limited consist of 3 sub-committees, namely, (1) Nomination and Remuneration Committee (2) Audit Committee (3) Executive Committee

1. Audit Committee

As at 31 December 2019, the Audit Committee consists of the following 3 Independent Directors

No.	Name	Position
1	Mr. Anuwat Maytheewibulwut	Chairman of the Audit Committee (Independent)
2	Ms. Anchalee Bunsongsikul	Audit Committee Member (Independent)
3	Mr. Pumipat Sinacharoen	Audit Committee Member (Independent)

Summary of the Audit Committee's meeting Attendance in 2019

As at 31 December 2019

No.	Name	Number of Meeting in 2019	Number of meetings held	Number of meetings attended
1	Mr.Phasunook Ayanaputra	4	2	2/2
2	Pol.Maj.Gen.Sunthorn Boonruang	4	2	2/2
3	Mr.Wera Suriyaarchanon	4	2	1/2
4	Mr. Anuwat Maytheewibulwut	4	2	2/2
5	Ms. Anchalee Bunsongsikul	4	2	1/2
6	Mr. Pumipat Sinacharoen	4	2	2/2

Remarks: 1. Directors No. 1-3 had been vacated from the office since 15 May 2019
2. Directors No. 4-6 had been appointed in the office since 15 May 2019

Director Tenure and Dismissal

1.1 The Board has imposed a limit on the maximum term of the Audit Committee member to not exceed 3 consecutive years, upon the retirement from the office, the directors may be reappointed as an audit committee.

1.2 Apart from retirement by rotation, the directors shall vacate office upon:

- 1). Death.
- 2). Resignation.
- 3). Dismiss from the Director of the company
- 4). Lack of qualifications as the Audit Committee member
- 5). Lacking the qualifications as a director or having prohibited characteristics under Public Limited Companies Act or Securities and Exchange Act or having characteristics that indicate lack of appropriateness to be entrusted to the management of a public business as specified by the Securities and Exchange Commission.
- 6). Removal by a resolution of the shareholders' meeting

1.3 If any audit committee member intends to resign before the end of the term, the member shall submit a resignation letter to the Chairman of the Board of Directors at least 1-month notice and specify the reason. The Board of Directors to consider in appointing a qualified person as indicated in the Audit Committee Charter to replace the resigned member.

1.4 In the event that the position of the Audit Committee shall be vacant due to other reasons than the expiration of the term, the Board of Directors shall appoint a person who has the qualifications and is not under any of the prohibitions as required by law to be the Audit Committee member at least within 3 months to fulfill the Audit Committee's number complied with the Stock Exchange of Thailand and to maintain the status of listed companies. Unless the vacancy of the audit committee is less than 2 months, The Board of Directors may not appoint the Audit Committee member to fill the vacancy. The appointed Audit Committee member shall hold office for the remaining term of the audit committee, which he/she replaces.

1.5 The Nomination and Remuneration Committee is responsible for determining the compensation of the audit committee, which consider from duties and responsibilities and present to the Board of Directors for consideration, before presenting to the shareholders' meeting for consideration and approval.

Scope of power, duties and responsibility of the Audit Committee

1. To review and ensure that the Company provides a sufficient and accurate report of its financial statements.
2. To review and ensure that the Company has appropriate and efficient internal controls and internal audit systems, to consider the independence of the Office of Internal Audit Bureau, and to approve the appointment, transfer and termination of employment of the Chief of Internal Audit Bureau or any other unit responsible for internal audit;
3. To review and ensure that the Company complies with securities and exchange laws, regulations of the SET and the laws relating to the Company's business.
4. Review and monitor on the company's anti-corruption measures and report the resolution to the Board of Director
5. Regularly review and evaluate the audit committee charter and propose for approval from the board of directors if the charter is amended.
6. To consider, recruit, nominate and terminate an independent third-party to be the Company's auditor and to determine the auditor's fee, as well as to hold at least 1 meeting per year with the auditor without participation of the management.
7. To consider and ensure that the Company's connected transactions or transactions that may result in conflicts of interest are in compliance with the law and the rules of the SET, and to ensure that such transactions are reasonable and in the best interest of the Company.
8. To prepare the Audit Committee's report which will be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and shall contain at least the following details:
 - (a) opinion on the accuracy, completeness and reliability of the Company's financial report.
 - (b) opinion on the sufficiency of the Company's internal control system.
 - (c) opinion on compliance with securities and exchange laws, regulations of the SET and the laws relating to the Company's business.
 - (d) opinion on suitability of the auditor.
 - (e) opinion on transactions which may result in conflicts of interest.
 - (f) number of meetings held by the Audit Committee and the attendance records of each member of the Audit Committee.
 - (g) comments or overall remarks made by the Audit Committee in the course of duties under the Charter.
 - (h) other matters of which the shareholders and general investors should be informed, to the extent of their duties and responsibilities, as assigned by the Board.
9. To perform any other duties as assigned by the Board of Directors with the approval of the audit committee. The audit committee is directly responsible to the board of directors and the board of directors of the company take responsible for the company's operations to third party.

2.Nomination and Remuneration Committee

As at 31 December 2019, the Nomination and Remuneration Committee consists of the following 3 members

No.	Name	Position
1	Mr. Anuwat Maytheewibulwut	Chairman of the Nomination and Remuneration Committee
2	Mr. Anucha Sihanatkathakul	Nomination and Remuneration Committee member
3	Mr. Pumipat Sinacharoen	Nomination and Remuneration Committee member

Summary of Nomination and Remuneration Committee's meeting Attendance in 2019

As at 31 December 2019

No.	Name	Number of Meeting in 2019	Number of meetings held	Number of meetings attended
1	Mr.Phasunook Ayanaputra	2	1	1/1
2	Pol.Maj.Gen.Sunthorn Boonruang	2	1	1/1
3	Mr.Wera Suriyaarchanon	2	1	1/1
4	Mr. Anucha Sihanatkathakul	2	1	1/1
5	Mr. Anuwat Maytheewibulwut	2	1	1/1
6	Mr. Pumipat Sinacharoen	2	1	1/1

Remarks: 1. Directors No. 1-3 had been vacated from the office since 15 May 2019

2. Directors No. 4-6 had been appointed in the office since 15 May 2019

Director Tenure

The Board has imposed a limit on the maximum term of the Nomination and Remuneration Committee member to not exceed 3 consecutive years, upon the retirement from the office, the directors may be reappointed as the Nomination and Remuneration Committee member. In the event that the position of the Nomination and Remuneration Committee shall be vacant due to any reasons other than the retirement of the term, the Board of Directors shall appoint a person with appropriate qualifications as the Nomination and Remuneration Committee in order to fulfill number of the members as specified by the Board of Directors. In which the member of the Nomination and Remuneration Committee will be in the position for the remaining term of the Nomination and Remuneration Committee, which he/she replaced.

Scope of power, duties and responsibilities of the Nomination and Remuneration Committee

1. To consider policies and criteria in the selection and nomination of qualified persons as well as to set the remuneration package for the Company's directors, in order to propose the matters to the Board of Directors and/or the shareholders' meeting for approval.
2. To consider the annual corporate budget and the criteria of salary adjustment, annual bonus and long-term incentive for directors, executives and employees of the Company.
3. Consider and propose directors and executives' compensation to the Board for endorsement and/or submit it to the shareholders for approval. Hence, the Board of Directors will approve the compensation and benefits of the executive. Also, the Board of Directors propose remuneration and benefits of the directors to the shareholders' meeting for approval.
4. Report of the Nominating and Compensation Committee's performance Report to the Board of Directors and prepare the report of the Nomination and Remuneration Committee to disclose in the annual report and signed by the Chairman of the Nomination and Remuneration Committee
5. Prepare the performance evaluation of the Nomination and Remuneration Committee and the annual evaluation report to the Board of Directors.
6. Perform other Board-assigned duties.

3.Executive Committee

As at 31 December 2019 บริษัทมีคณะกรรมการบริหาร จำนวน 4 คน ดังนี้

No.	Name	Position
1	Mr. Verapong Chaiperm	Chairman of the Executive committee
2	Mr. Pasu Liptapanlop	Executive Director
3	Ms. Proudputh Liptapanlop	Executive Director
4	Mr. Paisit Kaenchan	Executive Director

Summary of Executive committee's meeting Attendance in 2019

As at 31 December 2019

No.	Name	Number of Meeting in 2019	Number of meetings held	Number of meetings attended
1	Mr. Verapong Chaiperm	17	17	14/17
2	Mr. Pasu Liptapanlop	17	17	15/17
3	Ms. Proudputh Liptapanlop	17	17	17/17
4	Mr. Sarath Pavorndechapong	17	8	8/8
5	Mr. Paisit Kaenchan	17	8	8/8

Remarks: 1. Mr. Sarath Pavorndechapong held the Executive Committee member position from 15 May – 1 October 2019

2. Mr. Paisit Kaenchan has been appointed as the Executive Committee member from 1 October 2019 onwards.

Executive Committee Tenure

The Executive Committee does not have a tenure. In the event, that the position of the Executive Committee shall become vacant, the Board of Directors shall appoint a qualified person as the executive committee member, in order to fulfill the number of executive directors as defined by the Board of Directors

Scope of power, duties and responsibilities of the Executive Committee

1. The Executive Committee is responsible for managing the Company's business in accordance with the objectives of the Company's business operations, provided that management of the Company's business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval.
2. To prepare the vision, business strategies and direction, business policies, targets, guidelines, operational plans and the annual budget of the Company and its subsidiaries, and to present the same to the Board for approval.
3. To efficiently oversee and monitor the Company's operations in accordance with the Company's management policies and guidelines as approved by the Board.
4. To consider and approve specific matters or any action to be taken in the ordinary course of the Company's business, borrowing or requesting any credit from a financial institution, lending as well as becoming a guarantor for the operation, within the amount or annual budget as approved by the Board and as authorized.
5. To report the result of operations for the following matters within the following period of time to the Board:
 - » quarterly report of the Company's performance to be submitted within the timeframe prescribed by the SET.
 - » report of the auditor in respect of the Company's financial statements, including annual and quarterly financial statements, to be submitted within the timeframe prescribed by the SET; and
 - » other reports deemed to be appropriate by the Executive Committee.

6. To consider and approve any action to be taken at each meeting of the Executive Committee, where a quorum shall be constituted when not less than half of all the members of the Executive Committee are present at such meeting.
7. At each meeting of the Executive Committee, each member of the Executive Committee has 1 vote. In the event that there is a tied vote, the chairman of the Executive Committee has a casting vote;
8. Any resolution approved by the Executive Committee shall be passed by half of all the members in attendance.
9. The meetings of the Executive Committee shall be held as deemed necessary and appropriate. Apart from regular meetings, any member of the Executive Committee may call for a special meeting, provided that advance notice of such meeting shall be delivered to the other members to allow reasonable time for the members to consider the meeting agendas;
10. The Executive Committee may establish working groups and/or appoint any person to review the matters proposed to the Executive Committee, or to take any action which will benefit the performance of duties of the Executive Committee, or to take any action on behalf of the Executive Committee, to the extent of the power granted to the Executive Committee.
11. To authorize and/or sub-authorize a third party to take specific action on its behalf. Such authorization or sub-authorization shall be subject to the powers specified in the Power of Attorney given and/or in accordance with regulations, rules or orders prescribed by the Board. The authorization or sub-authorization of powers, duties and responsibilities of the Executive Committee shall not allow the Executive Committee or its authorized person to approve any transactions in which the Executive Committee or its authorized person may have any conflict of interest (as defined in the notification of the Capital Market Supervisory Board or the SEC) or who may benefit in any manner which may give rise to conflicts of interest with the Company or its subsidiaries.
12. Perform any other actions as assigned by the Board of Directors.

Nomination and Appointment of Directors and Highest Rank Executives

(1) Independent Directors

Qualifications of Independent Directors

1. Hold shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, major shareholders or controller persons of the Company, including the shares held by related persons of the Independent Director.
2. Neither being nor having been an Executive Director, employee, or advisor who receives salary or controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholders or controller persons of the Company, except they have ended the foregoing relationship not less than two years before the date of application to the Securities and Exchange Commission. The aforementioned prohibition does not include cases where the Independent Director used to be a public servant or consultant of government agencies which is a major shareholder or controlling persons of the Company.
3. Not being a person related by blood or registration under laws, such as in the manner of father, mother, spouse, sibling, and child, including spouse of children, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiary.
4. Not having any business relationship with the Company, its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, in any manner that may interfere with his or her independent judgment, and not be, or used to be, a substantial shareholder or controlling person in its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, except they have ended the foregoing relationship not less than two years before being appointed. The business relationship in paragraph one includes normal business transactions for the purpose of business operations, rental or lease of immovable property, transaction related to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor having been an auditor of the Company, its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, and not having been a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, except they have ended the foregoing relationship not less than two years before being appointed.
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, and not having been a substantial shareholder, controlling person or partner of the professional advisor, except they have ended the foregoing relationship not less than two years before the date of submitting the request to the Securities and Exchange Commission.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder
8. Not conduct any business of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect, nor being a substantial partner, shareholder holding more than one (1) percent of the voting shares of any company whose business is of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect.
9. Not having any other manners, which may render him or her incapable of expressing independent opinions with regard to the Company's business affairs.

(2) Nomination and Appointment of the Executives

The nomination of the Managing Director or the Chief Executive Officer, who is highest executives of the organization, will be preliminary considered by the Executive Committee. The Executive Committee will seek a qualified candidate with knowledge, skills, and experience that are beneficial to the Company's operations, well understanding the Company's businesses and can manage to achieve the objectives and goals set by the Board of Directors. Then, the Executive Committee will propose to the Nomination and Remuneration Committee for consideration and propose to the Board of Directors for approval.

Supervision of operations of subsidiaries and associated companies

Nominations and voting rights for appointment of directors as subsidiaries must be approved by the Board of Directors. In which the person appointed as a director in the subsidiary company has duty to perform for the benefit of the subsidiary company. In addition, the company has determined that the appointed person must be approved by the Board of Directors before going to vote or exercise the right to vote on significant matters at the same level that must be approved by the Board of Directors. If it is conducted by the company itself, in this regard, the appointed director shall be a representative in the subsidiary, in accordance with the company's shareholding proportion.

In addition, the appointed director must ensure that the subsidiary has regulations regarding connected transactions, acquisition or disposition of assets or other important transactions of that company completely and correctly. Also, using the rules related to the disclosure and the above transactions in the equivalent method as the rules of the company, including supervising the data storage and accounting records of the subsidiary company so the company is able to examine and gather to prepare the consolidated financial statements on time.

Use of insider information

The company has supervised the use of internal information in accordance with good corporate governance principles. In summary, the important policies are as follows;

(1) To set guidelines for directors, the management, and employees to prepare and submit the report of their securities holding, through the Company Secretary prior to submission to the Office of the SEC at all times. The report shall be prepared and submitted within 3 business days from the date of purchase, sale, transfer, or receipt of transfer of such securities for presentation to the Board of Directors to acknowledge in the next meeting

(2) Directors, Management and staff members must not use the financial statement information, or other information, which affects the changes in securities price, to be disclosed to the public or those who are not involved. Also, prohibit the purchasing of the securities during 1 month before the financial statements or other information will be publicized and must not purchase the securities until the 24-hour period since all such information has been disclosed to the public.

However, in the year 2019, there was no offense committed by the Directors, Top management and employees involved in the use of inside information.

Audit Fee

(1) Audit Fee

The Company, and subsidiaries, paid audit fee to Dharmniti Auditing Co.,Ltd. in the fiscal year 2019 in a total amount of 1,050,000 Baht.

(2) Non-Audit Fee

-None-

Implementation of Good Corporate Governance Code (CG Code) for listed companies

The Company reviewed the Good Corporate Governance Policies based on the Stock Exchange of Thailand is Code of Good Corporate Governance for Listed Companies 2017 (CG Code) in which the Corporate Governance Committee has already considered and found that the company has adopted most practices to its business. The company continues to comply with the CG Code, which consists of 8 main categories as follows;

CG Code 1: Establish Clear Leadership Role and Responsibilities of the Board

CG Code 2: Define Objectives that Promote Sustainable Value Creation

CG Code 3: Strengthen Board Effectiveness

CG Code 4: Ensure Effective CEO and People Management

CG Code 5: Nurture Innovation and Responsible Business

CG Code 6: Strengthen Effective Risk Management and Internal Control

CG Code 7: Ensure Disclosure and Financial Integrity

CG Code 8: Ensure Engagement and Communication with Shareholders

However, for the practices that the company cannot or unable to achieve that purpose, The Board of Directors has considered and studied the appropriate operation procedures for reviewing every year. In the year 2019, there are key matters that the company have not implemented as follows

Suggestion

The Board of Directors should clearly specify the term of office of an independent director in the corporate governance policy, which should be specified for not exceed 9 years without exception.

Clarification

The Board of Directors has not established this policy since the independent directors is capable to operate independently without any personal interests that may conflict with the company's interests and implement decisions, based on the best interests of the Company as well as being independent from the Management and major shareholders.

→ **Corporate Social Responsibility**



Policy Overview

Following Corporate Governance Policy and Ethics Manual for Directors, Management, and Employees revised in 2019 approved by the Board of Directors Meeting no. 9/2019 on 14 August 2019, the Company recognized the importance of corporate social responsibility and remained driven to developing human resource and growing sustainably with trade partners, customers, shareholders, alliances, employees, and the society. The Company upholds and instills employees with such concept and translated into CSR activities namely:

1. Fair Conduct

The Company sets guidelines to treat all stakeholders in the Business Ethics with considerations of responsibility not only to related laws and regulations, but also to refrain from any action violating or taking away of stakeholders' rights. The details are shown in the Corporate Governance report.

2. Anti-corruption

The Company believes that by operating business with fair and just to all parties, by upholding laws, ethics, transparency, socially responsible for all stakeholders under good corporate governance, will lead to sustainable development of the Company.

3. Respect for Human Rights

The Company respects and supports human rights principle. The Company recognizes and upholds human rights as main business policy which is the foundation for operating business with value and efficiency towards sustainability. All employees are treated equally without prejudice towards race, complexion, birth origin, religion, gender, age, or any disability unrelated to operation. Employees of the Company are also monitored to prevent any involvement in human right violation or illegal labor usage, and ensure respectful treatment on the basis of human dignity, regardless of difference in individual characteristics. The Company understands that employees are an integral factor in building quality product, and thus places high importance in fair treatment to all employees. The Company provides equitable opportunities and compensations. The work system is set up to ensure the safety of employees' lives and properties. Moreover, the Company develops employees' skills and potentials alongside morals to deliver capable employees with good moral to the society.

4. Fair Labor Practices

The Company focuses on fair, just, and respectful treatment towards employees' individualisms and dignity in accordance with international human rights and ethical standards – leading to societal peace and sustainable growth for the Company.

