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“REVIEWED”

- 12 -

PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
JUNE 30, 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, 9th Floor, Alma Link Building, Soi Chidlom, Ploenchit Road, Lumpini, Patumwan, Bangkok.

The Company engages as a construction contractor and a real estate business.

2. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF 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 June 30,2019		As at December 31, 2018		Principal activities
	Percentage of Shareholding (%)	Paid – up Capital (Million Baht)	Percentage of Shareholding (%)	Paid – up Capital (Million Baht)	
<u>Subsidiaries held by Company</u>					
Hua Hin Alpha 71 Company Limited	99.97	0.25	-	-	Real estate
Hua Hin Sky Living Company Limited	99.97	0.25	-	-	Real estate

During the period, the Company has invested in Huahin Alfa 71 Company Limited and Huahin 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 quarter 2, 2019.

2.2 These consolidated financial statements included the financial statements of Proud Real Estate Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2018.

“UNAUDITED”

“REVIEWED”

- 13 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

- 2.3 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.
- 2.4 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.
- 2.5 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.
- 2.6 Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control.

3. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENT

3.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2018) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2018.

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

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

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

3.2 Thai Financial Reporting Standards that become effective in the current year

During the period, the Company and its subsidiaries has adopted the revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, 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. However, the new standard involves changes to key principles, as summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

3.3 Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard and accounting guidance for financial instruments, which is effective for fiscal years beginning on or after January 1, 2020. Key principles of these standards are summarized below.

The accounting guidance for financial instruments and Presentation for Insurance business

Accounting practice was adjusted to have close content with TFRS 9 by dividing into 4 parts as follows:

1. The recognition of transaction and valuation of financial instrument which is developed closely to the accounting standards No.105 (revised 2016) regarding accounting for investment in debt securities and equity securities and financial reporting standards No.9 financial instrument.

“UNAUDITED”

“REVIEWED”

- 15 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

2. Impairment of financial asset which has content close to the financial reporting standard No.9 re: financial instruments

3. Accounting to prevent risk with content close to the financial reporting standard No.9 regarding financial instrument.

4. Information disclosure of financial instrument with content similar to the financial reporting standard No.7 disclosure of financial instrument information.

TFRS 16 Leases

As the lease is significant transaction in many business in many industries. It's significant that user of financial statement should receive information on activity of the lease completely and able to compare which the former accounting method for lease agreement under accounting standard No.17 regarding lease agreement require the lessee and lessor to classify lease agreement as financial lease or operating lease and record the account for both lease agreement differently. Such accounting method can't respond to the needs of the financial statement users as the accounting method does not objectively represent for the lease transaction in every case. For the lessee to recognize assets and liabilities that arise from operating lease which affects the lease agreement to be recognized as asset and liabilities in the statement of financial position. The use of asset and commitment that arises from the lease agreement under the definition of asset and liabilities affect the significant financial ratio to be distorted. New accounting method under the financial reporting standards No.16 lease agreement requires the lessee to recognize the right to use asset as asset in the financial statements and recognize commitment that arises from lease agreement in the financial statements. Such accounting method affects the asset presentation and liabilities of the lessee as objective representation as well as increase the disclosure of information that reflects the financial risk and capital money of the lessee.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

3.4 Reporting currency in interim financial information

These interim financial information are presented in Thai Baht which is different from the functional currency of the Company, all interim financial information presented in notes to financial statements has been rounded to the nearest thousand unless otherwise stated.

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

3.5 Use of estimates and judgments by the management

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2018.

3.6 Summary of significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2018 except that the Company has adopted all the new and revised Thai Financial Reporting Standards (“TFRS”) that are effective for annual periods beginning on or after 1 January 2019.

4. 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.

