

MORE THAN JUST LIVING

**ANNUAL REPORT 2020** 

Proud Real Estate Public Company Limited







Proud Real Estate Public Company Limited is a property developer in Thailand. Which is listed on the Market for Alternative Investment (mai) under the Stock Exchange of Thailand (SET). We care about creating residential projects that elevate "residences" into experiences. Living under the concept of "More than just living", which is a combination of relaxation used resort service that will make your everyday enjoyable surrounded by nature and luxury of a modern life.

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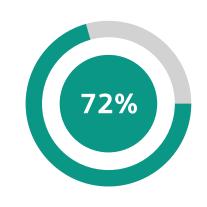






#### INTERCONTINENTAL RESIDENCES HUA HIN





### Sale value in 2020

Hit the new highest record with amount Baht **2,515** million















## Ownership transfer in 2020

Total ownership transfer is 32 units with amount Baht 182 million (Status: Sold out)











Revenue from real estate business has increased 238% compared to last year.

#### **OUR AWARDS**



1. THAILAND PROPERTY AWARDS 2020
BEST CONDO DEVELOPMENT (THAILAND)
INTERCONTINENTAL RESIDENCES HUA HIN



2. THAILAND PROPERTY AWARDS 2020
BEST LUXURY CONDO DEVELOPMENT (HUA HIN)
INTERCONTINENTAL RESIDENCES HUA HIN



3. THAILAND PROPERTY AWARDS 2020

BEST BRANDED RESIDENCE

INTERCONTINENTAL RESIDENCES HUA HIN



4. THAILAND PROPERTY AWARDS 2020

BEST CONDO LANDSCAPE ARCHITECTURAL DESIGN

INTERCONTINENTAL RESIDENCES HUA HIN



5. DOT PROPERTY THAILAND AWARDS 2020

BEST BRANDED RESIDENCE HUA HIN

INTERCONTINENTAL RESIDENCES HUA HIN



6. DOT PROPERTY THAILAND AWARDS 2020

BEST LUXURY CONDOMINIUM HUA HIN

INTERCONTINENTAL RESIDENCES HUA HIN



Financial Highlights	2020	2019	2018	
Financial Position (Million Baht)				
Total Assets	2,001.41	1,715.07	316.74	
Total Liabilities	1,308.05	977.06	191.90	
Total Shareholders' Equity	693.36	738.01	124.84	
Fully Paid-up Share Capital	641.47	641.47	190.08	
Performance (Million Baht)				
Total Revenues	198.20	110.97	114.14	
Revenues from sale of real estate	181.65	53.82	15.91	
Revenues from contract work	-	31.43	87.17	
Net Loss for the year	(44.82)	(40.09)	(41.03)	
Share value (Baht per share)				
Lace new Chave	(0.07)	(0.00)	(0.22)	
Loss per Share	(0.07) 1.08	(0.08)	(0.22)	
Book Value per Share	1.08	1.15	0.66	
Financial Ratio				
Current Ratio (times)	3.61	10.14	1.36	
Debt to Equity Ratio (times)	1.89	1.32	1.54	
Total Assets Turnover (times)	0.10	0.06	0.36	
Gross Profit Margin (%)	19.47	38.39	17.25	
Net Loss Margin (%)	(22.61)	(36.13)	(35.95)	

## MESSAGE FROM CHAINMAN OF THE BOARD OF DIRECTORS

2020 was an important challenge for Proud Real Estate Public Company Limited. COVID-19 had both social and economic impacts on domestic and international levels. The pandemic drastically changed the way of life for people around the world. In addition, the 2020 real estate market also faced multiple headwinds affecting economic growths of Thailand and the world. These factors, including the loan-to-value measure governing mortgage lending, resulted in the slowdown of demand and supply within the market. Faced with great challenge, the Board of Directors and the management must re-strategized in a timely manner to address the ever-changing situations.

Regardless, the Company remained driven to grow continuously. In 2020, the Company officially launched a new condominium project – InterContinental Residences Hua Hin. Residential project located on the beach in the middle of Hua Hin on Petchkasem road to capture high-purchasing power customers with spending potential. The project was well received by customers. Despite the lockdown measure, the project was sold by more than 70% of total project value.

Lastly, on behalf of the Company, I would like to thank all employees and management of the Company for their dedications. I would also like to extend my gratitude to business alliances, trade partners, customers and shareholders for their unwavering support. The Company will maintain business ethics, financial discipline, and continuous growth to sustainably deliver the highest value for customers and shareholders.

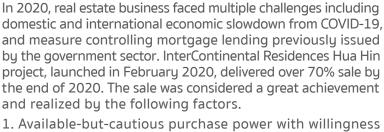
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MR.ANUWAT MAYTHEEWIBULWUT

CHAIRMAN OF THE BOARD OF DIRECTORS PROUD REAL ESTATE PUBLIC COMPANY LIMITED







- 1. Available-but-cautious purchase power with willingness to pay for the right product
- 2. The design of InterContinental Residences Hua Hin project matched consumers' demand.
- 3. InterContinental Residences Hua Hin project located in the best area—the last on-the-beach land in the middle of Hua Hin. 4. Project operated by world class brand to meet consumers' demand in sustainably maintaining facilities and overall project in good condition, as well as providing five-star hotel services such as cleaning, laundry, and concierge. Consumers can stay comfortably with a quality guarantee from a world class brand. 5. The rising trend of work from home resulted in consumers looking for residence with ease of travel, privacy, and flexibility of both short-stay and long-stay. In addition, consumers also considered about environmental, health, and weather factors as the important of these factors increased nowadays.

2020 considered to be the year of success in first step of Proud Real Estate Public Company Limited with record-breaking sale from InterContinental Residences Hua Hin project and the highest selling price per square meter in Hua Hin. The sale was over 2,500 million baht or 70% of total project value of 3,515 million baht.

InterContinental Residences Hua Hin is in construction process with target of completion and transfer-ready from the beginning of 2022. Consequently, the Company will receive cash flow from the project. The Company will soon explore new land for new project development to increase portfolio mix. The Company will remain cautious about associated risks and maintain financial discipline throughout the process.

As Chief Executive Officer of Proud Real Estate Public Company Limited, representative of the management and all employees, I would like to express my gratitude towards shareholders, customers, trade partners, financial institutions, and business alliances for their continuous support. Please be assured that Proud Real Estate Public Company Limited is determined to grow sustainably and steadily.

MR.PUMIPAT SINACHAROEN

CHIEF EXECUTIVE OFFICER
PROUD REAL ESTATE PUBLIC COMPANY LIMITED





#### Market and Competition

2020 has been a challenging year as the global Covid-19 epidemic situation has contributed to the overall slowdown in the country's business as well as intense competition from operators. However, Proud Real Estate Public Company Limited has performed prudently, firmly and closely assessed the situation in order to formulate marketing strategies in accordance with the market conditions in each period.

#### **Characteristics of Customers and Target Market**

The main target market of the Company is customers in B+ or higher tier as the remaining products in this year are high rise projects with price from 5 million baht or higher. The Company has 2 projects in this year,

- 1. The Focus Ploenchit project, with price ranging between 7.2 -14.6 million.
- 2. The InterContinental Residences Hua Hin, with price ranging from 7.89 million baht up to 116 million baht.

#### Sale and Distribution Channel

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

- (1) Sale by sales team under Proud Real Estate PLC. Salesperson, under training and service development standard of the Company, will promote marketing and selling activities in sales office of each project and outside of the project e.g. setting up booths in road shows in various locations or in housing expos.
- (2) Sale by professional salesperson like CBRE is the sole agent of the InterContinental Residences Hua Hin. CBRE is a real estate agent with experience selling some of the country's leading real estate projects and has a target customer base.
- (3) Establishing Agent & International Sales team in 2020 to increase distribution channels and create distribution channel partnerships through real estate agents other than CBRE, both domestically and internationally.

#### Organizing campaigns and promotional activities

#### Focus Ploenchit - โปรฯแรง....แซงทุกโครงการ

A campaign to offer a special price for condominium units with ownership of the Focus Ploenchit project that will be held during 19 - 27 June 2020. This event has made the sale of remaining units and the closure of all projects by June 2020 and the company to transfer ownership of condominium units to recognize revenue in the third quarter of 2020.

#### VIP Event of InterContinental Residences Hua Hin Project

VIP EVENT, InterContinental Residences Hua Hin project is the first sale of the project to the general public, held from 29 February - 1 March at Gaysorn Urban Resort, 19th floor for the customer is finding a quality home for a second home to vacation in Hua Hin. It is different from other residential projects under the concept of "Own a residence of legacy on the last beachfront of Hua Hin".

#### Feast De La Mer

This campaign aimed at communicating to customers, highlighted the importance of having a country house in the provinces as a residence for unexpected situations such as the closure of a city caused by a virus outbreak Covid-19 that held during July - August 2020. Total presale 42 units with amounting to 725.69 million baht.

#### The Wind of Memory

This event aimed at communicating to customers who are looking for luxury condominium with the project design, there is a real understanding of the needs and residents behavior in terms of the last land in the center of Hua Hin, the various facilities in the project, the quality of the material selection and world-class service provided by the InterContinental Hotels Group (IHG). This event was held during October - November 2020, total presale 15 units with amounting to 196.74 million baht.

#### Grand Celebration @ InterContinental Residences Hua Hin

The event was be held between December 2020 - January 2021 to support the travel of target customers of the project who travel to Hua Hin during the long weekend of the month. The project has an additional special offer for customers who book the project within the event, can choose to receive a gift worth a total of over 14 million baht.

#### Real Estate Industry Overview

In 2020, Thailand's economy was affected by the COVID-19, which the Office of the National Economic and Social Council (NESDB) has predicted that the Thai economic outlook in the year In 2020, it will decreased by -6.0%, and in 2021 it will expand 3.5% - 4.5%, an unusually low base expansion in 2020. The 2021 economic outlook remains at risk of political conflicts and global economic volatility that are still the risks of slowing down the business sector recovery. However, the government has planned the first phase of the COVID-19 vaccination between March and May 2021, after receiving the first vaccine in late of February 2021, which has improved the confidence for both domestic and foreign that interested in investing in Thailand especially the hotel sector is expected to increase the employment of workers back into the system.

In the housing market Developers have been adjusted by delaying the opening of the new project since 2019, before the COVID-19 situation. The slowdown in residential sales from the impact of the LTV measures in April 2019 and when the economic lockdown occurred in early 2020, housing sales even more slow down, especially the condominium market that was affected by the travel lockdown of foreigners and the unit's sales foreigners almost completely disappeared. The real estate data center expects impacts and risks, will make entrepreneurs reduced launching of new projects. In 2020, the number of new supply units (excluding secondhand homes) will decreased by -46.6% (from 148,639 units in 2019 to 79,408 units in 2020). The housing market was dropped -34.7% and condominium market -59.2%, and the value of new housing market launches decreased by -30.6% (from 608,727 million baht in 2019 to 422,243 million baht in 2020). However, during the lockdown period, the need for a housing was higher for customer that want to buy for real living. After the COVID-19 situation, lifestyle behavior was changed, such as work-from-home which requires more living space, more privacy, more open space, more cleanliness, more health and technology that is becoming more necessary for work-from-home. So, the new housing projects will add these various functions to meet the changing new-normal era.

After COVID-19 situation easing down along with support from government stimulus packages, property market started to pick up which was in line with economic recovery. Property supply rebounded with total new launches at +11.9% (+3.9% by value). The market became active once again after Listed companies developers started to launch new projects into the market and is expected that the number of new housing units will increase by 4.1% and condominium units will increase by 25.1%( Please see Table 1 and 2).

Table 1 GDP growth rate with Demand-Supply of housing market in 2020 and trends in 2021

% YOY	2019	ประมาณการ		
70 TOT	2019	2020	2021	
GDP	2.4%	-6.0%	3.5 - 4.5%	
SUPPLY เปิดขายใหม่ ทั่วประเทศ (หน่วย)	-13.0%	-46.6%	11.9%	
SUPPLY เปิดขายใหม่ ทั่วประเทศ (มูลค่า)	-15.0%	-30.6%	3.9%	
ขายได้ใหม่ ทั่วประเทศ (หน่วย)	-23.9%	-25.2%	4.2%	
ขายได้ใหม่ ทั่วประเทศ (มูลค่า)	-23.9%	-17.0%	3.0%	
เหลือขาย ทั่วประเทศ (หน่วย)	14.6%	6.1%	6.2%	
เหลือขาย ทั่วประเทศ (มูลค่า)	14.4%	18.0%	4.8%	

หมายเหตุ : ทั่วประเทศ หมายถึง 26 จังหวัดหลักที่ศูนย์ข้อมูลอสังหาริมทรัพย์ทำการสำรวจภาคสนาม ประกอบด้วย กรุงเทพฯ-ปริมณฑล 5 จังหวัด และภูมิภาค 20 จังหวัด

Source : The Office of the National Economic and Social Council (NESDB) and Real Estate Information Center of Government Housing Bank (REIC-GHB)

Table 2 Supply of new housing in 2020 and trends in 2021

ประเภทบ้าน	SUPPLY ใหม่				มูลค่า SUPPLY ใหม่					
การะหาเมา เพ		2019	2020F	2021F	AVG.2Y	2019	2019	2020F	2021F	AVG.2Y
บ้านจัดสรร	75,191	76,589	50,004	52,044	75,890	326,472	314,031	268,178	235,900	320,251
YOY บ้านจัดสรร	70.7%	1.9%	-34.7%	4.1%	36.3%	66.9%	-3.8%	-14.6%	-12.0%	31.5%
อาคารชุด	95,677	72,050	29,404	36,784	83,864	389,751	294,696	154,065	202,634	342,223
YOY อาคารชุด	43.3%	-24.7%	-59.2%	25.1%	9.3%	51.6%	-24.4%	-47.7%	31.5%	13.6%
รวมทั่วประเทศ	170,868	148,639	79,408	88,828	159,754	716,222	608,727	422,243	438,534	662,475
YOY รวมทั่วประเทศ	54.2%	-13.0%	-46.6%	11.9%	20.6%	58.2%	-15.0%	-30.6%	3.9%	21.6%

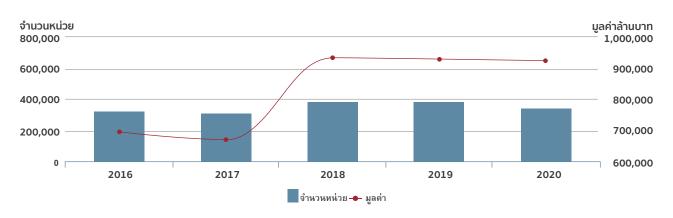
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Source: Real Estate Information Center of Government Housing Bank (REIC-GHB)

#### **Summary of Residential Market in 2020**

For 2020, transfer of ownership from residential juristic person in Thailand was at 928,376.2 million baht decreased from 2019 by 0.26%. The highest value was from condominium transfer of 311,437.1 million baht decreased by 4.71% YoY, while detached house transfer was at 317,634.9 million baht increased by 5.75% YoY, and townhouse transfer was at 181,090.3 million baht rose by 2.49% YoY. The decrease in condominium ownership transfer was due to flattening of unit quantity and pricing of condominium after the COVID-19 situation.

#### Units and Value of Ownership Transfer of Residence in Thailand during 2016 - 2020



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

#### Units and Value of Ownership Transfer of Detached House in Thailand during 2016 – 2020



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

#### Units and Value of Ownership Transfer of Townhouse in Thailand during 2016 - 2020



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

#### Units and Value of Ownership Transfer of Condominium in Thailand during 2016 - 2020

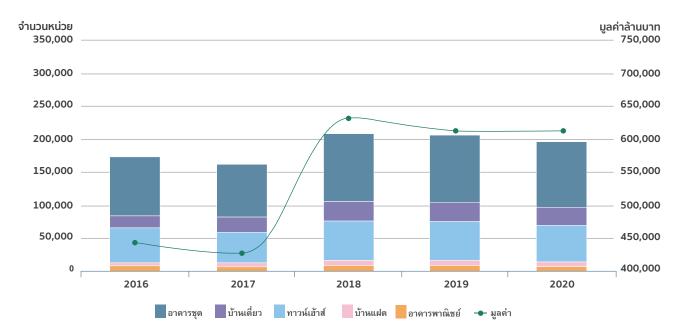


Source: Real Estate Information Center of Government Housing Bank (REIC-GHB)

For 2020, transfer of ownership from residential juristic person in Bangkok and vicinity was at 613,590 million baht increased slightly from 2019 by 0.26% although we have the COVID-19 situation. The highest value was from the entrepreneurs who are legal entities of 74.5%, increased by 2.6% from 2019.

The COVID-19 situation did not reduce the ownership transfer that was reflected the remaining of real demand in the market. However, there are other factors that support the urgent purchase, such as the reduce price campaign of each operator, the focus on the importance of living space, etc.

## Units and Value of Ownership Transfer of Residence in Bangkok and Vicinity during 2016 – 2020 (By Product Type)



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

#### Residential Market Outlook

The real estate market in 2021 has many factors for growth potential, including the growing of ownership transfer in 2020, although it is still in the COVID-19 situation, the stimulate of the economy, the good managing of the COVID-19 outbreak, the availability of vaccines, the low interest rates and adjustments of the entrepreneurs in various fields.

However, the factor that remains to be considered and may affect the market is that financial institutions are more restrictive on lending due to bad debt concerns, as well as the unstable political situation. The entrepreneurs prepare operational plans in line with the situation, for example, more housing projects are launched in Bangkok and its vicinity for a real purchasing power from Thai people in luxury segment because there is no problem in applying for a loan. For the condominium market, it must be a product that meets both living and investment needs, such as branded residences.

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

Cha-am/ Hua Hin and Pranburi are preferred area for second holiday home for Thai home buyers whom are majority buyers with high purchase power. In 2020, foreign home buyers attributed for over 10% of purchases within the area. Most foreign buyers are retirees whom chose to spend retirement years in Thailand due to lower cost of living, convenience, and life security with international standard hospitals. For long term investment, the government has a project "Thai Riviera" in Phetchaburi, Prachuap Khiri Khin, Chumphon and Ranong provinces that will make it a destination for luxury travel with a project to improve the airport to accommodate more passengers from more lines both domestic and international, high-speed train, motorway and ferry routes from Pattaya to Hua Hin. These locations will be a city for a vacation home, a second home, and a great long-term investment.

From the survey found that the first half of the year 2020, the condominium housing market in Hua Hin has a sales rate of 78.71% or 3,738 units from 4,749 units as shown in Table 3, with the main target group being 90% Thai and mostly Bangkok and metropolitan area.

Table 3 Take-up rate By Property type and location (Hua-Hin) Q4/2020

Location	Property Type	No. of Units	Remaining Units	Unit Sold	%
HUA-HIN	CONDOMINIUM	4,749	3,738	1,011	78.71%
HUA-HIN	HOUSING	3,675	2,038	1,633	55.45%
HUA-HIN	VILLA	277	127	150	48.5%
ทั้งเ	8,701	5,903	2,798	67.84%	

Source: Research and Communication , Colliers International Thailand

As for the research from CBRE, it said that in 2020 the condominium market in Hua Hin has grown steadily, an average of 7% per year. And another statistic has shown that in 2019 and 2020, while the other tourist cities were affected by the shrinking Chinese tourists, but the property sales in Hua Hin returned to 121%, doubled growth from 2018. Hua Hin is considered a popular destination for foreign tourists that has the second largest purchasing power in Thailand for middle to high segment with an average spending of 12,000 baht per person per time. It is believed that after COVID-19 situation, the property market will revive, tourist cities will return quickly especially Hua Hin Because it has a mix of both Thai and foreign customers who believe that Thailand is still a good residence.

In 2020, the condominium market in Cha Am - Hua Hin - Khao Tao has slowed down due to the COVID-19 situation. Most of the remaining condominiums for sale in this area are located in Cha Am and do not have sea views which has a very high remaining units, more than half of the total remaining supply. For condominiums located in Hua Hin - Khao Takiab - Khao Tao, the market is likely to improve due to the small supply and the selling price tends to increase.

#### **Undelivered Units**

As of 31 December 2020, the Company has undelivered units of 239 units with value of 3,524 million baht with the following details:

Project	Number of units	Project Value (Million Baht)	Status	
Focus Ploenchit	1	9	Ready to move in	
InterContinental Residences Hua Hin	238	3,515	Under construction	
TOTAL	239	3,524		



# VISION MISSION AND HISTORY OF GROUP COMPANY

### **VISION**

"TRANSCEND THE EXPECTED"

We aspire to craft 'living solutions' that are disruptively unique, yet authentic to the surroundings, so that we can simultaneously surpass the norm of 'living' and enrich the society at large while commemorating the beauty of nature and local heritage.