The Company provides security in workplace, maintains good working environment, and prepare working system to ensure safety of employees' lives, properties, and health with the following guidelines:

- » Set up security measures and occupational health within the workplace;
- » Analyze and identify measures to mitigate security and occupational health risks, including pollution protection system which might arise during operation, and provide clean working space for safety purposes;
- » Communicate and educate employees on safe operating procedures and ensure understanding and compliance from employees;
- » Procure safety and protection equipments as necessary for employees;
- » Assess security risk and occupational health during operation;
- » Include employees in the security management system, occupational health, environmental, and respect employees' rights.

5. Responsibility to Consumer

The Company upholds and operates business to fulfill customers' satisfaction. The Company procures product and service to customers following operating standards and ethics as followed:

- » Strive to procure, develop product and service in response to customers' demand;
- » Deliver product and service with quality under fair terms;
- » Provide accurate and adequate product and service information for customers' decision making process without false statement whether in advertisement or other media that could lead to customers' misunderstanding of quality, quantity, or terms and condition of product or service;
- » Provide communication channel for customers to notify problems or inappropriate provision of service to ensure timely response of problem solving and further utilize the information to develop product or service;
- » Maintain customers' confidential data without infringement or misuse of the information

6. Environmental Care

The Company strives to operate business while caring for the environment by strictly following environmental regulations, focusing on efficient use of resources, developing business operation to protect and mitigate environmental impact, and promoting employees' knowledge and awareness in the environment and social responsibility leading to entity-wide treatment and continuous improvement.

7. Participation in Community or Social Development

The social responsibility policies of the Company in the past year were all CSR in process incorporated with the Company's operation. Having expertise in developing quality residence, the Company foresaw that quality residence can lead to the improvement of quality of life. With experiences in operating business, the Company has the capability and communication channel to provide knowledge and experience to internal personnel for their own individual development, as well as the betterment of the society. In addition, the Company strives to develop personnel with knowledge to develop quality residence from construction, management, to social responsibility aspects. These people with knowledge and social responsibility will collectively generate products and buildings with qualified standards which will be the key foundation for society with long-term sustainability.

8. Innovation and Publishing of Innovation from Operation with Responsibility towards the Society, Environment, and Stakeholders

Operation and Reporting

Fair Labor Practices

During the third quarter of 2019, the Company renovated the head office and its environment located on No. 900 Tonson Tower, 6th Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District Bangkok by improving landscapes internally and externally promoting friendly working environment of employees and management:

- (1) changed office furniture to increase employees' comfortability; and
- (2) renovated common space for the management and employees for various usages namely 3 conference rooms and food storage area.

→ Internal Control and Risk Management



Proud Real Estate Public Company Limited recognizes the importance of internal control and risk management. To efficiently supervise operations, the Company has assigned the Audit Committee to be responsible for independently reviewing internal control without interference from other personnel. The Audit Committee will ensure that the Company's internal control is appropriate and adequate for the purposes of safeguarding the Company's assets, protecting interests of the Company, subsidiaries, and shareholders, and preventing fraud, corruption or risks affecting operation arisen from conflict of interests. In addition, information shall be adequately disclosed for transparency and auditable in accordance with good corporate governance.

Board of Directors' and Audit Committee's Opinion on Internal Control

In the Audit Committee meeting no. 1/2020 on 26 February 2020, the Audit Committee assessed sufficiency and appropriateness of internal control from the assessment report covering various aspects. To ensure that the Company recognizes the importance of sufficient internal control and adequate risk management, internal standards covering 8 aspects of internal control is used:

1. Internal Environment
2. Objective Setting
3. Event Identification
4. Risk Assessment
5. Risk Response
6. Control Activities
7. Information and Communication
8. Monitoring

1. Internal Environment

The Company recognizes the importance of internal management in order to operate business with capability and foster culture of good internal control. To prevent conflict of interests or interference from the Board of Directors, management, and all employees, the Audit Committee role and responsibility is separated from the Executive Committee. Policies and business ethics e.g. Conflict of Interest Policy, Anti-corruption Policy, etc. have been written for all employees' acknowledgement. In addition, follow-up and assessment processes are in place to ensure compliance of the defined business ethics.

The Board of Directors has set up Internal Audit department. The Internal Audit department is responsible for independently perform audit, assess, and follow-up to manage internal risk and other aspects relevant to the business in order to ensure confidence to the entity. For assurance that the internal control is sufficient, the Internal Audit department can directly report internal audit results to the Audit Committee whom are knowledgeable, competent, experts in the business of the Company. Moreover, the Internal Audit department can operate independently from the Executive Committee and the management. With the independence, the efficiency and effectiveness of internal audit can be achieved.

The Board of Directors has clearly defined management structure by designating head of business units with defined role and responsibility along with approval authority in order to ensure accountability. Head of business units are knowledgeable and capable. Furthermore, head of business units will help employees to efficiently develop for the future.

2. Objective Setting

The Company has defined objective setting in risk management from both internally and externally by assigning the Internal Audit department to perform risk assessment and report to the Executive Committee and the Audit Committee of the potential risks. The potential risks are then addressed by appropriate responses to maintain risk level within the Company's risk appetite.

3. Event Identification

The Company places high importance to event that may affect entity's operation. To prevent such risk from affecting entity's operation, analysis is performed to identify risk factors affecting the entity both internally and externally as well as current business operation. The combined risks are reported to the Executive Committee to consider appropriate policy responding to the risks.

4. Risk Assessment

The Company is aware of risks and impacts that may arise as assessed from business and internal operation of the Company. The Executive Committee has set out measures to manage arising risks by defining preventive audit target to prevent the incident from affecting the entity. The Internal Audit department performs risk assessment for both internal and external factors in accordance with the business operation of the Company in every operational level, unit, and position. The risk assessment also covers

operation, compliance, and external risks that may affect the business to ensure thorough assessment. The risk assessment is considered by the Audit Committee and has set out measure to prevent and respond to both negative and positive risks to ensure appropriate risk management from the person responsible for such risk. The risk assessment is constantly performed in order to timely adjust audit strategy in response to risks.

5. Risk Response

The Company responds to risks both internally arisen from audit of the Internal Audit department, and externally e.g. business impacting risk, economic risk, etc. The Executive Committee is responsible for handling entity-level risks as well as risk management by various approaches. Sequentially, person with the highest authority in the business unit is assigned to consider and respond to the risks within the risk appetite of the entity.

6. Control Activities

The Board of Directors have defined limits, approval authority, role and responsibility in accordance with the entity's scope of operations, including clear segregation of duties for management and all employees to comply. Furthermore, the Board of Directors have assigned the preparation of written operational guideline to manage risks e.g. setting up of operational standard for all units in the entity. In addition, various control activities have been set such as Anti-Corruption Policy, and control activities for regulation compliance. The guideline set forth is deployed to manage internal and external risks. Moreover, the Board of Directors have interests in developing information technology system to be utilized for suitable organizational structure and security purposes. The Company has set operational measures for subsidiaries to comply to ensure same standard. The set-out measures are regularly reviewed to timely address risks that may change with time.

7. Information and Communication

The Company recognizes the importance of developing information system and communication to be in line with business characteristics and keeping up with the changing technology. The devices and operating systems should be readily accessible without sacrificing security purposes. The up-to-date and accurate information can maximize benefits of the Executive Committee and the entity in operation and decision making processes. In addition, the communication channel is clearly defined with the purposes of external and internal disclosures of information, submission of petition or complaints, whistle-blowing leads, unlawful actions from stakeholders. Such communicated information shall be verified and utilized to improve appropriate responses for fair treatment of all related parties.

8. Monitoring Activities

The Company places high importance to the monitoring and evaluation of whether operational target, business ethics, and operation of management and employees are in line with what have been defined. The evaluation is performed to identify if any adjustment or improvement is needed. Definitive schedule has been set to comply with this procedure. This procedure covers self-assessment of employees and assessment from the Internal Audit department which have audit procedures in accordance with internal audit standards and report to responsible person, and reporting to the Audit Committee or the Board of Directors for decision making. After the evaluation, the Company can timely and appropriately respond to risk arisen from each incident.

Opinion can be summarized that the Company has sufficient and appropriate internal control system suitable for business operation without material weakness in the internal control system. The internal control system can protect misappropriation of assets by the management. The financial report of the Company is prepared in accordance with generally accepted accounting standard. The disclosure of information in the financial report is accurate and reliable. And the business operation of the Company is in compliance with the Securities Exchange Act and relevant laws.

Head of Internal Audit of the Company

At present, the head of Internal Audit department of the Company is Mr. Sakdina Panich with the position title of Assistant Manager of Internal Audit department. Mr. Sakdina Panich graduated bachelor degree with accounting major from Bangkok University. He completed training in the Certified Professional Internal Audit of Thailand curriculum from the Institute of Internal Auditors of Thailand. He possesses internal audit experience related to real estate development and construction of over 5 years. The Audit Committee considered Mr. Sakdina Panich to be sufficiently knowledgeable and capable suitable for his position. Consideration and approval of appointment, removal, transfer of the head of Internal Audit department of the Company must be approved by the Audit Committee.



→ **Related Parties
Transactions**



In 2019 and 2018, the Company and its subsidiaries have significant related transactions with 5 parties that may have conflicts of interest as follows: (Please consider in the additional notes to the financial statements)

Related Party	Relation/Type of Relation	Transaction	Transaction value (Million Baht)		Necessity/Description	Rationale
			2019	2018		
1. Mr. Anucha Sihanatkathakul	Director					
		The Company - Short-term loan and accrued Interest expense	-	30.25	During the year 2018, the Company borrowed loan from director in the amount of Baht 29.90 million by issuing promissory notes, due at call with the interest rate MOR per annum, without collateral. It was used in operations Baht 13.50 million and the rest of loan was lend to the joint venture for subsidized its subsidiary to built the waste management factory.	The interest rate was the same as the interest rate of loan that the Company has with local commercial banks.
		- Interest expense	1.46	0.35	Interest of short-term loan The interest rate MOR per annum	The calculation of interest is based on the interest rate on the loan agreements.
					During the year, the loan and accrued interest has been fully paid.	
2. Focus Wheig Corporation Limited	Joint venture					
Invests in the integrated waste management business and the energy production from refuse derived fuel.	- the Company invested in 60% shareholding of the registered capital and has jointly control with Wheig Asia Limited (co-investor). - Mr. Anucha Sihanatkathakul is authorized director of Focus Wheig Corporation Limited.	The Company - Short-term loan to related company and accrued interest income	-	17.78	During the year 2018, the Company lend to the joint venture in the amount of Baht 17.63 million by issuing promissory notes, due at call with the interest rate MLR+1 per annum, without collateral. The joint venture lend that loan to its subsidiary in order to use in construction of the waste management factory.	Reference interest rate from local commercial bank and higher than an interest rate of loan which the Company borrow from lender (director).
		- Interest income	1.01	0.15	Interest from short-term loan to related company The interest rate MLR+1 per annum	The calculation of interest is based on the interest rate on the loan agreements.
	The Company sold all investment of Focus Wheig Corporation Limited to Mr. Anucha Sihanatkathakul on 11 July 2019, resulting in it end up the status of the Company's joint venture business.					
					During the year, The Company got repayment of loan and its accrued interest in full amount.	

Related Party	Relation/Type of Relation	Transaction	Transaction value (Million Baht)		Necessity/Description	Rationale
			2019	2018		
3. Focus Wheig Bangna Limited	Subsidiary of joint venture					
Operates on the waste management business and the energy production from refuse derived fuel.	- Joint venture held 99.99% of the shareholding.	The Company - Revenue from construction services	1.15	46.46	The Company had revenue from the construction of the waste management factory of the subsidiary of joint venture. That project has finished during the year.	As stipulate in the agreement which is in the same way as general contracting parties in the same situation.
	The Company sold all investment of the joint venture on 11 July 2019, resulting in Focus Wheig Bangna Limited end up the status of a subsidiary of the Company's joint venture.	- Management fee income	1.00	4.20	The Company provided back office services to the subsidiary of joint venture. The service agreement terminated in May 2019.	As stipulate in the agreement which is in the same way as general contracting parties in the same situation.
		- Trade receivable and retention receivable	-	25.78	The receivable occurred from construction contracting and management service to the subsidiary of joint venture.	As normal business practice.

Related Party	Relation/Type of Relation	Transaction	Transaction value (Million Baht)		Necessity/Description	Rationale
			2019	2018		
4. Proud Resort Hua Hin Co., Ltd.	Related company					
Operates the hotel, fitness center, and providing stadium services and sports activities.	- Common director; Mr. Pasu Liptapanlop and Miss Proudpuh Liptapanlop are authorized directors of Proud Resort Hua Hin Co., Ltd.	Subsidiary - Purchase of land	1,125.00	-	In 2019, Hua Hin Alpha 71 Co.,Ltd. (a subsidiary) purchased land 7-2-48.8 Rai that locate in Hua Hin, Prachuap Khiri Khan from Proud Resort Hua Hin Co., Ltd. in order to develop the project "InterContinental Residences Hua Hin" by borrowed loan from the Company in the amount of Baht 550 million, borrowed loan from a local bank in the amount of Baht 550 million, and issued promissory notes in the amount of Baht 25 million, due at call with the no interest, without collateral to Proud Resort Hua Hin Co., Ltd.	As stipulate in the agreement which is in the same way as general contracting parties in the same situation.
		- Short-term loans	25.00	-	Hua Hin Alpha 71 Co.,Ltd. (a subsidiary) issued promissory notes, due at call with the no interest, without collateral in order to pay for land purchase.	As stipulate in the agreement according to land purchase for project development.
		- Rental of land / Accrued rental fee	1.05	-	Hua Hin Alpha 71 Co.,Ltd. (a subsidiary) has rent 2 plots of land total 1-0-31.8 Rai in Soi Hua Hin 71 from Proud Resort Hua Hin Co.,Ltd. in order to locate sales gallery of "InterContinental Residences Hua Hin" and "111 Social Club". The rental fee is Baht 350,000 per month. Contract period is 3 years started from 1 October 2019 to 30 September 2022.	As stipulate in the agreement which is in the same way as general contracting parties in the same situation.

Related Party	Relation/Type of Relation	Transaction	Transaction value (Million Baht)		Necessity/Description	Rationale
			2019	2018		
5. Vana Nava Co., Ltd.	Related company					
Operates the water jungle, theme park, hotel	- Common director; Mr. Pasu Liptapanlop and Miss Proudpuh Liptapanlop are authorized directors of Vana Nava Co., Ltd.	Subsidiaries - Purchase of land	200.00	-	In 2019, Hua Hin Sky Living Co.,Ltd. (a subsidiary) purchased land 5-1-9.5 Rai that locate in Hua Hin, Prachuap Khiri Khan from Vana Nava Co., Ltd. for developing residential condominium project in the future by borrowed loan from the Company in the amount of Baht 100 million and borrowed loan from a local bank in the amount of Baht 100 million,	As stipulate in the agreement which is in the same way as general contracting parties in the same situation.
		- Short-term loans	25.00	-	During the year 2019, Hua Hin Alpha 71 Co.,Ltd. (a subsidiary) borrowed loan from Vana Nava Co., Ltd. in the amount of Baht 25 million by issuing promissory notes, due at call with the interest rate 7.5% per annum, without collateral in order to use in operations.	As stipulate in the agreement which is in the same way as general contracting parties in the same situation.
		- Interest/ Accrued interest expense	0.17	-	Interest of short-term loan The interest rate 7.5% per annum	The calculation of interest is based on the interest rate on the loan agreements.

Necessity and reasonability of related transactions

The Company and its subsidiaries related transactions are based on normal business practice or normal business support. All the related transactions will incur as necessary and for business operation effectiveness within the group. Pricing policies are determined based on the appropriate and fair price and conditions by considering of the company's benefits or according to the criteria approved by the Board of Directors or the agreed price which is a normal business practice. The transactions must be in accordance with the related transaction policy as specified by the resolution of the Board of Directors' meeting.

Policies or trends of related transactions in the future

The Company and its subsidiaries expect that in the future related transactions will remain based on normal business practice such as space rental. In addition, the Company and its subsidiaries would purchase land from related companies and may have other transactions. However, the future related transactions will be based on the Company's necessity and the Company's benefits and in accordance with the policies or approval procedures as mentioned.



SZENTEN



Classic

SZE

ALLIAD
WOLFO
POLITY

INTERCONTINENTAL
RESIDENCES HUA HIN

→ Report of the Nomination and Remuneration Committee

To Shareholders of Proud Real Estate Public Company Limited

As of 31 December 2019, the Nomination and Remuneration Committee consisted of 3 members namely:

- | | | |
|----------------|-----------------|---|
| 1. Mr. Anuwat | Maytheewibulwut | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Anucha | Sihanatkathakul | Nomination and Remuneration Committee |
| 3. Mr. Pumipat | Sinacharoen | Nomination and Remuneration Committee |

The tenure will last 3 years from 15 May 2019 to 14 May 2022 as approved by the Board of Directors meeting no. 7/2019 held on 15 May 2019.

The Nomination and Remuneration Committee held meetings to consider various agenda in 2019 including:

1. Director Nomination

Consider and nominate qualified candidates to fill director position, replacing resigning director after end of tenure, for consideration and appointment by the Board of Directors meeting and the Annual General Meeting of Shareholders for 2020.

Consider and nominate qualified candidates to fill managing director position, replacing resigning managing director, for consideration and appointment by the Board of Directors meeting.

2. Determination of Remuneration

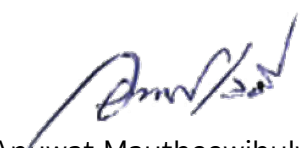
Consider remunerations of director, Audit Committee, Nomination and Remuneration Committee for 2020 and directors' bonus for 2019 for consideration and approval by the Board of Directors meeting and the Annual General Meeting of Shareholders for 2020.

Consider bonus for 2019 and salary increase for 2020 of the management and employees of the Company.

3. Adjustment and Improvement of Duties

Consider the evaluation result of the Nomination and Remuneration Committee for 2019.

The Nomination and Remuneration Committee has performed its duties delegated by the Board of Directors with transparency and in accordance with defined criteria as governed by corporate governance with regards to maximizing benefits of the Company and shareholders.



(Mr. Anuwat Maytheewibulwut)
Chairman of the Nomination
and Remuneration Committee

→ **Financial Information**



Summary of independent auditor's reports in past 3 year

» Summary of Independent Auditor's report as of 31 December 2019

By Miss Wannisa Ngambuathong, Certified Public Accountant (Thailand) No. 6838 Dharmniti Auditing Co.,Ltd.

Auditor commented "Unqualified opinion with the emphasis of matters, namely the recognition of revenue from construction contracts and the valuation of deferred tax assets. However, the Auditor's opinion on financial statements is not qualified in respect of this matter.

» Summary of Independent Auditor's report as of 31 December 2018

By Miss Wannisa Ngambuathong, Certified Public Accountant (Thailand) No. 6838 Dharmniti Auditing Co.,Ltd.

Auditor commented "Unqualified opinion with the emphasis of matters, namely the recognition of revenue from construction contracts and the valuation of deferred tax assets. However, the Auditor's opinion on financial statements is not qualified in respect of this matter.

» Summary of Independent Auditor's report as of 31 December 2017

By Mr.Udom Thanuratpong, Certified Public Accountant (Thailand) No. 8501 PV Audit Co.,Ltd.