“UNAUDITED”

“REVIEWED”

- 17 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

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

<u>Name</u>	<u>Country/Nationality</u>	<u>Relation</u>	<u>Type of relation</u>
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
New Leaf Solutions Limited	Thailand	Related company	Common director
Mr. Anucha Sihanatkathakul	Thailand	Director	Director

Bases of measurement for inter company revenues and expenses

	<u>Pricing Policy</u>
Revenue from construction services	Stipulate in the agreement
Management fee income	Stipulate in the agreement
Interest income	MLR+1, MLR - 0.5
Other service income	Stipulate in the agreement
Purchase of equipment	Market price
Interest expenses	MOR
Purchase of land	Stipulate in the agreement
Service charge	Market price

“UNAUDITED”

“REVIEWED”

- 18 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

4.1 The significant related party transactions for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

	Thousands Baht			Pricing policy
	Consolidated	Separate Financial Statement		
	Financial Statement			
	For the three- month periods ended June 30,	For the three- month periods ended June 30,		
	2019	2019	2018	
Transaction with subsidiaries:				
Interest income				
Hua Hin Alpha 71 Co., Ltd.	-	4,580	-	MLR - 0.5, 6.10% per annum
Hua Hin Sky Living Co., Ltd.	-	831	-	MLR - 0.5, 6.10% per annum
Transaction with associates:				
Interest income				
Focus Wheig Coporation Limited	511	511	-	MLR+1, 7.25% per annum
Transaction with related companies:				
Revenue from construction services				
Focus Wheig Bangna Limited	140	140	5,113	Stipulate in the agreement
Management fee income				
Focus Wheig Bangna Limited	400	400	1,200	Stipulate in the agreement
Director	75	75	-	Stipulate in the agreement
Purchase of land				
Proud Resort Hua Hin Co., Ltd.	1,125,000	-	-	Stipulate in the agreement
Vana Nava Co., Ltd.	200,000	-	-	Stipulate in the agreement
Interest expense				
Director	735	735	-	MOR 7.12% per annum
Misellaneous expenses				
Proud Resort Hua Hin Co., Ltd.	18	18	-	Market price

“UNAUDITED”

“REVIEWED”

- 19 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

	Thousands Baht			Pricing policy
	Consolidated	Separate Financial Statement		
	Financial Statement			
	For the six- month periods ended June 30,	For the six-month periods ended June 30,		
	2019	2019	2018	
Transaction with subsidiaries:				
Interest income				
Hua Hin Alpha 71 Co., Ltd.	-	4,580	-	MLR - 0.5, 6.10% per annum
Hua Hin Sky Living Co., Ltd.	-	831	-	MLR - 0.5, 6.10% per annum
Transaction with associates:				
Interest income				
Focus Wheig Coporation Limited	947	947	-	MLR+1, 7.25% per annum
Transaction with related companies:				
Revenue from construction services				
Focus Wheig Bangna Limited	1,154	1,154	5,113	Stipulate in the agreement
Management fee income				
Focus Wheig Bangna Limited	1,000	1,000	2,400	Stipulate in the agreement
Director	112	112	-	Stipulate in the agreement
Purchase of land				
Proud Resort Hua Hin Co., Ltd.	1,125,000	-	-	Stipulate in the agreement
Vana Nava Co., Ltd.	200,000	-	-	Stipulate in the agreement
Purchase of equipment				
Data In Motion Co., Ltd.	116	116	-	Market price
Interest expense				
Director	1,382	1,382	-	MOR 7.12% per annum
Misellancous expenses				
Proud Resort Hua Hin Co., Ltd.	18	18	-	Market price

“UNAUDITED”

“REVIEWED”

- 20 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

4.2 The significant balances with related parties as at June 30, 2019 and December 31, 2018 were as follows:

	Thousands Baht		
	Consolidated	Separate Financial Statement	
	Financial Statement	As at June	As at December
	As at June	30, 2019	31, 2018
	30, 2019	30, 2019	31, 2018
<u>Trade and other receivable</u>			
<u>Trade accounts receivable</u>			
<u>Subsidiaries:</u>			
Hua Hin Alpha 71 Co., Ltd.	-	13	-
Hua Hin Sky Living Co., Ltd.	-	10	-
<u>Subsidiaries of Joint venture</u>			
Focus Wheig Bangna Limited	11,492	11,492	24,442
<u>Accrued interest income</u>			
<u>Subsidiaries:</u>			
Hua Hin Alpha 71 Co., Ltd.	-	4,580	-
Hua Hin Sky Living Co., Ltd.	-	831	-
<u>Joint venture</u>			
Focus Wheig Coporation Limited	1,097	1,097	151
	<u>12,589</u>	<u>18,023</u>	<u>24,593</u>
<u>Short-term loans to related parties:</u>			
<u>Subsidiaries:</u>			
Hua Hin Alpha 71 Co., Ltd.	-	11,000	-
Hua Hin Sky Living Co., Ltd.	-	1,740	-
<u>Joint venture</u>			
Focus Wheig Coporation Limited	28,731	28,731	17,631
	<u>28,731</u>	<u>41,471</u>	<u>17,631</u>
<u>Long-term loans to related parties:</u>			
<u>Subsidiaries:</u>			
Hua Hin Alpha 71 Co., Ltd.	-	550,000	-
Hua Hin Sky Living Co., Ltd.	-	100,000	-
	<u>-</u>	<u>650,000</u>	<u>-</u>
<u>Retention receivable</u>			
<u>Subsidiaries of Joint venture</u>			
Focus Wheig Bangna Limited	2,114	2,114	1,334
	<u>2,114</u>	<u>2,114</u>	<u>1,334</u>