### **MISSION**

"CHALLENGE THE BOUNDARY OF LIVING"

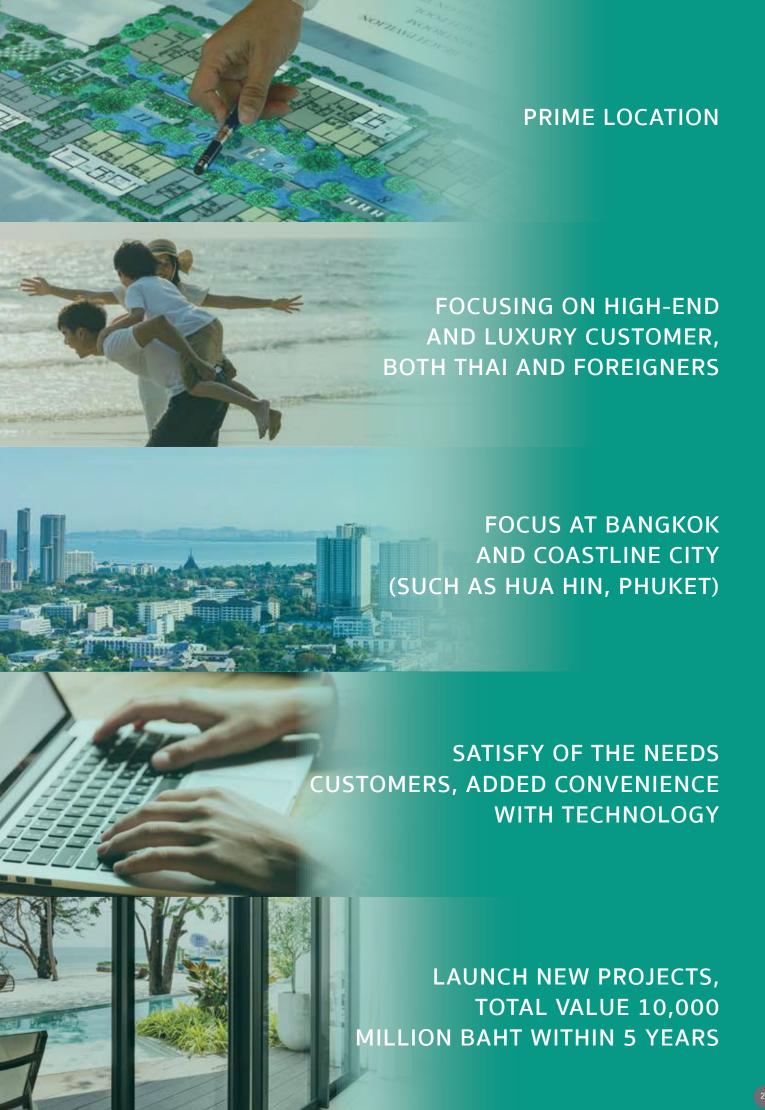
Our projects must be more than just a house or a home; but 'living solutions' that would better people's lives and the society. With a strong determination to challenge the extent of people's imagination and the boundary of 'living', all of Proud Real Estate's projects aim to establish new standards of how people can live through flawless delivery, limit pushing concept and harmony with the surroundings.

### CORPORATE STRATEGY

Proud Real Estate

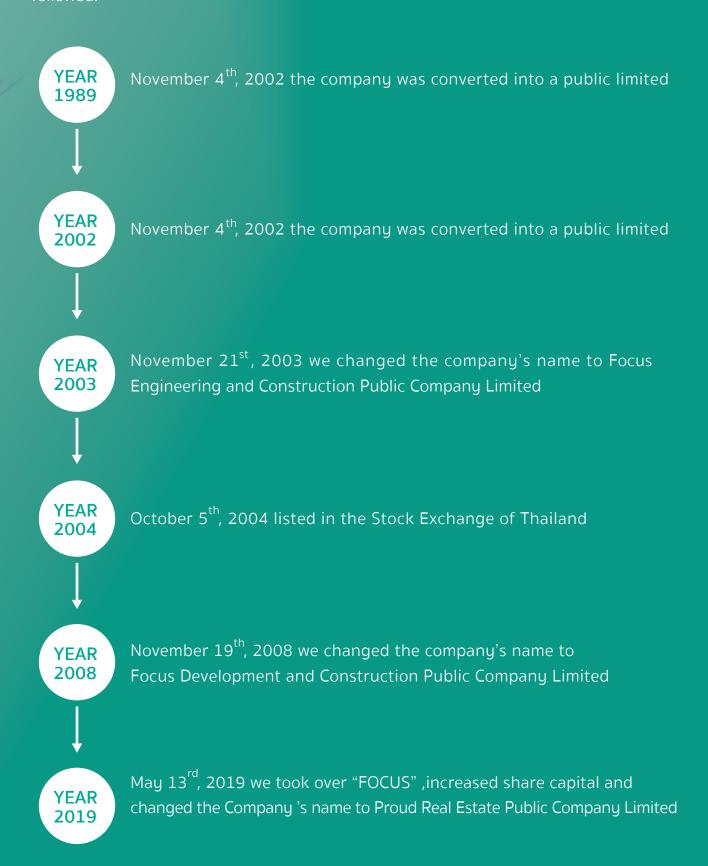
Public Company Limited focus on run business under the concept of "More than just living" key success factors for strategies as follows:







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



#### CHANGES IN THE SHAREHOLDING STRUCTURE

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

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

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

#### **MILESTONE**

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

"More than just living" as the key.



#### MILESTONE OF THE GROUP

#### **YEAR 2020**

#### FEBRUARY

Proud Real Estate Public Company Limited launched the VIP event of "InterContinental Residences Hua Hin" to the public for the first time. This was the Company's first complete project. The event was held at Gaysorn Urban Resort.

#### MAY

Proud Real Estate Public Company Limited laid the foundation stone and the main pillar of the "InterContinental Residences Hua Hin" Project on Petchkasem Road at Soi Hua Hin 71.

#### JULY

Proud Real Estate Public Company Limited issued and allocated the warrants to purchase ordinary shares of the Company No. 2 ("Proud-W2 warrants") amount 31,679,999 units to the existing shareholders in proportion to their shareholding on 1st July, 2017, with a term of 3 years. The first exercise date was on 29th September, 2017, and the last exercise date was on 6th July, 2020. However, the last exercise date of Proud-W2 was on 3rd July, 2020, as 6th July, 2020, was a holiday of the Stock Exchange of Thailand. On 25th June, 2020, there was 1 shareholder with 88 shares at an exercise price of 1.533 baht per share or equal to 134.90 baht.

#### AUGUST

Proud Real Estate Public Company Limited signed and appointed Pre-Built Public Company Limited as the contractor for the main construction and architectural works. In addition, A Build Management Co., Ltd. was appointed as the project for the construction management and Control of "InterContinental Residences Hua Hin".

#### SEPTEMBER

- Proud Real Estate Public Company Limited was 2 awards in the event of "Dot Property Thailand Award 2020" including the Best Luxury Condominium Hua Hin and the Best Branded Residence Hua Hin from the project of "InterContinental Residences Hua Hin".
- The condominium asset was transferred under the project of "Focus Ploenchit" for the last unit. Such project was acquired from the acquisition of Focus Development and Construction Public Company Limited.

#### NOVEMBER

Proud Real Estate Public Company Limited was awarded in the event of Property Guru Thailand Property Awards of the "InterContinental Residences Hua Hin" project as follows:

#### 1. DEVELOPMENT AWARDS

Being awarded as the WINNER: Best Luxury Condo Development (Hua Hin),

WINNER: Best Branded Residence

2. DESIGN AWARDS

Being awarded as the WINNER: Best Condo Landscape Architectural Design

3. BEST OF THAILAND AWARDS

Being awarded as the WINNER: Best Condo Development (Thailand)

#### MILESTONE OF THE GROUP

#### **YEAR 2019**

#### APRIL

- Hua Hin Alpha 71 Company Limited was established which Proud Real estate Public Company Limited is holding 99.99 percent of the shares, with a registered capital of 1,000,000 baht. The company's objective is development real estate.
- Hua Hin Sky living Company Limited was established which Proud Real estate Public Company Limited is holding 99.97 percent of the shares, with a registered capital of 1,000,000 baht. The company's objective is development real estate.
- Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved a decrease of the Company's registered capital from Baht 227,760,073 to Baht 221,760,062 by cancelling 6,000,011 registered but unissued ordinary shares with a par value of Baht 1 per share, and the amendment to Clause 4 of the Memorandum
- Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved an increase of the Company's registered capital from Baht 221,760,062 to Baht 673,148,951 by issuing 451,388,889 new ordinary shares, with a par value of Baht 1 per share, and the amendment to Clause 4 of the Memorandum
- Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved the allocation of 451,388,889 newly issued ordinary shares of the Company at the par value of 1 Baht to be allocated under Private Placement scheme in reliance upon the general meeting's resolution specifying the offering price of Baht 1.44 per share
- Resolutions of the Annual General Meeting of Shareholders No.1/2019 at 26 April 2019 approved the sale of all shares in Focus Wheig Corporation Limited, which is considered the disposition of all investment of the Company in Focus Wheig resulting in Focus Wheig ceased to be the subsidiary of the Company, to Mr. Anucha Sihanatkathakul,the director of the Company, or the person and/or juristic person designated by himself

#### MAY

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

## NOVEMBER

- Our company launched the project "InterContinental Residences Hua Hin", a luxury residential project managed by the world-class hotel chain "IHG", the first in Thailand on 7 Rai 2 Ngan 48.8 Wah land near the beach, Heart of Hua Hin On Petchkasem Road In the area of Soi Hua Hin 71
- Hua Hin Alpha 71 Company Limited, a subsidiary company which Proud Real estate Public Company Limited is holding 99.98 percent of the shares, has resolved to increase the registered capital of 25,000,000 baht from 1,000,000 baht to 26,000,000 baht.

## DECEMBER

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

## MILESTONE OF THE GROUP

## **YEAR 2018**

#### APRIL

The Annual General Meeting 2018 approved the cancellation of the issuance and offering of warrants to purchase ordinary shares of the Company to directors, management and staff of the Company (ESOP Warrants) in the amount of 6,000,000 units since the Announcement of the Capital Supervisory Board No. Thor.Jor. 32/2551 regarding the offer for sale of newly issued securities to directors or staff dated 15 December 2008 specifies that the Company must complete the offer for sale of the ESOP Warrants to directors and staff within one year from the date of the Annual General Meeting of Shareholders for year 2017, held on 28 April 2017. The Nomination and Remuneration Committee and the Audit and Corporate Governance Committee have the same opinion as proposed by the management of the Company to cancel the issuance and offer for sale of the said ESOP Warrants because of the unfavorable market situation and the exercise price of 1.80 Baht per share is not attractive enough. It is, therefore, not appropriate to offer for sale of the ESOP Warrants to directors, management and staff during this time.

#### JULY

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



## MILESTONE OF THE GROUP

## **YEAR 2017**

## APRIL

28 April 2017 The Annual General Meeting of Shareholders 2017 has resolved to increase the Company's registered capital from 126,720,042 Baht to 227,760,073 Baht, by issuing 101,040,031 new ordinary shares with the par value of 1.00 Baht each, as follows

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

Totally 101,040,031 shares

#### MAY

- 19 May 2017 The Company has registered the capital increase at the Department of Business Development, Ministry of Commerce from 126,720,042 Baht to 227,760,073 Baht by issuing 101,040,031 new ordinary shares with the par value of 1.00 Baht each
- 25 May 2017 The Company has notified the terms and conditions concerning the sale and allocation of capital increase ordinary shares to the existing shareholders of the Company a ccording to their proportion ratio (Rights Offering) and has determined the issue date and the exercise date under the warrants to purchase the said ordinary shares of the Company No. 2 (FOCUS-W2) as follows:
- 1. Subscription period and payment for the capital increase ordinary shares : during 12-16 June 2017
- 2. Issue date and exercise date under the warrants to purchase the ordinary shares of the Company No. 2(FOCUS-W2)

• Issue date of the warrants : 8 July 2017

First exercise date
 Last exercise date
 29 September 2017
 30 June 2020

#### JUNE

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

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

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

## AUGUST

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

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

#### Remarks:

- (1) Wheig Asia Limited, Hong Kong is a subsidiary of Wheig Group of Companies with Wheig S.A.S., France as the major sharehold
- (2) The reason of the said transfer of shares is due to the fact that Wheig Group of Companies would like to have Wheig Asia Ltd., Hong Kong which is its subsidiary in the Asian Region as the investor in Thailand in place of Wheig SAS, France which is in Europe Region
- 15 August 2017 The Board of Directors Meeting No. 3/2017 of the Company has resolved to invest in the waste management project of Focus Wheig Bangna Limited which is a subsidiary of Focus Wheig Corporation Limited which is a "holding company" with the project value of approximately 180 Million Baht. The project will be situated on the land with the area of 23 Rai 16 Square Wa in the industrial and warehouse zone (purple zone), High Way No. 331-Baan Nong Rua, Tambon Plangyao, Amphur Plangyao, Changwad Chachoengsao.
- August and September 2017 The Company entered into the contract for the building of quality of life improvement building for Thai Navy officers, Amphur Sattahee, Changwad Chonburi with the total work value of 79 Million Baht.

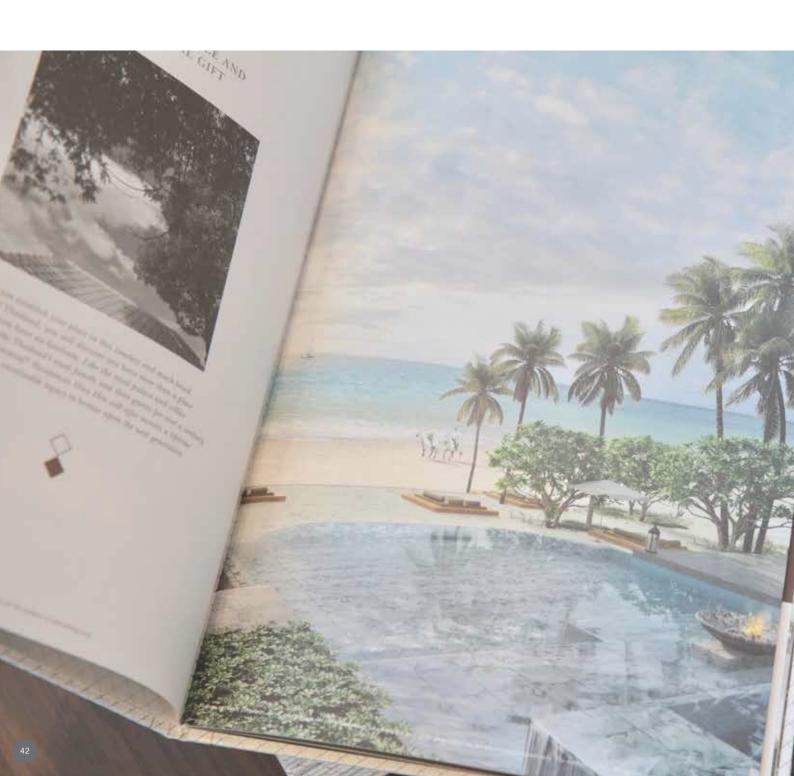
#### NOVEMBER

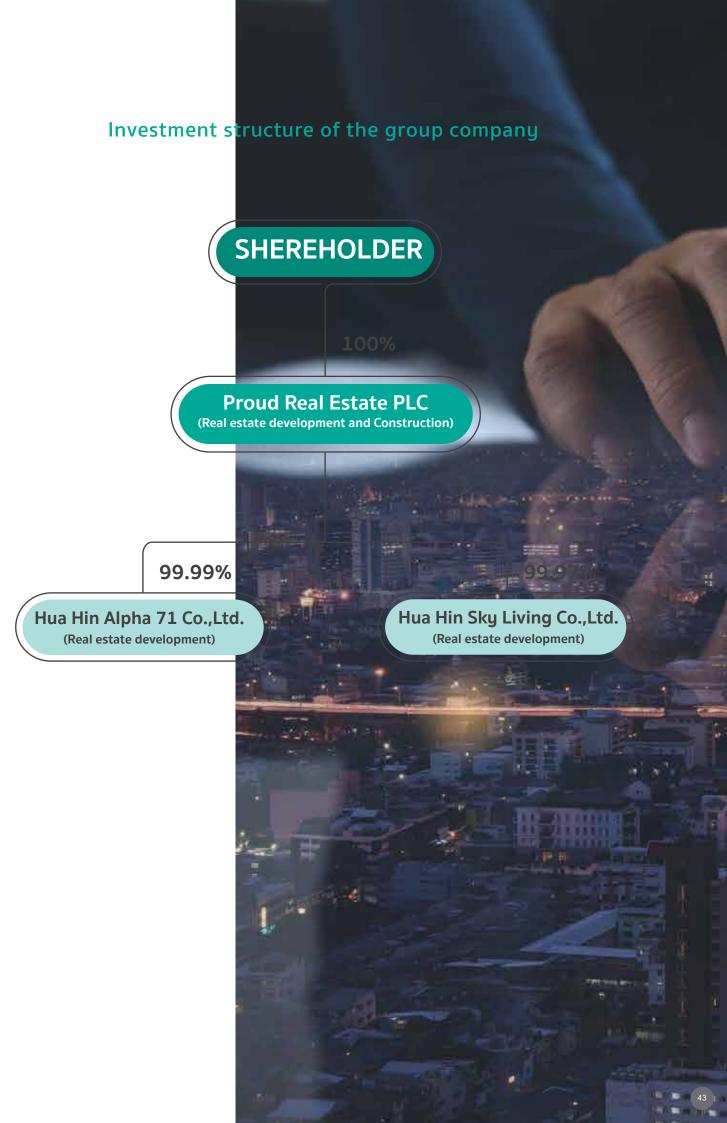
15 November 2017 Focus Wheig Bangna Limited (subsidiary of Focus Wheig Corporation Limited) has received the land ownership for the waste management project with the area of 23 Rai 16 Square Wa in the industrial and warehouse zone (purple zone), High Way No. 331-Baan Nong Rua, Tambon Plangyao, Amphur Plangyao, Changwad Chachoengsao. Presently, the project is under construction of the plant which is expected to be completed to start the operations of the waste management business within the 2nd quarter of 2018.

# shareholding structure of group company

Overview of the business and management policy of the Group

Proud Real estate Public Company Limited is a Real estate development company in Thailand. We focuses on designing residential projects creatively to lift up the quality of life into a living experience under the concept of "More than just living " which combines relaxation and resort service that will make you enjoy the nature and luxury of modern life every day.

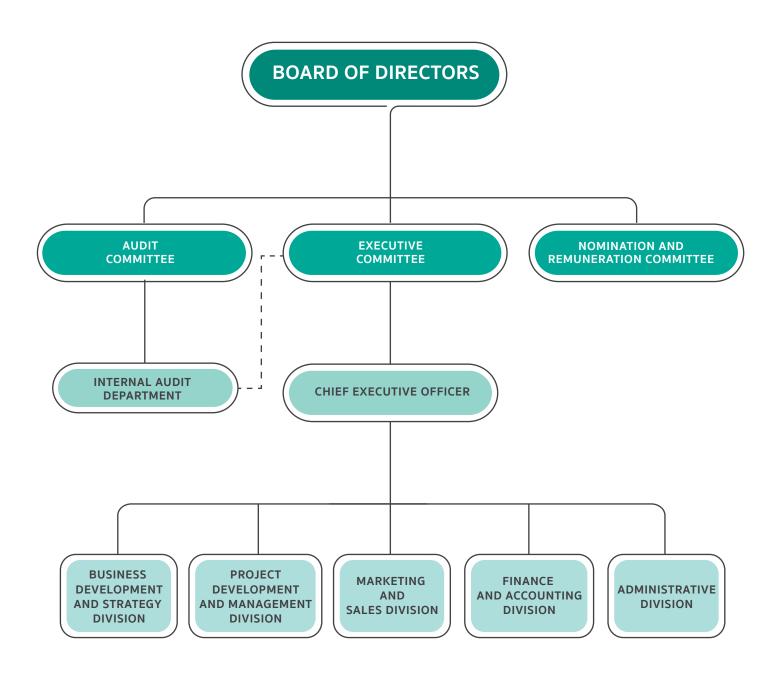




# Policy of business

The company has current management policies as follows:

- 1. Financing a project from Commercial Bank to run the business in companies and the Groups.
- 2. Financing a project from joint ventures which do not belong to our companies to maintain much of the liquidity in management.
- 3. Investing in any other joint ventures that are not in the group for the benefit in the return on investment.
- 4. Centering various supports at Proud Real Estate Public Public Company Limited Currently, that provide main support services in the following areas:
- Providing support for business development and strategies consisting of Business Development and Strategy Department.
- Providing support for project development and project management consisting of Product Design and Development Department, Project and Construction Department, Project Operation Department.
- Providing support for financial and accounting consisting of Accounting Department, Financial Department and Investor Relations Department.
- Providing support for marketing and sales consisting of Marketing Department and Sales Department
- Providing support for administrative consisting of Legal and Compliance Department, Information Technology Department, Human Resources Department, Purchasing and Administration Department and 111 Social Club





# **OVERVIEWS OF PRODUCTS AND SERVICES**

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

# **REAL ESTATE FOR SALE**

Project.	Location	Турк	Ownership	Area	Numer of units	Project value (Million batt)	Tentine	Sales progress (Percentage of project value)
				Ready to move	project			
Focus Plaenchit Project	Sulthurred 2, Khlong Toel District, Province Bangkok	Condominium	Proud Real Estate PCL.	1-0-3	132	B40	Construction Complete	100% (Closing the project in the 3rd quarter of 2020)
			Li	nd developme	ent project			
Intercontinental Residences Project	Soi 71, Hua Hin District. Prachuap Khiri Khan	Condominium	Hus Hin Alpha 71 Co J.St.	7-2-46.8	294	3,515	Q 3/2020 - Q 2/2022	about 70%
	-		-	Land Bank p	roject			
Land of Varia Nava Water Park and Hotel Holiday Inn Hua His area	Hus Hin District, Practicalp Khirl Khan Province	Shudy	Hua Hin Sky Living Co.Ltd.	5-1-9:05	Study	Under studying	Under studying	Linder studying

As of February 2021

# **Current Project**

# Focus Ploenchit Project





At 31 st December, 2019, the condominium of "Focus Ploenchit" had the remaining 32 units. The project is located near the Ploenchit BTS station in Soi Sukhumvit 2.This can access both way Rama 4 road, Sukumvit road and can enter from the south ploeanchit expressway exit as well. During 2019-2020, the Company has renovated the remaining rooms including various facilities. In the second quarter of 2020, the Company had a campaign to offer a special price for condominiums with to to transfer ownership. This can sell the remaining units and close all sales of the project. So the Company can transfer ownership of the condominium and recognize the income in the third quarter of 2020.