Auditor commented "Unqualified opinion with the emphasis of matters, namely the recognition of revenue from construction contracts and the valuation of deferred tax assets. However, the Auditor's opinion on financial statements is not qualified in respect of this matter.

Financial Highlights

Financial Highlights	2019	2018	2017
Financial Position (Million Baht)			
Total Assets	1,720.41	316.74	307.43
Total Liabilities	982.40	191.90	140.91
Total Shareholders' Equity	738.01	124.84	166.52
Paid-up Share Capital	641.47	190.08	190.08
Performance (Million Baht)			
Total Revenues	114.65	114.14	150.06
Revenue from Construction	31.43	87.17	51.44
Revenue from Property Development	58.29	15.91	90.22
Net Profit (Loss) for the year	(40.09)	(41.03)	(45.28)
Share Value (Baht per Share)			
Earnings (Loss) per Share	(0.08)	(0.22)	(0.28)
Book Value per Share	1.15	0.66	0.88
Financial Ratio			
Current Ratio (times)	7.33	1.36	2.56
Return on Equity (ROE) (%)	(9.29)	(28.16)	(29.93)
Debt to Equity Ratio (times)	(2.33)	(12.95)	(14.73)
Return on Assets (ROA) (%)	1.33	1.54	0.85
Total Assets Turnover (times)	0.07	0.36	0.49
Gross Profit Margin (%)	35.96	17.25	19.84
Net Profit (Loss) Margin (%)	(34.97)	(35.95)	(30.17)

Statement of Financial Position

Description	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	101.90	5.92	7.31	2.31	0.91	0.30
Trade and other receivables	0.50	0.03	39.41	12.44	6.80	2.21
Unbilled receivables	-	-	2.01	0.63	12.38	4.03
Short-term loans to related parties	-	-	17.63	5.57	-	-
Work in progress	-	-	1.50	0.47	0.36	0.12
Cost of property development	1,538.39	89.42	173.32	54.72	182.34	59.31
Other current assets	42.49	2.47	5.46	1.72	1.09	0.35
Total Current Assets	1,683.28	97.84	246.64	77.87	203.88	66.32
Restricted bank deposits	0.19	0.01	7.43	2.35	8.35	2.72
Investment in joint venture	-	-	28.78	9.09	24.37	7.93
Building and equipment	9.39	0.55	6.18	1.95	8.50	2.76
Intangible assets	3.68	0.21	2.24	0.71	2.69	0.87
Deferred tax assets	11.27	0.66	11.40	3.60	14.58	4.74
Other non-current assets	12.60	0.73	14.07	4.44	45.06	14.66
Total Non-current Assets	37.13	2.16	70.10	22.13	103.55	33.68
Total Assets	1,720.41	100.00	316.74	100.00	307.43	100.00
Bank overdrafts and short-term loans from financial institution	14.53	0.84	17.04	5.38	2.86	0.93
Trade and other payables	41.61	2.42	23.17	7.32	18.79	6.11
Current portion of long-term loans from financial institution	78.32	4.55	39.44	12.45	-	-
Current portion of liabilities under financial lease agreement	0.73	0.04	-	-	-	-
Short-term loans from related person	-	-	29.90	9.44	-	-
Short-term loans from related parties	50.00	2.91	-	-	-	-
Estimated cost payables	15.92	0.93	13.89	4.39	18.64	6.06
Retention payables	18.05	1.05	18.32	5.78	20.05	6.52
Advance receive from construction	1.38	0.08	6.17	1.95	11.20	3.64
Advance receive from sale of real estate	7.61	0.44	28.36	8.95	-	-
Other current liabilities	1.36	0.08	4.76	1.50	8.10	2.63
Total Current Liabilities	229.51	13.34	181.05	57.16	79.64	25.91
Long-term loans from financial institution	750.00	43.59	-	-	51.92	16.89
Liabilities under financial lease agreement	2.17	0.13	-	-	-	-
Employee benefit obligations	0.72	0.04	10.85	3.43	9.35	3.04
Total Non-current Liabilities	752.89	43.76	10.85	3.43	61.27	19.93
Total Liabilities	982.40	57.10	191.90	60.59	140.91	45.83
Authorized share capital	673.15		227.76		227.76	
Issued and paid-up share capital	641.47	37.29	190.08	60.01	190.08	61.83
Premium on shares	263.63	15.32	68.32	21.57	68.32	22.22
Deficit	(167.09)	(9.71)	(133.56)	(42.17)	(91.88)	(29.89)
Total Shareholders' Equity	738.01	42.90	124.84	39.41	166.52	54.17

Statement of Comprehensive Income

Description	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from Construction	31.43	27.41	87.17	76.37	51.44	34.28
Revenue from Property Development	58.29	50.84	15.91	13.94	90.22	60.12
Other income	24.93	21.74	11.06	9.69	8.40	5.60
Total revenue	114.65	100.00	114.14	100.00	150.06	100.00
Cost of Construction	22.65	19.76	75.99	66.58	61.54	41.01
Cost of Property Development	34.81	30.36	9.31	8.16	52.01	34.66
Distribution costs	9.97	8.70	1.14	1.00	11.03	7.35
Administrative expenses	56.22	49.04	50.51	44.25	58.46	38.96
Severance pay	21.65	18.88	-	-	-	-
Finance cost	5.52	4.81	3.70	3.24	5.41	3.61
Share of loss from investment in joint venture	5.43	4.74	11.34	9.94	9.25	6.16
Total cost and expenses	156.25	136.28	151.99	133.16	197.70	131.75
Profit (loss) before income tax	(41.60)	(36.28)	(37.85)	(33.16)	(47.64)	(31.75)
Tax (expense) income	1.51	1.32	(3.18)	(2.79)	2.36	1.57
Profit (loss) for the year	(40.09)	(34.97)	(41.03)	(35.95)	(45.28)	(30.17)
Other comprehensive income (loss) for the year, net of tax	6.56	5.72	(0.65)	(0.57)	0.48	0.32
Total comprehensive income (loss)	(33.53)	(29.25)	(41.68)	(36.52)	(44.80)	(29.85)

Statement of Cash Flows

(Unit: Million Baht)

Description	2019	2018	2017
Net cash provided by (used in) operating activities	(1,396.06)	10.64	14.41
Net cash provided by (used in) investing activities	57.33	(32.48)	(26.34)
Net cash provided by (used in) financing activities	1,433.32	28.24	(3.63)
Net increase (decrease) in cash and cash equivalents	94.59	6.40	(15.56)
Cash and cash equivalents at beginning of year	7.31	0.91	16.47
Cash and cash equivalents at end of year	101.90	7.31	0.91

Financial Ratio

Description	Unit	2019	2018	2017
Liquidity Ratio				
Current ratio	times	7.33	1.36	2.56
Quick ratio	times	0.45	0.26	0.10
Cash flow current ratio	times	(6.80)	0.08	0.10
Account receivable turnover	times	6.35	7.30	18.30
Average collection period	Days	57	50	20
Account payable turnover	times	4.31	7.23	4.83
Payment period	Days	85	50	76
Profitability Ratio				
Gross profit (loss) margin - Construction business	%	27.94	12.83	(19.64)
Gross profit margin - Property development business	%	40.28	41.48	42.35
Gross profit margin	%	35.96	17.25	19.84
Other income margin	%	21.74	9.69	5.60
Net loss margin	%	(34.97)	(35.95)	(30.17)
Return on equity ratio	%	(9.29)	(28.16)	(29.93)
Efficiency Ratio				
Return on assets ratio	%	(2.33)	(12.95)	(14.73)
Return on fixed assets ratio	%	(306.73)	(487.29)	(404.65)
Assets turnover ratio	times	0.07	0.36	0.49
Financial Policy Ratio				
Debt to equity ratio	times	1.33	1.54	0.85
Interest coverage ratio	times	(6.54)	(9.23)	(7.81)
Dividend pay-out ratio	%	-	-	-
Growth Rate				
Revenue from Construction	%	(63.94)	69.46	(66.33)
Revenue from Property Development	%	266.37	(82.37)	(45.63)
Cost of Construction	%	(70.19)	23.48	(59.30)
Cost of Property Development	%	273.90	(82.10)	(46.74)
Selling and Administrative Expenses	%	70.07	(25.68)	(0.24)
Net Loss	%	(2.29)	(9.41)	37,841.67



The concept is to create a new real estate idea by combining leisure experience and luxury hotel led-service of the residence, nevertheless is worth in terms of investment and It will transform to the living solution concept “More Than Just Living”

**Ms. Proudpu Liptapanlop
Executive Director**

→ **Management Discussion
and Analysis**



Management Discussion and Analysis

Overall Previous Operations

Proud Real Estate Public Company Limited (formerly, Focus Development and Construction Public Company Limited) is previously classified into a group of medium-sized contractor and had conducted the business of construction contractor together with property development. In 2016, the Company expanded, opening another segment of business, which was a joint venture in waste management and energy production from refuse derived fuel. the Company entered into Joint Venture Agreement with Wheig S.A.S., which was incorporated in France to jointly set up and invest in a joint venture namely “Focus Wheig Corporation Limited” (“Focus Wheig”), and the Company jointly invested in 60% shareholding of the registered capital. Focus Wheig has invested in Focus Wheig Bangna Limited (“the subsidiary of joint venture”) which operates on the waste management business and the energy production from refuse derived fuel. However, during the year 2019, the Company has changed its business strategy by stopped its construction contractor business and sold all investment of Focus Wheig, resulting in Focus Wheig end up the status of the Company’s joint venture business.

The Company straighten to focus on only property development business. In 2019, It invested in 2 new established subsidiaries; Hua Hin Alpha 71 Co.,Ltd. and Hua Hin Sky Living Co.,Ltd. which will operate as developers of the residential real estate. At present, Hua Hin Alpha 71 Co.,Ltd. is developing the project “InterContinental Residences Hua Hin”, the first luxury project in Thailand which would be managed by the world-class brand “IHG”. The project is located on the last beachfront land 7-2-48.8 Rai in the center of Hua Hin on Phet Kasem Road next to Soi Hua Hin 71. Hua Hin Sky Living Co.,Ltd. is initially developing residential condominium project on land 5-1-9.5 Rai which is located between Vana Nava Water Jungle and Holiday Inn Resort Vana Nava Hua Hin.

Regarding the Company has invested in Hua Hin Alpha 71 Co.,Ltd. and Hua Hin Sky Living Co.,Ltd. The Company has controlling power. Therefore, the Company includes the financial statements of such companies in the consolidated financial statements since the 2nd quarter of 2019. The consolidated financial statements are prepared by using uniform accounting policies. So that the transactions and the others event which are the same or the similar circumstances have been used the identical policies to record those transactions.

Revenues

The Company had revenues from construction contractor business and property development business according to the proportions as follows:

Table of Source of Revenues

(Unit: Million Baht)

Description	2019		2018		Change		
Construction Contractor Business							
» Government Sector	30.28	26.41%	40.72	35.68%	(10.44)	(25.64%)	
» Private Sector	1.15	1.00%	46.45	40.70%	(45.30)	(97.52%)	
Property Development Business	58.29	50.84%	15.91	13.94%	42.38	266.37%	
Other Revenues	24.93	21.74%	11.06	9.69%	13.87	125.41%	
Total	114.65	100.00%	114.14	100.00%	0.51	0.45%	

Remark: Other income, which are gain on sales of investment in joint venture, income from the back-office service from the subsidiary of the joint venture, or interest income, etc.

Construction Contractor Business

Revenue from construction contracting came from construction projects of both government and private sectors. In 2019, the Company had revenue from construction contracting in the amount of Baht 31.43 million, which decreased by Baht 55.74 million or 64% as compare to the previous year, which was Baht 87.17 million. Due to the Company has stopped its construction contractor business, it did not have new construction project in 2019. The revenue came from previous continuously projects, the government sector was from the construction project to establish the Navy Officer Life Quality Promotion Center at Nang Rong Beach, Sattahip Port, Sattahip Naval Base and the private sector was from the building construction of the waste management factory in Plaeng Yao District, Chachoengsao Province, which was a business of the subsidiary of the joint venture (at present, it end up the status of the Company's joint venture business).

Property Development Business

In 2019, the Company transferred the ownership of 7 units in “Focus Ploenchit” condominium to customers totaling a value of Baht 57.50 million and had rental income Baht 0.79 million. The total revenue from property development business was Baht 58.29 million, which increased by Baht 42.38 million or 266% as compare to the previous year, which was Baht 15.91 million. Therefore, the proportion of revenue form the property development business per total revenue in 2019 and 2018 was 50.84% and 13.94% respectively.

As of 31 December 2019, the Company had a trading value for sales and purchase agreements for 99 units of Baht 585 million and 1 unit of Baht 8 million that customers would transfer ownership in future. The value according to the sales and purchase agreements as follows:

Project	Number of Units of the project	Total Sales of the project (Million Baht)	Value of Sales and Purchase Agreements (Million Baht)	Percentage of Agreements value per Total Sales
Focus Ploenchit	132	830	593	71.45

Moreover, As of 31 December 2019, Hua Hin Alpha 71 Co.,Ltd., a subsidiary of the Company had a trading value for proposed agreements for 22 units of Baht 471 million that the customers paid advance payment for right reserve and would make sales and purchase agreements within 2020. The value according to the proposed agreements as follows:

Project	Number of Units of the project	Total Sales of the project (Million Baht)	Value of Sales and Purchase Agreements (Million Baht)	Percentage of Agreements value per Total Sales
Intercontinental Residences Hua Hin	238	3,515	471	13.40

Other Revenues

In 2019, the Company had other revenues in the amount of Baht 24.93 million which increased by Baht 13.87 million or 125% as compare to the previous year, which was Baht 11.06 million. The main increasing was due to gain on sales of investment in joint venture (Focus Wheig) Baht 20.41 million. While management income from a subsidiary of joint venture decreased by Baht 3.20 million and miscellaneous income decreased by Baht 3.80 million because of adjusted transactions of account payables, estimated cost payables and retention payables which end of warranty period. There were not such adjusted transactions in 2019.

Expenses

The Company's expenses consisted of the cost from construction contracting, cost of sales and expenses in selling of real estate, administrative expenses, finance cost, and income tax expenses.

In 2019 and 2018, the Company had costs that were classified into each type of business as follows:

(Unit: Million Baht)

Transaction	2019				2018				Increase (Decrease)			
	Construction Contractor		Property Development		Construction Contractor		Property Development		Construction Contractor		Property Development	
Revenues	31.43	100%	58.29	100%	87.17	100%	15.91	100%	(55.74)	(64%)	42.38	266%
Cost	22.65	72%	34.81	60%	75.99	87%	9.31	59%	(53.34)	(70%)	25.50	274%
Gross Profit	8.78	28%	23.48	40%	11.18	13%	6.60	41%	(2.40)	(21%)	16.88	256%
Selling Expenses	-	-	9.97	17%	-	-	1.14	7%	-	-	8.83	775%
Profit after selling expenses	8.78	28%	13.51	23%	11.18	13%	5.46	34%	(2.40)	(21%)	8.05	147%

Cost of Construction Contractor Business

In 2019, the Company had a decrease of revenue from construction contracting from the previous year that cause the cost of construction to decrease in the amount of Baht 53.34 million or 70% according to the revenue recognition. The Company had cost from construction contracting at the rate of 72% of revenue, lower than the previous year, which was 87% due to the reduction of the actual budget from completed construction projects. Gross profit margin in 2019 was 28%, in 2018 was 13%.

Cost of Property Development Business

In 2019, the Company had an increase of revenue from property development business from the previous year because the selling and transferring of ownership at the “Focus Ploenchit” condominium were increased that cause the cost of sales increased by Baht 25.50 million or 274% as compare to the previous year. The cost of sales in 2019 was equal to 60% and gross profit margin was 40% that closed to the previous year, which cost of sales was equal to 59% and gross profit margin was 41%. The cost of sales was different due to cost of renovation of each unit.

Selling Expenses

In 2019, the Company had selling expenses in the amount of Baht 9.97 million which increased by Baht 8.83 million or 775% as compare to the previous year, which was Baht 1.14 million. The significant increase was due to fees and taxes of ownership transfer for project the “Focus Ploenchit” condominium. (ownership transferred; 7 units in 2019, 2 units in 2018)

(Unit: Million Baht)

Transaction	2019	2018	Change	
Administrative expenses	77.87	50.51	27.36	54.17%
Finance cost	5.52	3.70	1.82	49.19%
Share of loss from investment in joint venture	5.43	11.34	(5.91)	(52.12%)
Tax (expense) revenue	1.51	(3.18)	4.69	147.48%
Other comprehensive income (expense) for the year, net of tax	6.56	(0.65)	7.21	1,109.23%

Administrative Expenses

In 2019, the Company’s administrative expense was Baht 77.87 million, which consisted of the remuneration for executives, salary and employee expenses, office rental and service fees, utilities expenses, professional fees, or depreciation, etc. It increased by Baht 27.36 million or 54% as compare to the previous year, which was Baht 50.51 million. Main increase was due to severance pay Baht 21.65 million which resulted from the Company’s reorganization, increase in employee expenses Baht 1.76 million, consultant fee Baht 2.00 million, loss on disposal of fixed assets Baht 1.25 million, and expenses for facilities renovation of “Focus Ploenchit” condominium Baht 1.19 million.

Finance Cost

In 2019, The Company’s finance cost was Baht 5.52 million, which increased by Baht 1.82 million or 49% as compare to the previous years, which was Baht 3.70 million. Interest expense increase was due to increase in loan for property development business.

Share of Loss from Investment in Joint Venture

The Company has invested in a joint venture and the joint venture holds ordinary shares in a subsidiary. It operates in the investment of waste management business that has loss. In 2019, the Company entered into a sale transaction to sell this entity and has recorded share of loss from investment in joint venture for this year Baht 5.43 million until selling date.

Tax (Expense) Revenue

In 2019, the Company had income tax revenue in the amount of 1.51 million that occurred from the temporary changes in differences, which caused the deferred income tax to increase when compared with the previous year.

Other Comprehensive Income (loss) for the year, net of tax

In 2019, the Company had other comprehensive income for the year, net of tax in the amount of Baht 6.56 million, which consisted of actuarial gains on defined employee benefit plan Baht 8.19 million and income tax relating to defined benefit plan actuarial gain Baht 1.63 million. It came from adjustment of employee benefit obligations due to change in number of employees from the Company's reorganization and the effect of change in severance payment rate, which is increased from the previous maximum compensation rate of 300 days to 400 days.