“UNAUDITED”

“REVIEWED”

- 21 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

	Thousands Baht		
	Consolidated	Separate Financial Statement	
	Financial Statement	As at June	As at December
	As at June	As at June	As at December
	30, 2019	30, 2019	31, 2018
<u>Trade account payable</u>			
<u>Related companies:</u>			
Data In Motion Co., Ltd.	62	62	351
Proud Resort Hua Hin Co., Ltd.	18	18	-
	<u>80</u>	<u>80</u>	<u>351</u>
<u>Short-term loans to related person</u>			
<u>Related person:</u>			
Director	41,000	41,000	29,900
	<u>41,000</u>	<u>41,000</u>	<u>29,900</u>
<u>Short-term loans to related company:</u>			
<u>Related company</u>			
Proud Resort Hua Hin Co., Ltd.	25,000	-	-
	<u>25,000</u>	<u>-</u>	<u>-</u>
<u>Accrued interest expense</u>			
<u>Related person:</u>			
Director	1,723	1,723	351
	<u>1,723</u>	<u>1,723</u>	<u>351</u>
<u>Advance receive from sale of investment</u>			
<u>Related companies:</u>			
New Leaf Solutions Limited	9,162	9,162	-
	<u>9,162</u>	<u>9,162</u>	<u>-</u>

“UNAUDITED”

“REVIEWED”

- 22 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

4.3 Short-term loans to related parties

Movements of short-term loans to related parties for the six-month period ended June 30, 2019 and for the year ended December 31, 2018 were as follows:

Thousands Baht					
Consolidated Financial Statement					
As at Dec 31, 2018	Additional during period	Repayment during period	As at Jun 30, 2019	Due date	Interest rate
Short-term loans to related parties					
Focus Wheig Coporation Limited	17,631	11,100	-	28,731	At call MLR +1 per annum
	17,631	11,100	-	28,731	

Thousands Baht					
Separate Financial Statement					
As at Dec 31, 2018	Additional during period	Repayment during period	As at Jun 30, 2019	Due date	Interest rate
Short-term loans to related parties					
Hua Hin Alpha 71 Co., Ltd.	-	11,000	-	11,000	At call 6.10 per annum
Hua Hin Sky Living Co., Ltd.	-	1,740	-	1,740	At call 6.10 per annum
Focus Wheig Coporation Limited	17,631	11,100	-	28,731	At call MLR +1 per annum
	17,631	23,840	-	41,471	

Thousands Baht					
Consolidated Financial Statement /Separate Financial Statement					
As at Dec 31, 2018	Additional during period	Repayment during period	As at Jun 30, 2019	Due date	Interest rate
Short-term loans to related parties					
Hua Hin Alpha 71 Co., Ltd.	-	550,000	-	550,000	Dec 31, 2022 MLR - 0.5 per annum
Hua Hin Sky Living Co., Ltd.	-	100,000	-	100,000	Dec 31, 2023 MLR - 0.5 per annum
	-	650,000	-	650,000	

“UNAUDITED”

“REVIEWED”

- 23 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

4.4 Short-term loans from related person

Movements of short-term loans from related person for the six-month period ended June 30, 2019 and for the year ended December 31, 2018 were as follows:

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019 (For the six-month)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Beginning	29,900	29,900	-
Increase	11,100	11,100	29,900
Decrease	-	-	-
Ending	<u>41,000</u>	<u>41,000</u>	<u>29,900</u>

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

4.5 Short-term loans from related company

Movements of short-term loans from related company for the six-month period ended June 30, 2019 and for the year ended December 31, 2018 were as follows:

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019 (For the six-month)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Beginning	-	-	-
Increase	25,000	-	-
Decrease	-	-	-
Ending	<u>25,000</u>	<u>-</u>	<u>-</u>

The subsidiary has short-term loans from related company by issuing promissory notes, pay back due on call without charging interest and has no collateral.