# **Current Project**

# INTERCONTINENTAL. RESIDENCES HUA HIN

## InterContinental Residences Hua Hin Project



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

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

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

- 1. It is a luxury residential project under the brand InterContinental. The first and the only place in Thailand is located in the best location of Hua Hin which is in the price of New High level since it is the last piece of beach land in the middle of Hua Hin district
- 2. InterContinental Hotel Group (IHG) entered into a contract with Proud Real Estate company which makes the project qualified and supports various services such as the concierge desks in the lobby, luggage rooms with porters, Golf carts shuttling in the project area including other services such as Beach pavilion that can be used as a banquet hall with services from the hotel.
- 3. Support living together among family members with rooms by building spacious area and common areas to support joint activities such as Chess field, maze, etc.
- 4. Green and the central area of the project, about 4 rai by allocating approximately 70% or approximately 7,000 square meters was a large garden, private beach with common facilities such as 7 swimming pools for children, families, the elderly and those who want to do exercise, including a beach pool, exercise room hidden under the swimming pool (Hidden Gym) and other facilities.
- 5. Privilege to use the service from 5,900 affiliated hotels in InterContinental Hotel Group worldwide and exclusive "Proud Privileges" membership from businesses in the Proud Group and alliances as well as the right to use the service 111 Social Club which is a beachfront colonial style cafe located next to the project. InterContinental Residences Hua Hin
- 6. The unit is approximately 6 meters wide with a full-height glass door. 80 percent of the project is a room with a sea view and the penthouse provides approximately 9 meters in front of the sea with a 270-degree sea view.
- 7. InterContinental provides 7 day and 24-hour services for the residents in the project with international standard services. We received international standard hotel services such as Butler service, concierge services, special meal preparation services delivered directly to the room, chef preparation service for parties, housekeeping service, laundry, bedding set, residential repair services, free internet service in common areas as well as a shuttle service to main locations near the project.
- 8. Each building has a maximum of 8 units per corridor for privacy
- 9. All 9 buildings are allocated into seven groups to suit various needs, consisting of a building with seven stories and eight buildings with four-stories in which all units are fully-furnished by the standards of InterContinental.
- 10. The balcony is nearly 10 square meter with Daybed in order to see a sea view the most



# 1 ถึง 10 จุดเด่น ที่เหนือระดับ







2 ผู้นำผนึกกำลังบริการระดับโลก

INTERCONTINENTAL X PROUD

พร้อมเติมเต็มประสบการณ์การใช้ชีวิตแบบ MORE THAN JUST LIVING

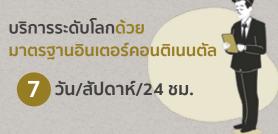


















# Future project

#### 1. Land Bank for development

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

## 2. Developed lands are vacant for expanding future development

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

# Privileges for project customers

Most of the projects that the company is currently developing and in the future still create privileges for the residents in terms of living that covers every lifestyle through the benefits of "Proud Privilege" which are InterContinental Hua Hin Resort Hotel, InterContinental Phuket Resort Hotel, Holiday Inn Resort Vana Nava Hua Hin Hotel, True Arena Hua Hin, Vana Nava water park, Vana Nava Sky, Bluport HuaHin, 111 Social Club (Colonial classic style houses close to InterContinental Residences Hua-Hin which is now modified to Club House close to the beach).



## **EXCLUSIVE** PROUD PRIVILEGES CARD FOR RESIDENTS



## WITH LUXURY FACILITIES CATER TO ALL PARTS OF LIVING

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







INTERCONTINENTAL. PHUKET RESORT

A 5-star Luxury Global Branded Resort in Hua Hin



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



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



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



A resort in Water Park project with convention center



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



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



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



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



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



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



15% off on drink and beverage Exclusive offer for Event

## Income structure

The company has an income structure classified by business types which are:

## Income classified by business types

DETAIL	2020		2019		2018	
DETAIL	MILLION BAHT	<u></u> %	MILLION BAHT	<u></u> %	MILLION BAHT	<u></u> %
Revenue from real estate	181.65	91.65	53.82	48.50	15.91	13.94
Revenue from construction	-	  - 	31.43	28.32	87.17	76.37
Revenue from financial	0.37	0.19	1.26	1.14	0.24	0.21
Other	16.18	8.16	24.46	22.04	10.82	9.48
Total Revenue	198.20	100.00	110.97	100.00	114.14	100.00

After Proud Real Estate Public Company Limited backdoor Focus Development and Construction Company Limited Public Company Limited and continued to focus mainly on real estate business. It resulted in a decrease in the revenue from the construction business to since 2019, on wards. The revenue from the real estate business in 2020 dramatically increased as the Company recognized the revenue gained from selling the condominium in the project of Focus Ploenchit. Other revenues in 2020 decreased from 2019 as in the 3rd quarter of 2019, the Company recognized the profits from selling of investments in joint ventures.



## **BUSINESS RISKS**

## Risk from Regulatory Changes Affecting Real Estate Business

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

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

## **Risk from Real Estate Competition**

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

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

## Risk from Reliance of Key Shareholder

The Company operates business with major shareholders from the Liptapanlop family consisting of Mr. Pasu Liptapanlop, and Ms. Proudputh Liptapanlop holding total 70.48% of registered and paid-up capital (as of 13 July 2020). Thus, the Company has risk from major shareholders holding deciding votes in shareholders meeting. This includes appointment of directors and approval of various agenda, with the exception of matters requiring 3 out of 4 shareholders' approval per related laws and regulations. In addition, the remaining shareholders do not have enough vote to check or audit the decision.

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

#### Risks from the outbreak of COVID-19 infection

The current situation of the COVID-19 epidemic causes the business operations to be careful. It is needed to modify the operating plan from the original planned for the performance of employees within the Company. The new operating model is needed in order to comply with the preventive measures to avoid the spread of COVID-19. Marketing planning which was originally planned for both short term and long term. Impact to the change in the form of new marketing plan to respond the needs of customers more. This includes the sales from the original sales planning to foreign customers. At present, the target has not yet been met by the Company.

The Company has set up a new management guideline focusing on the prevention of COVID-19 infection by allowing employees to work at home in order not to access other people, to facilitate the equipment to employees for performing their work continuously. This includes marketing and sales planning mainly focusing on the domestic customers but still paying attention to foreign customers by providing information on projects to foreign sales representatives to know the details so that interested people from abroad can trade altogether.

## **Risk from Main Business Operation**

#### **Risk from Land Acquisition**

The several times the potential land require the use of financial resources in high amount, while a limited supply of resources at the starting periods, the Company can not collect many lands that will support the future in the medium and long term.

The Company has studied additional approaches for investment in new projects which is defined as a business plan for both short-term and long-term for further development of new projects both in terms of condominiums and low-rise projects at the right time in order not to depend on just any part.

## **Risk from Labor and Hiring of Contractors**

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

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

#### Risk from Reliance of Success from Future Project

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

Currently, the Company will have more new projects in the year 2021 both low-rise projects and high-rise projects as well as has explored various methods in new project development and formulated business plan in both short-term and long-term for future projects. The business plan also covers both condominium and horizontal residences at appropriate timeline to prevent concentration risk.

#### **Financial Risks**

#### **Risk from Economic Fluctuations**

In 2020, the economy negatively affected the real estate sector. There were competitions from on-going real estate projects, economic slowdown resulting in increasing concern over spending of Thai customers, and the global economic slowdown leading to reduction in foreign buyers contribution. Thus, there is risk that the inventory will face selling challenges and affects the real estate business.

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

#### Risk from Tightening Conditions from Financial Institutions

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

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



Registered and Paid-Up Capital as of 31 December 2020

Registered Capital: 673,148,951 Baht divided into 673,148,951 ordinary shares with a par value of 1 Baht each. Paid-Up Capital: 641,469,040 Baht divided into 641,469,040 ordinary shares with a par value of 1 Baht each. The Company has no other type of share apast from ordinary shares, every shareholder then has and equality in voting, i.e. one share on vote.

# **SHAREHOLDERS**

(1) The name list of top 10 shareholders as of 13 July 2020 is as follows:

No.	Name	Number of shares (shares)	Percentage of Shareholdings (%)
1	MR. PASU LIPTAPANLOP <sup>1</sup>	226,046,445	35.24
2	MISS PROUDPUTH LIPTAPANLOP1	226,046,444	35.24
3	RAMKHAMHAENG 191 COMPANY LIMITEI	D 62,000,000	9.67
4	MR. THANINCHOT TANTIPHANRAK	13,679,600	2.13
5	MISS NUNNARIN PAIBOONPREDEE	9,634,100	1.50
6	MISS KALYARAT KRUAWAN	9,000,000	1.40
7	MR.SINCHOK PIRIYOTAISAKUL	7,744,600	1.21
8	MISS ORACHORN JAROENPONGANAN	5,062,400	0.79
9	MRS. NAPHARAT SIHANATKATHAKUL	4,525,800	0.71
10	MISS PIYANAN CHARANRATTANASRI	2,890,700	0.45

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

(2) Agreement between major shareholders

-None-

## Issuance of other securities

## Warrants

The Warrants to purchase the Company's Ordinary Shares No. 2 (FOCUS-W2)

with details as follows:

Type of securities : Warrants to purchase newly issued ordinary shares of Focus

Development and Construction Public Company Limited

No. 2 (FOCUS-W2).

Type of warrants : Specified warrant's holder and transferable.

Term of warrants : 3 years from the issuance date.

Number of warrants : 31,679,999 units.

Offering price : 0 Baht per unit.

Exercise ratio : 1 warrant will be entitled to purchase 1 newly issued ordinary share.

Exercise price : Baht 1.80 per share.

Exercise period : Shall be able to exercise at every last working day of each quarter.

In case of the last Exercise Date, the notification period shall not be less than 15 days prior to the last Exercise Date.

The last Exercise Date will be not to exceed the date of expiration

of the Warrants.

As at December 31, 2020, There was no outstanding balance of the warrants of the Company No. 2 (PROUD-W2) because they expired on 3 July 2020 (2019: Outstanding balance 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 abbreriated 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.

3. On 3 July, 2020 (a final exercise date), PROUD-W2 warrant holder exercised 75 warrants to purchase 88 newly issued ordinary shares with per value of Baht 1 at an exercise price of Baht 1.533 per share. The Company received the cash of Baht 135 from the exercise of the warrants, and the Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 14 July 2020.

# **Dividend Payment Policy**

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

# **Dividend Payment Information**

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

# GENERAL AND OTHER INFORMATION

# **COMPANY INFORMATION**

SECURITIES ISSURE COMPANY: Proud Real Estate Public Company Limited

SYMBOL : PROUD

TYPE OF BUSINESS : Property development

**REGISTRATION NUMBER** : 0107545000331

**REGISTERED CAPITAL**: 673,148,951 shares as of 31 December 2020

PAID-UP CAPITAL : Baht 641,469,040 as of 31 December 2020

TYPE OF SHARES : Common

PAR VALUE PER SHARE : Baht 1 per share

HEAD OFFICE : 900 Tonson Tower Building Floor 6,

Ploenchit Road, Lumpini, Patumwan,

Bangkok 10330

**TEL** : 0-2035-0999

**FAX** : 0-2035-0998

**WEBSITE** : www.proudrealestate.co.th

LISTED ON THE MAI : 5 October 2004

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

companies: 1)

Company Name : Hua Hin Alpha 71 Company Limited

Type of Business : Property development

Registration Number : 0105562068876

Registered Capital : 500,000 shares as of 31 December 2019

Paid-Up Capital : Baht 50,000,000 as of 31 December 2019

Type of Shares : Common

Par Value Per Share : Baht 100 per share

Head Office : 900 Tonson Tower Building Floor 6, Ploenchit Road, Lumpini,

Patumwan, Bangkok 10330

Percentage of

Shareholding : 99.99%

2)

Company Name : Hua Hin Sky Living Company Limited

Type of Business : Property development

Registration Number : 0105562068957

Registered Capital : 10,000 shares as of 31 December 2019

Paid-Up Capital : Baht 250,000 as of 31 December 2019

Type of Shares : Common

Par Value Per Share : Baht 100 per share

Head Office : 900 Tonson Tower Building Floor 6, Ploenchit Road, Lumpini,

Patumwan, Bangkok 10330

Percentage of

Shareholding : 99.97%

## OTHER REFERENCE PERSONS

Securities Registrar : Thailand Security Depository Company Limited.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

Tel. (662) 009-9000 Fax (662) 009-9991

Auditor : Auditor for the Fiscal Year Ended 31 December 2020

Miss Siriwan Suratepin

Certified Public Account Registration No. 4604

EY Office Limited

193/136-137, 33rd Floor, Lake Rachada Office Complex, New Rachadapisek Road, Klongtoey, Bangkok 10110

Tel: (66 2) 264 0777, Fax: (66 2) 264 0790

## **BOARD OF DIRECTORS**

As of 31 December 2020



- 1 Mr. Anuwat Maytheewibulwut
  Independent Director
  Chairman of the Board of Directors,
  Chairman of the Audit Committee,
  Chairman of the Nomination and
  Remuneration Committee
- 2 Dr. Verapong Chaiperm
  Vice Chairman of the Board of Directors
  Chairman of the Executive Committee
- 3 Mr. Pasu Liptapanlop
  Directors
  Executive Committee
- 4 Ms. Proudputh Liptapanlop
  Directors
  Executive Committee

- 5 Mr. Anucha Sihanatkathakul
  Directors
  Nomination and Remuneration Committee
- 6 Mr. Pumipat Sinacharoen
  Independent Director
  Directors
  Audit Committee
  Nomination and Remuneration Committee
- 7 Ms. Anchalee Bunsongsikul Independent Director Directors Audit Committee
- 8 Mr. Paisit Kaenchan
  Directors

## **BOARD OF DIRECTORS**

## As of 31 December 2020

Mr. Chuntorn Chuntratip
Chief Development Officer

**Ms. Budsabong Pansawadi** Chief Financial Officer

Ms. Anotai Worasunthararom
Senior Vice President of
Business Development and
Strategy Department











**Mr. Jirawat Kateseang**Vice President of
Marketing Department

**Ms. Nalinchat Butloetwisetthitha**Vice President of
Sales Department

#### PROFILE OF DIRECTORS

# Mr. Anuwat Maytheewibulwut (Age 69)

**Date of Appointment :** 15 May 2019

**Positions:** Independent Director

Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination

and Remuneration Committee

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive

None

#### **EDUCATION**

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

## **TRAINING**

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

#### **WORK EXPERIENCE**

#### Position in Other Listed Company - The Stock Exchange of Thailand

2012 - Present Independent Director and Chairman of the Audit Committee Rojana Industrial Park Public Company Limited

#### Position in Other Non-Litsted Company

2019 - Present Qualified Committee on Land Ministry of Finance

2015 - PresentCouncil of StateOffice of the Council of State2014 - PresentMemberThe National Legislative Assembly

2012 - Present Executive Vice President Charoen Pokphand Group

## Work Experience during 5 years

2014 - 2018 Chairman of the board JSP.Public limited company Limited

# Dr. Verapong Chaiperm (Age 54)

**Date of Appointment :** 15 May 2019

**Positions:** Vice Chairman of the Board of Directors

Chairman of the Executive Committee

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive

None

#### **EDUCATION**

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

#### **TRAINING**

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

#### **WORK EXPERIENCE**

#### Position in Other Listed Company - The Stock Exchange of Thailand

2019 - Present Independent Director and Member of the Audit Committee Industrial and Commercial Bank of China (Thai)

Public Company Limited

Position in Other Non-Litsted Company

2018 - Present Chief Expert in Targeted Industries Industries Eastern Economic Corridor (EEC) Office

Work Experience during 5 years

2017 - 2018 Director and Assistant Secretary Eastern Economic Corridor Development

**Executive Board** 

2012 - 2018 Governor Industrial Estate Authority of Thailand

# Mr. Pasu Liptapanlop (Age 34)

**Date of Appointment:** 15 May 2019

**Positions:** Directors and Executive Committee

**Shareholding proportion:** Director 226,046,445 shares (35.24%)

Spouse / lived together as spouse None

**Minor** None

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

#### **EDUCATION**

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

#### **TRAINING**

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

#### **WORK EXPERIENCE**

Position in Other Listed Company - The Stock Exchange of Thailand

- None -

## Position in Other Non-Litsted Company

2019 - Present	Director	Hua Hin Alpha 71 Co.,Ltd.,
2019 - Present	Director	Hua Hin Sky Living Co.,Ltd

2017 - 2019 Director Origin Property Public Company Limited.

2016 - Present Director & Co-Founder Robowealth Mutual Fund Brokerage Securities Co., Ltd.

2016 - Present Director Whitewater west SEA Ltd.

2015 - Present Director VANA NAVA Co., Ltd.

Proud Group Holding Co., Ltd.

Proud Hospitality Co., Ltd.

Proud Resort Hua Hin Co., Ltd.

## Work Experience during 5 years

2015 - 2016 Vice Fresident Fice Sales the Royal Bank of Scotland Fic	2015 - 2018	Vice President	FICC Sales The Royal Bank of Scotland Plc
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(Singapore & Hong Kong)

2013 - 2015 Director Financial Market Sales Standard Chartered Bank Plc, Singapore

# Mr. Proudputh Liptapanlop (Age 32)

**Date of Appointment:** 15 May 2019

**Positions:** Directors and Executive Committee

**Shareholding proportion :** Director 226,046,445 shares (35.24%)

Spouse / lived together as spouse None

**Minor** None

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

#### **EDUCATION**

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

#### **TRAINING**

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

#### **WORK EXPERIENCE**

Position in Other Listed Company - The Stock Exchange of Thailand

- None -

# Position in Other Non-Litsted Company

2019 - Present	Director	Hua Hin Alpha 71 Co.,Ltd.,
2019 - Present	Director	Hua Hin Sky Living Co.,Ltd
2016 - Present	Director	Whitewater west SEA Ltd.
2013 - Present	Director	VANA NAVA Co., Ltd.
2012 - Present	Director	Proud Group Holding Co., Ltd.
		Proud Hospitality Co., Ltd.

Proud Resort Hua Hin Co., Ltd.

Hua Hin Asset Co., Ltd.

#### Work Experience during 5 years

- None -

# Mr. Anucha Sihanatkathakul (Age 61)

**Date of Appointment:** 15 May 2019

**Positions :** Directors

Nomination and Remuneration Committee

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive

None

#### **EDUCATION**

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

#### **TRAINING**

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

#### **WORK EXPERIENCE**

# Position in Other Listed Company - The Stock Exchange of Thailand

2007 - Present Director and Chairman of the Audit Committee Amata Corporation Plc.

#### Position in Other Non-Litsted Company

2017 - Present	Director	Thai Chinese Rayong Industrial estate development Co.,Ltd.
2016 - Present	Chairman	Focus Wheig Corporation Limited
2016 - Present	Director	Amata B. Grimm Power (Rayong) 5 Co.,Ltd.
2015 - Present	Director	Amata B. Grimm Power (Rayong) 4 Co.,Ltd. Amata B. Grimm Power (Rayong) 3 Co.,Ltd.
2013 - Present	Director	Rai Arthit Co.,Ltd
2010 - Present	Chairman	Data In Motion Co.,Ltd.
2010 - Present	Director	Amata B. Grimm Power Co.,Ltd.
		Amata B. Grimm Power 1 Co.,Ltd.
		Amata B. Grimm Power 2 Co.,Ltd.
		Amata B. Grimm Power 4 Co.,Ltd.
		Amata B. Grimm Power 5 Co.,Ltd.

Amata Power (Rayong) Co.,Ltd.

#### Position in Other Non-Litsted Company

2010 - Present Director Amata B. Grimm Power (Rayong) 1 Co.,Ltd.

Amata B. Grimm Power (Rayong) 2 Co.,Ltd.

2008 - Present Vice Chaiman Amata Water Co.,Ltd.

2008 - Present Director Amata Asia Ltd.

Amata Summit Reay Built Co.,Ltd.

888 Property Co.,Ltd.

2002 - Present Director Focus Environmental Co.,Ltd.

1998 - Present Director Capital Focus Co.,Ltd.

1989 - Present Director Moon dance Development Co.,Ltd.

#### Work Experience during 5 years

2003 - 2019 Chairman of the Board and Focu

**Executive Chairman** 

Focus Development and Construction Pcl.

# Mr. Paisit Kaenchan (Age 60)

Date of Appointment: 1 October 2019

Positions: Director

Shareholding proportion:

None Director

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive

None

#### **EDUCATION**

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

#### **TRAINING**

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

#### **WORK EXPERIENCE**

#### Position in Other Listed Company - The Stock Exchange of Thailand

2010 - Present Independent Director and Audit Committee **AEC Securities Public Company Limited** 

# Position in Other Non-Litsted Company

2018 - Present Director IAM Real Estate Management Co., Ltd 2010 - Present

Steering Committee Real Estate Faculty of Commerce and Accountancy

**Business Program** Thammasat University

2017 - Present Founder and Advisory Hospitality Advisory Service Co., Ltd.

#### Work Experience during 5 years

Chief Executive Officer / 2016 - 2018 Grande Asset Hotels and Property Public

Director / Executive Director Company Limited

Remark: Mr.Paisit Kaenchan resigned from the position of Managing Director, Executive Director and Company Secretary, effective on 1 December 2020 onwards.