Financial Position

The Company's financial position in 2019, when compared with 2018, had significant changes as follows:

(Unit: Million Baht)

Transaction	2019	2018	Change	
Cash and cash equivalents	101.90	7.31	94.59	1,293.98%
Trade and other receivables, net	0.50	39.41	(38.91)	(98.73%)
Unbilled receivables	-	2.01	(2.01)	(100.00%)
Short-term loans to related parties	-	17.63	(17.63)	(100.00%)
Work in progress	-	1.50	(1.50)	(100.00%)
Cost of property development	1,538.39	173.32	1,365.07	787.60%
Other current assets	42.49	5.46	37.03	678.21%
Total Current Assets	1,683.28	246.64	1,436.64	582.48%
Restricted bank deposits	0.19	7.43	(7.24)	(97.44%)
Investment in joint venture	-	28.78	(28.78)	(100.00%)
Building and equipment	9.39	6.18	3.21	51.94%
Intangible assets	3.68	2.24	1.44	64.29%
Deferred tax assets	11.27	11.40	(0.13)	(1.14%)
Other non-current assets	12.60	14.07	(1.47)	(10.45%)
Total Non-current Assets	37.13	70.10	(32.97)	(47.03%)
Total Assets	1,720.41	316.74	1,403.67	443.16%

Assets

The Company had total assets as of 31 December 2019 in the amount of Baht 1,720.41 million, which increased by Baht 1,403.67 million or 443% as compare to the total assets as of the end of 2018, which was Baht 316.74 million. It was categorized into current assets in the amount of Baht 1,683.28 million and non-current assets in the amount of Baht 37.13 million. The significant changes were:

1. Trade and other receivables were in the amount of Baht 0.50 million, which decreased by Baht 38.91 million or 99% as compare to the previous years, which was Baht 39.41 million. In 2019, the Company has stopped its construction contractor business and sold all investment in joint venture which operates on the waste management business and the energy production from refuse derived fuel. Hence, the Company was received from most of receivables during the year that made the balance of trade and other receivables as of the end of year decreased. They were categorized as follows:

1.1 Trade receivables-Related parties came from the construction of the factory buildings in the waste management project, which was the business of the subsidiary of the joint venture, which decreased by Baht 13.74 million.

1.2 Trade receivables-Other parties came from the construction of Navy Officer Life Quality Promotion Center, which decreased by Baht 14.51 million.

1.3 Other receivables-Related parties came from back office service charged to the subsidiary of the joint venture, which decreased by Baht 10.85 million.

As of 31 December 2019, the Company did not have trade receivables. In 2019, the average period for debt collection was 57 days.

2. Unbilled receivables decreased by Baht 2.01 million, and Work in progress decreased by Baht 1.50 million due to all construction projects were finished in the prior year and the Company billed to the customers.

3. Short-term loans to related parties was from short-term loans to the joint venture (Focus Wheig) by issuing promissory notes, due at call with the interest rate MLR+1 per annum, without collateral. During the year, the loan has been fully paid in the amount of Baht 17.63 million.

4. Cost of property development as of 31 December 2019, consisted of:

Cost of property development increased in 2019 because of the 2 new residential projects. While in 2018 the Company had the only project "Focus Ploenchit".

(Unit: Million Baht)

Details	Focus Ploenchit	InterContinental Residences Hua Hin	Other Project	Total
Land	62.54	1,127.50	200.37	1,390.41
Construction cost	80.46	39.01	0.00	119.47
Financial costs	3.96	21.35	3.20	28.51
Total	146.96	1,187.86	203.57	1,538.39

5. Other current assets increased by Baht 37.03 million. Main increase was due to prepaid sales management fees of the subsidiary in the amount of 23.78 million. Moreover, there were increase in prepaid expenses by Baht 6.28 million and increase in advance payment for goods and services by Baht 4.08 million.

6. Restricted bank deposits decreased by Baht 7.24 million due to free of guarantee according to period and conditions of construction contracts.

7. Investment in joint venture (Focus Wheig) decreased by Baht 28.78 million due to the Company sold all investment of Focus Wheig during the year.

8. Building and equipment increased by Baht 3.21 million. Main increase was due to leasehold improvement for the new office space. Intangible assets increased by Baht 1.44 million due to the Company was setting up new application software for the new sales system and accounting system that suitable for property development business operation.

9. Other non-current assets decreased by Baht 1.47 million. Main decrease was due to the Company had received withholding tax return in 2017 in the amount of 3.30 million.

(Unit: Million Baht)

Transaction	2019	2018	Change	
Bank overdrafts and short-term loans from financial institution	14.53	17.04	(2.51)	(14.73%)
Trade and other payables	41.61	23.17	18.44	79.59%
Current portion of long-term loans from financial institution	78.32	39.44	38.88	98.58%
Current portion of liabilities under financial lease agreement	0.73	-	0.73	100.00%
Short-term loans from related person	-	29.90	(29.90)	(100.00%)
Short-term loans from related parties	50.00	-	50.00	100.00%
Estimated cost payables	15.92	13.89	2.03	14.61%
Retention payables	18.05	18.32	(0.27)	(1.47%)
Advance receive from construction	1.38	6.17	(4.79)	(77.63%)
Advance receive from sale of real estate	7.61	28.36	(20.75)	(73.17%)
Other current liabilities	1.36	4.76	(3.40)	(71.43%)
Total Current Liabilities	229.51	181.05	48.46	26.77%
Long-term loans from financial institution	750.00	-	750.00	100.00%
Liabilities under financial lease agreement	2.17	-	2.17	100.00%
Employee benefit obligations	0.72	10.85	(10.13)	(93.36%)
Total Non-current Liabilities	752.89	10.85	742.04	6,839.08%
Total Liabilities	982.40	191.90	790.50	411.93%

Liabilities

As of 31 December 2019, the Company had total liabilities in the amount of Baht 982.40 million, which increased by Baht 790.50 million or 412% as compare to the total liabilities as of the end of 2018, which was Baht 191.90 million. It was categorized into current liabilities in the amount of Baht 229.51 million and non-current liabilities in the amount of Baht 752.89 million. The significant changes were:

1. Bank overdrafts and short-term loans from financial institution decreased by Baht 2.51 million due to the short-term loans from the selling of discounted notes receivable decreased by Baht 6.50 million. While the Company increased the use of working capital from the overdraft by Baht 3.99 million.
2. Trade and other payables increased by Baht 18.44 million as compare to the previous year due to the Company has started to develop the new residential projects since the 3rd quarter of 2019 that made more transactions and outstanding balances at the end of the year.
3. Short-term loan from related person was short-term loan from director by issuing promissory notes, due at call with the interest rate MOR per annum, without collateral. During the year, the loan and accrued interest has been fully paid.
4. Short-term loans from related parties were short-term loans which the subsidiaries borrowed from related companies in order to use in operations by issuing a promissory note in the amount of Baht 25 million, due at call with no interest, without collateral and a promissory note in the amount of Baht 25 million, due at call with the interest rate at 7.50% per annum, without collateral.
5. Estimated cost payables increased by Baht 2.03 million as compare to the previous year. Main increase was due to the estimated cost for sales price guarantee of “Focus Ploenchit” condominium. In 2019, the Company sold 4 units of “Focus Ploenchit” with the sales price guarantee promotion.
6. Advance receive from construction was in the amount of Baht 1.38 million, came from the amount billed to customers over the value of contracts, which decreased by Baht 4.79 million as compare to the previous years due to the Company delivered the finished construction projects to customers during the year.
7. Advance receive from sale of real estate was in the amount of Baht 7.61 million, came from sales of “Focus Ploenchit” condominium by receiving the advance money but the ownerships were not transferred to customers in the amount of Baht 5.41 million. The deposit and contract money for 22 units of the project “InterContinental Residences Hun Hin” in the amount of Baht 2.20 million.

8. Other current liabilities decreased by Baht 3.40 million as compare to the previous year. Main increase was due to the undue output tax, which decreased by Baht 1.79 million because of receiving from receivables. Allowance for estimated loss decreased by Baht 1.95 million because of adjusted transactions of estimated cost for projects which end of warranty period.

9. Long-term loans from financial institutions was in the amount of Baht 828.32 million. It was categorized into current portion, due date within one year in the amount of Baht 78.32, which was from the credit facility for “Focus Ploenchit” and the loans net of current portion in the amount of Baht 750 million, which were form credit facility for land purchase and develop the project “InterContinental Residences Hun Hin” of Hua Hin Alpha 71 Co.,Ltd. and credit facility for land purchase of Hua Hin Sky Living Co.,Ltd. The details of the long-term loans from financial institutions as follows:

Project	Credit Facilities (Million Baht)	Balance as of 31/12/19 (Million Baht)	Period	Interest Rate per annum	Repayment
Focus Ploenchit	100.00	78.32	May 2019 - May 2022	MLR - 1	when transfer right of residential condominium unit
Intercontinental Residences Hua Hin	1,320.00	650.00	within Dec. 2023	MLR - 2	when transfer right of residential condominium unit
Project of Hua Hin Sky Living Co.,Ltd.	100.00	100.00	within May 2021	MLR - 1.5	Paid in full amount within the time period
Total	1,520.00	828.32			

The Company and its subsidiaries mortgaged land of the projects with constructions to secure the loans and the Company guaranteed the debt for such subsidiaries.

10. Liabilities under financial lease agreement was in the amount of Baht 2.90 million. It was categorized into current portion, due date within one year in the amount of Baht 0.73 million and the after one year but within five years in the amount of Baht 2.17 million. It was a vehicle lease agreement for an executive management.

11. Employee benefit obligations decreased by Baht 10.13 million due to the adjustment transaction resulting from the Company’s reorganization cause the number of employees decreased.

Shareholders' Equity

As of 31 December 2019 and 2018, the Company had a shareholders' equity as follows:

(Unit: Million Baht)

Transaction	2019	2018	Change	
Authorized share capital	673.15	227.76	445.39	195.55%
Issued and paid-up share capital	641.47	190.08	451.39	237.47%
Premium on shares	263.63	68.32	195.31	285.88%
Deficit	(167.09)	(133.56)	33.53	25.10%
Total Shareholders' Equity	738.01	124.84	613.17	491.16%

As of 31 December 2019, the Company had a shareholders' equity of Baht 738.01 million, which increased by Baht 613.17 million or 491% as compare to the shareholders' equity as of the end of 2018, which was Baht 124.84 million, because in 2019, the Company increased the registered capital from Baht 227.76 million to Baht 673.15 million by issuing 451.39 million new ordinary shares, with a par value of Baht 1 per share. The newly issued ordinary shares are allocated under private placement scheme in reliance upon the general meeting's resolution for offering at Baht 1.44 per share resulting in an increasing in a share premium in the amount of Baht 195.31 million. The Company had a net loss for the year in the amount of Baht 40.09 million and other comprehensive income for the year, net of tax in the amount of Baht 6.56 million. It made the accumulated losses increased from Baht 133.56 million to Baht 167.09 million or increased by Baht 33.53 million.

Cash Flows and Liquidity

(Unit: Million Baht)

Description	2019	2018
Net cash provided by (used in) operating activities	(1,396.06)	10.64
Net cash provided by (used in) investing activities	57.33	(32.48)
Net cash provided by (used in) financing activities	1,433.32	28.24
Net increase (decrease) in cash and cash equivalents	94.59	6.40
Cash and cash equivalents at beginning of year	7.31	0.91
Cash and cash equivalents at end of year	101.90	7.31

As of 31 December 2019, the Company had a cash and cash equivalents balance in the amount of Baht 101.90 million with an increase in net cash flows in the amount of Baht 94.59 million, which consisted of:

1. Net cash used in operating activities was in the amount of Baht 1,396.06 million. The main transactions came from the increase in cost of property development in the amount of Baht 1,351.48 million and the increase in other current assets in the amount of Baht 37.03 million.
2. Net cash provided by investing activities was in the amount of Baht 57.33 million. The main transactions came from cash received from sale of investment in joint venture in the amount of Baht 43.76 million and net cash received from short-term loans to related party in the amount of Baht 17.63 million.
3. Net cash provided by financing activities was in the amount of Baht 1,433.32 million. The main transactions came from cash received from issued ordinary shares in the amount of Baht 646.70 million and net cash received from long-term loans from financial institutions in the amount of 789.65 million. Most of loans were the subsidiaries' loan, which were used in property development projects.

The Company's liquidity ratio in 2019 was equal 7.33 times, which increase by 5.97 times when compared with 2018, which was equal to 1.36 times. The increase of the ratio partly came from the increase in cost of property development, which was classified as current asset. While bank overdrafts and short-term loans from financial institutions and current portion of long-term loans from financial institutions were in low proportion because main funding source of the Company came from long-term loans and capital from shareholders. Therefore, the debt-to-equity ratio as of 31 December 2019 was equal to 1.33 times, which decreased as compare to the previous year, which was equal to 1.54 times.

Commitments and Contingent Liabilities

As of 31 December 2019, the Company and its subsidiaries had commitments and contingent liabilities as follows:

1. The Company had letters of guarantee issued by local banks, which was related with the obligations according to the normal business trade agreement with the balance as of 31 December 2019 in the amount of Baht 12.47 million.

2. The Company had commitments for payment under the agreements as follows:

2.1 Payment under office rental and service agreement as follows:

Period	Rental and service expense (Million Baht)
1 year	3.68
2 - 3 years	6.38

2.2 Payment under property development project in the amount of Baht 4.70 million.

2.3 Payment under compensation for sale as specific rate in the contract.

3. The subsidiaries had commitments for payment under the agreements as follows:

3.1 Payment under land rental and service agreement as follows:

Period	Rental and service expense (Million Baht)
1 year	4.87
2 - 3 years	3.15

3.2 Payment under service agreements in the amount of Baht 53.71 million.

4. A subsidiary has entered into a Sales and Marketing License Agreement ("SMLA") and a Residences Management Agreement ("RMA") with InterContinental Hotels Group (Asia Pacific) Pte,Ltd., and the Company is a guarantor. As of 31 December 2019, the subsidiary has a commitment for payment under the SMLA in the amount of USD 525,000 and 3% license fee on all sales revenue generated by sales of the residences and a commitment for payment under the RMA in the amount of USD 50,000 and a service fee Baht 10,000 per year from the completion of the residences until 1 December 2041.

Main factors and influences that might affect the operations or financial status in the future

The Property development business is a business with a good rate of return even though there are factors that affect the operation in terms of finding potential land at a suitable price, location, design, and price, which must respond with the demands of the target customer. Hence, the Company sees a trend in the real estate market for customers who want to have a residence in town scenery with a distance that is not too far from Bangkok. Therefore, the Company has the policy to expand investment in the vertical property development, especially in the area of Hua Hin District, Prachuap Khiri Khan Province. The Company had invested in subsidiaries in order to develop residential condominium projects in such area, which focus on target customers that have high purchasing power.

Disclosure of Auditors' Remuneration

Auditors' Remuneration

1. Audit Fee

The Company and its subsidiaries paid the audit fee to the office, Dharmniti Auditing Co.,Ltd. during the previous accounting period for the total amount of Baht 1,050,000.

2. Non-Audit Fee

-None-



More than just living

→ **Report of the Audit Committee**



To Shareholders

The Audit Committee of Proud Real Estate Public Company Limited is appointed following the resolution of the Board of Directors. The Audit Committee comprises of 3 qualified directors sufficient to review the credibility of financial statements and the internal control systems. In 2019, there were 4 Audit Committee meetings. Focus Development and Construction Public Company Limited held 2 meetings; and Proud Real Estate Public Company Limited held 2 meetings. The following are details of meeting attendance of each Audit Committee member:

Focus Development and Construction Public Company Limited – Past

- | | | |
|------------------------------------|--|-----------------------|
| 1. Mr. Phasansuk Ayanabut | Position Chairman of the Audit Committee | Attended 2/2 meetings |
| 2. Pol.Maj.Gen. Soontorn Boonruang | Position Audit Committee | Attended 2/2 meetings |
| 3. Mr. Wera Suriyaarchanon | Position Audit Committee | Attended 2/2 meetings |

Proud Real Estate Public Company Limited – Present

- | | | |
|-------------------------------|--|-----------------------|
| 1. Mr. Anuwat Maytheewibulwut | Position Chairman of the Audit Committee | Attended 2/2 meetings |
| 2. Mr. Pumipat Sinacharoen | Position Audit Committee | Attended 2/2 meetings |
| 3. Ms. Anchalee Bunsongsikul | Position Audit Committee | Attended 1/2 meetings |

The Audit Committee has performed its duties delegated by the Board of Directors with sufficient independence, in accordance with regulations of the Stock Exchange of Thailand as well as the Audit Committee Charter. The material duties of the Audit Committee can be summarized as followed:

1. Review of Quarterly and Annually Financial Statements

The Audit Committee reviewed accuracy of quarterly and annually financial statements and disclosures in the notes to the financial statements as audited by the auditor. The Audit Committee inquired the auditor for opinion to ensure that the financial statements were materially accurate and complete in accordance with accounting standards and can be disclosed to the public or related parties.

2. Review of Internal Control System

The Audit Committee reviewed the sufficiency and appropriateness of internal control systems of the Internal Audit department to ensure that the internal audit plan is regularly updated covering operation, reporting, and follow-up processes. The Audit Committee provided advices to the Internal Audit department to ascertain appropriate internal audit. The Audit Committee placed high importance in legal and compliance audit relevant to the business. These duties are performed with purpose of building confidence to investors and to ensure that the Company recognizes the importance of auditing risks that may impact the entity.

3. Review of Compliance with Laws, Regulations, and Others Requirements Relevant to the Business

The Audit Committee reviewed operations to ascertain compliance with laws, regulations, and other requirements relevant to the entity, covering the Securities and Exchange Commission, the Stock Exchange of Thailand, and other regulators relevant to the entity. The Audit Committee determined that relevant details are regularly updated to ascertain appropriate operation and compliance.

4. Review of related party Transactions

The Audit Committee reviewed related party transactions related to the directors, management, and shareholders of subsidiaries and associated companies to be in compliance with the Securities and Exchange Commission, and the Stock Exchange of Thailand regularly every quarter to ascertain that the operation is transparent.

5. Review of Anti-Corruption

The Audit Committee placed high importance to the Company's operations that corruption may occur. The Audit Committee ensured that Internal Audit process covered incidents that may lead to corruption. Moreover, studies of anti-corruption guidelines were performed leading Anti-Corruption Policy to ascertain stakeholders that the Company complied with relevant laws.

6. Review of Audit Committee Charter and Internal Audit Charter

The Audit Committee reviewed the charter to ensure operational suitability with considerations of mission, scope, roles and responsibility, and compliance with relevant laws. The Audit Committee performed duties with integrity, independence, and credibility. In addition, the Internal Audit Charter is reviewed covering scope of audit, operational duties, and with independence suitable to assigned responsibility.

7. Approval of Auditor

The Audit Committee considered the appropriateness of auditor, selected, and nominated auditor for 2020 of the Company and its subsidiaries. The considerations covered knowledge, capability, auditing experience, quality of audit, and appropriateness of remuneration. The Audit Committee nominated EY Company Limited as the Company's and subsidiaries' auditor for 2020 along with audit fee to the Board of Directors before proposing for consideration in the shareholders' meeting.



(Mr. Anuwat Maytheewibulwut)
Chairman of the Audit Committee

→ Board's Responsibility for Financial Reports



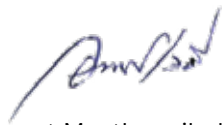
Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors are responsible for the separate financial statements and the consolidated financial statements of the Company and its subsidiaries, including financial information in the Annual Report. The financial statements for the year ended 31 December 2019 have been prepared in accordance with Thai Financial Reporting Standards with appropriate accounting policies applied on a consistent basis. In addition, judgment and estimates were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. The financial statements fairly and transparently reflect financial positions, performance, and cash flows for the benefits of shareholders and investors. The financial statements have been audited by independent certified auditors whom have given their unqualified opinions. The Company supported the auditors with information and documents for the auditors to audit and express opinion in accordance with the auditing standards.