“UNAUDITED”

“REVIEWED”

- 24 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

4.6 Key management personnel compensation

Key management personnel compensation for the three-month and six-month period ended June 30, 2019 and 2018 consisted of:

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	For the three-month periods ended June 30,	For the three-month periods ended June 30,	
	2019	2019	2018
Short-term benefits	3,558	3,558	2,691
Post-employment benefits	247	247	85
Total	3,805	3,805	2,776

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	For the six-month periods ended June 30,	For the six-month periods ended June 30,	
	2019	2019	2018
Short-term benefits	6,133	6,133	5,437
Post-employment benefits	335	335	197
Total	6,468	6,468	5,634

“UNAUDITED”

“REVIEWED”

- 25 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

5. CASH AND CASH EQUIVALENTS

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019	As at June 30, 2019	As at December 31, 2018
Cash on hand	22	19	122
Cash at bank	18,145	17,900	7,189
Total	18,167	17,919	7,311

6. TRADE AND OTHER RECEIVABLES

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019	As at June 30, 2019	As at December 31, 2018
Trade accounts receivable			
- Related parties	-	-	13,742
- Others	-	-	6,328
- Note receivable	-	-	8,179
Total trade accounts receivable	-	-	28,249
Other receivables			
- Related parties	12,589	18,023	10,851
- Other parties	191	191	312
Total other receivables	12,780	18,214	11,163
Total	12,780	18,214	39,412

“UNAUDITED”

“REVIEWED”

- 26 -

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

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

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June	As at June	As at December
	30, 2019	30, 2019	31, 2018
Less than or equal to 3 months	-	-	28,249
More than 3 to 6 months	-	-	-
Over 12 months	-	-	-
Total	-	-	28,249

7. COST OF PROPERTY DEVELOPMENT

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June	As at June	As at December
	30, 2019	30, 2019	31, 2018
Land	1,397,912	70,037	74,962
Construction cost	78,712	78,653	84,184
Promotion expenses	8,851	8,851	9,429
Capitalised interest and financial costs	9,091	4,436	4,748
Total	1,494,566	161,977	173,323

On May 14, 2019, 2 subsidiaries purchase land for real estate development 12 rai 3 ngarn 58.3 sq.wah totaling Baht 1,325 million.

The Company and the subsidiary have mortgaged land with construction to be used as collateral with the financial institution. (see notes 14 and 16)

For the six-month period ended June 30, 2019, its subsidiaries have recorded cost of loans to Baht 4.65 million to be a cost of real estate project under development.

“UNAUDITED”

“REVIEWED”

- 27 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

8. RESTRICTED BANK DEPOSITS

Restricted bank deposits the financial statements as at June 30, 2019 and December 31, 2018 in the amount of Baht 0.19 million, Baht 7.43 million, were pledged as collateral for credit lines from financial institutions as follows (see Notes 14).

9. INVESTMENTS IN SUBSIDIARIES

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

Company	Million Baht		Percentage of		Thousands Baht	
	Paid-up share		shareholding (%)		Separate Financial Statements	
	As at	As at	As at	As at	Cost method	
	June	December	June	December	As at	As at
	30, 2019	31, 2018	30, 2019	31, 2018	30, 2019	31, 2018
Hua Hin Alpha 71 Co., Ltd.	0.25	-	99.97	-	249	-
Hua Hin Sky Living Co., Ltd.	0.25	-	99.97	-	250	-
Total					499	-

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 subsidiary has registered to establish the company.