# Mr. Pumipat Sinacharoen (Age 50)

**Date of Appointment:** 15 May 2019

**Positions:** Director, Nomination and Remuneration Committee,

Audit Committee (Independent Director)

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive

None

#### **EDUCATION**

• MBA, Thunderbird School of Global Management, USA

• BA in Economics, Thammasat University, Thailand

#### **TRAINING**

- Director Accreditation Program (DAP) 36/2005, Thai Institute of Directors
- Company Secretary Program (CSP) 27/2008, Thai Institute of Directors
- Leading in Disruptive World (Innovation), Stanford University, USA
- · Design Thinking, Stanford University
- Strategic Board Master Class (SBM) 10/2020, Thai Institute of Directors

#### **WORK EXPERIENCE**

Position in Other Listed Company - The Stock Exchange of Thailand

2005 - Present Director and Audit Committee Fortune Parts Industry Public Company Limited. (FPI)

Position in Other Non-Litsted Company

2017 - Present Director Organization's Alcohol

Work Experience during 5 years

2017 - 2020 Executive Vice President PTG Energy Public Company Limited

2002 - 2017 Chief People Officer and Director AP (Thailand) Public Company Limited

of AP Academy/ Chief Finance Officer(CFO) and Investor Relations

# Ms. Anchalee Bunsongsikul (Age 50)

**Date of Appointment :** 15 May 2019

**Positions :** Director, Audit Committee

(Independent Director)

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive

None

#### **EDUCATION**

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

#### **TRAINING**

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

#### **WORK EXPERIENCE**

Position in Other Listed Company - The Stock Exchange of Thailand

- None -

Position in Other Non-Litsted Company

2017 - Present MD & Head, Global Banking, Thailand Standard Chartered Bank (Thai) PCL

Work Experience during 5 years

2015 - 2017 MD & Head, Financial Markets, Thailand Standard Chartered Bank (Thai) PCL

2012 - 2015 MD & Head, Corporates, Thailand Standard Chartered Bank (Thai) PCL

# Mr.Chuntorn Chuntratip (Age 54)

Positions: Acting Managing Director, Company Secretary

and Chief Development Officer

Shareholding proportion: Management 100,000 shares

Spouse / lived together as spouse None

Minor None

Family relationship with other directors, executive

None

#### **EDUCATION**

• Master of Business Administration Kasetsart University

• Bacherlor Degree of Engineering Kasetsart University

#### **WORK EXPERIENCE**

2019 - Present	Chief Development Officer	Proud Real Estate Public Company Limited
2019 - Present	Director	Hua Hin Alpha 71 Co.,Ltd.
2019 - Present	Director	Hua Hin Sky Living Co.,Ltd.
2017 - 2019	Managing Director	Park Origin Co.,Ltd.
2013 - 2017	Vice President – Project Development	Proud Residence Co.,Ltd.
2009 - 2013	Assistant Vice President - Project Management	Narai Property Co.,Ltd.
2002 - 2009	Vice President – Project Development	Plus Property Co.,Ltd.

Remark: Mr. Chuntorn Chuntratip was appointed for the position of Acting Managing Director and Company Secretary, effective on 1 December 2020 onwards:

# Ms. Budsabong Pansawadi ( Age 35 )

**Positions:** Chief Financial Officer

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive None

# CERTIFIED PUBLIC ACCOUNTANT

#### **EDUCATION**

Bachelor of Commerce and Accountancy, Thammasat University

#### **WORK EXPERIENCE**

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

# Ms. Anotai Worasunthararom (Age 39)

**Positions:** Senior Vice President of Business Development and

Strategy Department

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive None

#### **EDUCATION**

- Master of Science, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Engineering, Faculty of Engineering, Kasetsart University

# **WORK EXPERIENCE**

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

# Mr. Jirawat Kateseang (Age 48)

**Positions:** Vice President of Marketing Department

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive None

#### **EDUCATION**

Bachelor of Faculty of Humanities, Kasetsart University

#### **WORK EXPERIENCE**

2020 - Present	Vice President of Marketing Department	Proud Real Estate Public Company Limited
2018 - 2020	Director of Marketing & Sales Department	Habitat Group Co.,Ltd.
2018 - 2018	Senior Vice President of Sales & Marketing Department	Origin Public Company Limited
2016 - 2018	Director of Marketing Department	TC Development Co., Ltd.
2013 - 2016	Vice President of Marketing & Sales Department	Pacific Star ( Thailand ) Co.,Ltd.
2009 - 2012	GM of Project Marketing	Magnolia Quality Development Corp. Co.,Ltd.
2005 - 2009	Vice President of Marketing Communication	Amari Estate Co., Ltd.
2003 - 2005	Senior Marketing Manager	Plan Estate Co.,Ltd.
1998 - 2003	Marketing Manager	NC Housing Public Company Limited
1994 - 1998	Marketing Officer	Supalai Public Company Limited

# Ms. Nalinchat Butloetwisetthitha (Age 36)

**Positions :** Vice President of Sales Department

Shareholding proportion: Director None

Spouse / lived together as spouse None

**Minor** None

Family relationship with other directors, executive None

#### **EDUCATION**

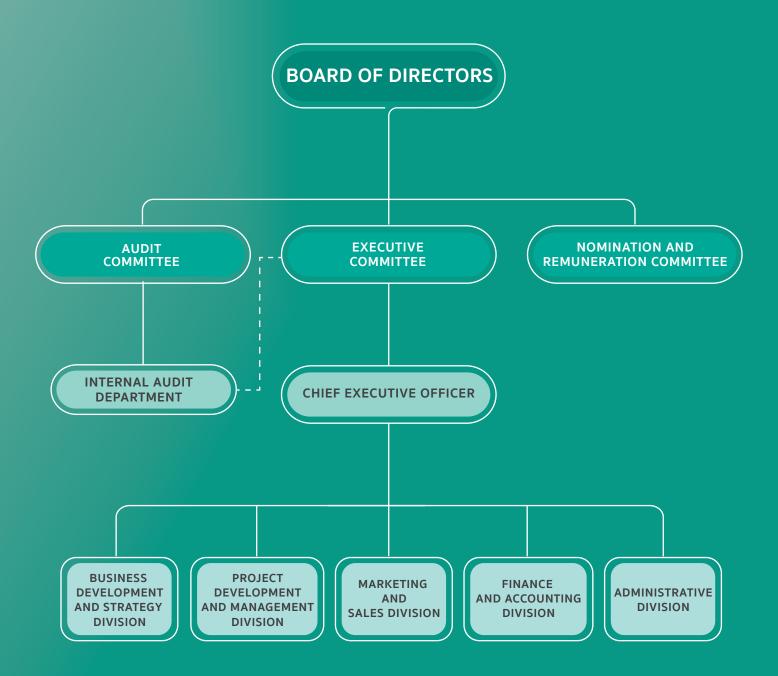
Bachelor of Arts, Majoring in English Business Communication Minoring in Chinese, Siam University, Bangkok,

#### **WORK EXPERIENCE**

2020 - Present	Vice President of Sales Department	Proud Real Estate Public Company Limited
2019 - 2020	Vice President of Sales & Marketing Department	Apex Development Public Company Limited
2017 - 2019	Assistant of Vice President of Sales & Marketing DepartmentKnight	Frank Chartered (Thailand) Co.,Ltd.
2009 - 2016	Sales Manager	Quality Houses Public Company Limited



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



#### The Board of Directors

As of 31 December 2020, the Company's Board of Directors consists of 8 directors as follows:

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

# STRUCTURE OF COMPANY DIRECTORS

As of 31 December 2020, the Company's Board of Directors consists of 8 directors as follows:

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

Remark: Mr. Paisit Kaenchan resigned from the positions of Managing Director, Executive Director and Company Secretary, effective on 1 December 2020 onwards.

## Criteria and guideline on Nomination and Appointment of Directors

The Board of Directors shall have qualifications and experiences as required by the Company and not possess nay prohibited characteristics listed in Public Company Act, B.E. 2535, Securities and Exchange Act, B.E.2535 and other relevant laws. TheBoard of Directors shall have sufficient time and dedicate their knowledge and abilities to perform their duties for the Company. The criteria for selection of members of the Board of Directors under the Company's regulations are as follows:

- 1) Members of the Board of Directors shall have qualifications specified in relevant rules and the Company's articles of associations.
- 2) They shall obtain at least a bachelor's degree in any field.
- 3) They shall have knowledge of the Company's business and be able to dedicate sufficient time and knowledge for the Company.
- 4) They shall be honest and highly ethical.
- 5) Members of the Board of Directors shall not take any positions at more than five (5) other listed companies.

# **Process for Appointment of Directors**

Board of Directors has assigned the Nomination and Remuneration Committee is a recruiter and considered for selection person who has appropriate qualifications under the law on securities and exchange and is consistent with the qualifications specified by the company and proposed to the board consider appointment or proposing to seek approval from the shareholders' meeting in accordance with the Company's Articles of Association for the selection of qualified persons; Will be considered from the following channels

- 1) Opportunity for shareholders to nominate persons to be elected as directors of the Company in advance of the Annual General Meeting of Shareholders from January 1, 2021 to February 15, 2021 in accordance with the criteria and conditions which was announced on the Company's website.
- 2) Persons who receive advice from the Company's directors or an independent external advisor.
- 3) Opportunity for each committee member to nominate a person considered appropriate. Nomination and Remuneration Committee The Company will review skills and characteristics of directors and overall composition of the Board of Directors in accordance with the Company's business strategy and direction. As well as considering the diversity both in terms of skills experience and expertise independence and other talents without limiting the embarrassment and gender of the directors.

## **Term of Directorship**

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

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

The directors to retire from office in the first and second years after the conversion of corporate status shall be selected by drawing lots. In subsequent years, the directors having served longest in the office shall retire.

The directors retiring from office may be re-elected by the shareholders' meeting. Apart from retirement by rotation, the directors shall vacate office upon:

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

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

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

# **Directorship in Other Listed Companies**

The Board of Directors establishes the policy on limitation to the number of listed companies in which each director will hold office as director which shall not exceed five companies, without any exemption, since, after considering the matter, it is deemed that such number enables all directors to devote their time to regularly attend meetings.

The CEO may hold directorships in other companies if such directorship does not obstruct his duty as the Company's CEO. Moreover, such entities must not operate business of the same type nor competing to that of the Company.

## **Duties and Responsibilities of the Board of Directors**

- 1. Acting in a best interest of shareholders (fiduciary duty) by observing the following four main practices:
  - 1.1.1 Performing its duties with responsibility and all due circumspection and caution (duty of care)
  - 1.1.2 Performing its duties with faithfulness and honesty (duty of loyalty).
  - 1.1.3 Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders, Meetings (Duty of Obedience)
  - 1.1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness (Duty of Disclosure)
- 2. Defining and reviewing the structure of the Board of Directors, number of directors, proportion of independent directors as well as Board diversity and director qualifications to align with the Company's business operations.
- 3. Directing the Company's visions, missions, and business strategies, with an annual revision and approval.
- 4. Reviewing the major operating plan, budgets, business goals, and business policies and enhancing
- 5. Overseeing and monitoring the implementation of the Company's strategies: overseeing and monitoring of each business unit's and the Company's overall performance by requiring their performance reports periodically; and setting policies to develop and improve the business operations with concern for safety, hygiene, social and environmental responsibility and development of the Company's employees.
- 6. Devoting their time and efforts to the Company without seeking benefits for themselves Or others and not acting in conflict of interest or in competition with the Company.
- 7. Directing the Company's Operation in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care to preserve the highest interests of the Company and fairness to all involved parties.
- 8. Overseeing and developing the Company's corporate governance to keep it consistent with the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to provide guidelines for business operations while monitoring to ensure compliance and being a role model in complying with the principles of good corporate governance and the Company's Code of Conduct.
- 9. Encouraging staff at all levels to be conscious of ethics and morality and comply with the Company's principles of corporate governance, Code of Conduct and the Anti-corruption policy while promoting awareness of the importance of internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.
- 10. Protecting the fair rights and interests of both major and minor shareholders along with supporting shareholders in exercising their rights to protect their own interests, and receive accurate, complete, transparent, veritable, and timely information.
- 11. Recognizing the roles, duties, and responsibilities of the Board of Directors, respecting the rights of shareholders and equitable and transparent treatment to all stakeholders, establishing a clear process and channels for receiving and handling complaints from informants or stakeholders effectively and ensuring an opportunity for all stakeholders to contact or lodge complaints about potential issues directly to the Board of Directors.

- 12. Reviewing top executive development plans and the succession plan for the Managing Director while Overseeing to ensure the effective performance assessment of top management on an annual basis and determining appropriate remuneration in line with the Company's operating results to provide both short term and long-term incentives.
- 13. Assessing the performance of the Board of Directors, the Sub-committees and each individual director on an annual basis together with monitoring the assessment results of the Board and its Sub-committees which will be jointly deliberated by the Board of Directors as well as reviewing the assessment results of the Board and Sub-committees on a regular basis.
- 14. Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and Sub-committee members are determined appropriately.
- 15. Attending all meetings of the Board of Directors and Shareholders' Meetings, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman or the Secretary to the Board in advance prior to the meeting.
- 16. Developing their knowledge and competency related to their duties consistently through courses or curricula related to directorial duties or seminars that enhance their knowledge. In performing its duties, the Board of Directors may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate.

## Authorization power of the Board of Directors

The Board of Directors has the power to approve the investment budget in the business of the company without limit. This is managing the work according to the strategies and goals of the Company by assigning the directors to have the power and duty to perform various tasks. In the business administration, and duties and responsibilities in human resource management within the scope of duties of the Executive Committee Such delegation must not be a type of delegation or sub-delegation allowing the Executive Committee or the Executive Board's attorney to approve transactions in which he or the person who may have a conflict of interest. Or have any other conflict of interest According to the company's regulations And the Securities and Exchange Commission (SEC) announces the determination of making transactions with the company Or a subsidiary The exception is to approve transactions that are in accordance with the policies and criteria approved by the Board of Directors. However, the approval authority is as follows. The company reserved it as the approval authority of the Board of Directors only.

- 1. Approve the power structure for the payment of financial items such as investment budget, fixed assets. Cost and Expenses Advances Borrowing For executives in each order In order to have clarity on the management according to the limits ranging from the authority of the Executive Committee / Chief Executive Officer / Division Head / Division Director / Assistant Vice President.
- 2. Approve the goal And business plans As well as important policies Risk management Large investment projects Implementation of various projects Important of the company
- 3. Approve or give approval to the connected transactions of the Company and its subsidiaries in accordance with the regulations. And related practices of the Stock Exchange of Thailand

- 4. Approve the appointment of persons having appropriate qualifications and not having prohibited characteristics as specified in the Public Limited Companies Act B.E. 2535 and the law on the Securities and Exchange of Thailand, as well as relevant announcements, regulations and / or regulations. Acting as a director of the company In the event that the position of the director of the company becomes vacant due to reasons other than retiring by rotation
- 5. Approve the date of the annual general meeting of shareholders of the company.
- 6. Approve matters as required by laws or regulations as the duties of the Board of Directors.

## Policy on the Board Meetings

- (1) Board of Directors' Meetings will be held at least 4 times a year with at least one Board meeting will be discussed only among non-authorized directors and independent directors without the Company's management. In the year 2020, the Board of Directors had a one time non-executive meeting on November 9, 2020, in which 4 directors attended the meeting.
- (2) Notice of the Board meeting will be given to all directors at least 7 days in advance unless with the case of emergency or necessity for the rights and benefits of the Company, such notice may be shorter than 7 days as appropriate.
- (3) The Chairman of the Board and the Managing Director shall jointly consider determining the meeting agenda while each director is entitled to propose any matters for consideration of the Board meeting. In case the Chairman of the Board is also the top management of the Company, the agenda of the Board meeting shall also be reviewed and agreed by the Chairman of the Audit and Corporate Governance Committee and/or an independent director as appropriate.
- (4) The Company sets forth quorum of the Board's meeting when any resolution will be reached by voting, that is, there shall have not less than two thirds of the total number of directors.
- (5) Significant matters shall require the Board resolutions passed by at least 2/3 of all directors of the Company.
- (6) A summary report of the monthly operating results will be prepared and given by the Company to all direct for their information, except with the month in which the Board meeting also takes place.

## Roles and Responsibilities of Chairman of Board of Directors

- (1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the Company's objectives.
- (2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- (3) Set the Board meeting agenda by discussing with the Managing Director where important matters should be included in the agenda. In case the Chairman of the Board is also one of the top management of the Company, the consultation on such agenda must be made with the Chairman of the Audit and Corporate Governance Committee or an independent director as appropriate.
- (4) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company.
- (5) Promote the good relationship between executive and non-executive directors, and between the board and management.

# **Evaluation of the Board of Directors of the Company**

The Company has the policy on the evaluation of the performance of the Board of Directors of the Company every year.

In 2020, the Company Secretary sent the evaluation forms to the Board and received the good cooperation from the Board in filling 4 forms in total in order to improve the efficiency of the work performance as follows:

- (1) Entire Board Evaluation Form
- (2) Entire Sub-committees Evaluation Form
- (3) Director Self Evaluation Form
- (4) Evaluation Form for the Managing Director

By the score criteria as follow;

- 0 = Strongly disagree or no action has been taken in that regard
- 1 = Disagree or little action taken on the matter
- 2 = Agree or have taken some action on that matter
- 3 = quite agree or has been done in that regard as well
- 4 = Strongly agree or has been very well done in that regard

#### (1) Entire Board Evaluation Form

In 2020, the results of evaluation of the Board of Directors are as follows:

1. The structure and qualifications of the Board of Directors are appropriate		
and efficient working.	3.92	points
2. Meeting of the Board of Directors is conducted in order for the Committee	3.71	points
to perform their duties efficiently.		
3. Roles, duties and responsibilities of the Board of Directors emphasizes		
the importance of taking sufficient time to consider, review and comply.	3.45	points
4. Other matters such as the committee does not interfere with the management's	3.36	points
duties and the supporting of training for directors.		

#### (2) Entire Sub-committees Evaluation Form

#### 1) Audit Committee

In 2020, the results of evaluation of the Audit Committee are as follows:

1. Appropriateness of the structure and qualifications of the Audit Committee	3.90	points
2. The meetings are conducted in order for the Committee	3.83	points
to perform their duties efficiently.		
3. Roles, duties and responsibilities of the Audit Committee emphasizes		
the importance of taking sufficient time to consider, review and comply.	3.90	points

## 2) The Nomination and Remuneration Committee

In 2020, the results of evaluation of the Nomination and Remuneration Committee are as follows:

1. Appropriateness of the structure and qualifications of the Committee	3.90	points
2. The meetings are conducted in order for the Committee	3.83	points
to perform their duties efficiently		
3. Roles, duties and responsibilities of the Committee emphasizes		
the importance of taking sufficient time to consider, review and comply.	3.25	points

#### (3) Director Self Evaluation Form

In 2020, the results of the Director Self Evaluation are as follows

1. The board structure and qualifications have appropriate qualifications	3.88	points
, knowledge and experience.		

2. Meeting of the Board of Directors has studied information documents	3.71	points
before the meeting and made useful comments to the meeting		

3. Roles, duties and responsibilities of the Committee emphasizes 3.54 points the importance of taking sufficient time to consider, review and comply.

# (4) Evaluation Form for the Managing Director

The Nomination and Remuneration Committee requested the Board of Directors to evaluate the Managing Director in various aspects including leadership, strategic determination, performance of strategies, planning, and financial operating results, relationship with the committees, relationship with the external organizations or persons, administration and relationship with succession personnel, knowledge of products and services, personal attributes, which was adapted from the CEO evaluation of the Stock Exchange of Thailand.

The results of evaluation of the Managing Director shall be part of remuneration determination of the Managing Director in each year.

#### The Orientation for New Directors

The Company has a policy to organize an orientation for newly appointed directors in order to prepare them for performing their duties by presenting and providing important information as follows:

- (1) Summary of company history
- (2) Summary of the company's business operation
- (3) Summary of rules and regulations of relevant government regulators
- (4) Summary of rules and regulations of the company
- (5) Summary of good corporate governance policy and code of conduct for directors, executives and employees of the company
- (6) Summary of past meetings of the Board of Directors, Audit Committee and Nomination and Remuneration Committee
- (7) Any other information useful in the performance of duties of the new director.

## **Recruitment of Top Management**

For recruiting the top management of the Company, the Nomination and Remuneration Committee will consider selecting from the existing management or others who has knowledge and experience with appropriate qualifications and good understanding in the business of the Company and ability to manage to achieve the objectives and targets of the Company and shall not have the prohibited characteristics in order to be appointed by the Board of Directors.

#### Maintaining key roles during recruiting successors

When the position of Executive Chairman or Managing Director or Assistant Managing Director is vacant or unable to perform their duties for any reasons, the secondary level or assistant is acting in the position during the recruiting and selection of persons who have qualifications according to the criteria set by the company must be vision, knowledge and experience suitable for such position.

#### **Succession Plan**

The company will analyze the business situation of the company in terms of strategy of the company, investment plan, business expansion plan and assess the readiness of manpower in accordance with the strategy of the company, in both the short and long term. The Company will plan manpower by developing or recruiting employees to replace those who have vacated positions and prepare a recruitment plan and Employee Training and Development plan in advance before employees retire or resign from office. The Company will set Competencies refer to the knowledge, skills, personality and desirable attitudes of the employees in that position and prepare individual development, select, evaluate, work performance and assess employees' potential for consideration as appropriate, testing and evaluation to analyze personnel potential. The Company will identify the successor from the evaluation and analysis of the performance of the employees with prior notice to employees to prepare, accept before assign a backup successor develop and evaluate employees who are expected to be successors for develop and create work as expected which, if not as expected, we can still change the successor.

