

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

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TRFIC 16 Hedges of a Net Investment in a Foreign Operation

TRFIC 19 Extinguishing Financial Liabilities with Equity Instruments

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:

	Years
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
<u>Short-term loans to related person</u>			
<u>Related person:</u>			
Director	-	-	29,900,000
	-	-	29,900,000
<u>Short-term loans to related parties</u>			
<u>Related company:</u>			
Proud Resort Hua Hin Co., Ltd.	25,000,000	-	-
Vana Nava Co., Ltd.	25,000,000	-	-
	50,000,000	-	-
<u>Accrued interest expense</u>			
<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		
<u>Short-term loans to related parties</u>						
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		
<u>Short-term loans to related parties</u>						
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, 2018	Additional during period	Repayment during period	As at Dec 31, 2019	Due date	Interest rate
<u>Long-term loans to related parties</u>						
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		

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 Financial Statements	Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2019	As at December 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	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 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	Separate Financial Statements	
	Financial Statements		
	As at December 31, 2019	As at December 31, 2019	As at December 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	As at December	As at December	As at December	As at December	As at December	As at December	As at December
			31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	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	As at	As at	As at	As at	As at
	December	December	December	December	December	December
Subsidiary of joint venture	31, 2019	31, 2018	31, 2019	31, 2018	31, 2019	31, 2018
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	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	Other comprehensive income December 31, 2019
<u>Deferred tax assets</u>			
Allowance for doubtful debts	1,596,929	-	-
Cost of property development	826,650	(137,072)	-
Employee benefit obligations	1,869,564	(87,229)	(1,638,360)
Tax losses	7,104,066	1,738,166	-
Total	11,397,209	1,513,865	(1,638,360)
	Baht		
	Separate Financial Statements		
	Per book as at	Income (expense) in during the year	Per book as at
	December 31, 2018	Statement of income	Other comprehensive income December 31, 2019
<u>Deferred tax assets</u>			
Allowance for doubtful debts	1,596,929	-	-
Cost of property development	826,650	(137,072)	-
Employee benefit obligations	1,869,564	(87,229)	(1,638,360)
Tax losses	7,104,066	1,738,166	-
Total	11,397,209	1,513,865	(1,638,360)
	Baht		
	Separate Financial Statements		
	Per book	Income (expense) in during the year	Per book
	As at December 31, 2017	In profit (loss)	In other comprehensive income (loss) As at December 31, 2018
<u>Deferred tax assets</u>			
Allowance for doubtful accounts	1,774,240	(177,311)	-
Cost of property development	869,793	(43,143)	-
Employee benefit obligations	1,869,564	-	-
Tax losses	10,066,074	(2,962,008)	-
Total	14,579,671	(3,182,462)	-

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	As at December	As at December
	31, 2019	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 actuaril 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 actualuarial 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	Thai Mortality	Thai Mortality
	Ordinary Table 2017	Ordinary Table 2017	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
Less 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			
		Property		Investments	
		Construction	development	business	Total
Revenues		31,434,731	58,286,240	-	89,720,971
Cost		(22,650,708)	(34,813,427)	-	(57,464,135)
Gross profit		<u>8,784,023</u>	<u>23,472,813</u>	<u>-</u>	<u>32,256,836</u>
Share of loss from investment in joint venture				<u>(5,436,392)</u>	<u>(5,436,392)</u>

		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)		<u>8,784,023</u>	<u>11,178,557</u>	<u>23,472,813</u>	<u>6,597,406</u>	<u>-</u>	<u>-</u>	<u>32,256,836</u>	<u>17,775,963</u>
Share of loss from investment									
in joint venture						<u>(5,436,392)</u>	<u>(11,336,310)</u>	<u>(5,436,392)</u>	<u>(11,336,310)</u>

	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				1,720,407,861

<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				982,404,082

	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							921,579,762	316,743,935
<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							147,070,579	191,907,461

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.