“UNAUDITED”

“REVIEWED”

- 28 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

10. INVESTMENT IN JOINT VENTURE

			Thousands Baht						
			Percentage of holding (%)		Paid-up share		Consolidated Financial Statements	Separate Financial Statements	
			As at		As at		Equity method	Cost	
			As at	As at	As at	As at	As at	As at	As at
			June	December	June	December	June	June	December
Company	Business type	Located in	30, 2019	31, 2018	30, 2019	31, 2018	30, 2019	30, 2019	31, 2018
Focus Wheig Corporation Limited	Jointly investment in integrated and waste to energy business solutions	Thailand	<u>60.00</u>	<u>60.00</u>	<u>85,000</u>	<u>85,000</u>	24,172	<u>51,000</u>	<u>51,000</u>
<u>Less</u> Transferred out to assets held for sale							(24,172)		
								<u>-</u>	

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.

“UNAUDITED”

“REVIEWED”

- 29 -

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

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 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 six-month period ended June 30, 2019 and for the year ended December 31, 2018 were as follows:

	Thousands Baht		
	Consolidated Financial Statements	Separate Financial Statements	
	As at June 30, 2019 (For the six-month)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Beginning	28,784	28,784	24,370
Additional investment	-	-	15,750
Share of loss from investment in joint venture	(4,612)	(4,612)	(11,336)
Transferred to assets held for sale	(24,172)	(24,172)	-
Ending	<u>-</u>	<u>-</u>	<u>28,784</u>

“UNAUDITED”

“REVIEWED”

- 30 -

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

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 Corporation to end the status of the Company’s joint venture business. The sale of all investment of Focus Wheig Corporation 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 and as at June 30, 2019, the Company has classified investment in the total joint venture business as asset held for sale in the statement of financial position.

Acquisition of joint venture

Investment in subsidiary of the joint venture presented at cost in the financial statements of the joint venture as at June 30, 2019 and December 31, 2018 consisted of:

Subsidiary of joint venture	Percentage of holding (%)		Thousands Baht			
			Paid-up share capital		Cost	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Focus Wheig Bangna Limited	100	100	81,000	81,000	76,000	76,000

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.

“UNAUDITED”

“REVIEWED”

- 31 -

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

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.

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%.

“UNAUDITED”

“REVIEWED”

- 32 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

Movements of investment in the subsidiary of joint venture at cost for the six-month period ended June 30, 2019 and for the year ended December 31, 2018 were as follows:

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019 (For the six-month)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Balance forward	76,000	76,000	43,000
Increase investment	-	-	33,000
Sale investment	-	-	-
Ending balance	76,000	76,000	76,000

11. BUILDING AND EQUIPMENT

Movements of the building and equipment account for the six-month period ended June 30, 2019 are summarized as follows :

	Thousands Baht	
	Consolidated Financial Statements	Separate Financial Statements
<u>At cost</u>		
Balance as at December 31, 2018	90,189	90,189
Acquisitions during the period	333	333
Disposals and write-off the period	(29,501)	(29,501)
Transferred assets out during the period	-	-
Balance as at June 30, 2019	61,021	61,021
<u>Accumulated depreciation</u>		
Balance as at December 31, 2018	84,004	84,004
Depreciation for the period	532	532
Accumulated depreciation on disposals and write-off the period	(24,650)	(24,650)
Accumulated depreciation transfer - out	-	-
Balance as at June 30, 2019	59,886	59,886
<u>Net book value</u>		
Balance as at June 30, 2019	1,135	1,135
Balance as at December 31, 2018	6,185	6,185

“UNAUDITED”

“REVIEWED”

- 33 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

	Thousands Baht			
	Consolidated Financial Statements	Separate Financial Statement	Consolidated Financial Statements	Separate Financial Statement
	As at June 30, 2019 (For the three-month)		As at June 30, 2019 (For the six-month)	
Depreciation was included in				
Administrative expenses	214	214	532	532
Total	214	214	532	532

12. DEFERRED TAX ASSETS

Deferred tax assets are as follows :

	Thousands Baht		
	Consolidated Financial Statements	Separate Financial Statements	
	As at June 30, 2019	As at June 30, 2019	As at December 31, 2018
Deferred tax assets	9,552	9,552	11,397
	9,552	9,552	11,397

Movements in deferred tax assets for the six-month period ended June 30, 2019 were as follows:

	Thousands Baht			
	Consolidated Financial Statements			
	As at December 31, 2018	Reveue (expense) during the period		As at June 30, 2019
		Statement of income	Other comprehensive income	
Deferred income tax assets				
Allowance for doubtful debts	1,597	-	-	1,597
Cost of property development	827	-	-	827
Employee benefit obligations	1,869	(207)	(1,638)	24
Tax losses carry forwards	7,104	-	-	7,104
Total	11,397	(207)	(1,638)	9,552