In addition, the company has a job rotation plan for employees in key positions to have the opportunity to learn about other departments, as well as to attend a meeting of the board of directors or sub-committees in sometimes for a preparation of the successor in the appropriate position.

## Time table of the Board of Directors Meetings in 2021

	Date	Audit Committee	Board of Directors
No. 1/2021	Monday 22 February 2021	08.30 – 10.00 a.m.	10.00 – 12.00 a.m.
AGM 2021	Monday 19 April 2021	10.00 – 12.00 a.m.	
No. 2/2021	Monday 10 May 2021	08.30 – 10.00 a.m.	10.00 – 12.00 a.m.
No. 3/2021	Monday 9 August 2021	08.30 – 10.00 a.m.	10.00 – 12.00 a.m.
No. 4/2021	Monday 8 November 2021	08.30 – 10.00 a.m.	10.00 – 12.00 a.m.

# Authorized directors who sign to bind the company

As at 31 December 2020, the names and number of the authorized directors of the company are Mr. Verapong Chaiperm or Mr. Pasu Liptapanlop or Ms. Proudputh Liptapanlop or Mr. Paisit Kaenchan. Two of these four jointly sign and affix the seal of company.

# **Training Courses or Relevant Seminars for Directors**

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

Name	Course
Mr. Anuwat Maytheewibulwut	<ul> <li>Training Course for DAP Directors, Class 104/2013</li> <li>Training course for senior judicial process administrators, class 15/2011 - 2012</li> <li>Training Course, National Defense College of Thailand, Class 45/2002 - 2003</li> <li>Training Course for Senior Administrators, Class 36</li> <li>Training Course for Senior Land Administrators, Class 7</li> </ul>
Dr. Verapong Chaiperm	<ul> <li>Director Accreditation Program (DAP) 163/2020</li> <li>Top Executive in industrial Development and Investment, Class 1 Institute of Business and In Industrial Development (IBID)</li> <li>Certificate, Executive Program on Energy Literacy for a Sustainble Future (TEA), Class 3, Thailand Energy Academy</li> <li>Executive Program, Poompalungpadin Program (Batch 1)</li> <li>Director Certification Program (DCP 161/2012)</li> <li>Advanced Certificate course in Politics and Governance in Democratic Systems for Executives Class 15, The College of Politics and Governance, King Prajadhipok's Institite</li> </ul>
Ms. Proudputh Liptapanlop	Director Accreditation Program (DAP) 138/2017, Thai Institute of Directors
Mr. Anucha Sihanatkathakul	(Fellow Member), Thai Institute of Directors (IOD) 2/2001     Directors Certification Program (DCP), Thai Institute of Directors (IOD) 4/2000
Mr. Paisit Kaenchan	<ul> <li>Risk Management Committee Program (RMP) 4/2014</li> <li>Role of Compensation Committee Program (RCC)</li> <li>Role of Nomination and Governance Committee Program (RNG) 6/2014</li> <li>Advance Audit Committee Program (AACP) 13/2013</li> <li>Certificate in Hotel Real Estate Investment &amp; Asset Management 2008</li> <li>Directors Certification Program (DCP), Thai Institute of Directors (IOD) 56/2005</li> <li>Thammasat Leadership Program 1</li> </ul>
Mr. Pasu Liptapanlop	Director Accreditation Program (DAP) 138/2017, Thai Institute of Directors

Name	Course	
Mr. Pumipat Sinacharoen	<ul> <li>Director Accreditation Program (DAP) 2007</li> <li>Director Accreditation Program (DAP) (IOD) 36/2005</li> <li>Company Secretary Program (CSP) (IOD) sun 27/2008</li> <li>Leading in Disruptive World (Innovation), Stanford University, USA</li> <li>Design Thinking, Stanford University</li> </ul>	

# In 2020, with the following additional training course

Name	Course
Mr. Pumipat Sinacharoen	Strategic Board Master Class (SBM) (IOD) 9/2020

# Summary of meeting attendance data for the Board of Directors in 2020

As of 31 December 2020

No.	Name	Number of meetings for the year	Number of times Attend a meeting	As a percentage
1.	Mr. Anuwat Maytheewibulwut	8	8	100.00
2.	Dr. Verapong Chaiperm	8	8	100.00
3.	Ms. Proudputh Liptapanlop	8	8	100.00
4.	Mr. Pasu Liptapanlop	8	7	87.50
5.	Mr. Anucha Sihanatkathakul	8	8	100.00
6.	Ms. Anchalee Bunsongsikul	8	7	87.50
7.	Mr. Pumipat Sinacharoen	8	8	100.00
8.	Mr. Paisit Kaenchan	8	7	87.50

# **Management Team**

As of December 31, 2020, the Company's first four executives according to definitions prescribed by the Securities and Exchange Commission comprise 8 persons as follows:

NO	Name	Position	
1.	Mr. Chuntorn Chuntratip (1)	Acting Managing Director and Chief Development Officer	
2.	Ms. Budsabong Pansawadi	Chief Financial Officer	
3.	Ms. Anotai Worasunthararom	Senior Vice President of Business Development and Strategy Department	
4.	Mr. Jirawat Kateseang	Vice President of Marketing Department	
5.	Ms. Nalinchat Butloetwisetthitha	Vice President of Sales Department	

Remark: Mr. Paisit Kaenchan has resigned from the positions of Managing Director and Mr. Chuntorn Chuntratip has been appointed as the Acting Managing Director effective on 1 December 2020 onwards.

# Roles and Responsibilities of the Managing Director

- (1) To monitor and supervise the management of the Company and its subsidiaries to be in line with the vision, mission, value and policies, board resolutions, shareholders' resolutions, regulations and objectives of the Company for the highest efficiency and legitimacy of the business operations of the Company and its subsidiaries.
- (2) To manage and supervise the Company and its subsidiaries general administration and ensure that it is in line with the objectives, policies, rules and regulations of the Company as well as to monitor the performance of the management to report the overall operations of the Company and its subsidiaries and performance to the Board of Directors on a regular basis.
- (3) To determine the human resource management policy and encourage the operations of all functions to be in line with the guidelines of the Board of Directors.
- (4) To give advice and hand down the experience in business operations to the management and staff for the benefits of the business operations of the Company and its subsidiaries.
- (5) To manage the financial matters and the spending of the budget for the highest benefits and efficiency of the Company and its subsidiaries.
- (6) To perform any other tasks as assigned by the Board of Directors of the Company and/ or the shareholders' meeting of the Company according to the objectives, rules and related laws.

# **Company Secretary**

The resolution of the Board of Directors had approved Mr.Chuntorn Chuntratip on 1 December 2020 onwards to be the Company Secretary.

# Roles and Responsibilities of Company Secretary

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

# Remuneration of the Board and Executives Directors' Remuneration

Summary on the Board of Directors, Audit Committee and Nomination and Remuneration Committee Remunerations in 2020 as follow;

		Directors' remuneration				
NO	Name	Nomination and Remuneration Committee	Audit Committee	Board of Directors	Bonus	Total
1.	Mr. Anuwat Maytheewibulwut	45,000.00	60,000.00	90,000.00	-	195,000.00
2.	Dr. Verapong Chaiperm	-	-	72,000.00	-	72,000.00
3.	Mr. Pasu Liptapanlop	-	-	72,000.00	-	72,000.00
4.	Ms. Proudputh Liptapanlop	-	-	72,000.00	-	72,000.00
5.	Mr. Pumipat Sinacharoen	24,000.00	48,000.00	72,000.00	-	144,000.00
6.	Ms. Anchalee Bunsongsikul	-	36,000.00	60,000.00	-	96,000.00
7.	Mr. Anucha Sihanatkathakul	36,000.00	-	72,000.00	-	108,000.00
8.	Mr. Paisit Kaenchan	-	-	12,000.00	-	12,000.00
						771,000.00

#### Remuneration for Executive

In the year 2020, the company has paid compensation and benefits after left the company to 9 executives in the total amount of 19.65 million baht.

# Other remuneration for executives Provident fund

The company has provided a provident fund for executives, with the company funding by 5 percent of the salary. In the year 2020, the company contributed to the provident fund for 9 executives total 0.58 million baht

#### **Personnel**

As of 31 December 2020, the Company has employees with the following details:

Department	As of 31 December 2020 (Person)
Management Department	2
Project Development Department	2
Internal Audit Department	1
Accounting and Finance Department	7
Investor Relations Department	1
Project Management Department	7

Department	As of 31 December 2020 (Person)
Sales Department	7
Marketing Department	7
Legal and Compliance Department	1
Information Technology Department	2
Human Resource Department	2
Purchasing and Administrative Department	6
111 Social Club	4
TOTAL	49

# The significant change in the number of employees in the past 3 years

During the past 3 years, there has been an increase / decrease in employees of the Company as a result of the Company's business type change and restructuring as follows:

As at 31 December 2018 a total number of employees 99 people.

As at 31 December 2019 a total number of employees 40 people

As at 31 December 2020 a total number of employees 49 people

# Remuneration and Welfare Paid to Staff of the Company

#### 1. Financial Remuneration

Remuneration for employees in 2020 included financial remuneration, bonus, provident fund and social security funds, are as follows;

Remuneration	Amount (THB)	
Remaneration	2019	2020
Salary and Bonus	30,826,482.50	38,260,425.00
Social security fund	391,797.00	328,774.00
Provident fund	741,997.00	1,327,467.00
Other benefits	2,334,351.00	2,568,952.00
TOTAL	34,294,627.50	42,485,618.00

#### **Provident Fund**

The Company and its employees have jointly established a provident fund since 2011 in accordance with the Provident Fund Act B.E. 2530. The fund which is purposed for saving and guaranteeing employees including tax benefits.

#### 2. Non - Financial Remuneration

Non-financial remuneration included medical insurance, accident insurance, Best Employee Rewards, uniform, New Year Party, etc.

# **Employee Development Policy**

The company places great emphasis on human resource development, which is the cornerstone of corporate development. From the first day of work, employees will receive an orientation on the organization information, vision, mission, organizational structure and corporate culture atmosphere in the organization to help new employees to adjust by introducing new employees to know and familiar with the Company such as supervisors, co-workers, regulations and welfare etc, which will give rise to the first impression, commitment and confidence to the organization. The human resources department will be a mentor to support and giving advice to new employees to quickly adapt to the team and the organization. And there is a coaching instruction by the supervisor, which is a very important role in the development of subordinates.

In 2020, the company promotes the development of training according to the needs of each department. And each personnel With details as follows

Department	Course
Legal and Compliance Department	Company Secretary Program (CSP)
Accounting and Finance Department	Transfer Pricing
Project Development Department	Study the feasibility of finance in real estate projects.
Project Development Department	Development and upgrading of e-commerce business (E-Commerce) Class 2
Project Development Department , Investor Relations Department and Marketing Department	Leading the Brand through crisis
Investor Relations Department	Land and building tax
Marketing Department	ADOBE AFTER EFFECTS
Marketing and Sales Department	SMART PERSONALITY

In addition, in order to comply with the principles of good corporate governance, the Company follows the courses as below:

- 1. A course on anti-corruption on the topic of **"หลักสูตรสุจริตไทย"** prepared by Sujarit Thai Company Limited.
- 2. A course on environment on the topic **"PM 2.5 ภัยใกล้ตัว น่ากลัวกว่าที่คิด"** prepared by the Department of Promotion Environmental Quality Promotion.





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

#### **Corporate Governance Policies**

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

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

# Implement with Good Corporate Governance Principles for the Year 2020 Section 1 Rights of Shareholders

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

1. The 2020 Annual General Meeting of Shareholders, the Company has promoted and supported all groups of shareholders including institutional investors to attend the meeting by proceeding as follows:

# Procedures before the Date of Shareholders' Meeting

The Company gives shareholders the opportunity to propose the meeting agenda, nominate a person to be elected as a director and send questions in advance of the 2020 Annual General Meeting of Shareholders, in which the Company has announced the criteria on the Company's website and also notify through information disclosure system of the Stock Exchange of Thailand to shareholders.

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

## Procedures on the Date of Shareholders' Meeting

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

# Procedures after the Date of Shareholders' Meeting

- The Company notified the meeting resolution and voting results for each agenda through the information disclosure system of the Stock Exchange of Thailand and on the Company's website on the date of the shareholders' meeting.
- The Company has recorded the minutes of the meeting correctly and completely and has sent to the Stock Exchange of Thailand within 14 days after the meeting date, published on the Company website as well.
- 2. Providing important and necessary information to shareholders by dis-closing information on the Company's website and through the information disclosure system of the Stock Exchange of Thailand in order for the shareholders to be informed of the information thoroughly.

## Section 2 Equitable Treatment of Shareholders

- 1. The Company realized an importance to treat shareholders equally. The Company has set up a process and channel for minority shareholders to participate in the selection and election of directors before the general meeting of shareholders by allowing shareholders to propose meeting agenda, nominate a person to be elected as a director and ask questions in advance before the meeting date as per the Company's criteria during the period of 1 January 15 February 2021 There were no shareholders proposed any matters to be included in the meeting agenda or nominated a person to be elected as a director.
- 2. The Company has a written policy to prevent the use of inside information as a guideline for keeping and preventing the use of internal information of the Company. The Company notified the employees, executives, and directors for acknowledgement and must strictly comply with the policy. In the year 2020, there were no directors, executives, and employees using the company's inside information to seek benefits for themselves.

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

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

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

#### Section 3 Roles of Stakeholders

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

#### **Treatment of Stakeholders**

# 1. Treatment of and Responsibility to Shareholders

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

- 1.1. To perform their duties with integrity, and carefully and prudently make decisions that are fair to every shareholder for the benefit of shareholders as a whole.
- 1.2 To oversee the operations to ensure that the Company has good financial status and operating performance, and that the reports on corporate position, operating results, financial and accounting status along with other matters are prepared and presented regularly and accurately.
- 1.3 To report to all shareholders on future trends, both positive and negative, of the Company based on feasibility projections supported by sufficient and rational information.
- 1.4 Not to use non-public information for personal or other persons' gain, or to perform any acts in a manner that may lead to conflicts of interest.
- 1.5 The Company shall treat every shareholder equally at a shareholders' meeting.

## 2. Treatment of and Responsibility to Government Sector

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

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

# 3. Treatment of and Responsibility to Employees

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

- 3.1 To treat all employees with respect for their honor, dignity and personal rights.
- 3.2 To keep the work environment safe for the lives and properties of its employees.
- 3.3 The appointment, transfer, reward and punishment of employees shall be done in good faith, based on the knowledge, competency and qualifications of such employees.
- 3.4 To put emphasis on the enhancement of employees' knowledge and capacity by arranging regular seminars and trainings and also giving them equal opportunities.
- 3.5 To set employee remuneration fairly based on market conditions, business competition, nature of duty, operating performance, and the Company's financial capacity.
- 3.6 To avoid any unfair acts that may affect job security of employees.
- 3.7 To give employees an opportunity to make recommendations or complaints regarding their work, and to seek pertinent solutions in order to bring benefits to all parties and develop good relationships among colleagues

#### 4. Treatment of and Responsibility to Customers

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

- 4.1 To supply and develop products and services that fulfill customer needs.
- 4.2 To deliver high quality products and services under fair conditions.
- 4.3 To provide correct and sufficient information of its products and services so that customers can make informed decisions; and not to make an overstatement either in advertisements or other communications with customers that may mislead them over the quality, quantity or any conditions of the products and services.
- 4.4 To put in place a feedback and complaint procedure for customers, so that the Company can address and resolve the said problems promptly and also use the information to improve or develop its products and services.
- 4.5 To maintain customer confidentiality, without disclosure or abuse of such information

## 5. Treatment of and Responsibility to Suppliers and Contractual Parties

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

- 5.1 The Company intends to attain an efficient supply of products and services under the following principles:
- To compete based on equal information provided.
- To set criteria for assessment and selection of suppliers and contractual parties.
- To prepare contracts with proper and fair terms to both parties.
- To set a management and monitoring system to ensure full compliance with the contractual terms and to prevent corruptive actions throughout the procurement process.
- To make punctual payments to suppliers and contractual parties in accordance with the agreed terms of payment.
- 5.2 The Company is intent on developing and maintaining sustainable relationships with the suppliers and contractual parties who have a clear objective of attaining price worthy quality of their products and services in tandem with mutual trust.
- 5.3 All executives and employees avoid accepting directly or indirectly gifts or rewards having the value of more than 3,000 Baht.
- 5.4 Not to use the information obtained in the course of procurement for personal or another persons' interest.

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

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

#### 6. Treatment of and Responsibility to Creditors

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

- 6.1 To strictly comply with the conditions stipulated under contracts or as mutually agreed.
- 6.2 In case that the agreed conditions cannot be complied with, the Company will inform its creditors in advance to jointly consider solutions.

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

## 7. Treatment of and Responsibility to Competitors

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

- 7.1 To engage in fair competition.
- 7.2 Not to seek confidential information of its competitors by dishonest or improper means to benefit the Company's business operations.
- 7.3 Not to make a malicious accusation against or bring discredit on its competitors.
- 7.4 Not to perform any acts that infringe intellectual property rights of other persons or competitors.

## 8. Treatment of and Responsibility to Society

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

- 8.1 To adopt a policy on eco-conscious business operations and to strictly comply with applicable environmental laws and rules.
- 8.2 To adopt a clear corporate social responsibility (CSR) policy, which is implemented across-the-board.
- 8.3 To promote among employees the awareness of and responsibility to the environment and society.
- 8.4 To have respect for the tradition, custom and culture of each locality in which the Company operates.
- 8.5 To regularly carry out social, community and environmental activities, either organized on its own or in cooperation with the government, private and community sector organizations, in order to help improve the quality of life in the communities in which the Company's operations are located.
- 8.6 To cooperate, as appropriate, with activities of neighboring communities in the areas in which the Company operates.
- 8.7 To respond promptly and efficiently to incidents, arisen from the Company's operations, that affect the environment, communities, lives and properties of the locals, by cooperating fully with relevant government authorities and agencies.
- 8.8 To adopt an anti-corruption policy, which prohibits the Company's personnel from engaging in all forms of bribery, either directly or indirectly, by offering, promising, soliciting, demanding, giving or accepting bribes or exhibiting any behaviors indicative of misconduct or corruption, in an attempt to gain or retain any other improper business benefits either for the Company's personnel or a third party. Particularly in the giving of gifts, assets or other benefits to government officials in Thailand and other countries, it must be ensured that such giving is not against the laws and local traditions.

### **Anti-Corruption**

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

### **Risk Management and Assessment**

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

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

### Implementation of Anti-Corruption Measures

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

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

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

- 1. All directors, executives and employees of the Company which it has management control are required to strictly comply with this Anti- Corruption Policy.
- 2. Compliance with anti-corruption measures are monitored and assessed by reviewing each step of the process where internal control deficiencies may be detected and thus exposed to corruption, in order to develop preventive guidelines and practices.
- 3. In order to mitigate risks of corruption, relevant practice processes, guidelines and policies shall be adjusted based on the results of process review, the Audit Committee's comments and suggestions upon reviewing the adequacy of practice processes against the results of complaint investigation, the result of risk assessment, as well as the employees' comments.
- 4. Results of process revision and post-revision outcome shall be monitored in order to ensure that the recommendations intended for improvement of processes, practices and policies have been implemented in a prompt manner.
- 5. Results of monitoring and assessment of compliance with anti-corruption measures along with process revision and post-revision outcome shall be reported to the Audit Committee, which shall review the completeness, appropriateness and adequacy of processes, practices and policies relating to anti- corruption measures. The Audit Committee is responsible for reporting the review results to the Board of Directors, so that relevant processes, practices and policies can be revised to ensure a more efficient internal control function.

### Whistleblowing or complaints of stakeholder rights violations

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

Whistle-blowing channels

- 1. Postal mail to The Board of Directors of Proud Real Estate Public Company Limited is at 900, Tonson Tower Building, 6th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok, 10330.
- 2. Email to The Audit Committee, Chairman of the Audit Committee, Chief Executive Officer and Internal Audit Office is at e-mail: auditcom@proudrealestate.co.th

### Whistleblowing Policy

To encourage employees to be able to participate in the corporate governance process. Therefore, if an employee sees an action or questions that violate or fail to comply with laws, regulations, business ethics

Please contact Whistle-blowing channels as follows;

- 1. Postal mail to The Board of Directors of Proud Real Estate Public Company Limited is at 900, Tonson Tower Building, 6th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok, 10330.
- 2. Email to The Audit Committee, Chairman of the Audit Committee, Chief Executive Officer and Internal Audit Office is at e-mail: auditcom@proudrealestate.co.th

### **Protection Measures for Whistleblowers**

- 1. The whistleblower can choose to remain anonymous in case he/she anticipates damage, but must indicate sufficiently clear details, facts or evidence which can constitute reasonable grounds to believe that an act in violation of laws, or breach of the Company's regulations or code of conduct has taken place.
- 2. In case the whistleblower anticipates danger or damage, he/she can request the complaint recipient to provide appropriate protection measures, or else the complaint recipient may establish ones without the whistleblower's request if the case is deemed to potentially cause damage or danger.
- 3. In case the whistleblower or other person affected by the complaint is unjustly or inappropriately treated by an employee or complaint recipient of the Company, it is deemed that said employee or complaint recipient has committed a gross breach of discipline and is thus subject to disciplinary action, including legal action if such act violates the laws.
- 4. Any person undergoing trouble or damage shall be relieved from such distress through appropriate and fair means or process.