The Board of Directors have set up and maintained sufficient and efficient internal control systems, internal audit, and compliance; with the purpose that the accounting information is materially accurate, complete, and sufficient to safeguard the Company's assets, manage risks, and prevent corruption or unlawful actions.

The Board of Directors have appointed the Audit Committee comprising of independent directors responsible for reviewing accounting policies, ensuring quality of financial statements, reviewing internal control system and internal audit, reviewing the accuracy, sufficiency and appropriateness disclosures of connected transactions. The Audit Committee's opinion has been disclosed in the Report of the Audit Committee in the Annual Report.

The Board of Directors have viewed that the overall internal control system of the Company was sufficient and appropriate. The internal control system could provide reasonable assurance that the separate financial statements and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 were reliable and in accordance with financial reporting standards and relevant laws and regulations.



Mr. Anuwat Maytheewibulwut
Chairman of the Board of Directors



Mr. Verapong Chaiperm
Vice Chairman of the Board of Directors and
Chairman of the Executive Committee



Mr. Paisit Kaenchan
Director and Managing Director



Mr. Pasu Liptapanlop
Director



Ms. Proudpuh Liptapanlop
Director



Mr. Anucha Sihanatkathakul
Director



Mr. Pumipat Sinacharoen
Director



Ms. Anchalee Bunsongsikul
Director

→ **Financial statements**



**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Proud Real Estate Public Company Limited
(Formerly, Focus Development and Construction Public Company Limited)

I have audited the consolidated financial statements of Proud Real Estate Public Company Limited (Formerly, Focus Development and Construction Public Company Limited) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Proud Real Estate Public Company Limited (Formerly, Focus Development and Construction Public Company Limited) (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Proud Real Estate Public Company Limited (Formerly, Focus Development and Construction Public Company Limited) and its subsidiaries as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Proud Real Estate Public Company Limited (Formerly, Focus Development and Construction Public Company Limited) as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statement of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue recognition for construction services

The Company had recognized the revenues for construction services, construction cost that require the use of judgment and the significant assumption by the management, including to review the estimates cost throughout the construction period and determine the success of the work throughout the service period. It affects the measurement of revenue and service periods. In addition, revenue recognition based on the success of completion of construction has impact on the accounting entries, revenues from construction services, unbilled income, advance received, construction costs and construction costs payable. The amount is materiality to the financial statements of the Company. Therefore, I consider transactions in respect of revenue recognition under the construction agreement and construction costs are significant to the financial statements. The Company has disclosed the accounting policies related to the revenue recognition to the construction service in Note 5.1.

Risk response from auditor

I have audited the recognition of revenue under the construction agreement and construction costs by understanding the process of preparation of financial reports and financial estimates to determine the percentage of completion of the cost estimates audit. I tested the significant internal control system related to the recognition of revenues and costs under the construction agreement. I have audited the recognition of revenues under the related construction agreement. I attended the construction site to compare the consistency of the report on the progress of construction with the inspection of work from the customer to assess the reasonableness of the assessment of the stage of completion for recognition of revenue and cost of construction and audited the actual cost of each project during the year and after the end of the year with related document. In addition, I made comparative analysis of the actual costs as compared to the total estimated costs of project and gross margin to assess the reasonableness of the cost estimation and the change in provision during the year. I had audited the sufficiency of information disclosure of the Company in order to comply with financial reporting standards.

Valuation of Deferred Tax

As described in Notes 5.16 and 16 to the financial statements, regarding accounting policies of income tax and deferred tax, the Company recognized deferred tax for the temporary differences to the extent that is recognized equal to the amount of the future taxable profit will be sufficient to allow utilisation of the temporary differences. As a result, it is necessary to use significant management judgment and estimation of future performance, and may relate to the management decision of the events in the future in order to support the recognition of such transactions. Therefore, I have identified this matter to be area significantly the financial statements because it requires the reasonableness of the management judgment in the estimation based on assumptions in respect of the future events.

Risk response by the auditor

I evaluated the reasonableness of assumptions used in the estimation inclusive of Company's future performance to consider whether it is sufficient to utilize temporary differences for tax deductions by considering the probability of property development and condominium sale in the future based on the evidences of the Company's operate and testing the calculated deferred tax include considering the sufficiency assess of disclosure notes in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises information including in annual report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after that date.

My opinion on the financial statements in which the equity method is applied and separate financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance to make correction the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

- I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Wannisa Ngambuathong.



(Miss Wannisa Ngambuathong)

Certified Public Accountant

Registration No. 6838

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 26, 2020

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

ASSETS

		Baht		
		Consolidated	Separate Financial Statements	
		Financial Statements		
		As at December	As at December	As at December
Note		31, 2019	31, 2019	31, 2018
CURRENT ASSETS				
Cash and cash equivalents	7	101,898,226	661,784	7,310,651
Trade and other receivables	6, 8	502,985	34,510,532	39,412,284
Unbilled receivables	23	-	-	2,007,065
Short-term loans to related parties	6	-	4,110,000	17,630,531
Work in progress		-	-	1,497,441
Cost of property development	9	1,538,383,413	146,955,735	173,323,076
Other current assets	10	42,492,509	7,485,679	5,460,847
Total Current Assets		1,683,277,133	193,723,730	246,641,895
NON-CURRENT ASSETS				
Restricted bank deposits	11	190,656	190,656	7,427,172
Investment in subsidiaries	12	-	50,249,625	-
Investment in joint venture	13	-	-	28,783,621
Long-term loans to related parties	6	-	641,500,000	-
Building and equipment	14	9,393,978	8,395,239	6,184,559
Intangible assets	15	3,678,474	3,678,474	2,242,154
Deferred tax assets	16	11,272,714	11,272,714	11,397,209
Other non-current assets	17	12,594,906	12,569,324	14,067,325
Total Non-current Assets		37,130,728	727,856,032	70,102,040
TOTAL ASSETS		1,720,407,861	921,579,762	316,743,935

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht		
		Consolidated	Separate Financial Statements	
		Financial Statements		
		As at December	As at December	As at December
Note	31, 2019	31, 2019	31, 2018	
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from				
financial institution	18	14,529,606	14,529,606	17,037,486
Trade and other payables	6, 19	41,609,554	9,707,489	23,170,343
Current portion of long-term loans from financial institution	21	78,319,542	78,319,542	39,444,994
Current portion of liabilities under financial lease agreement	20	730,596	730,596	-
Short-term loans from related person	6	-	-	29,900,000
Short-term loans from related parties	6	50,000,000	-	-
Estimated cost payables		15,918,814	15,918,814	13,887,457
Retention payables		18,054,332	17,220,585	18,323,848
Advance receive from construction	23	1,383,541	1,383,541	6,167,682
Advance receive from sale of real estate		7,607,265	5,407,265	28,361,861
Other current liabilities		1,355,196	957,505	4,759,451
Total Current Liabilities		229,508,446	144,174,943	181,053,122
NON-CURRENT LIABILITIES				
Liabilities under financial lease agreement	20	2,175,755	2,175,755	-
Long-term loans from financial institution	21	750,000,000	-	-
Employee benefit obligations	22	719,881	719,881	10,854,339
Total Non-current Liabilities		752,895,636	2,895,636	10,854,339
Total Liabilities		982,404,082	147,070,579	191,907,461

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht		
		Consolidated	Separate Financial Statements	
		Financial Statements		
		As at December	As at December	As at December
Note		31, 2019	31, 2019	31, 2018
SHAREHOLDERS' EQUITY				
Share capital				
Authorized share capital:				
	673,148,951 ordinary shares, Baht 1 par value	25	673,148,951	227,760,073
Issued and paid-up share capital				
	641,468,952 ordinary shares, Baht 1 par value	25	641,469,327	190,080,063
	Premium on shares	26	263,629,139	68,318,028
	Deficit		(167,094,687)	(133,561,617)
Total Shareholders' Equity			738,003,779	124,836,474
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			1,720,407,861	316,743,935

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	Baht		
		Consolidated	Separate Financial Statements	
		Financial Statements		
		2019	2019	2018
Revenue from sales and services	32	89,720,971	89,720,971	103,082,780
Cost of sales and services	32	(57,464,135)	(57,464,135)	(85,306,817)
Gross profit		32,256,836	32,256,836	17,775,963
Other income	13	24,934,647	59,365,630	11,061,021
Distribution costs		(9,968,204)	(9,729,334)	(1,137,497)
Administrative expenses		(77,869,104)	(76,207,836)	(50,508,790)
Finance cost		(5,518,156)	(5,343,498)	(3,704,628)
Share of loss from investment in joint venture		(5,436,392)	(5,436,392)	(11,336,310)
Profit (loss) before income tax		(41,600,373)	(5,094,594)	(37,850,241)
Tax (income) expense	28	(1,513,865)	(1,513,865)	3,182,462
Profit (loss) for the year		(40,086,508)	(3,580,729)	(41,032,703)
Other comprehensive income :				
Items that will not be reclassified to profit or loss				
Actuarial gains (loss) on defined employee benefit plan,				
net of tax	22	6,553,438	6,553,438	(652,167)
Items that may be reclassified subsequently to profit or loss		-	-	-
Other comprehensive income (expense) for the year, net of tax		6,553,438	6,553,438	(652,167)
Total comprehensive income (expense) for the year		(33,533,070)	2,972,709	(41,684,870)
Earnings per share	29			
Basic earnings (loss) per share (Baht per share)		(0.08)	(0.01)	(0.22)
Weighted average number of ordinary shares (shares)		478,226,943	478,226,943	190,080,063

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Consolidated Financial Statements			
		Issued and paid-up share capital	Premium on shares	Deficit	Total
	Note				
Balance as at January 1, 2019		190,080,063	68,318,028	(133,561,617)	124,836,474
Increase capital	25	451,389,264	195,311,111	-	646,700,375
Comprehensive income					
Profit (loss) for the year		-	-	(40,086,508)	(40,086,508)
Other comprehensive income (expense) for the year		-	-	6,553,438	6,553,438
Total comprehensive income (expense) for the year		-	-	(33,533,070)	(33,533,070)
Balance as at December 31, 2019		641,469,327	263,629,139	(167,094,687)	738,003,779

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

		Baht			
		Separate Financial Statements			
		Issued and paid-up share capital	Premium on shares	Deficit	Total
	Note				
Balance as at January 1, 2018		190,080,063	68,318,028	(91,876,747)	166,521,344
Comprehensive income					
Profit (loss) for the year		-	-	(41,032,703)	(41,032,703)
Other comprehensive income (expense) for the year		-	-	(652,167)	(652,167)
Total comprehensive income (expense) for the year		-	-	(41,684,870)	(41,684,870)
Balance as at December 31, 2018		190,080,063	68,318,028	(133,561,617)	124,836,474
Increase capital	25	451,388,889	195,311,111	-	646,700,000
Comprehensive income					
Profit (loss) for the year		-	-	(3,580,729)	(3,580,729)
Other comprehensive income (expense) for the year		-	-	6,553,438	6,553,438
Total comprehensive income (expense) for the year		-	-	2,972,709	2,972,709
Balance as at December 31, 2019		641,468,952	263,629,139	(130,588,908)	774,509,183

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the year	(40,086,508)	(3,580,729)	(41,032,703)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (used in) operating activities			
Reversed of doubtful accounts	-	-	(419,912)
Doubtful debts	-	-	1,068,047
Depreciation and amortization	1,291,201	1,288,957	2,683,564
(Gain) loss on sale and written-off assets	1,202,980	1,202,980	(825,137)
Gain on sales of investment	(20,414,701)	(20,414,701)	-
Employee benefit obligation expenses	629,264	629,264	854,352
Estimate cost of rectification and maintenance expense (reversal)	(272,119)	(272,119)	3,468,215
Amortization of advance payment	-	-	70,000
Gain written off liabilities	(247,655)	(247,655)	(4,241,309)
Interest income	(1,260,900)	(27,303,809)	(238,661)
Interest expenses	5,518,156	5,343,498	3,704,627
Share of loss from investment in joint venture	5,436,392	5,436,392	11,336,310
Income (expense) tax	(1,513,865)	(1,513,865)	3,182,462
Profit (loss) from operating activities before change in operating assets and liabilities	(49,717,755)	(39,431,787)	(20,390,145)
Change in operating assets (increase) decrease			
Trade and other receivables	38,909,299	29,777,764	(32,110,675)
Unbilled receivables	2,007,065	2,007,065	10,375,374
Work in progress	1,497,441	1,497,441	(1,141,621)
Cost of property development	(1,351,483,487)	25,589,563	9,013,772
Other current assets	(37,031,662)	(2,024,832)	(4,366,810)
Restricted bank deposits	7,236,516	7,236,516	924,191
Other non-current assets	24,592	50,174	13,593,639
Change in operating liabilities increase (decrease)			
Trade and other payables	17,871,984	(13,427,717)	4,031,387
Estimated cost payables	2,303,476	2,303,476	(8,215,348)

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Retention payables	(50,040)	(883,787)	2,517,720
Advances received from construction	(4,784,141)	(4,784,141)	(5,027,911)
Advances received from sale of property development	(20,754,596)	(22,954,596)	28,361,861
Cash paid for employee benefits	(2,571,924)	(2,571,924)	-
Other current liabilities	(3,404,255)	(3,801,946)	(3,343,968)
Cash generated from operations	(1,399,947,487)	(21,418,731)	(5,778,534)
Interest received	2,436,037	2,427,797	88,120
Income tax refund	3,304,709	3,304,709	17,959,424
Income tax paid	(1,856,881)	(1,856,881)	(1,631,900)
Net cash provided by (used in) operating activities	(1,396,063,622)	(17,543,106)	10,637,110
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for investment in subsidiaries	-	(50,249,625)	-
Cash paid for investment in joint venture	-	-	(15,750,000)
Cash receive from sale of investment in joint venture	43,761,930	43,761,930	-
Cash paid for short-term loans to related parties	(11,110,000)	(39,703,568)	(17,630,531)
Cash received from short-term loans to related parties	28,730,531	53,224,099	-
Cash paid for long-term loans to related parties	-	(650,000,000)	-
Cash received from long-term loans to related parties	-	8,500,000	-
Cash paid for purchase of property, plant and equipment	(6,651,146)	(5,650,162)	(65,785)
Cash paid for intangible assets	(2,450,890)	(2,450,890)	-
Cash received from disposal of property, plant and equipment	5,051,115	5,051,115	971,963
Net cash provided by (used in) investing activities	57,331,540	(637,517,101)	(32,474,353)

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in bank overdrafts and short-term loans			
from financial institution	(2,507,881)	(2,507,881)	14,173,367
Cash received from short-term loans from financial institution	550,000,000	-	-
Cash paid for short-term loans from financial institution	(550,000,000)	-	-
Cash received from long-term loans from financial institution	850,000,000	100,000,000	-
Cash paid for long-term loans from financial institution	(60,347,674)	(60,347,674)	(12,480,000)
Cash received from short-term loans from related person	11,100,000	11,100,000	29,900,000
Cash paid for short-term loans from related person	(41,000,000)	(41,000,000)	-
Cash received from short-term loans to related parties	50,000,000	-	-
Cash paid for liabilities under financial lease agreement	(182,649)	(182,649)	-
Cash received from issued ordinary shares	646,700,000	646,700,000	-
Interest paid	(20,442,139)	(5,350,456)	(3,354,348)
Net cash provided by financing activities	1,433,319,657	648,411,340	28,239,019
Net increase (decrease) in cash and cash equivalents	94,587,575	(6,648,867)	6,401,776
Cash and cash equivalents at beginning of year	7,310,651	7,310,651	908,875
Cash and cash equivalents at end of year	101,898,226	661,784	7,310,651
Supplementary disclosures of cash flows information :			
1. Recorded the interest expense as real estate project			
under development	24,543,084	-	-
2. Purchased vehicles by entering into a financial lease agreement.	3,089,000	3,089,000	-

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

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. GENERAL INFORMATION

Focus Development and Construction Public Company Limited, “the Company” was incorporated in Thailand under the Civil and Commercial Code on March 30, 1989, and was listed in the Market for Alternative Investment on the Stock Exchange of Thailand on October 5, 2004. On May 13, 2019, the Company changing the name of to Proud Real Estate Public Company Limited.

The registered office of the Company is located at 25, Floor 9, Alma Link Building, Soi Chidlom, Ploenchit Road, Lumpini, Patumwan, Bangkok. And on September 17, 2019, the address is changed to 900 Tonson Tower Building Floor 6, Ploenchit Road, Lumpini, Patumwan, Bangkok.

The Company and its subsidiaries engage as a construction contractor and a real estate business.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 The accompanying consolidated financial statements include the accounts of Proud Real Estate Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company.

Company's name	As at December 31, 2019		As at December 31, 2018		Principal activities
	Percentage of Shareholding	Paid – up Capital	Percentage of Shareholding	Paid – up Capital	
	(%)	(Million Baht)	(%)	(Million Baht)	
<u>Subsidiaries held by Company</u>					
Hua Hin Alpha 71 Company Limited	99.99	50.00	-	-	Real estate
Hua Hin Sky Living Company Limited	99.97	0.25	-	-	Real estate

During the year, the Company has invested in Hua hin Alpha 71 Company Limited and Hua hin Sky Living Company Limited. The Company has controlling power. Therefore, the Company includes the financial statements of such company in the consolidated financial statements since the second quarter 2019.

- 2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated the statements of financial position as at December 31, 2019	Percentage of total revenues included in consolidated the statements of comprehensive income for the year ended December 31, 2019
<u>Subsidiaries</u>		
Hua Hin Alpha 71 Company Limited	76.99%	0.05%
Hua Hin Sky Living Company Limited	11.88%	0.00%
	<u>88.87%</u>	<u>0.05%</u>

- 2.3 The financial statements are prepared using the same basis as were used for the financial statements in which the equity method, consisted of the financial statements of Proud Real Estate Public Company Limited and the interest in joint venture which included interest in the subsidiary of joint venture Until July 11, 2019 (date of joint venture's end) as follows:

Name of entity	Located in	Business type	Percentage of holding (%)	
			2019	2018
Joint venture				
Focus Wheig Corporation Limited	Thailand	Jointly investment in integrated waste management business and waste to energy business solutions	-	60.00

On September 12, 2016, the Company entered into Joint Venture Agreement with Wheig S.A.S., which was incorporated in France to jointly set up and invest in a joint venture namely “Focus Wheig Corporation Limited” (“the joint venture”) which was incorporated in Thailand on October 5, 2016.

- 2.4 The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 2.5 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.
- 2.6 Outstanding balances between the Company and the subsidiaries, significant intercompany transactions, investment balance in the Company’s books and share capital of the subsidiaries are eliminated from the consolidated financial statements.
- 2.7 Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control.