“UNAUDITED”

“REVIEWED”

- 34 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

	Thousands Baht			As at June 30, 2019
	Separate Financial Statements			
	As at	Revenue (expense) during the period		
	December 31, 2018	Statement of income	Other comprehensive income	
Deferred income tax assets				
Allowance for doubtful debts	1,597	-	-	1,597
Cost of property development	827	-	-	827
Employee benefit obligations	1,869	(207)	(1,638)	24
Tax losses carry forwards	7,104	-	-	7,104
Total	11,397	(207)	(1,638)	9,552

As at June 30, 2019, the Company has the accumulated tax losses that have not been used from 2014 at the amount of Baht 41.48 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.

13. OTHER NON-CURRENT ASSETS

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements	As at June 30, 2019	As at December 31, 2018
Retention receivables	15,706	15,706	15,348
Guarantee and deposits	1,666	1,666	1,568
Withholding tax	2,817	2,817	4,937
Others	1,124	1,124	1,267
Total	21,313	21,313	23,120
<u>Less</u> Allowance for doubtful debts - retention receivables	(9,053)	(9,053)	(9,053)
Net	12,260	12,260	14,067

“UNAUDITED”

“REVIEWED”

- 35 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

Retention receivables are warranty monies 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 period as stated in the contract.

The movements of allowance for doubtful debts are as follows:

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019 (For the six-month)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Allowance for doubtful debts - beginning	(9,053)	(9,053)	(7,985)
<u>Add</u> Additional allowances	-	-	(1,068)
<u>Less</u> Reversed of doubtful debts	-	-	-
Allowance for doubtful debts - ending	<u>(9,053)</u>	<u>(9,053)</u>	<u>(9,053)</u>

14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019	As at June 30, 2019	As at December 31, 2018
Bank overdrafts	-	-	10,537
Short-term loans from financial institutions	550,000	-	6,500
Total	<u>550,000</u>	<u>-</u>	<u>17,037</u>

“**UNAUDITED**”

“**REVIEWED**”

- 36 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

The Company has credit facilities with financial institutions consisted of:

Type	Credit Facilities (Million Baht)		Referred interest rate (% per annum)	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Bank overdrafts	15.00	23.00	MOR	MOR, Fixed deposit + 1.5%
Promissory notes/short-term loans	565.00	38.00	MLR, MOR	MLR, MOR
Letter of guarantee	217.70	306.95	-	-
	<u>797.70</u>	<u>367.95</u>		

As at June 30, 2019 and December 31, 2018, the Company and subsidiaries has collateral as follows:

Type	Credit Facilities (Million Baht)		Collateral
	As at June	As at December	
	30, 2019	31, 2018	
<u>Bank overdrafts</u>			
Company	-	3.00	Company's fixed deposit.
	15.00	15.00	Guarantee by a third party.
	-	5.00	Mortgaged by Focus Ploenchit project.
	<u>15.00</u>	<u>23.00</u>	
<u>Short-term loans</u>			
Subsidiaries	550.00	-	The company has mortgaged Vana Residence land with buildings on the land and Hua Hin 71 land with buildings on the land.
<u>Promissory notes</u>			
Company	15.00	38.00	Company's fixed deposit and/or transferred account receivable rights received from some projects.
<u>Letter of guarantee</u>			
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.
	<u>180.00</u>	<u>180.00</u>	No collateral.
	<u>217.70</u>	<u>306.95</u>	
Total	<u>797.70</u>	<u>367.95</u>	

Other significant procedure under the overdraft agreement and short-term loan from the financial institution, the Company and its subsidiary have to comply on the terms and conditions specified in the agreement as follows.

A third party guarantees without charging for compensation from guarantee.