### **Complaint Handling**

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

- 1. Violations of personnel aspects of Company's policies and procedures should be forwarded to the Human Resources Manager.
- 2. Violations of laws, government regulations, the Company's policy and principles of corporate governance, code of conduct, or regulations should be forwarded to the Company Secretary.
- 3. Doubtful acts for unlawful gains for one or other parties, including embezzlement, corrupt practices, and fraud should be forwarded to the Audit Committee or the Vice President of Internal Audit Office.
- 4. If the matter under (1), (2), or (3) is complicated or involves several units, it should be forwarded to the Chief Executive Officer (CEO) and President, who will appoint the investigation committee to consider proper actions.

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

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

### **Monitoring of Complaint Resolution**

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

### Reporting of Complaint Resolution to the Management

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

In 2020, the Company treated its stakeholders fairly in all aspects in accordance with the laws, rules, regulations and the articles of association of the Company, as well as the good corporate governance policy and other policies, e.g. treatment of suppliers, creditors and debtors in a fair manner according to the agreed trading conditions or obligations. In regard to competitors, the Company observed fair competition conduct, did not act in a manner detrimental or destructive to competitors, and also maintained customer confidentiality. Thus, there was no misconduct in relation to intellectual property, patent infringement or human right violation. In part of personnel, each employee received remuneration commensurate with knowledge, competence, responsibility and performance, as well as adequate and appropriate fringe benefits. The Company has provided a provident fund with investment options employees could select as appropriate according to Provident Fund Act B.E. 2530. The fund provided employees with financial security upon resignation or retirement. Furthermore, the Company arranges the training course and knowledge sharing to develop our people continuously and also encourage our people to use resources effectively.

### Section 4 Disclosure of Information and Transparency

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

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

In 2020, the Company regularly holds press conferences and media events to present key updates of the Company and promotes its activities, such as Proud Real Estate business plan, Lunching Hua Hin project through press releases as well.

### **Investor Relations**

The company established the Investor Relations Department to communicate and provide information to the target groups, shareholders, institutional investors, individual investors, securities companies, journalists, and the general public equally to make them receive the company's information accurately, completely and timely; to show information regarding the operating results and future business plans to be the information in making investment decisions and building credibility for the company. The company discloses information consistently and systematically through various channels. The company also established the investor relations ethics to enable the executives and employees involved in the investor relations to use as the guidelines in performing their work correctly, completely and transparently by adhering to the interests of the shareholders and all stakeholders.

## In 2020, the company organized investor relations activities to disclose the company's information to the investors that can be summarized as follows:

Activities	Times
1. Analyst Meeting	1
2. Opportunity Day at SET	1
3. Press conference	1
4. Company visit	1

Interested persons can contact Investor Relations Unit at:

Ms. Budsabong Pansawadi, Investor Relations Unit

Proud Real Estate Public Company

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

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

E-mail: ir@proudrealestate.co.th

Website: www.proudrealestate.co.th

### Non-monetary company performance disclosure policy

The company has arranged to disclose the performance in various fields in order to inform about the needs and satisfaction of using the company's products and services. And the Company can be used to develop products and services to meet the needs of satisfaction as well as being able to improve the Company's marketing strategy to be able to compete with other companies.

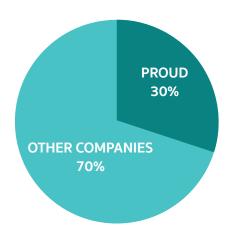
### Market share

Condominium market in Cha-am, Hua Hin and Pranburi, for projects with an initial average price of more than 175,000 baht per square meter, the total number of units sold until 2020 is 705 units and 471 units available until the end of Q4 2020.

In during the year 2020, the company achieved total sales for the InterContinental Residences Hua Hin Project at 141 units, amounting to Baht 2,515 million or approximately 30% of the market share of the units sold in the condominium market in Cha-am. Hua Hin and Pranburi with an initial average price of more than 175,000 baht per square meter.

# Number of units available for sale of Condominium market in Cha-am Hua Hin and Pranburi

For projects with an average starting price of more than 175,000 baht / sq m.



### **Sub-Committees**

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

### 1. Audit Committee

As at 31 December 2020, the Audit Committee consists of the following 3 Independent Directors

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

Summary of the Audit Committee's meeting Attendance in 2020 As at 31 December 2020

No.	Name	Number of meetings for the year	Number of times Attend a meeting	As a percentage
1	Mr. Anuwat Maytheewibulwut	4	4	100.00
2	Ms. Anchalee Bunsongsikul	4	3	75.00
3	Mr. Pumipat Sinacharoen	4	4	100.00

### **Director Tenure and Dismissal**

- 1.1 The Board has imposed a limit on the maximum term of the Audit Committee member to not exceed 3 consecutive years, upon the retirement from the office, the directors may be reappointed as an audit committee.
- 1.2 Apart from retirement by rotation, the directors shall vacate office upon:
  - 1). Death.
  - 2). Resignation.
  - 3). Dismiss from the Director of the company
  - 4). Lack of qualifications as the Audit Committee member
  - 5). Lacking the qualifications as a director or having prohibited characteristics under Public Limited Companies Act or Securities and Exchange Act or having characteristics that indicate lack of appropriateness to be entrusted to the management of a public business as specified by the Securities and Exchange Commission.
  - 6). Removal by a resolution of the shareholders' meeting
- 1.3 If any audit committee member intends to resign before the end of the term, the member shall submit a resignation letter to the Chairman of the Board of Directors at least 1-month notice and specify the reason. The Board of Directors to consider in appointing a qualified person as indicated in the Audit Committee Charter to replace the resigned member.
- 1.4 In the event that the position of the Audit Committee shall be vacant due to other reasons than the expiration of the term, the Board of Directors shall appoint a person who has the qualifications and is not under any of the prohibitions as required by law to be the Audit Committee member at least within 3 months to fulfill the Audit Committee's number complied with the Stock Exchange of Thailand and to maintain the status of listed companies. Unless the vacancy of the audit committee is less than 2 months, The Board of Directors may not appoint the Audit Committee member to fill the vacancy. The appointed Audit Committee member shall hold office for the remaining term of the audit committee, which he/she replaces.
- 1.5 The Nomination and Remuneration Committee is responsible for determining the compensation of the audit committee, which consider from duties and responsibilities and present to the Board of Directors for consideration, before presenting to the shareholders' meeting for consideration and approval.

### Scope of power, duties and responsibility of the Audit Committee

- 1. To review and ensure that the Company provides a sufficient and accurate report of its financial statements.
- 2. To review and ensure that the Company has appropriate and efficient internal controls and internal audit systems, to consider the independence of the Office of Internal Audit Bureau, and to approve the appointment, transfer and termination of employment of the Chief of Internal Audit Bureau or any other unit responsible for internal audit;
- 3. To review and ensure that the Company complies with securities and exchange laws, regulations of the SET and the laws relating to the Company's business.

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

### 2. Nomination and Remuneration Committee

As at 31 December 2020, the Nomination and Remuneration Committee consists of the following 3 members

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

### Summary of Nomination and Remuneration Committee's meeting Attendance in 2020

As at 31 December 2020

No.	Name	Number of meetings for the year	Number of times Attend a meeting	As a percentage
1	Mr. Anuwat Maytheewibulwut	4	4	100.00
2	Ms. Anchalee Bunsongsikul	4	4	100.00
3	Mr. Pumipat Sinacharoen	4	3	75.00

### **Director Tenure**

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

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

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

### 3.Executive Committee

As at 31 December 2020, the Executive Committee consists of the following 4 members

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

### Summary of Executive committee's meeting Attendance in 2020

As at 31 December 2020

No.	Name	Number of meetings for the year	Number of times Attend a meeting	As a percentage
1	Dr. Verapong Chaiperm	24	22	91.67
2	Ms. Proudputh Liptapanlop	24	24	100.00
3	Mr. Pasu Liptapanlop	24	24	100.00
4	Mr. Paisit Kaenchan	22	20	90.91

Remark: Mr.Paisit Kaenchan resigned from the positions of Executive Director effective on 1 December 2020 onwards.

### **Executive Committee Tenure**

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

### Scope of power, duties and responsibilities of the Executive Committee

- 1. The Executive Committee is responsible for managing the Company's business in accordance with the objectives of the Company's business operations, provided that management of the Company's business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval.
- 2. To prepare the vision, business strategies and direction, business policies, targets, guidelines, operational plans and the annual budget of the Company and its subsidiaries, and to present the same to the Board for approval.
- 3. To efficiently oversee and monitor the Company's operations in accordance with the Company's management policies and guidelines as approved by the Board.
- 4. To consider and approve specific matters or any action to be taken in the ordinary course of the Company's business, borrowing or requesting any credit from a financial institution, lending as well as becoming a guarantor for the operation, within the amount or annual budget as approved by the Board and as authorized.
- 5. To report the result of operations for the following matters within the following period of time to the Board:
  - 5.1 quarterly report of the Company's performance to be submitted within the timeframe prescribed by the SET.
  - 5.2 report of the auditor in respect of the Company's financial statements, including annual and quarterly financial statements, to be submitted within the timeframe prescribed by the SET; and
  - 5.3 other reports deemed to be appropriate by the Executive Committee.
- 6. To consider and approve any action to be taken at each meeting of the Executive Committee, where a quorum shall be constituted when not less than half of all the members of the Executive Committee are present at such meeting.
- 7. At each meeting of the Executive Committee, each member of the Executive Committee has 1 vote. In the event that there is a tied vote, the chairman of the Executive Committee has a casting vote;
- 8. Any resolution approved by the Executive Committee shall be passed by half of all the members in attendance.
- 9. The meetings of the Executive Committee shall be held as deemed necessary and appropriate. Apart from regular meetings, any member of the Executive Committee may call for a special meeting, provided that advance notice of such meeting shall be delivered to the other members to allow reasonable time for the members to consider the meeting agendas;
- 10. The Executive Committee may establish working groups and/or appoint any person to review the matters proposed to the Executive Committee, or to take any action which will benefit the performance of duties of the Executive Committee, or to take any action on behalf of the Executive Committee, to the extent of the power granted to the Executive Committee.

- 11. To authorize and/or sub-authorize a third party to take specific action on its behalf. Such authorization or sub-authorization shall be subject to the powers specified in the Power of Attorney given and/or in accordance with regulations, rules or orders prescribed by the Board. The authorization or sub-authorization of powers, duties and responsibilities of the Executive Committee shall not allow the Executive Committee or its authorized person to approve any transactions in which the Executive Committee or its authorized person may have any conflict of interest (as defined in the notification of the Capital Market Supervisory Board or the SEC) or who may benefit in any manner which may give rise to conflicts of interest with the Company or its subsidiaries.
- 12. Perform any other actions as assigned by the Board of Directors.

### Nomination and Appointment of Directors and Highest Rank Executives

# (1) Independent Directors Qualifications of Independent Directors

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

according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences. 5. Neither being nor having been an auditor of the Company, its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, and not having been a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, except they have ended the foregoing relationship not less than two years before being appointed. 6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiaries, affiliates, major shareholders or controller persons of the Company, and not having been a substantial shareholder, controlling person or partner of the professional advisor, except they have ended the foregoing relationship not less than two years before the date of submitting the request to the Securities and Exchange Commission.

- 7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder
- 8. Not conduct any business of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect, nor being a substantial partner, shareholder holding more than one (1) percent of the voting shares of any company whose business is of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect.
- 9. Not having any other manners, which may render him or her incapable of expressing independent opinions with regard to the Company's business affairs.

### (2) Nomination and Appointment of the Executives

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

### Supervision of operations of subsidiaries and associated companies

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

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

### Use of insider information

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

- (1) To set guidelines for directors, the management, and employees to prepare and submit the report of their securities holding, through the Company Secretary prior to submission to the Office of the SEC at all times. The report shall be prepared and submitted within 3 business days from the date of purchase, sale, transfer, or receipt of transfer of such securities for presentation to the Board of Directors to acknowledge in the next meeting
- (2) Directors, Management and staff members must not use the financial statement information. or other information, which affects the changes in securities price, to be disclosed to the public or those who are not involved. Also, prohibit the purchasing of the securities during 1 month before the financial statements or other information will be publicized and must not purchase the securities until the 24-hour period since all such information has been disclosed to the public.

# In 2020, the changes on the directors and executives' ownership of shares are as follows: Directors' ownership of PROUD shares

No.	Name-Surname	Num	ber of shares		Remark
		30 th December 2019	30 th December 2020	Change during the year	
1. Mr. Anu	wat Maytheewibulwut	-	-	-	No ownership of shares
2. Dr. Vera	pong Chaiperm	-	-	-	No ownership of shares
3. Mr. Pası	u Liptapanlop	226,046,445	226,046,445	-	No trading transaction
4. Ms. Pro	udputh Liptapanlop	226,046,444	226,046,444	-	No trading transaction
5. Mr. Anu	cha Sihanatkathakul	-	-	-	No ownership of shares
6. Mr. Pum	nipat Sinacharoen	-	-	-	No ownership of shares
7. Ms. Anc	halee Bunsongsikul	-	-	-	No ownership of shares
8. Mr. Pais	it Kaenchan	-	-	-	No ownership of shares

### Executives' ownership of PROUD shares

No.	Name-Surname	Numb	er of shares		Remark
		30 th December 2019	30 th December 2020	Change during the year	
1. Mr. Ch	untorn Chuntratip	100,000.00	100,000.00	-	No trading transaction
2. Ms. Bu	ıdsabong Pansawadi	-	-	-	No ownership of shares
3. Ms. Ar	notai Worasunthararom	-	-	-	No ownership of shares
4. Mr. Jir	awat Kateseang	-	-	-	No ownership of shares
5. Ms. Na	alinchat Butloetwisetthitha	-	-	-	No ownership of shares

### **Audit Fee**

### (1) Audit Fee

The Company, and subsidiaries, paid audit fee to EY Office Limited in the fiscal year 2020 in a total amount of 2,700,000 Baht.

### (2) Non-Audit Fee

-None-

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

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

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

CG Code 2: Define Objectives that Promote Sustainable Value Creation

CG Code 3: Strengthen Board Effectiveness

CG Code 4: Ensure Effective CEO and People Management

CG Code 5: Nurture Innovation and Responsible Business

CG Code 6: Strengthen Effective Risk Management and Internal Control

CG Code 7: Ensure Disclosure and Financial Integrity

CG Code 8: Ensure Engagement and Communication with Shareholders

However, for the practices that the company cannot or unable to achieve that purpose, The Board of Directors has considered and studied the appropriate operation procedures for reviewing every year. In the year 2020, there are key matters that the company have not implemented as follows

Suggestion	Clarification
The Board of Directors should clearly specify the term of office of an independent director in the corporate governance policy, which should be specified for not exceed 9 years without exception.	The Board of Directors has not established this policy since the independent directors is capable to operate independently without any personal interests that may conflict with the company's interests and implement decisions, based on the best interests of the Company as well as being independent from the Management and major shareholders.



### **POLICY OVERVIEW**

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

### 1. Fair Conduct

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

### 2. Anti-corruption

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

### 3. Respect for Human Rights

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

### 4. Fair Labor Practices

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

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

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

### 5. Responsibility to Consumer

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

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

### 6. Environmental Care

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

### POLICY OF EFFECTIVE UTILIZATION OF RESOURCES

The company expects employees to consume resources efficiently, for instance, using reuse papers, and saving energy and water by displaying campaign on boards inside the office building.

### 7. Participation in Community or Social Development

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

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

## Operation and Reporting Fair Labor Practices

During the year 2020, the Company renovated the head office and its environment located on No. 900 Tonson Tower, 6th Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District Bangkok by improving landscapes internally and externally promoting friendly working environment of employees and management:

- (1) changed office furniture to increase employees' comfortability; and
- (2) renovated common space for the management and employees for various usages namely sofa and furniture at lobby.

### Corporate Social Responsibility (CSR) activities

During the year 2020, the Company has organized CSR projects as follows:

### PROUD TO GIVE no.1

On May 2, 2020, the management and staffs of the has delivered supplies and equipment for living to the Ban Prachuaphok, Prachuap Khiri Khan Province.





### Social Work community and nearby areas

Because the company has focused on the safety and cleanliness of the neighbors near the project InterContinental Residences Hua Hin is so important that cleaning activities are organized on a monthly basis.



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

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

In the Audit Committee meeting no. 1/2021 on 22 February 2021, the Audit Committee assessed sufficiency and appropriateness of internal control from the assessment report covering various aspects. To ensure that the Company recognizes the importance of sufficient internal control and adequate risk management, internal standards covering 8 aspects of internal control is used:

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

### 1. Internal Environment

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

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

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

### 2. Objective Setting

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

### 3. Event Identification

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

### 4. Risk Assessment

The Company is aware of risks and impacts that may arise as assessed from business and internal operation of the Company. The Executive Committee has set out measures to manage arising risks by defining preventive audit target to prevent the incident from affecting the entity. The Internal Audit department performs risk assessment for both internal and external factors in accordance with the business operation of the Company in every operational level, unit, and position. The risk assessment also covers operation, compliance, and external risks that may affect the business to ensure thorough assessment. The risk assessment is considered by the Audit Committee and has set out measure to prevent and respond to both negative and positive risks to ensure appropriate risk management from the person responsible for such risk. The risk assessment is constantly performed in order to timely adjust audit strategy in response to risks.

### 5. Risk Response

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

### 6. Control Activities

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

### 7. Information and Communication

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

### 8. Monitoring Activities

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

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

### Head of Internal Audit of the Company

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

# RELATED PARTIES TRANSACTIONS

In 2020 and 2019, the Company and its subsidiaries have significant related transactions with 6 parties that may have conflicts of interest as follows: (Please consider in the additional notes to the financial statements)

Related Party	Relation/Type of Relation	Transaction	(Million Baht)	value aht)	Necessity/Description	Rationale
	;		2020	2019		
1. Mr. Anucha Sihanatkathakul	Director					
		The Company				
		- Interest expense	1	1.46	Interest of short-term loan	The calculation of interest is based on the
					The interest rate is MOR per annum	interest rate on the loan agreements.
2. Focus Wheig Corporation Limited	Joint venture					
Invests in the integrated waste management	- The Company invested in 60%	The Company				
business and the energy production from	shareholding of the registered	- Interest income	1	1.01	Interest from short-term loan to related company	The calculation of interest is based on the
refuse derived fuel.	capital and has jointly control with				The interest rate is MLR+1 per annum	interest rate on the loan agreements.
	Wheig Asia Limited (co-investor).					
	- Mr. Anucha Sihanatkathakul					
	is authorized director of					
	Focus Wheig Corporation Limited.					
	The Company sold all investment of					
	Focus Wheig Corporation Limited to					
	Mr. Anucha Sihanatkathakul on 11					
	July 2019, resulting in it end up the					
	status of the Company's joint					
	venture business.					

			Transaction value	n value		
Related Party	Relation/Type of Relation	Transaction	(Million Baht)	Baht)	Necessity/Description	Rationale
			2020	2019		
3. Focus Wheig Bangna Limited	Subsidiary of joint venture					
Operates on the waste management	- Joint venture held 99.99% of	The Company				
business and the energy production	the shareholding.	- Revenue from construction services	1	1.15	The Company had revenue from the construction of	As stipulate in the agreement which is in the
from refuse derived fuel.					the waste management factory of the subsidiary of	same way as general contracting parties in the
	The Company sold all investment of				joint venture. That project has finished during the year 2019.	same situation.
	the joint venture on 11 July 2019,					
	resulting in Focus Wheig Bangna	- Management fee income	1	1.00	The Company provided back-office services to the	As stipulate in the agreement which is in the
	Limited end up the status of a				subsidiary of joint venture. The service agreement	same way as general contracting parties in the
	subsidiary of the Company's				terminated in May 2019.	same situation.
	joint venture.					
4. Proud Resort Hua Hin Co.,Ltd.	Related company					
Operates the hotel, fitness center, and	- Common director;	The Company and its subsidiaries				
providing stadium services and sports	Mr. Pasu Liptapanlop and	- Purchase of land	1	1,125.00	In 2019, Hua Hin Alpha 71 Co.,Ltd. (a subsidiary)	As stipulate in the agreement which is in the
activities.	Ms. Proudputh Liptapanlop				purchased land 7-2-48.8 Rai that locate in Hua Hin,	same way as general contracting parties in the
	are authorized directors of				Prachuap Khiri Khan from Proud Resort Hua Hin Co., Ltd.	same situation.
	Proud Resort Hua Hin Co.,Ltd.				in order to develop the project "InterContinental	
					Residences Hua Hin" by borrowed loan from the	
					Company in the amount of Baht 550 million, borrowed	
					loan from a local bank in the amount of Baht 550	
					million, and issued promissory notes in the amount of	
					Baht 25 million, due at call with the no interest, without	
					collateral to Proud Resort Hua Hin Co.	
		- Short-term loans	ı	25.00	Hua Hin Alpha 71 Co.,Ltd. (a subsidiary) issued	As stipulate in the agreement according to
					promissory notes, due at call with the no interest,	land purchase for project development.
					without collateral to pay for land purchase.	
					During the year, the loan has been fully paid.	