3. PRINCIPLES OF PREPARATION

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

4. NEW FINANCIAL REPORTING STANDARDS

4.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

4.2 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. 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 of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenues from sale of property

Sales of residential condominium units are recognized as revenue when the construction works are completed and the significant risks and rewards of ownerships have been transferred to the buyer.

Revenues from construction

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

The completed part of construction, which has not yet been delivered for acceptance or for billing, is recorded as unbilled receivables.

Work in progress

Work in progress is stated at cost less allowance for impairment (if any).

Rental income

Rental income under operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

Interest income and other income

Interest income is recognized as interest accrues, based on the effective rate method.

Other income is recognized on an accrual basis.

Expenses

Expenses are recognized in profit or loss as it accrues.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less excluded cash at banks on obligation.

5.3 Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The Company records allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

In determined an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

5.4 Cost of property development

Cost of property development are stated at the lower of cost or net realisable value. Project costs consisting of acquisition cost of land, development expenses, utilities and direct expenses of the project including interest expense of borrowing for the acquisition of project development before the project is completed.

Net realisable value represents the estimated normal selling price less estimated costs to sell.

The Company recognizes loss on diminution in value of projects and loss on impairment (if any) in profit or loss.

In determining the cost of sales of property development, the anticipated total development costs (taking into account actual costs incurred to date) are attributed based on the basis of the salable area.

Cost of project sold estimates these costs based on their business experience and revisit the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

5.5 Joint arrangement

Investment in joint arrangement is classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Company has assessed the nature of its joint arrangement and determined it to be joint venture. The Company recognizes investment in joint venture by using the equity method.

Under the equity method of accounting, interest in joint venture is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Company's net investment in the joint venture), the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Company.

5.6 Subsidiary of joint venture

Subsidiary is entity controlled by the joint venture. The joint venture controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the joint venture.

5.7 Business combination

The joint venture applies the acquisition method for all business combinations when control is transferred to the joint venture other than those with entities under common control.

The joint venture controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the fair value of the identifiable assets acquired and liabilities exceeds the fair value of the consideration transferred, the excess is immediately recognized as gain in profit or loss.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the joint venture to the previous owners of the acquiree, and equity interests issued by the joint venture. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The joint venture measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the joint venture incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the joint venture reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or addition assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill is carried at cost less any allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

5.8 Building and equipment

Building and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives of assets as follows:

	<u>Years</u>
Construction	5
Machinery and equipment	5 - 10
Furniture and office equipment	3 - 5
Vehicles	5 - 10

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on construction in progress and equipment under installation.

Building and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

5.9 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

The cost of an internally generated intangible asset comprises all directly attributable cost necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

	Years
Intangible assets	3 - 10

The useful lives are reviewed by the Company every year.

The amortization is included in the determination of income.

5.10 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each in the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in profit or loss using the effective interest rate method.

5.12 Operating leases

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

5.13 Finance lease

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The assets acquired under finance lease contract is depreciated over the shorter of the useful life of the asset or the lease term.

5.14 Employee benefits

Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits - defined contribution plan

The Company has established a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by the contribution from employees and the Company. Contributions to the provident fund are charged to profit or loss in the period to which they relate.

Post-employment benefits - defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) immediately in other comprehensive income.

5.15 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgements and estimates are as follows:

Estimated construction project costs

The Company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on construction projects

Management applies judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

Provision for penalty from delay delivery

The Company has provision incurred from delay delivery. The management applied judgement in estimating the penalty based on contract rate and the period of delay project work. The Company has recorded provision for penalty from delay delivery in the financial statements. However, actual results could differ from the estimates.

Provision for after-sale maintenance expense

The Company estimates provision for after-sale maintenance expenses based on actual historical maintenance expenses and/or currently available information related to the cost of various types of repair work.

Estimating costs of rectification in the period of guarantee work

Management applies judgement in estimating the costs of rectification in the period of guarantee work which they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

5.16 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change their judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5.17 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applied a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measured fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

Most of the financial assets are cash and cash equivalent, trade and other receivables, current investment and most of the financial liabilities are trade and other payables which are short-term credit. The carrying amounts of the financial assets and financial liabilities are not significantly different from their fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determined whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5.18 Earnings (loss) per share

Basic earnings (loss) per share is calculate by dividing profit for the year attributable to equity holders of the parent company of the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

5.19 Diluted earnings (loss) per share

Diluted earnings (loss) per share for the year is calculated by dividing the profit (loss) for the year of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the periods plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares.

6. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

During the period, the Company had significant business transactions with its subsidiaries (which have already been eliminated in the preparation of interim consolidated financial statements) and related companies (related by ways of common shareholders and/or common directors). These transactions follow the trade terms and rules agreed between the Company and those companies in the normal course of business.

Detail of relation between the Company and its related parties and companies are summarized as follow:

Name	Country/Nationality	Relation	Type of relation
Hua Hin Alpha 71 Co., Ltd.	Thailand	Subsidiaries	Common director
Hua Hin Sky Living Co., Ltd.	Thailand	Subsidiaries	Common director
Focus Wheig Corporation Limited	Thailand	Joint venture	Jointly control by the Company
Focus Wheig Bangna Limited	Thailand	Subsidiary of joint venture	Power to control and shareholding by the joint venture
Data In Motion Co., Ltd.	Thailand	Related company	Common director
Proud Resort Hua Hin Co., Ltd.	Thailand	Related company	Common director
Vana Nava Co., Ltd.	Thailand	Related company	Common director
Proud Resort Phuket Co.,Ltd.	Thailand	Related company	Common director
Proud Hospitality Co.,Ltd.	Thailand	Related company	Common director
Hua Hin Shopping Complex Co.,Ltd.	Thailand	Related company	Common director
Mr. Anucha Sihanatkathakul	Thailand	Director	Director

Bases of measurement for inter company revenues and expenses

	Pricing Policy
Revenue from construction services	Stipulate in the agreement
Management fee income	Stipulate in the agreement
Other service income	As agreed
Interest income	As agreed MLR - 0.5 to MLR + 1
Interest expenses	MOR
Purchase of equipment	As agreed
Purchase of Inventory	As agreed
Purchase of land	Stipulate in the agreement
Rental of land	Stipulate in the agreement
Other expenses	As agreed

6.1 The significant related party transactions for the year ended December 31, 2019 and 2018 were as follows:

	Baht			
	Consolidated	Separate Financial Statement		
	Financial Statement			
	2019	2019	2018	Pricing policy
Transaction with subsidiaries:				
Management fee income				
Hua Hin Alpha 71 Co., Ltd.	-	8,436,565	-	Stipulate in the agreement
Interest income				
Hua Hin Alpha 71 Co., Ltd.	-	22,061,142	-	MLR - 0.5, 6.10% per annum
Hua Hin Sky Living Co., Ltd.	-	3,990,007	-	MLR - 0.5, 6.10% per annum
Transaction with joint venture:				
Interest income				
Focus Wheig Coporation Limited	1,010,676	1,010,676	150,892	MLR+1, 7.25% per annum

	Baht			
	Consolidated	Separate Financial Statement		
	Financial Statement			
	2019	2019	2018	Pricing policy
Transaction with related companies:				
Revenue from construction services				
Focus Wheig Bangna Limited	1,154,174	1,154,174	46,457,394	Stipulate in the agreement
Management fee income				
Focus Wheig Bangna Limited	1,000,000	1,000,000	4,200,000	Stipulate in the agreement
Other service income				
Focus Wheig Bangna Limited	-	-	157,295	As agreed
Purchase of land				
Proud Resort Hua Hin Co., Ltd.	1,125,000,000	-	-	Stipulate in the agreement
Vana Nava Co., Ltd.	200,000,000	-	-	Stipulate in the agreement
Purchase of equipment				
Data In Motion Co., Ltd.	115,500	115,500	-	As agreed
Proud Hospitality Co.,Ltd.	22,700	22,700	-	As agreed
Purchase of Inventory				
Proud Resort Hua Hin Co., Ltd.	14,289	-	-	As agreed
Land rental				
Proud Resort Hua Hin Co., Ltd.	1,050,000	-	-	Stipulate in the agreement
Other expenses				
Proud Resort Hua Hin Co., Ltd.	209,561	49,211	-	As agreed
Vana Nava Co., Ltd.	187,030	10,055	-	As agreed
Proud Resort Phuket Co.,Ltd	5,000	5,000	-	As agreed
Hua Hin Shopping Complex Co., Ltd.	21,400	-	-	As agreed
Transaction with related person:				
Other service income				
Director	112,150	112,150	-	As agreed
Interest expense				
Director	1,462,214	1,462,214	351,065	MOR, 7.12% per annum

6.2 The significant balances with related parties as at December 31, 2019 and 2018 were as follows:

	Baht		
	Consolidated	Separate Financial Statement	
	Financial Statement	As at December	As at December 31,
	As at December	31, 2019	2018
	31, 2019		
<u>Trade and other receivable</u>			
<u>Trade accounts receivable</u>			
<u>Subsidiaries of joint venture</u>			
Focus Wheig Bangna Limited	-	-	24,442,224
<u>Other receivable</u>			
<u>Subsidiaries:</u>			
Hua Hin Alpha 71 Co., Ltd.	-	9,130,032	-
Hua Hin Sky Living Co., Ltd.	-	9,624	-
<u>Accrued interest income</u>			
<u>Subsidiaries:</u>			
Hua Hin Alpha 71 Co., Ltd.	-	21,045,196	-
Hua Hin Sky Living Co., Ltd.	-	3,990,007	-
<u>Joint venture</u>			
Focus Wheig Coporation Limited	-	-	150,892
Total trade and other receivable	-	34,174,859	24,593,116
<u>Short-term loans to related parties:</u>			
<u>Subsidiaries:</u>			
Hua Hin Sky Living Co., Ltd.	-	4,110,000	-
<u>Joint venture</u>			
Focus Wheig Coporation Limited	-	-	17,630,531
	-	4,110,000	17,630,531
<u>Long-term loans to related parties</u>			
<u>Subsidiaries:</u>			
Hua Hin Alpha 71 Co., Ltd.	-	541,500,000	-
Hua Hin Sky Living Co., Ltd.	-	100,000,000	-
	-	641,500,000	-
<u>Retention receivable</u>			
<u>Subsidiaries of joint venture</u>			
Focus Wheig Bangna Limited	-	-	1,333,835
	-	-	1,333,835
<u>Trade and other payable</u>			
<u>Related companies:</u>			
Proud Resort Hua Hin Co., Ltd.	1,104,728	-	-
Hua Hin Shopping Complex Co.,Ltd.	21,400	-	-
	1,126,128	-	-

	Baht		
	Consolidated	Separate Financial Statement	
	Financial Statement	As at December	As at December 31,
	As at December	31, 2019	2018
	31, 2019	31, 2019	2018
Short-term loans to related person			
<u>Related person:</u>			
Director	-	-	29,900,000
	-	-	29,900,000
Short-term loans to related parties			
<u>Related company:</u>			
Proud Resort Hua Hin Co., Ltd.	25,000,000	-	-
Vana Nava Co., Ltd.	25,000,000	-	-
	50,000,000	-	-
Accrued interest expense			
<u>Related company:</u>			
Vana Nava Co., Ltd.	174,658	-	-
<u>Related person:</u>			
Director	-	-	351,065
	174,658	-	351,065

6.3 Loans to related parties

Movements of loans to related parties for the years ended December 31, 2019 and 2018 were as follows:

	Baht					
	Consolidated Financial Statement					
	As at Dec 31,	Additional	Repayment	As at Dec 31,	Due date	Interest rate
	2018	during period	during period	2019		
Short-term loans to related parties						
Focus Wheig Coporation Limited	17,630,531	11,100,000	(28,730,531)	-	At call	MLR +1 per annum
	17,630,531	11,100,000	(28,730,531)	-		
	Baht					
	Separate Financial Statement					
	As at Dec 31,	Additional	Repayment	As at Dec 31,	Due date	Interest rate
	2018	during period	during period	2019		
Short-term loans to related parties						
Hua Hin Alpha 71 Co., Ltd.	-	24,493,568	(24,493,568)	-	At call	MLR-0.5 per annum
Hua Hin Sky Living Co., Ltd.	-	4,110,000	-	4,110,000	At call	MLR-0.5 per annum
Focus Wheig Coporation Limited	17,630,531	11,100,000	(28,730,531)	-	At call	MLR +1 per annum
	17,630,531	39,703,568	(53,224,099)	4,110,000		

		Baht				
		Separate Financial Statement				
	As at Dec 31,	Additional	Repayment	As at Dec 31,	Due date	Interest rate
	2018	during period	during period	2019		
Long-term loans to related parties						
Hua Hin Alpha 71 Co., Ltd.	-	550,000,000	(8,500,000)	541,500,000	Dec 31, 2022	MLR - 0.5 per annum
Hua Hin Sky Living Co., Ltd.	-	100,000,000	-	100,000,000	Dec 31, 2023	MLR - 0.5 per annum
	-	650,000,000	(8,500,000)	641,500,000		
		Baht				
		Separate Financial Statement				
	As at Dec 31,	Additional	Repayment	As at Dec 31,	Due date	Interest rate
	2017	during period	during period	2018		
Short-term loans to related parties						
Focus Wheig Coporation Limited	-	17,630,531	-	17,630,531	At call	MLR +1 per annum
	-	17,630,531	-	17,630,531		

6.4 Short-term loans from related person

Movements of short-term loans from related person for the year ended December 31, 2019 and 2018 were as follows:

		Baht		
		Consolidated	Separate Financial Statements	
		Financial Statements		
	As at December	As at December	As at December	
	31, 2019	31, 2019	31, 2018	
Beginning	29,900,000	29,900,000	-	
Increase	11,100,000	11,100,000	29,900,000	
Decrease	(41,000,000)	(41,000,000)	-	
Ending	-	-	29,900,000	

The Company has short-term loans from director by issuing promissory notes, due at call with the interest rate MOR per annum, without collateral.

During the year the loan has been fully paid.

6.5 Short-term loans from related parties

Movements of short-term loans from related parties for the year ended December 31, 2019 and 2018 were as follows:

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Beginning	-	-	-
Increase	50,000,000	-	-
Decrease	-	-	-
Ending	50,000,000	-	-

The subsidiary has short-term loans from related company by issuing promissory notes, pay back due on call with the interest rate 7.50% per annum, without collateral.

6.6 Key management personnel compensation

Key management personnel compensation for the year ended December 31, 2019 and 2018 consisted of:

	Baht		
	Consolidated Financial	Separate Financial Statements	
	Statements		
	2019	2019	2018
Short-term benefits	17,204,075	17,204,075	10,808,415
Post-employment benefits	608,544	608,544	369,166
Total	17,812,619	17,812,619	11,177,581

7. CASH AND CASH EQUIVALENTS

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Cash on hand	129,159	93,789	122,159
Cash at bank	101,769,067	567,995	7,188,492
Total	101,898,226	661,784	7,310,651

8. TRADE AND OTHER RECEIVABLES

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Trade accounts receivable			
Related parties	-	-	13,742,224
Others	-	-	6,327,964
Note receivable	-	-	8,179,000
Total trade accounts receivable	-	-	28,249,188
Other receivables			
Related parties	-	34,174,859	10,850,892
Other parties	502,985	335,673	312,204
Total other receivables	502,985	34,510,532	11,163,096
Total	502,985	34,510,532	39,412,284

The movements of the allowance for doubtful debts are as follow :

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Allowance for doubtful debts - beginning	-	-	(886,557)
<u>Add</u> Additional allowances	-	-	-
<u>Less</u> Reversing of allowances	-	-	886,557
Allowance for doubtful debts - ending	-	-	-

As at December 31, 2018, the full amount of reversal of allowance for doubtful debts decrease due to receive payment of Baht 466,645 and reversal in the amount Baht 419,912.

The Company had outstanding balances of trade accounts receivable aged by number of months as follows:

	Baht		
	Consolidated Financial Statements	Separate Financial Statements	
		As at December	As at December
		31, 2019	31, 2018
Less than or equal to 3 months	-	-	28,249,188
More than 3 to 6 months	-	-	-
Over 12 months	-	-	-
Total	-	-	28,249,188

9. COST OF PROPERTY DEVELOPMENT

	Baht		
	Consolidated Financial Statements	Separate Financial Statements	
		As at December	As at December
		31, 2019	31, 2018
Land	1,390,407,297	62,532,192	74,962,218
Construction cost	112,145,272	73,135,783	84,183,942
Promotion expenses	7,327,065	7,327,065	9,428,922
Capitalised interest and financial costs	28,503,779	3,960,695	4,747,994
Total	1,538,383,413	146,955,735	173,323,076

As at December 31, 2019 and 2018, the cost of real estate development of Baht 146.95 million and Baht 173.32 million, respectively, of the Company is all the condominium units available for sale.

On May 14, 2019, the two subsidiaries purchase land for real estate development 12 rai 3 ngarn 58.3 sq.wah totaling Baht 1,325 million.

The Company and its subsidiaries have mortgaged land with construction to be used as collateral with the financial institution (see notes 18 and 21).

For the year ended December 31, 2019, its subsidiaries have recorded cost of loans to Baht 24.54 million to be a cost of real estate project under development.

10. OTHER CURRENT ASSETS

This account was consisted of :

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Advance payment for goods and services	5,524,352	463,303	1,443,390
Prepaid expenses	9,312,809	3,186,828	3,030,217
Prepaid sales management fees	23,776,338	-	-
Others	3,879,010	3,835,548	987,240
Total	42,492,509	7,485,679	5,460,847

11. RESTRICTED BANK DEPOSITS

Restricted bank deposits in the financial statements as at December 31, 2019 and 2018 in the amount of Baht 0.19 million, Baht 7.43 million, were pledged as collateral for credit lines from financial institutions (see Notes 18).

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of investment in share capital are as follows:

Company	Million Baht		Percentage of		Baht	
	Paid-up share		shareholding (%)		Separate Financial Statements	
					Cost method	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 30, 2019	As at December 31, 2018
Hua Hin Alpha 71 Co., Ltd.	50.00	-	99.99	-	49,999,700	-
Hua Hin Sky Living Co., Ltd.	0.25	-	99.97	-	249,925	-
Total					50,249,625	-

On April 26, 2019, the shareholder meeting 2019 had a resolution to approve purchasing the empty land 2 plots from Proud Resort Huahin Co., Ltd. and Vana Nava Co., Ltd. The 2 new established subsidiaries purchase such land. On April 11, 2019, the subsidiaries has registered to establish the company.

On November 28, 2019 at the Extraordinary Shareholders' Meeting No.3/2019 of Huahin Alpha 71 Co.,Ltd., it had approved to increase the ordinary shares 250,000 shares at the par value of Baht 100 per share, totaling the registered capital Baht 26,000,000, fully called and paid up and call for payment of the remaining shares. Huahin Alpha 71 Co., Ltd. was paid ordinary share capital increase of such amount. It was registered for capital increase with the Department of Business Development, Ministry of Commerce on December 3, 2019.