“UNAUDITED”

“REVIEWED”

- 37 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

15. TRADE AND OTHER PAYABLES

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements	As at June	As at December
	As at June	As at June	As at December
	30, 2019	30, 2019	31, 2018
Trade account payables	9,038	8,980	16,383
Accrued expenses	7,722	7,400	4,787
Other payables	2,000	2,000	2,000
Total	18,760	18,380	23,170

16. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial	As at June	As at December
	Statements	30, 2019	31, 2018
	As at June	As at June	As at December
	30, 2019	30, 2019	31, 2018
Long-term loans from financial institution	180,000	80,000	39,445
<u>Less</u> Deferred expenses	(944)	(944)	-
<u>Less</u> Current portion	(79,056)	(79,056)	(39,445)
Net	100,000	-	-

The details of loans from financial institutions:

	Credit Facilities (Million Baht)		Period	Interest rate per annum	Repayment
	As at June	As at December			
	30, 2019	31, 2018			
Company	-	40.00	August 2017 - August 2020	MLR - 0.5	when transfer right of residential condominium unit and interest paid on a monthly basis
	100.00	-	May 2019 - May 2022	MLR - 1	when transfer right of residential condominium unit and interest paid on a monthly basis
Subsidiaries	100.00	-	Within May 2021	MLR - 1.5	Paid in full amount within the time period
	<u>200.00</u>	<u>40.00</u>			

“UNAUDITED”

“REVIEWED”

- 38 -

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

Movements of loans from financial institution for the six-month period ended June 30, 2019 and for the years ended December 31, 2018 were as follows:

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019 (For the six-month)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Beginning balance	39,445	39,445	51,925
Increase	180,000	80,000	-
Decrease	(39,445)	(39,445)	(12,480)
Ending balance	180,000	80,000	39,445

The Company mortgaged land together with construction at Focus Ploenchit and Vana Residence land with building project as collateral for loans. (Note 7).

17. EMPLOYEE BENEFITS OBLIGATIONS

Movement of the present value of employee benefit obligations for the six-month period ended June 30, 2019 and for the years ended December 31, 2018 as follows:

Statement of financial position

	Thousands Baht		
	Consolidated	Separate Financial Statements	
	Financial Statements		
	As at June 30, 2019 (For the six-month)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Employee benefit obligations - beginning balance	10,854	10,854	9,348
Current service and interest cost	300	300	854
Past service cost	30	30	-
Employee benefit obligations paid	(2,572)	(2,572)	-
Loss (gain) estimation over actuarial principles	(8,192)	(8,192)	652
Employee benefit obligations - ending balance	420	420	10,854

“UNAUDITED”

“REVIEWED”

- 39 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

Expense recognized in the statements of income for the three-month and six-month periods ended June 30, 2019 and 2018 :-

	Thousands Baht			
	Consolidated Financial Statements/ Separate Financial Statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2019	2018	2019	2018
Past service cost and current	30	-	30	-
Service cost interest				
Administrative expenses	149	170	298	360
	179	170	328	360
Interest from commitments	1	40	2	87
Net	180	210	330	447

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 current maximum 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.

“UNAUDITED”

“REVIEWED”

- 40 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

18. CONSTRUCTION CONTRACTS

For the six-month period ended June 30, 2019 and for the years ended December 31, 2018 construction contracts were as follows:

	Thousands Baht		
	Consolidated Financial Statements	Separate Financial Statements	
	As at June 30, 2019 (For the six- month)	As at June 30, 2019 (For the six- month)	As at December 31, 2018 (For the year)
Value of contracts	<u>167,684</u>	<u>167,684</u>	<u>172,985</u>
Costs incurred up to the period	152,342	152,342	131,408
Estimated profit recognized up to the period	<u>15,342</u>	<u>15,342</u>	<u>10,136</u>
Costs and estimated profit recognized up to the period	167,684	167,684	141,544
<u>Less</u> Amount billed to customers up to the period	<u>(169,068)</u>	<u>(169,068)</u>	<u>(145,705)</u>
Unbilled receivables	<u>-</u>	<u>-</u>	<u>2,007</u>
Advance receive from construction	<u>1,384</u>	<u>1,384</u>	<u>6,168</u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

19. 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 June 30, 2019, 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.

“UNAUDITED”

“REVIEWED”

- 42 -

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

20. 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.

21. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the three-month and six-month period ended June 30, 2019 and 2018 is calculated by dividing profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	Consolidated Financial Statements	Separate Financial Statements	
	For three-month period ended June 30,	For the three-month period ended June 30,	
	2019	2019	2018
Profit (loss) for the period (Thousand Baht)	(40,464)	(34,962)	(6,064)
Weighted average number of ordinary shares (Thousand shares)	433,136	433,136	190,080
Effect of shares issued during the period	190,080	190,080	190,080
Issued ordinary shares at the beginning of the period	243,056	243,056	-
Weighted average number of ordinary shares (Thousand shares)	433,136	433,136	190,080
Basic earnings (loss) per share (Baht)	(0.09)	(0.08)	(0.03)

“UNAUDITED”

“REVIEWED”

- 43 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

	Consolidated		
	Financial Statements	Separate Financial Statements	
	For the six-month period ended June 30,	For the six-month period ended June 30,	
	2019	2019	2018
Profit (loss) for the period (Thousand Baht)	(40,359)	(34,857)	(20,035)
Weighted average number of ordinary shares (Thousand shares)	312,279	312,279	190,080
Effect of shares issued during the period	190,080	190,080	190,080
Issued ordinary shares at the beginning of the period	122,199	122,199	-
Weighted average number of ordinary shares (Thousand shares)	312,279	312,279	190,080
Basic earnings (loss) per share (Baht)	(0.13)	(0.11)	(0.11)

Diluted earnings (loss) per share

Diluted earnings (loss) per share for the three-month and six-month period ended June 30, 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 three-month and six-month period ended June 30, 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.

22. COMMITMENTS AND CONTINGENT LIABILITIES

As at June 30, 2019, the Company, joint venture and subsidiary of joint venture had commitments and contingent liabilities as follows:

The Company

22.1 Letters of guarantee issued by banks of Baht 23.48 million.

“UNAUDITED”

“REVIEWED”

- 44 -

**PROUD REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY, FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)**

JUNE 30, 2019

22.2 Commitments for payment under the agreements as follows:

22.2.1 Payment under office rental and service agreement as follows:

<u>Period</u>	<u>Rental and service expense (Million Baht)</u>
1 year	4.71
2 - 3 years	0.76

22.2.2 Payment under property development project in the amount of Baht 0.51 million.

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

Subsidiary of joint venture

22.3 Payment contract for purchase of asset and under service agreement in the amount of Baht 21.84 million.

23. 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 three-month and six-month periods ended June 30, 2019 were classified as follows:

	Thousands Baht			
	Consolidated Financial Statements			
	For the three-month period ended June 30,			
	Construction	Property development	Investments business	Total
	2019	2019	2019	2019
Revenues	140	120	-	260
Cost	490	-	-	490
Gross profit (loss)	630	120	-	750
Share of loss from investment in joint venture			(2,758)	(2,758)

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- 45 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

	Thousands Baht			
	Consolidated Financial Statements			
	For the six-month period ended June 30,			
	Construction	Property development	Investments business	Total
	2019	2019	2019	2019
Revenues	31,435	25,761	-	57,196
Cost	(22,651)	(16,256)	-	(38,907)
Gross profit (loss)	8,784	9,505	-	18,289
Share of loss from investment in joint venture			(4,612)	(4,612)

	Thousands Baht			
	Consolidated Financial Statements			
	Construction	Property development	Investments business	Total
	As at June 30, 2019	As at June 30, 2019	As at June 30, 2019	As at June 30, 2019
<u>Assets</u>				
Trade and other receivables	12,780	-	-	12,780
Cost of property development	-	1,494,566	-	1,494,566
Assets held for sale	-	-	24,172	24,172
Others	-	-	-	81,368
Total				1,612,886

	Thousands Baht			
	Consolidated Financial Statements			
	Construction	Property development	Investments business	Total
	As at June 30, 2019	As at June 30, 2019	As at June 30, 2019	As at June 30, 2019
<u>Liabilities</u>				
Bank overdrafts and short-term loans from financial institution	-	550,000	-	550,000
Trade and other payables	17,012	1,748	-	18,760
Estimated cost payables	14,220	-	-	14,220
Retention payables	18,402	-	-	18,402
Advance receive from construction	1,384	-	-	1,384
Advance receive from sale of real estate	-	16,641	-	16,641
Long - term loans from financial institution	-	179,056	-	179,056
Others	-	-	-	76,692
Total				875,155

“UNAUDITED”

“REVIEWED”

- 46 -

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2019

24. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company’s Board of Directors on August 14, 2019.