			Transaction value	on value		
Related Party	Relation/Type of Relation	Transaction	(Million Baht)	Baht)	Necessity/Description	Rationale
			2020	2019		
4. Proud Resort Hua Hin Co.,Ltd. (continued)						
		The Company and its subsidiaries				
		- Rental of land	4.20	1.05	Hua Hin Alpha 71 Co.,Ltd. (a subsidiary) has rent	As stipulate in the agreement which is in the
					2 plots of land total 1-0-31.8 Rai in Soi Hua Hin 71	same way as general contracting parties in the
					from Proud Resort Hua Hin Co.,Ltd. in order to locate	same situation.
					sales gallery of "InterContinental Residences Hua Hin"	
					and "111 Social Club". The rental fee is Baht 350,000	
					per month. Contract period is 3 years started from	
					1 October 2019 to 30 September 2022.	
		- Accrued rental fee	0.70	1.05	Land rental at Soi Hua Hin 71 in order to locate	According to land rental agreement.
					sales gallery of "InterContinental Residences Hua Hin"	
					and "111 Social Club". The rental fee is Baht 350,000	
					per month.	
		- Marketing management and	13.31	0.17	Accommodation, food and beverage, room/dining	Market price
		Other expenses			Vouchers that provided to customers or other parties	
					that relevant to marketing promotion.	
			,		:	
		- Operating expenses at "111 Social Club"	1.59	0.05	Management tee, wages, cost of food and beverage	As stipulate in the agreement which is in the
					which sold in "111 Social Club"	same way as general contracting parties in
						the same situation.
		- Other payables	3.04	0.05	Payables for goods and services	Market price or contractual agreed price,
						as a result of purchase goods or services
						as normal business practice.

Related Party	Relation/Type of Relation	Transaction	Transaction value (Million Baht)	n value Baht)	Necessity/Description	Rationale
			2020	2019		
5. Vana Nava Co.,Ltd.	Related company					
Operates the water jungle, theme park, hotel	- Common director;	The Company and its subsidiaries				
	Mr. Pasu Liptapanlop and	- Purchase of land	1	200.00	In 2019, Hua Hin Sky Living Co.,Ltd. (a subsidiary)	As stipulate in the agreement which is in the
	Ms. Proudputh Liptapanlop				purchased land 5-1-9.5 Rai that locate in Hua Hin,	same way as general contracting parties in
	are authorized directors of				Prachuap Khiri Khan from Vana Nava Co., Ltd. for	the same situation.
	Vana Nava Co.,Ltd.				developing residential condominium project in the	
					future by borrowed loan from the Company in the	
					amount of Baht 100 million and borrowed loan from	
					a local bank in the amount of Baht 100 million,	
		- Short-term loans		25.00	During the year 2019, Hua Hin Alpha 71 Co.,Ltd.	As stipulate in the agreement which is in the
					the organization of the property of the proper	same way as deneral contraction parties in
					(a subsidial y) Dollowed logil Holl Valia 14a7a Co., Etd.	the company as general contracting paracelling
					in the amount of ball to million by Issuing promissory	נות סמוות סונתמנוטו.
					notes, due at call with the interest rate 7.5% per	
					annum, without collateral in order to use in operations.	
		- Interest/ Accrued interest expense	0.01	0.17	Interest of short-term loan	The calculation of interest is based on the
					The interest rate is 7.5% per annum	interest rate on the loan agreements.
					During the year, the loan and accrued interest has	
					been fully paid.	
		- Markeung managemen and	4. 4.	1	Accommodation, tood and beverage, water jurigle	Market price
		Other expenses			pass tickets that provided to customers or other parties that relevant to marketing promotion.	

Related Party	Relation/Type of Relation	Transaction	Transaction value (Million Baht)	n value aht)	Necessity/Description	Rationale
			2020	2019		
6. Proud Resort Phuket Co.,Ltd.	Related company					
Operates the hotel	- In-direct common director;	The Company and its subsidiaries				
	Mr. Pasu Liptapanlop and	- Marketing management and	1.79	1	Accommodation, room/spa vouchers that provided to	Market price
	Ms. Proudputh Liptapanlop	Other expenses			customers or other parties that relevant to marketing	
	are authorized directors of				promotion.	
	a parent company of					
	Proud Resort Phuket Co.,Ltd.					

# **NECESSITY AND REASONABILITY OF RELATED TRANSACTIONS**

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

# POLICIES OR TRENDS OF RELATED TRANSACTIONS IN THE FUTURE

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

# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

### TO SHAREHOLDERS OF PROUD REAL ESTATE PUBLIC COMPANY LIMITED.

As of 31 December 2020, the Nomination and Remuneration Committee consisted of 3 members namely:

1. Mr. Anuwat Maytheewibulwut Chairman of the Nomination and Remuneration Committee

2. Mr. Anucha Sihanatkathakul Nomination and Remuneration Committee

3. Mr. Pumipat Sinacharoen Nomination and Remuneration Committee

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

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

### 1. Director Nomination

- Consider and nominate qualified candidates to fill director position, replacing resigning director after end of tenure, for consideration and appointment by the Board of Directors meeting and the Annual General Meeting of Shareholders for 2021.
- Consider and nominate qualified candidates to fill managing director position, replacing resigning managing director, for consideration and appointment by the Board of Directors meeting.

### 2. Determination of Remuneration

- Consider remunerations of director, Audit Committee, Nomination and Remuneration Committee for 2021 and directors' bonus for 2020 for consideration and approval by the Board of Directors meeting and the Annual General Meeting of Shareholders for 2021.
- Consider bonus for 2020 and salary increase for 2021 of the management and employees of the Company.

# 3. Adjustment and Improvement of Duties

• Consider the evaluation result of the Nomination and Remuneration Committee for 2020.

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

Mr. Anuwat Maytheewibulwut

Bom/p3

Chairman of the Nomination and Remuneration Committee



# SUMMARY OF AUDITOR'S REPORT IN THE LAST 3 YEARS

### AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The financial statements for the year ended 31 December 2020 was audited by Miss Siriwan Suratepin Certified Public Accountant (Thailand) No. 4604 from EY Office Limited.

The auditor commented "Unqualified opinion with an emphasis of matter". The emphasis of matters are "recognition of revenue from sale of real estate" and "compliance with loan covenants in loan agreements". However, that matters did not affect the opinion of the auditor.

### AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The financial statements for the year ended 31 December 2019 was audited by Miss Wannisa Ngambuathong Certified Public Accountant (Thailand) No. 6838 from Dharmniti Auditing Co.,Ltd.

The auditor commented "Unqualified opinion with an emphasis of matter". The emphasis of matters are "revenue recognition for construction services" and "valuation of deferred tax". However, that matters did not affect the opinion of the auditor.

# AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The financial statements for the year ended 31 December 2019 was audited by Miss Wannisa Ngambuathong Certified Public Accountant (Thailand) No. 6838 from Dharmniti Auditing Co.,Ltd.

The auditor commented "Unqualified opinion with an emphasis of matter" The emphasis of matters are "revenue recognition for construction services" and "valuation of deferred tax". However, that matters did not affect the opinion of the auditor.

# FINANCIAL HIGHLIGHTS

Financial Highlights	2020	2019	2018
Financial Position (Unit: Million Baht)			
Total Assets	2,001.41	1,715.07	316.74
Total Liabilities	1,308.05	977.06	191.90
Total Shareholders' Equity	693.36	738.01	124.84
Paid-up Share Capital	641.47	641.47	190.08
Performance (Unit: Million Baht)			
Total Revenues	198.20	110.97	114.14
Revenues from sale of real estate	181.65	53.82	15.91
Revenues from contract work	0.00	31.43	87.17
Net Loss for the year	(44.82) (40.09)		(41.03)
Share Value (Baht per Share)			
Loss per Share	(0.07)	(80.0)	(0.22)
Book Value per Share	1.08	1.15	0.66
Financial Ratio			
Current Ratio (times)	3.61	10.14	1.36
Debt to Equity Ratio (times)	1.89	1.32	1.54
Total Assets Turnover (times)	0.10	0.06	0.36
Gross Profit Margin (%)	19.47	38.39	17.25
Net Profit (Loss) Margin (%)	(22.61)	(36.13)	(35.95)

Summary of Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, and Financial Ratio; comparative for a period of 3 years

# Statement of Financial Position

	20	20	20	19	2018		
Description	Million Baht	%	Million Baht	%	Million Baht	%	
Cash and cash equivalents	161.53	8.07	101.90	5.94	7.31	2.31	
Trade and other receivables	0.22	0.01	0.66	0.04	39.41	12.44	
Unbilled receivables	-	-	-	-	2.01	0.63	
Short-term loans to related parties	-	-	-	-	17.63	5.57	
Work in progress	-	-	-	-	1.50	0.47	
Inventories	0.68	0.03	0.04	-	-	-	
Real estate development costs	1,593.42	79.61	1,538.39	89.70	173.32	54.72	
Current tax assets	3.03	0.15	1.85	0.11	-	-	
Other current financial assets	2.65	0.13	-	-	-	-	
Other current assets	182.11	9.10	43.91	2.56	5.46	1.72	
Total current assets	1,943.64	97.11	1,686.75	98.35	246.64	77.87	
Restricted bank deposits	0.19	0.01	0.19	0.01	7.43	2.35	
Investments in joint venture	-	-	-	-	28.78	9.09	
Buildings and equipment	9.14	0.46	8.76	0.51	6.18	1.95	
Right-of-use assets	15.31	0.76	-	-	-	-	
Intangible assets	4.99	0.25	3.68	0.21	2.24	0.71	
Deferred tax assets	26.88	1.34	11.27	0.66	11.40	3.60	
Other non-current financial assets	1.26	0.06	-	-	-	-	
Other non-current assets	-	-	4.42	0.26	14.07	4.44	
Total non-current assets	57.77	2.89	28.32	1.65	70.10	22.13	
Total assets	2,001.41	100.00	1,715.07	100.00	316.74	100.00	

Summary of Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, and Financial Ratio; comparative for a period of 3 years

# Statement of Financial Position (continued)

	20	20	20	19	20	18
Description	Million Baht	%	Million Baht	%	Million Baht	%
Bank overdrafts	14.10	0.70	14.53	0.85	17.04	5.38
Trade and other payables	47.42	2.37	41.61	2.43	23.17	7.32
Retention payables	-	-	18.05	1.05	18.32	5.78
Short-term loans from related person	-	-	-	-	29.90	9.44
Short-term loans from related companies	-	-	50.00	2.92	-	-
Current portion of long-term loans from financial institutions	99.82	4.99	15.25	0.89	39.44	12.45
Current portion of lease liabilities	7.22	0.36	0.57	0.03	-	-
Deferred revenue from sale of real estate	358.52	17.91	7.61	0.44	28.36	8.95
Deferred revenue from contract work	1.38	0.07	1.38	0.08	6.17	1.95
Accrued expenses related to the projects	6.23	0.31	15.92	0.93	13.89	4.39
Other current liabilities	3.20	0.16	1.36	0.08	4.76	1.50
Total current liabilities	537.89	26.88	166.28	9.70	181.05	57.16
Long-term loans from financial institutions, net of current portion	738.88	36.92	808.35	47.13	-	-
Lease liabilities, net of current portion	6.24	0.31	1.71	0.10	-	-
Provision for long-term employee benefits	1.14	0.06	0.72	0.04	10.85	3.43
Provision for decommissioning costs	3.01	0.15	-	-	-	-
Other non-current financial liabilities	20.89	1.04	-	-	-	-
Total non-current liabilities	770.16	38.48	810.78	47.27	10.85	3.43
Total liabilities	1,308.05	65.36	977.06	56.97	191.90	60.59
Registered share capital	673.15		673.15		227.76	
Issued and fully paid-up share capital	641.47	32.05	641.47	37.40	190.08	60.01
Share premium	263.63	13.17	263.63	15.37	68.32	21.57
Deficits	(211.74)	(10.58)	(167.09)	(9.74)	(133.56)	(42.17)
Total shareholders' equity	693.36	34.64	738.01	43.03	124.84	39.41

# Statement of Comprehensive Income

	20	20	20	19	20	18
Description	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sale of real estate	181.65	91.65	53.82	48.50	15.91	13.94
Revenues from contract work	-	-	31.43	28.32	87.17	76.37
Finance income	0.37	0.19	1.26	1.14	0.24	0.21
Other income	16.18	8.16	24.46	22.04	10.82	9.48
Total revenues	198.20	100.00	110.97	100.00	114.14	100.00
Cost of real estate sold	146.29	73.81	29.87	26.92	9.31	8.16
Cost of contract work	-	-	22.65	20.41	75.99	66.58
Selling and distribution expenses	15.32	7.73	10.04	9.05	1.14	1.00
Administrative expenses	93.02	46.93	57.41	51.73	50.51	44.25
Severance pay	-	-	21.65	19.51	-	-
Finance cost	4.04	2.04	5.52	4.97	3.70	3.24
Share of loss from investment in joint venture	-	-	5.43	4.89	11.34	9.94
Total expenses	258.67	130.51	152.57	137.49	151.99	133.16
Loss before income tax	(60.47)	(30.51)	(41.60)	(37.49)	(37.85)	(33.16)
Income tax income (expenses)	15.65	7.90	1.51	1.36	(3.18)	(2.79)
Loss for the year	(44.82)	(22.61)	(40.09)	(36.13)	(41.03)	(35.95)
Other comprehensive income for the year - net of income tax	0.17	0.09	6.56	5.91	(0.65)	(0.57)
Total comprehensive income for the year	(44.65)	(22.53)	(33.53)	(30.22)	(41.68)	(36.52)

# Statement of Cash Flows

Unit: Million Baht

Description	2020	2019	2018
Net cash flows from (used in) operating activities	114.38	(1,423.74)	10.64
Net cash flows from (used in) investing activities	(7.27)	64.57	(32.48)
Net cash flows from (used in) financing activities	(47.48)	1,453.76	28.24
Net increase in cash and cash equivalents	59.63	94.59	6.40
Cash and cash equivalents at beginning of the year	101.90	7.31	0.91
Cash and cash equivalents at end of the year	161.53	101.90	7.31

# Financial Ratio

Description	Unit	2020	2019	2018
Liquidity Ratio				
Current ratio	times	3.61	10.14	1.36
Quick ratio	times	0.30	0.62	0.26
Cash flow current ratio	times	0.32	(8.20)	0.08
Account receivable turnover	times	N/A	6.04	7.30
Average collection period	days	N/A	60	50
Account payable turnover	times	8.18	3.94	7.23
Payment period	days	45	93	50
Profitability Ratio				
Gross profit margin - Property development business	%	19.47	44.50	41.48
Gross profit margin - Construction business	%	-	27.94	12.83
Gross profit margin	%	19.47	38.39	17.25
Other income margin	%	8.16	22.04	9.48
Net loss margin	%	(22.61)	(36.13)	(35.95)
Efficiency Ratio				
Assets turnover ratio	times	0.10	0.06	0.36
Financial Policy Ratio				
Debt to equity ratio	times	1.89	1.32	1.54
Interest coverage ratio	times	(13.97)	(6.54)	(9.23)
Dividend pay-out ratio	%	-	-	-
Growth Rate				
Revenues from sale of real estate	%	237.51	238.28	(82.37)
Revenues from contract work	%	(100.00)	(63.94)	69.46
Cost of real estate sold	%	389.76	220.84	(82.10)
Cost of contract work	%	(100.00)	(70.19)	23.48
Selling and Administrative Expenses	%	21.59	72.51	(25.67)
Net Loss	%	11.80	(2.29)	(9.39)

# MANAGEMENT DISCUSSION AND ANALYSIS

# Analysis of operating results and financial position

# **Overall Previous Operations**

Proud Real Estate Public Company Limited (formerly, Focus Development and Construction Public Company Limited) is previously classified into a group of medium-sized contractor and had conducted the business of construction contractor together with property development. In 2019, the Company Proud Real Estate Public Company Limited took over Focus Development and Construction Public Company Limited and added new capital 451,388,889 shares 1.44 baht per share together with purchasing 2 lands 12 Rai 3 Ngan 57.85 Square Wah located in Hua Hin, Prachuap Khiri Khan total assets 1,325 Million Baht from Proud Resort Hua Hin Company Limited (7 Rai 2 Ngan 48.8 Wah) and Vana Nava Company Limited (5 Rai 1 Ngan 9.05 Wah) The Company straighten to focus on only property development business.

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

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

# 1 Operating Results

#### Revenues

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

Table of Source of Revenues

(Unit: Million Baht)

Description	2020		2019		Change		
Property Development Business	181.65	92%	53.82	48%	127.83	238%	
Construction Contractor Business		0%	31.43	28%	(31.43)	(100%)	
Finance income	0.37	0%	1.26	1%	(0.89)	(71%)	
Other Revenues	16.18	8%	24.46	22%	(8.28)	(34%)	
Total	198.20	100%	110.97	100%	87.23	79%	

Remark: Other income, which are gain on sales of investment in joint venture, income from sales of "111 Social Club", gain on compensation received from insurance, and reversal of estimated cost, etc.

# **Property Development Business**

In 2020, the Company transferred the ownership of 32 units in "Focus Ploenchit" condominium to customers totaling a value of Baht 181.65 million, which increased by Baht 127.83 million or 238% as compare to the previous year, which was Baht 53.82 million. Therefore, the proportion of revenue form the property development business per total revenue in 2020 and 2019 was 92% and 48% respectively.

As of 31 December 2020, the Company had a trading value for sales agreements for 131 units of Baht 770 million and sales and purchase agreements for 1 unit of Baht 9 million that customers would transfer ownership in future. The value according to the sales/sales and purchase agreements as follows:

Project	Number of Units of the project	Total Sales of the project (Million Baht)	Value of Sales/ Sales and Purchase Agreements (Million Baht)	Percentage of Agreements value per Total Sales
Focus Ploenchit	132	779	779	100

Moreover, As of 31 December 2020, Hua Hin Alpha 71 Co.,Ltd., a subsidiary of the Company had a trading value for sales and purchase agreements for 128 units of Baht 2,232 million that the customers would transfer ownership in future. The value according to the sales and purchase agreements as follows:

Project	Number of Units of the project	Total Sales of the project (Million Baht)	Value of Sales and Purchase Agreements (Million Baht)	Percentage of Agreements value per Total Sales
InterContinental Residences Hua Hin	238	3,515	2,232	63.50

### **Construction Contractor Business**

In 2020, the Company did not have revenues from contract work. Due to the Company has stopped its construction contractor business, it did not have new construction project since 2019. In 2019, the Company had revenues from contract work in the amount of Baht 31.43 million. The revenues came from previous continuously projects, the government sector was from the construction project to establish the Navy Officer Life Quality Promotion Center at Nang Rong Beach, Sattahip Port, Sattahip Naval Base and the private sector was from the building construction of the waste management factory in Plaeng Yao District, Chachoengsao Province, which was a business of the subsidiary of the joint venture (at present, it end up the status of the Company's joint venture business).

### Finance income

Finance income were interest income from deposit at banks and interest income from loans to related parties. In 2020, the Company had finance income in the amount of Baht 0.37 million which decreased by Baht 0.89 million or 71% as compare to the prior year which was Baht 1.26 million. The significant decreased was due to interest income from loans to a joint venture (Focus Wheig) decreased by Baht 1.01 million. In 2020, the Company had only interest income from deposit at banks.

### Other Revenues

In 2020, the Company had other revenues in the amount of Baht 16.18 million which decreased by Baht 8.28 million or 34% as compare to the previous year, which was Baht 24.46 million. The main decreasing was due to gain on sales of investment in joint venture (Focus Wheig) decreased by Baht 20.41 million and other income from construction decreased by Baht 1.20 million. While there were other incomes from reversal of estimated cost for maintenance expense Baht 7.86 million, revenue from "111 Social Club" Baht 3.73 million, and gain on compensation received from insurance Baht 2.25 million. There were not such transactions in 2019.

### Expenses

The Company's expenses consisted of the cost from construction contracting, cost of sales and expenses in selling of real estate, administrative expenses, finance cost, and income tax expenses. In 2020 and 2019, the Company had costs that were classified into each type of business as follows:

(Unit: Million Baht)

	2020			2019				Increase (Decrease)				
Description	Prop	perty	Const	ruction	Prop	perty	Const	ruction	Prop	erty	Consti	ruction
	Development		Cont	Contractor		Development Contractor		Develo	pment	Contr	ractor	
Revenues	181.65	100%	-	-	53.82	100%	31.43	100%	127.83	238%	(31.43)	(100%)
Cost	146.29	81%	-	-	29.87	55%	22.65	72%	116.42	390%	(22.65)	(100%)
Gross Profit	35.36	19%	-	-	23.95	45%	8.78	28%	11.41	48%	(8.78)	(100%)
Selling Expenses	15.32	8%	-	-	10.04	19%	-	-	5.28	53%	-	-
Profit after selling expenses	20.04	11%	-	-	13.91	26%	8.78	28%	6.13	44%	(8.78)	(100%)

# **Cost of Property Development Business**

In 2020, the Company had an increase of revenue from property development business from the previous year because the selling and transferring of ownership at the "Focus Ploenchit" condominium was increased that cause the cost of sales increased by Baht 116.42 million or 390% as compare to the previous year. The cost of sales in 2020 was equal to 81% of revenue and gross profit margin was 19% that differ from previous year, which cost of sales was equal to 55% of revenue and gross profit margin was 45%. The cost of sales was different due to sales promotions such as decreasing sales price and premium.

## **Cost of Construction Contractor Business**

In 2020, the Company has finished all construction projects and did not have revenues from construction contracting. Therefore, cost of construction decreased in all amount as revenues. In 2019, the Company had cost from construction contracting at the rate of 72% of revenue and gross profit margin was 28%.