On December 2, 2019, the Extraordinary Shareholder's Meeting No.4/2019 of Huahin Alpha 71 Co.,Ltd. had approved to increase the ordinary shares 240,000 shares at the par value Baht 100 totaling registered capital Baht 50,000,000, fully called and paid up. Huahin Alpha 71 Co., Ltd. was paid such ordinary share capital increase and had registered the capital increase with the Department of Business Development, Ministry of Commerce on December 4, 2019.

13. INVESTMENT IN JOINT VENTURE

Company	Business type	Located in	Baht							
			Percentage of holding (%)		Baht		Separate Financial Statements			
					Paid-up share		Cost		Equity method	
			As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Focus Wheig Corporation Limited	Jointly investment in integrated and waste to energy business solutions	Thailand	-	60.00	-	85,000,000	-	51,000,000	-	28,783,621

On September 12, 2016, the Company entered into Joint Venture Agreement with Wheig S.A.S., which was incorporated in France to jointly set up and invest in a joint venture namely "Focus Wheig Corporation Limited" ("the joint venture") which was incorporated in Thailand on October 5, 2016. The joint venture operates on the investment business in the integrated waste management business and waste to energy business solutions with registered capital in the amount of Baht 15 million divided into 1,500,000 ordinary shares at par value Baht 10 each, and the Company will jointly invest in 60% shareholding of the registered capital and voting right of this joint venture in the investment amount of Baht 9 million. The Company has subscribed paid-up share capital fully amount and jointly control with Wheig S.A.S. in this joint venture and any decision in the joint venture's activities shall be approved by the unanimous of the Company and Wheig S.A.S. On August 15, 2017, Wheig S.A.S. transferred all shares, rights and commitments as the Joint Venture Agreement to Wheig Asia Limited which was incorporated in Hong Kong's People's Republic of China.

At the Extraordinary Meeting of Shareholders of the joint venture held on September 7, 2017, a resolution was passed the increase of its registered capital from existing of Baht 15 million to Baht 50 million by issuing new 3,500,000 ordinary shares at the par value of Baht 10 each. The Company invested additional investment in the joint venture of Baht 2.10 million shares at the par value of Baht 10 each in totaling amount of Baht 21 million at 60% existing shareholding which the Company fully paid-up the increased capital for the purpose of land acquisition and working capital for Focus Wheig Bangna Limited (“the subsidiary of the joint venture”). The joint venture registered the increase of its capital with the Ministry of Commerce on September 8, 2017.

At the Extraordinary Meeting of Shareholders of the joint venture held on November 7, 2017, a resolution was passed the increase of its registered capital from existing of Baht 50 million to Baht 85 million by issuing new 3,500,000 ordinary shares at the par value of Baht 10 each. The Company invested additional investment in the joint venture of 2.10 million shares at the par value of Baht 10 each in totaling amount of Baht 21 million at 60% existing shareholding which the joint venture called additional share subscription of Baht 5.25 million for the purpose of the plant construction for waste management and waste to energy solutions of Focus Wheig Bangna Limited (“the subsidiary of the joint venture”). The joint venture registered the increase of its capital with the Ministry of Commerce on November 9, 2017.

In the year 2018, joint venture called get paid for ordinary shares in the amount of Baht 15.75 million.

Movements of investment in joint venture by the equity method for the year ended December 31, 2019 and 2018 were as follows:

	Baht	
	Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Beginning	28,783,621	24,369,931
Additional investment	-	15,750,000
Share of loss from investment in joint venture	(5,436,392)	(11,336,310)
Disposal investment	(23,347,229)	-
Ending	-	28,783,621

Significant financial information in the consolidated financial statements of joint venture:

Summary of the consolidated financial position as at December 31, 2019 and 2018 :

	Baht	
	2019	2018
Current assets	-	10,823,840
Non-current assets	-	123,845,800
Current liabilities	-	(75,476,663)
Non-current liabilities	-	(5,588,682)
	-	53,604,295
<u>Add</u> Bliminate gain (loss) in related transactions	-	(5,631,560)
Net assets	-	47,972,735
Shareholding percentage (%)	-	60
Carrying amount of interest in joint venture	-	28,783,621

Summary of comprehensive income for the years ended December 31, 2019 and 2018 :

	Baht	
	2019	2018
Income	-	506,094
Loss for the year	-	(13,262,289)

According to the Shareholder Meeting dated April 26, 2019, it had the resolution to approve the sale of all shares held by the Company in Focus Wheig Corporation “(Focus Wheig)” to Mr. Anucha Sihanartkathakul director of the Company and/or person or juristic person designated by Mr. Anucha resulting in Focus Wheig to end the status of the Company’s joint venture business. The sale of all investment of Focus Wheig at the total value Baht 34.60 million and Mr. Anucha Sihanartkathakul director of the Company and/or juristic person as designated by Mr. Anucha will pay the consideration in the amount of Baht 9.16 million. This is part of the share purchase of Focus Wheig in the total amount Baht 43.76 million. The Company entered into a sale transaction to sell its joint venture on July 11, 2019.

In the third quarter 2019, the Company received full payment from the disposal of investment and recognized as profit from sale of investment in the amount of Baht 20.41 million as presented under other income account in the statement of comprehensive income.

Acquisition of joint venture

Investment in subsidiary of the joint venture presented at cost in the financial statements of the joint venture as at December 31, 2019 and 2018 consisted of:

	Percentage		Baht			
	of holding (%)		Paid-up share capital		Cost	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Subsidiary of joint venture						
Focus Wheig Bangna Limited	-	100	-	81,000,000	-	76,000,000

On October 18, 2016, Focus Wheig Corporation Limited (“the joint venture”) entered into the Share Transfer Agreement with former shareholders of Wheig (Thailand) Company Limited to purchase of ordinary shares of Wheig (Thailand) Company Limited which was incorporated in Thailand and registered the change of its name to Focus Wheig Bangna Limited (“the subsidiary of joint venture”) which operates on the investment business in the waste management business and waste to energy business solutions with registered capital in the amount of Baht 5 million divided into 50,000 ordinary shares at par value Baht 100 each.

The joint venture will purchase ordinary shares from former shareholders in 99.99% shareholding of the registered share capital of such company in 49,998 shares, at the total acquisition cost of Baht 1.

On October 19, 2016, the Company entered into Amendment to the Joint Venture Agreement with Wheig S.A.S., to agree the payment of pre - operating expenses that had been spent to bring the waste management business in the subsidiary of joint venture in the amount of Baht 40.80 million to Wheig S.A.S. as following:

1. The joint venture will provide a loan to the subsidiary of joint venture.
2. The subsidiary of joint venture will pay in 60% of the amount of Baht 13.60 million which is the amount of Baht 8.16 million after the payment of share capital and formation of the joint venture and ;
3. The subsidiary of joint venture will pay in 40% of the amount of Baht 13.60 million which is the amount of Baht 5.44 million upon the successful commissioning of all machines and equipment of the first project.

Later on October 12, 2018, the Company entered into the additional agreement to amend to Joint venture agreement with the investor to agree the payment of pre-operating at 40% of Baht 13.60 million which is the amount of Baht 5.44 million to Wheig S.A.S. as following:

1. The subsidiary of joint venture will pay in 30% the amount of Baht 5.44 million which is the amount of Baht 1.64 million when the audit facilities from financial institution or the reliable loan source are approved and the completion of production line construction of bio fertiliger from the first project and
2. The subsidiary of joint venture will pay in 70% the amount of Baht 5.44 million which is the amount of Baht 3.80 million upon the successful commissioning of all machine and equipment of the first project.

On November 15, 2017, the subsidiary of joint venture entered into the agreement to purchase and sale for land in the amount of Baht 30 million for the construction of the plant for waste management and waste to energy solutions, which was fully paid.

At the Extraordinary Meeting of Shareholders of the subsidiary of joint venture held on August 18, 2017, a resolution was passed to increase its registered share capital from existing of Baht 5 million to Baht 37 million by issuing new 320,000 ordinary shares at the par value of Baht 100 each. The subsidiary of joint venture called additional share subscription of Baht 32 million which the joint venture invested in such amount in 100% existing shareholding. The subsidiary of joint venture received such share subscription and registered the increase of its capital with the Ministry of Commerce on September 15, 2017.

At the Extraordinary Meeting of Shareholders of the subsidiary of joint venture held on November 7, 2017, a resolution was passed to increase its registered share capital from existing of Baht 37 million to Baht 81 million by issuing new 440,000 ordinary shares at the par value of Baht 100 each. The subsidiary of joint venture called additional share subscription of Baht 11 million which the joint venture invested in such amount in 100% existing shareholding. The subsidiary of joint venture received such share subscription and registered the increase of its capital with the Ministry of Commerce on November 13, 2017.

In the year 2018, the joint venture had paid for the ordinary shares capital increase in a subsidiary in amounting to Baht 33 million. The investment proportion is 100%.

Movements of investment in the subsidiary of joint venture at cost for the year ended December 31, 2019 and 2018 were as follows:

	Baht	
	Separate Financial Statements	
	2019	2018
Balance forward	76,000,000	43,000,000
Increase investment	-	33,000,000
Disposal investment	(76,000,000)	-
Ending balance	-	76,000,000

14. BUILDING AND EQUIPMENT

This account was consisted of :

	Baht				
	Consolidated Financial Statements				
	Construction	Machineries and equipment	Furnitures and office equipment	Vehicles	Total
Cost					
As at January 1, 2019	619,952	68,637,563	13,599,523	7,332,453	90,189,491
Purchases	-	5,820	6,645,326	3,089,000	9,740,146
Disposal	(619,952)	(66,243,383)	(13,599,523)	(7,332,453)	(87,795,311)
As at December 31, 2019	-	2,400,000	6,645,326	3,089,000	12,134,326
Accumulated depreciation					
As at January 1, 2019	439,854	64,058,966	13,306,753	6,199,359	84,004,932
Depreciation	82,547	313,833	343,583	188,318	928,281
Disposal	(522,401)	(61,972,800)	(13,436,932)	(6,260,732)	(82,192,865)
As at December 31, 2019	-	2,399,999	213,404	126,945	2,740,348
Net book value					
As at December 31, 2018	180,098	4,578,597	292,770	1,133,094	6,184,559
As at December 31, 2019	-	1	6,431,922	2,962,055	9,393,978

	Baht				
	Separate Financial Statements				
	Construction	Machineries and equipment	Furnitures and office equipment	Vehicles	Total
Cost					
As at January 1, 2018	619,952	71,836,110	13,553,326	9,571,453	95,580,841
Purchases	-	5,785	60,000	-	65,785
Disposal	-	(3,204,332)	(13,803)	(2,239,000)	(5,457,135)
As at December 31, 2018	619,952	68,637,563	13,599,523	7,332,453	90,189,491
Purchases	-	5,820	5,644,343	3,089,000	8,739,163
Disposal	(619,952)	(66,243,383)	(13,599,523)	(7,332,453)	(87,795,311)
As at December 31, 2019	-	2,400,000	5,644,343	3,089,000	11,133,343
Accumulated depreciation					
As at January 1, 2018	315,863	65,840,795	12,763,796	8,161,232	87,081,686
Depreciation	123,991	1,411,737	549,702	148,125	2,233,555
Disposal	-	(3,193,566)	(6,745)	(2,109,998)	(5,310,309)
As at December 31, 2018	439,854	64,058,966	13,306,753	6,199,359	84,004,932
Depreciation	82,547	313,833	341,339	188,318	926,037
Disposal	(522,401)	(61,972,800)	(13,436,932)	(6,260,732)	(82,192,865)
As at December 31, 2019	-	2,399,999	211,160	126,945	2,738,104
Net book value					
As at December 31, 2018	180,098	4,578,597	292,770	1,133,094	6,184,559
As at December 31, 2019	-	1	5,433,183	2,962,055	8,395,239

	Baht	
	Consolidated	Separate Financial Statement
	Financial Statements	
	2019	2018
Depreciation for the years ended December 31, was included in		
Cost of construction	-	6,556
Administrative expenses	928,281	2,226,999
Total	928,281	2,233,555

15. INTANGIBLE ASSETS

	Baht
	Consolidated Financial Statements/ Separate Financial Statement
Cost - Softwares	
As at January 1, 2018	4,402,350
Purchases	-
Disposals	-
As at December 31, 2018	4,402,350
Purchases	2,450,890
Disposal	(1,747,350)
As at December 31, 2019	5,105,890
Accumulated amortization	
As at January 1, 2018	1,710,187
Amortization	450,009
Disposals	-
As at December 31, 2018	2,160,196
Amortization	362,920
Disposal	(1,095,700)
As at December 31, 2019	1,427,416
Net book value	
As at December 31, 2018	2,242,154
As at December 31, 2019	3,678,474

Amortization for the years ended December 31, 2019 and 2018, in the amount of Baht 0.36 million and 0.45 million, respectively, was included in administrative expenses.

16. DEFERRED TAX ASSETS

Movements in deferred tax assets for the year ended December 31, 2019 and 2018 were as follows:

	Baht		
	Consolidated Financial Statements		
	Per book as at	Income (expense) in during the year	Per book as at
	December 31, 2018	Statement of income	December 31, 2019
		Other comprehensive income	
<u>Deferred tax assets</u>			
Allowance for doubtful debts	1,596,929	-	1,596,929
Cost of property development	826,650	(137,072)	689,578
Employee benefit obligations	1,869,564	(87,229)	143,975
Tax losses	7,104,066	1,738,166	8,842,232
Total	11,397,209	1,513,865	11,272,714

	Baht		
	Separate Financial Statements		
	Per book as at	Income (expense) in during the year	Per book as at
	December 31, 2018	Statement of income	December 31, 2019
		Other comprehensive income	
<u>Deferred tax assets</u>			
Allowance for doubtful debts	1,596,929	-	1,596,929
Cost of property development	826,650	(137,072)	689,578
Employee benefit obligations	1,869,564	(87,229)	143,975
Tax losses	7,104,066	1,738,166	8,842,232
Total	11,397,209	1,513,865	11,272,714

	Baht		
	Separate Financial Statements		
	Per book	Income (expense) in during the year	Per book
	As at December 31, 2017	In profit (loss)	As at December 31, 2018
		In other comprehensive income (loss)	
<u>Deferred tax assets</u>			
Allowance for doubtful accounts	1,774,240	(177,311)	1,596,929
Cost of property development	869,793	(43,143)	826,650
Employee benefit obligations	1,869,564	-	1,869,564
Tax losses	10,066,074	(2,962,008)	7,104,066
Total	14,579,671	(3,182,462)	11,397,209

As at December 31, 2019, the Company has the accumulated tax losses that have not been used in year 2018, at the amount of Baht 19.93 million which the Company does not record such deferred tax assets as there is uncertainty that the Company will have sufficient taxable profits enough to be utilized of deferred tax assets.

17. OTHER NON-CURRENT ASSETS

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Retention receivables	15,705,451	15,705,451	15,348,323
Guarantee and deposits	1,412,911	1,387,411	1,567,573
Withholding tax	3,488,864	3,488,782	4,936,610
Others	1,040,370	1,040,370	1,267,509
Total	21,647,596	21,622,014	23,120,015
<u>Less</u> Allowance for doubtful debts - retention receivables	(9,052,690)	(9,052,690)	(9,052,690)
Net	12,594,906	12,569,324	14,067,325

Retention receivables are warranty money deducted retention by the customers at the rate of 5% of the contract amount. Retention for the not completed construction project will be returned to the Company after the Company completed the work and upon expiry of the warranty year as stated in the contract.

The movements of allowance for doubtful debts are as follows:

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Allowance for doubtful debts - beginning	(9,052,690)	(9,052,690)	(7,984,643)
<u>Add</u> Additional allowances	-	-	(1,068,047)
<u>Less</u> Reversed of doubtful debts	-	-	-
Allowance for doubtful debts - ending	(9,052,690)	(9,052,690)	(9,052,690)

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements	As at December	As at December
	As at December	31, 2019	31, 2018
Bank overdrafts	14,529,606	14,529,606	10,537,486
Short-term loans from financial institutions	-	-	6,500,000
Total	14,529,606	14,529,606	17,037,486

The Company has credit facilities with financial institutions consisted of:

Credit facility type	Credit Facilities (Million Baht)		Referred interest rate (% per annum)	
	As at December	As at December	As at December	As at December
	31, 2019	31, 2018	31, 2019	31, 2018
Bank overdrafts	15.00	23.00	MOR	MOR, Fixed deposit + 1.5%
Promissory note	15.00	38.00	MOR	MLR, MOR
Letter of guarantee	167.70	306.95	-	-
	197.70	367.95		

As at December 31, 2019 and 2018, the Company and its subsidiaries has collateral as follows:

Type	Credit Facilities (Million Baht)		Collateral
	As at December	As at December	
	31, 2019	31, 2018	
<u>Bank overdrafts</u>			
The Company	-	3.00	Company's fixed deposit.
	15.00	15.00	Guarantee by a third party.
	-	5.00	Mortgaged by Focus Ploenchit project.
	15.00	23.00	
<u>Promissory notes</u>			
The Company	15.00	38.00	Company's fixed deposit and/or transferred account receivable rights received from some projects.
<u>Letter of guarantee</u>			
The Company	37.70	101.95	Company's fixed deposit and/or transferred account receivable rights received from some projects.
	-	25.00	Mortgaged by Focus Ploenchit project.
	130.00	180.00	No collateral.
	167.70	306.95	
Total	197.70	367.95	

Other significant procedure under the overdraft agreement and short-term loan from the financial institution, the Company and its subsidiaries have to comply on the terms and conditions specified in the agreement as follows.

A third party guarantees without charging for compensation from guarantee.

19. TRADE AND OTHER PAYABLES

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Trade account payables	10,261,630	1,958,969	16,383,004
Accrued expenses	6,368,943	2,232,888	4,787,339
Other payables	24,978,981	5,515,632	2,000,000
Total	41,609,554	9,707,489	23,170,343

20. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

	Baht	
	Consolidated Financial Statements	
	/Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Due date within one year	730,596	-
The after one year but within five years	2,175,755	-
Total	2,906,351	-

The Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under financial lease agreement for the portion due within one year were shown under “current liabilities” in the statements of financial position.

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018
Long-term loans from financial institution	829,097,320	79,097,320	39,444,994
<u>Less</u> Deferred expenses	<u>(777,778)</u>	<u>(777,778)</u>	<u>-</u>
Long-term loans, net	828,319,542	78,319,542	39,444,994
<u>Less</u> Current portion	<u>(78,319,542)</u>	<u>(78,319,542)</u>	<u>(39,444,994)</u>
Net	<u>750,000,000</u>	<u>-</u>	<u>-</u>

The details long-term of loans from financial institutions:

		Credit Facilities (Million Baht)		Period	Interest rate per annum	Repayment
	Credit Facilities	As at December 31, 2019	As at December 31, 2018			
The Company	1	-	40	August 2017 - August 2020	MLR - 0.5	when transfer right of residential condominium unit and interest paid on a monthly basis
	2	100	-	May 2019 - May 2022	MLR - 1	when transfer right of residential condominium unit and interest paid on a monthly basis
1 Subsidiaries	1	100	-	Within May 2021	MLR - 1.5	Paid in full amount within the time period
2 Subsidiaries	1,2	1,320	-	Within May 2023	MLR - 2	when transfer right of residential condominium unit and interest paid on a monthly basis
		<u>1,520</u>	<u>40</u>			

Movements of long-term loans from financial institution for the year ended December 31, 2019 and 2018 were as follows:

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Beginning balance	39,444,994	39,444,994	51,924,994
Increase	850,000,000	100,000,000	-
Decrease	(60,347,674)	(60,347,674)	(12,480,000)
Ending balance	829,097,320	79,097,320	39,444,994

The Company mortgaged land with construction of Focus Ploenchit project thereon to secure the loan.

The subsidiary has mortgaged land of the project with construction thereon to secure the loan. The Company guaranteed the debt for such subsidiary (Note 9).

22. EMPLOYEE BENEFITS OBLIGATIONS

22.1 Movement of the employee benefit obligations for the years ended December 31, 2019 and 2018 as follows:

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Employee benefit obligations - beginning balance	10,854,339	10,854,339	9,347,820
Current service and interest cost	599,609	599,609	854,352
Past service cost	29,655	29,655	-
Paid	(2,571,924)	(2,571,924)	-
Loss (gain) estimation over actuarial principles	(8,191,798)	(8,191,798)	652,167
Employee benefit obligations - ending balance	719,881	719,881	10,854,339

- 22.2 Expense recognized in the statements of comprehensive income for the year ended December 31, 2019 and 2018 :-

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
The statement of comprehensive			
Statement of other comprehensive income			
Recognized in profit or loss			
Administrative expenses	629,264	629,264	854,352
Recognized in other comprehensive income			
Loss (gain) estimation over actuarial principles	(8,191,798)	(8,191,798)	652,167
Total	(7,562,534)	(7,562,534)	1,506,519

- 22.3 Gains and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the years ended December 31, 2019 and 2018 arise from

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Recognized in the statement of other comprehensive income			
Improvements from experience	(8,181,725)	(8,181,725)	519,881
Population assumption	-	-	(397,448)
Financial assumption	(10,073)	(10,073)	529,734
Total	(8,191,798)	(8,191,798)	652,167

22.4 The main assumptions in the assessment financial assumptions

For the years ended December 31, 2019 and 2018 are as follows:

	Percentage		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Discount rate	2.66	2.66	2.03
Salary increase rate	5.00	5.00	5.00
Turnover rate	5.73 - 68.76	5.73 - 68.76	5.73 - 68.76
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2017

22.5 Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of employee benefit obligations as at December 31, 2019 and 2018 are summarised below:

	Baht					
	Consolidated Financial		Separate Financial Statements			
	Statements					
	2019		2019		2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(33,908)	36,117	(33,908)	36,117	(205,454)	217,112
Salary increase rate (1% movement)	79,666	(71,213)	79,666	(71,213)	429,125	(392,897)
Turnover rate (20% movement)	(114,756)	153,683	(114,756)	153,683	(602,643)	729,213

22.6 As at December 31, 2019 and 2018, the year have are average period of benefit obligapion which is set at 11 years and 6.55 years, respectively.

22.7 On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the previous maximum compensation rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

23. CONSTRUCTION CONTRACTS

For the year ended December 31, 2019 and 2018 construction contracts were as follows:

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Value of contracts	167,684,296	167,684,296	172,985,497
Costs incurred up to the year	152,387,424	152,387,424	131,408,082
Estimated profit recognized up to the year	15,296,872	15,296,872	10,136,306
Costs and estimated profit recognized up to the year	167,684,296	167,684,296	141,544,388
<u>Less</u> Amount billed to customers up to the year	(169,067,837)	(169,067,837)	(145,705,005)
Unbilled receivables	-	-	2,007,065
Advance receive from construction	1,383,541	1,383,541	6,167,682

24. WARRANTS

The Warrants to purchase the Company's Ordinary Shares No. 2 (FOCUS-W2) with details as follows:

- Type of securities : Warrants to purchase newly issued ordinary shares of Focus Development and Construction Public Company Limited No. 2 (FOCUS-W2).
- Type of warrants : Specified warrant's holder and transferable.
- Term of warrants : 3 years from the issuance date.
- Number of warrants : 31,679,999 units.
- Offering price : 0 Baht per unit.
- Exercise ratio : 1 warrant will be entitled to purchase 1 newly issued ordinary share.
- Exercise price : Baht 1.80 per share.
- Exercise period : Shall be able to exercise at every last working day of each quarter. In case of the last Exercise Date, the notification period shall not be less than 15 days prior to the last Exercise Date. The last Exercise Date will be not to exceed the date of expiration of the Warrants.

As at December 31, 2019 and 2018, the Company had outstanding balance of the warrants of the Company No. 2 (FOCUS-W2) which has not yet been exercised of 31,679,999 units.

Change in warrants

1. On May 10, 2019, the Company has adjusted the rights (adjust the price and former exercise rate) with the effective adjustment on May 13, 2019.

Previous exercise price	(Baht/share)	1.80
New exercise price	(Baht/share)	1.533
Previous exercise rate	(Unit : share)	1 : 1
New exercise rate	(Unit : share)	1 : 1.174

2. On May 13, 2019, The Company has changed its new abbreviated name from FOCUS-W2 to PROUD-W2.

The Warrants of 6,000,000 units were allocated to offer the eligible directors, management and employees of the Company as ESOP Project (ESOP-Warrant) at the offering price of Baht 0 per unit. The Warrants shall have a term of 5 years from the issue date and have the exercise price of Baht 1.80 per ordinary share and the exercise rate of 1 unit of the Warrants right to purchase 1 newly issued share by allocating up to 6,000,000 newly issued ordinary shares to accommodate the exercise of the Warrants with exercise period as follows:

- The exercise period is determined that the first exercise the right to purchase the newly issued shares of the Company at the end of 1 year period from the issuance date of the ESOP-Warrants and the last exercise date is the date of expiration of the Warrants, having the proportion exercise as follows:
- Within the end of the second year, may exercise the right to purchase the newly issued shares in the proportion of up to 25%.
- Within the end of the third year, may exercise the right to purchase the newly issued shares in the proportion of up to 50%.
- Within the end of the fourth year, may exercise the right to purchase the newly issued shares in the proportion of up to 75%.
- Within the end of the fifth year, may exercise the right to purchase the newly issued shares in the proportion of up to 100%.

The warrants shall be exercised on the last business day of March, June, September and December of each year.

The Ordinary General Meeting of Shareholders passed the approval that the Board of Directors may authorize the Chairman of the Executive Director or Managing Director or any person designation to determine the grant date, terms, conditions and other details as necessary for and in connection with the issuance and offering of the warrants as ESOP-Warrant. At present, the Company has not yet determined the grant date of the ESOP Warrant.

At the Board of Directors' Meeting held on February 27, 2018, a resolution was passed to cancel the issuing and offering of the Warrants of 6,000,000 units to offer to the eligible directors, management and employees of the Company as ESOP Project (ESOP-Warrant) and was already approved from the annual general meeting of the shareholders of the Company for year 2018, held on April 27, 2018, already.

25. SHARE CAPITAL

According to the resolution of the Annual General Meeting of Shareholders No. 1/2562 on 26 April 2019, it was approved to decrease the Company's registered capital from Baht 227,760,073 to Baht 221,760,062 by cancelling 6,000,011 registered but unissued ordinary shares with a par value of Baht 1 per share, and made an amendment to Clause 4 of the Memorandum of Association of the Company.

Approve an increase of the Company's registered capital from Baht 221,760,062 to Baht 673,148,951 by issuing 451,388,889 new ordinary shares, with a par value of Baht 1 per share, and made amendment to Clause 4 of the Memorandum of Association of the Company.

Approve the allocation of 451,388,889 newly issued ordinary shares of the Company at the par value of 1 Baht to be allocated under Private Placement scheme in reliance upon the general meeting's resolution for offering at Baht 1.44 per share resulting in a share premium in the amount of Baht 195.31 million as presented under shareholder's equity in the statement of financial position. The Company has registered with the Department of Business Development, Ministry of Commerce on May 13, 2019.

26. SHARE PREMIUM

Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

27. EXPENSES BY NATURE

	Baht		
	Consolidated	Separate Financial Statements	
	Financial		
	Statements		
	2019	2019	2018
Salary and employee benefits	60,535,099	60,535,099	43,168,433
Rental and service expense	3,703,957	3,703,957	4,585,140
Depreciation and amortization	1,291,201	1,288,957	2,683,564

28. TAX EXPENSE (INCOME)

28.1 Major components of tax expense (income) for the years ended December 31, 2019 and 2018 consisted of:

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Income tax expense (income) shown in profit or loss :			
Current tax expense:			
Income tax expense for the year	-	-	-
Deferred tax expense (income):			
Changes in temporary differences relating to the			
original recognition and reversal	(1,513,865)	(1,513,865)	3,182,462
Total	(1,513,865)	(1,513,865)	3,182,462
Income tax relating to components of other			
comprehensive income :	1,638,360	1,638,360	-
Total	124,495	124,495	3,182,462

28.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2019 and 2018 which are summarized as follows:

	Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	2019	2019	2018
Accounting profit (loss) before income tax	(41,600,373)	(5,094,594)	(37,850,241)
Add/Less share of loss from investment in joint venture	5,436,392	5,436,392	11,336,310
Net	(36,163,981)	341,798	(26,513,931)
The applicable tax rate	20%	20%	20%
Tax expense (income) at the applicable tax rate	(7,232,796)	68,360	(5,302,786)
Reconciliation items:			
Tax effect of expenses that are not deductible in determining tax profit:			
- Expenses not allowed as expenses in determining taxable profit	262,222	262,222	813,107
Tax effect of income or profit that are not required in determining taxable profit:			
- Additional expense deductions allowed	(1,785,067)	(1,785,067)	(19,362)
- Other	7,241,776	(59,380)	7,691,503
Total reconciliation items	5,718,931	(1,582,225)	8,485,248
Total tax expense (income)	(1,513,865)	(1,513,865)	3,182,462

28.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated Financial Statements	
	2019	
	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(41,600,373)	
Tax expense (income) at the applicable tax rate	(7,232,796)	(17.39%)
Reconciliation items	5,718,931	13.75%
Tax expense (income) at the average effective tax rate	(1,513,865)	(3.64%)

	Separate Financial Statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(5,094,594)		(37,850,241)	
Tax expense (income) at the applicable tax rate	68,360	1.34%	(5,302,786)	(14.00%)
Reconciliation items	(1,582,225)	(31.06%)	8,485,248	22.42%
Tax expense (income) at the average effective tax rate	(1,513,865)	(29.72%)	3,182,462	8.42%

29. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the year ended December 31, 2019 and 2018, is calculated by dividing profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	Consolidated Financial Statements	Separate Financial Statements	
	2019	2019	2018
Profit (loss) for the year (Baht)	(40,086,508)	(3,580,729)	(41,032,703)
Weighted average number of ordinary shares (shares)	478,226,943	478,226,943	190,080,063
Issued ordinary shares at the beginning of the year	190,080,063	190,080,063	190,080,063
Effect of shares issued during the year	288,146,880	288,146,880	-
Weighted average number of ordinary shares (shares)	478,226,943	478,226,943	190,080,063
Basic earnings (loss) per share (Baht) (per share)	(0.08)	(0.01)	(0.22)

Diluted earnings (loss) per share

Diluted earnings (loss) per share for the year ended December 31, 2019 and 2018, is calculated by dividing the profit (loss) for the period of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the periods plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, the fair value of the Company's ordinary shares for the year ended December 31, 2019 and 2018, is lower than the exercise price. The effect is the Company does not include the result of dilutive potential ordinary shares for calculation of diluted earnings (loss) per share.

30. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2019, the Company and its subsidiaries had commitments and contingent liabilities as follows:

The Company

30.1 Letters of guarantee issued by banks of Baht 12.47 million.

30.2 Commitments for payment under the agreements as follows:

30.2.1 Payment under office rental and service agreement as follows:

<u>Period</u>	<u>Rental and service expense (Million Baht)</u>
1 year	3.68
2 - 3 years	6.38

30.2.2 Payment under property development project in the amount of Baht 4.70 million.

30.2.3 Payment under compensation for sale as specific rate in the contract.

Subsidiaries

30.3 Commitments for payment under the agreements as follows:

30.3.1 Payment under land rental and service agreement as follows:

<u>Period</u>	<u>Rental and service expense (Million Baht)</u>
1 year	4.87
2 - 3 years	3.15

30.3.2 Payment under service agreement in the amount of Baht 53.71 million.

31. SINGIFICANT AGREEMENT

Sale and Marketing License Agreement and a Residences Management Agreement the Company (guarantor) and a subsidiary (licensee) have entered into a Sales and Marketing License Agreement (“SMLA”) and a Residences Management Agreement (“RMA”) with InterContinental Hotels Group (Asia Pacific) Pte, Ltd. (licensor). As at December 31, 2019, the subsidiary has a commitment for payment under the SMLA in the amount of USD 525,000 and 3% license fee on all sales revenue generated by sales of the Residences and a commitment for payment under the RMA in the amount of USD 50,000 and a service fee THB 10,000 per year from the completion of the Residences until December 1, 2041.

32. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Company and its subsidiaries operates a construction contractor and development of real estate business. The Company operates in a single geographic area-Thailand for the year ended December 31, 2019 and 2018 were classified as follows:

		Baht			
		Consolidated Financial Statements			
		For the year ended December 31, 2019			
		Construction	Property development	Investments business	Total
Revenues		31,434,731	58,286,240	-	89,720,971
Cost		(22,650,708)	(34,813,427)	-	(57,464,135)
Gross profit		8,784,023	23,472,813	-	32,256,836
Share of loss from investment in joint venture				(5,436,392)	(5,436,392)

		Baht							
		Separate Financial Statements							
		Construction		Property development		Investments business		Total	
		2019	2018	2019	2018	2019	2018	2019	2018
Revenues		31,434,731	87,175,147	58,286,240	15,907,633	-	-	89,720,971	103,082,780
Cost		(22,650,708)	(75,996,590)	(34,813,427)	(9,310,227)	-	-	(57,464,135)	(85,306,817)
Gross profit (loss)		8,784,023	11,178,557	23,472,813	6,597,406	-	-	32,256,836	17,775,963
Share of loss from investment									
in joint venture						(5,436,392)	(11,336,310)	(5,436,392)	(11,336,310)

	Baht			
	Consolidated Financial Statements			
	As at December 31, 2019			
	Construction	Property development	Investments business	Total
<u>Assets</u>				
Trade and other receivables	190,797	312,188	-	502,985
Cost of property development	-	1,538,383,413	-	1,538,383,413
Others				181,521,463
Total				<u>1,720,407,861</u>

<u>Liabilities</u>				
Bank overdrafts and short-term loans from financial institution	-	14,529,606	-	14,529,606
Trade and other payables	7,949,560	33,659,994	-	41,609,554
Estimated cost payables	1,646,537	14,272,277	-	15,918,814
Retention payables	17,220,585	833,747	-	18,054,332
Advance receive from construction	1,383,541	-	-	1,383,541
Advance receive from sale of real estate	-	7,607,265	-	7,607,265
Long-term loans from financial institution	-	828,319,542	-	828,319,542
Others				54,981,428
Total				<u>982,404,082</u>

	Baht							
	Separate Financial Statements							
	Construction		Property development		Investments business		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<u>Assets</u>								
Trade and other receivables	190,797	39,412,284	34,319,735	-	-	-	34,510,532	39,412,284
Work in progress	-	1,497,441	-	-	-	-	-	1,497,441
Unbill receivables	-	2,007,065	-	-	-	-	-	2,007,065
Cost of property development	-	-	146,955,735	173,323,076	-	-	146,955,735	173,323,076
Investment in joint venture	-	-	-	-	-	28,783,621	-	28,783,621
Others	-	-	-	-	-	-	740,113,495	71,720,448
Total							<u>921,579,762</u>	<u>316,743,935</u>
<u>Liabilities</u>								
Trade and other payables	7,949,560	23,170,343	1,757,929	-	-	-	9,707,489	23,170,343
Estimated cost payables	1,646,537	6,295,576	14,272,277	7,591,881	-	-	15,918,814	13,887,457
Retention payables	17,220,585	18,323,848	-	-	-	-	17,220,585	18,323,848
Advance receive from construction	1,383,541	6,167,682	-	-	-	-	1,383,541	6,167,682
Advance receive from sale of property development	-	-	5,407,265	28,361,861	-	-	5,407,265	28,361,861
Loans from financial institutions	-	-	78,319,542	39,444,994	-	-	78,319,542	39,444,994
Others	-	-	-	-	-	-	19,113,343	62,551,276
Total							<u>147,070,579</u>	<u>191,907,461</u>

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018, are as follows:

	Baht			
	Consolidated Financial Statements			
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction	Balance as at December 31, 2019
Bank overdrafts and short-term loans from financial institution	17,037,486	(2,507,880)	-	14,529,606
Short-term loans from related person	29,900,000	(29,900,000)	-	-
Short-term loans from related parties	-	50,000,000	-	50,000,000
Long-term loans from financial institution	39,444,994	789,652,326	(777,778)	828,319,542
Liabilities under financial lease agreements	-	(182,649)	3,089,000	2,906,351
Total	86,382,480	807,061,797	2,311,222	895,755,499

	Baht			
	Separate Financial Statements			
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction	Balance as at December 31, 2019
Bank overdrafts and short-term loans from financial institution	17,037,486	(2,507,880)	-	14,529,606
Short-term loans from related person	29,900,000	(29,900,000)	-	-
Long-term loans from financial institution	39,444,994	39,652,326	(777,778)	78,319,542
Liabilities under financial lease agreements	-	(182,649)	3,089,000	2,906,351
Total	86,382,480	7,061,797	2,311,222	95,755,499

	Baht			
	Separate Financial Statements			
	Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction	Balance as at December 31, 2018
Bank overdrafts and short-term loans from financial institution	2,864,119	14,173,367	-	17,037,486
Short-term loans from related person	-	29,900,000	-	29,900,000
Long-term loans from financial institution	51,924,994	(12,480,000)	-	39,444,994
Total	54,789,113	31,593,367	-	86,382,480

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

34. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 26, 2020.



INTERCONTINENTAL®

RESIDENCES HUA HIN



Photo taken from actual show suite.

FOCUS

PLOENCHIT

READY TO MOVE IN | SUKHUMVIT SOI 2

“Living without boundary”

UNIT TYPE		UNIT AREA (Sq.m.)
1 BEDROOM	1 BATHROOM	45 – 48
2 BEDROOMS	2 BATHROOMS	65 – 89



350 M. FROM BTS PLOENCHIT



PROUD
REAL ESTATE PLC

TEL : 02-035-0999
FAX : 02-035-0998
WEBSITE : WWW.PROUDREALESTATE.CO.TH

PROUD REAL ESTATE PUBLIC COMPANY LIMITED
900 TONSON TOWER, 6TH FLOOR,
PLOENCHIT ROAD, LUMPINI, PATUMWAN,
BANGKOK 10330