# **Selling Expenses**

In 2020, the Company had selling expenses in the amount of 15.32 million which increased by Baht 5.28 million or 53% as compare to the previous year. The significant increase was due to sales and promotion expenses increased by Baht 5.05 million, from public relations of project the "Focus Ploenchit" condominium

(Unit: Million Baht)

Description	2020	2019	Chan	ge
Administrative expenses	93.02	79.06	13.96	18%
Finance cost	4.04	5.52	(1.48)	(27%)
Share of loss from investment in joint venture	-	5.43	(5.43)	(100%)
Income tax income (expenses)	15.65	1.51	14.14	936%
Other comprehensive income for the year - net of income tax	0.17	6.56	(6.39)	(97%)

### Administrative expenses

In 2020, The Company's administrative expenses was Baht 93.02 million, which increased by Baht 13.96 million or 18% as compare to the prior year, which was Baht 79.06 million. Main increase was due to staff costs and management's benefits increased by Baht 12.06 million from increasing in staff number, depreciation and amortization expenses increased by Baht 10.13 million from increasing in fixed assets, bank charges increased by Baht 7.37 million from increasing in fees of payment channel for customers, and operating expenses at "111 Social Club" and sales gallery increased by Baht 5.43 million from more operating. While severance pay decreased by Baht 21.65 million (there was organization restructure in 2019).

### Finance cost

In 2020, The Company's finance cost was Baht 4.04 million, which decreased by Baht 1.48 million or 27% as compare to the previous years, which was Baht 5.52 million. Main decrease was due to repayment of loans from financial institution according to ownership transferred at the "Focus Ploenchit" condominium during the year.

# Share of loss from investment in joint venture

The Company use to invested in a joint venture and the joint venture holds ordinary shares in a subsidiary. It operates in the investment of waste management business that has loss. However, during the year 2019, the Company entered into a sale transaction to sell this entity and has recorded share of loss from investment in joint venture for that year Baht 5.43 million until selling date. Hence, the Company did not have such share of loss from investment in joint venture for this year.

# Income tax income (expenses)

In 2020, the Company had income tax revenue in the amount of 15.65 million, which increased by Baht 14.14 million or 936% as compare to the prior year, which was Baht 1.51 million. The increment was due to adjustments of deferred tax assets of a subsidiary according to increasing in deficit.

# Other comprehensive income for the year - net of income tax

In 2020, the Company had other comprehensive income for the year - net of income tax in the amount of 0.17 million, consisted of actuarial gains Baht 0.21 million and related income tax Baht 0.04million. Net other comprehensive income decreased by Baht 6.39 million or 97% as compare to the prior year, which was Baht 6.56 million, consisted of actuarial gains 8.19 million and related income tax Baht 1.63 million. It came from adjustment of employee benefit obligations due to change in number of employees from the Company's reorganization and the effect of change in severance payment rate, which is increased from the previous maximum compensation rate of 300 days to 400 days.

# **Financial Position**

The Company's financial position in 2020, when compared to 2019, had significant changes as follows:

(Unit: Million Baht)

Description	2020	2019	Chang	е
Cash and cash equivalents	161.53	101.90	59.63	59%
Other receivables	0.22	0.66	(0.44)	(67%)
Inventories	0.68	0.04	0.64	1,600%
Real estate development costs	1,593.42	1,538.39	55.03	4%
Current tax assets	3.03	1.85	1.18	64%
Other current financial assets	2.65	-	2.65	100%
Other current assets	182.11	43.91	138.20	315%
Total current assets	1,943.64	1,686.75	256.89	15%
Restricted bank deposits	0.19	0.19		0%
Buildings and equipment	9.14	8.76	0.38	4%
Right-of-use assets	15.31	-	15.31	100%
Intangible assets	4.99	3.68	1.31	36%
Deferred tax assets	26.88	11.27	15.61	139%
Other non-current financial assets	1.26	-	1.26	100%
Other non-current assets	-	4.42	(4.42)	(100%)
Total non-current assets	57.77	28.32	29.45	104%
Total assets	2,001.41	1,715.07	286.34	17%

### **Assets**

The Company had total assets as of 31 December 2020 in the amount of Baht 2,001.41 million, which increased by Baht 286.34 million or 17% as compare to the total assets as of the end of 2019, which was Baht 1,715.07 million. It was categorized into current assets in the amount of Baht 1,943.64 million and non-current assets in the amount of Baht 57.77 million. The significant changes were:

1. Real estate development costs as of 31 December 2020 consisted of:

(Unit: Million Baht)

Details	Focus Ploenchit	InterContinental Residences Hua Hin	Other Project	Total
Land	1.64	1,127.59	200.38	1,329.61
Construction costs	2.04	197.73	8.14	207.91
Capitalized borrowing costs	0.10	48.14	7.66	55.90
Total	3.78	1,373.46	216.18	1,593.42

Real estate development costs increased from 2019 because of the 2 residential projects of subsidiaries which has more project progress than the previous year.

- 2. Current tax assets was withholding income tax during the year, which increased by Baht 1.18 million due to withholding income tax from transferred the ownership of "Focus Ploenchit" condominium.
- 3. Other current financial assets was retention receivables under construction contract which due within one year, increased by Baht 2.65 million due to the reclassification by adopted the set of TFRSs related to financial instruments which are effective for fiscal years beginning on or after 1 January 2020. (formerly, presented in other non-current assets)
- 4. Other current assets increased by Baht 138.20 million. Main increase was due to prepaid sales and marketing management fees of the subsidiary increased by Baht 100.88 million. Moreover, there were increase in advance for purchase inventories and services by Baht 43.52 million. While, other prepaid expenses decreased by Baht 6.20 million.
- 5. Right-of-use assets consisted of land lease for sales gallery and "111 Social Club" in the amount of Baht 6.95 million, office space rental in the amount of Baht 5.68 million, and vehicles lease in the amount of 2.68 million, totaling increased by Bath 15.31 million. On adoption of TFRS 16 Leases, 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.
- 6. Intangible assets increased by Baht 1.31 million due to the Company was setting up new application software for the new sales system and accounting system that suitable for property development business operation.

- 7. Deferred tax assets increased by Baht 15.61 million due to adjustments of accumulated tax loss of subsidiaries that expected to be utilized in the future.
- 8. Other non-current financial assets was deposits, increased by Baht 1.26 million due to the reclassification by adopted the set of TFRSs related to financial instruments which are effective for fiscal years beginning on or after 1 January 2020. (formerly, presented in other non-current assets)
- 9. Other non-current assets decreased by Baht 4.42 million due to reclassified to financial assets according to the set of TFRSs related to financial instruments.

(Unit: Million Baht)

Description	2020	2019	Chai	nge
Bank overdrafts	14.10	14.53	(0.43)	(3%)
Trade and other payables	47.42	41.61	5.81	14%
Retention payables	-	18.05	(18.05)	(100%)
Short-term loans from related parties	-	50.00	(50.00)	(100%)
Current portion of long-term loans from financial institutions	99.82	15.25	84.57	555%
Current portion of lease liabilities	7.22	0.57	6.65	1,167%
Deferred revenue from sale of real estate	358.52	7.61	350.91	4,611%
Deferred revenue from contract work	1.38	1.38	-	0%
Accrued expenses related to the projects	6.23	15.92	(9.69)	(61%)
Other current liabilities	3.20	1.36	1.84	135%
Total current liabilities	537.89	166.28	371.61	223%
Long-term loans from financial institutions, net of current portion	738.88	808.35	(69.47)	(9%)
Lease liabilities, net of current portion	6.24	1.71	4.53	265%
Provision for long-term employee benefits	1.14	0.72	0.42	58%
Provision for decommissioning costs	3.01	-	3.01	100%
Other non-current financial liabilities	20.89	-	20.89	100%
Total non-current liabilities	770.16	810.78	(40.62)	(5%)
Total liabilities	1,308.05	977.06	330.99	34%

#### Liabilities

As of 31 December 2020, the Company had total liabilities in the amount of Baht 1,308.05 million, which increased by Baht 330.99 million or 34% as compare to the total liabilities as of the end of 2019, which was Baht 977.06million. It was categorized into current liabilities in the amount of Baht 537.89 million and non-current liabilities in the amount of Baht 770.16 million. The significant changes were:

- 1. Trade and other payables increased by Baht 5.81 million due to there were more progress of subsidiaries' project that made more transactions and outstanding balances at the end of the year.
- 2. Retention payables decreased by Baht 18.05 million due to the reclassification by adopted the set of TFRSs related to financial instruments. This item was reclassified to Other non-current financial liabilities.
- 3. Short-term loans from related parties decreased by Baht 50 million due to the repayment of entire loan amount
- 4. Deferred revenue from sale of real estate increased by Baht 350.91 million. It was from advance received from 1 unit of "Focus Ploenchit" condominium that the ownerships was not transferred to customer, increased by Baht 1.83 million and advance received of the project "InterContinental Residences Hun Hin" increased in Baht 349.08 million.
- 5. Accrued expenses related to the projects decreased by Baht 9.69 million. Main decreased was due to the reversal of estimated cost for rectification and maintenance expense due to out of warranty period in the amount of Baht 7.86 million. Moreover, the estimated cost for sales price guarantee of "Focus Ploenchit" condominium decreased in Baht 2.23 million due to the Company paid the guarantee to customers during the year.
- 6. Other current liabilities increased by Baht 1.84 million. Main increase was due to accrued withholding tax and VAT.
- 7. Long-term loans from financial institutions was in the amount of Baht 838.70 million. It was categorized into current portion, due date within one year in the amount of Baht 99.82 and the loans net of current portion in the amount of Baht 738.88 million, which were form credit facility for land purchase and develop the project "InterContinental Residences Hun Hin" of Hua Hin Alpha 71 Co.,Ltd. and credit facility for land purchase of Hua Hin Sky Living Co.,Ltd. The subsidiaries mortgaged land of the projects with constructions to secure the loans and the Company guaranteed the debt for such subsidiaries. The details of the long-term loans from financial institutions as follows:

Project	Credit Facilities (Million Baht)	Balance as of 31/12/20 (Million Baht)	Period	Interest Rate	Repayment
InterContinental Residences Hua Hin	1,320.00	740.00	within Dec. 2023	MLR-1.5	When transfer right of
					residential condominium unit.
Project of Hua Hin Sky Living Co.,Ltd.	100.00	100.00	within May 2021	MLR-1.5	Paid in full amount within the
					time period.
Total	1,420.00	840.00			

During the year, the Company and its subsidiaries had additional borrowings Baht 110.00 million and the Company repaid its loan amount Baht 99.10 million. On 5 February 2021, Hua Hin Sky Living Co., Ltd., a subsidiary, entered into an amendment to loan agreement with a commercial bank in order to revise the term of repayment from within May 2021 to within 14 May 2022. As at 31 December 2020, such loans were still classified as current portion in the amount of Baht 99.82 million.

- 8. Lease liabilities was in the amount of Baht 13.46 million. It was categorized into current portion, due date within one year in the amount of Baht 7.22 million and the after one year but within five years in the amount of Baht 6.24 million. It increased totaling by Baht 11.18 million as compare to the prior year due to the adjustments of land lease for sales gallery and "111 Social Club", office space rental, and vehicles lease according to TFRS16 Leases.
- 9. Provision for decommissioning costs was in the amount of Baht 3.01 million. It was estimated demolition cost for leasehold improvement of office space.
- 10. Other non-current financial liabilities was retention payables, increased by Baht 20.89 million. Main increase was due to the reclassification by adopted the set of TFRSs related to financial instruments in the amount of Baht 18.05 million. Moreover, retention payables increased by Baht 2.84 million from construction of "InterContinental Residences Hua Hin"

# Shareholders' Equity

As of 31 December 2020 and 2019, the Company had a shareholders' equity as follows:

(Unit: Million Baht)

Description	2020	2019	Change	
Registered share capital	673.15	673.15	-	-
Issued and fully paid-up share capital	641.47	641.47	-	-
Share premium	263.63	263.63	-	-
Deficits	(211.74)	(167.09)	(44.65)	27%
Total shareholders' equity	693.36	738.01	(44.65)	(6%)

As of 31 December 2020, the Company had a shareholders' equity of Baht 693.36 million, which decreased by Baht 44.65 million or 6% as compare to the shareholders' equity as of the end of 2019, which was Baht 738.01 million. It was due to loss for the year 2020 Baht 44.82 million and other comprehensive income Baht 0.17 million. Therefore, deficits increased by Baht 44.65 million from Baht 167.09 million to Baht 211.74 million.

# Cash flow and liquidity

(Unit: Million Baht)

Description	2020	2019
Net cash flows from (used in) operating activities	114.38	(1,423.74)
Net cash flows from (used in) investing activities	(7.27)	64.57
Net cash flows from (used in) financing activities	(47.48)	1,453.76
Net increase in cash and cash equivalents	59.63	94.59
Cash and cash equivalents at beginning of the year	101.90	7.31
Cash and cash equivalents at end of the year	161.53	101.90

As of 31 December 2020, the Company had a cash and cash equivalents balance in the amount of Baht 161.53 million with an increase in net cash flows in the amount of Baht 59.63 million, which consisted of:

- 1. Net cash from operating activities was in the amount of Baht 114.38 million. The main transactions came from the increase in deferred revenue from sale of real estate of a subsidiary's project in the amount of Baht 350.91 million. While cash flows decreased from increase in other current assets in the amount of Baht 142.51 million, increase in real estate development costs (exclude capitalized borrowing costs) in the amount of Baht 23.79 million, and cash paid for interest expenses Baht 31.80 million.
- 2. Net cash used in investing activities was in the amount of Baht 7.27 million. The main transactions came from cash paid for acquisition of equipment in the amount of Baht 5.77 million and cash paid for acquisition of intangible assets in the amount of Baht 1.65 million.
- 3. Net cash used by financing activities was in the amount of Baht 47.48 million. The main transactions came from repayment of loans totaling amount Baht 149.10 million, cash paid for settle lease liabilities in the amount of Baht 7.90 million, and cash received from long-term loans from financial institutions in the amount of 110.00 million.

The Company's liquidity ratio in 2020 was equal 3.61 times, which decreased by 6.53 times when compared with 2019, which was equal to 10.14 times. The decrease of the ratio partly came from the increase in deferred revenue from sale of real estate, which was classified as current liabilities. That cause current liabilities was in higher proportion than current assets. Main funding source of the Company came from long-term loans and capital from shareholders. Therefore, the debt-to-equity ratio as of 31 December 2020 was equal to 1.89 timed, which increased as compare to the previous year, which was equal to 1.32 times.

# Commitments and contingent liabilities

As at 31 December 2020, the Company and its subsidiary had commitments and contingent liabilities as follows:

1. Commitments in respect of service agreements payable in the future

The Group had commitments in respect of service agreements payable in the future, which the terms of the agreements are generally between 1 and 3 years, of approximately Baht 19 million (2019: Baht 19 million).

2. Commitments with respect to project development and related services

The Group had commitments in respect of property development cost and related services totaling Baht 480 million (2019: Baht 58 million).

- 3. Guarantees
- 3.1 The Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 1,450 million (2019: Baht 1,450 million)
- 3.2 As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 4 million (2019: Baht 12 million) issued by banks on behalf of the Company to guarantee contractual performance.
- 4. Other commitment

On 22 November 2019, a subsidiary company entered into a sales and marketing license agreement with Intercontinental Hotel Group (Asia Pacific) Pte. Ltd. The subsidiary company is obligated to comply with the conditions stipulated in the agreement whereby it shall pay 3% of revenue generated by sales of condominium units.

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

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

During 2020, there was the Coronavirus disease 2019 pandemic that is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used suitable estimates and judgement in respect of various issues as the situation has evolved.

# Disclosure of Auditors' Remuneration Auditors' Remuneration

### 1. Audit Fee

The Company and its subsidiaries paid the audit fee to the office, EY Office Limited during the previous accounting period for the total amount of Baht 2,700,000.

### 2. Non-Audit Fee

-None-



# TO SHAREHOLDERS

The Audit Committee of Proud Real Estate Public Company Limited is appointed following the resolution of the Board of Directors. The Audit Committee comprises of 3 qualified directors sufficient to review the credibility of financial statements and the internal control systems. In 2020, there were 4 Audit Committee meetings. The following are details of meeting attendance of each Audit Committee member:

1. Mr. Anuwat Maytheewibulwut	Position Chairman of the Audit Committee	Attended 4/4 meetings
2. Mr. Pumipat Sinacharoen	Position Audit Committee	Attended 4/4 meetings
3. Ms. Anchalee Bunsongsikul	Position Audit Committee	Attended 3/4 meetings

The Audit Committee of Proud Real Estate Public Company Limited is appointed following the resolution of the Board of Directors. The Audit Committee comprises of 3 qualified directors sufficient to review the credibility of financial statements and the internal control systems. In 2020, there were 4 Audit Committee meetings. The following are details of meeting attendance of each Audit Committee member:

# 1. Review of Quarterly and Annually Financial Statements

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

# 2. Review of Internal Control System

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

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

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

# 4. Review of related party Transactions

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

# 5. Review of Anti-Corruption

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

### 6. Review of Audit Committee Charter and Internal Audit Charter

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

# 7. Approval of Auditor

The Audit Committee considered the appropriateness of auditor, selected, and nominated auditor for 2021 of the Company and its subsidiaries. The considerations covered knowledge, capability, auditing experience, quality of audit, and appropriateness of remuneration. The Audit Committee nominated EY Company Limited as the Company's and subsidiaries' auditor for 2021 along with audit fee to the Board of Directors before proposing for consideration in the shareholders' meeting.

Mr. Anuwat Maytheewibulwut
Chairman of the Board of Directors

Pom/p3

# BOARD'S RESPONSIBILITY FOR FINANCIAL REPORTS

#### REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors are responsible for the separate financial statements and the consolidated financial statements of the Company and its subsidiaries, including financial information in the Annual Report. The financial statements for the year ended 31 December 2020 have been prepared in accordance with Thai Financial Reporting Standards with appropriate accounting policies applied on a consistent basis. In addition, judgment and estimates were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. The financial statements fairly and transparently reflect financial positions, performance, and cash flows for the benefits of shareholders and investors. The financial statements have been audited by independent certified auditors whom have given their unqualified opinions. The Company supported the auditors with information and documents for the auditors to audit and express opinion in accordance with the auditing standards.

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

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

The Board of Directors have viewed that the overall internal control system of the Company was sufficient and appropriate. The internal control system could provide reasonable assurance that the separate financial statements and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 were reliable and in accordance with financial reporting standards and relevant laws and regulations.

Mr. Anuwat Maytheewibulwut

Dom/p

Chairman of the Board of Directors

Mr. Verapong Chaiperm

Vice Chairman of the Board of Directors and Chairman of the Executive Committee

**Mr. Paisit Kaenchan**Director

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Mr. Pasu Liptapanlop
Director

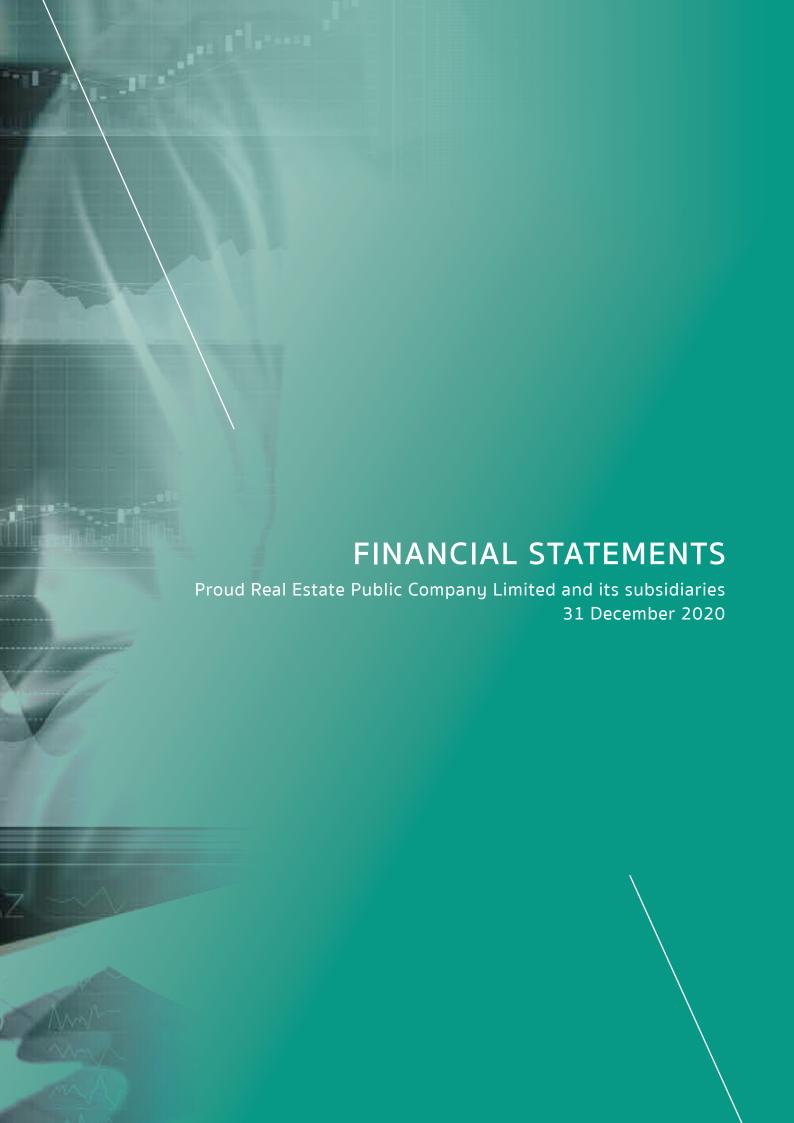
Ms. Proudputh Liptapanlop
Director

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Mr. Anucha Sihanatkathakul
Director

Mr. Pumipat Sinacharoen
Director

Ms. Anchalee Bunsongsikul
Director



# **Independent Auditor's Report**

To the Shareholders of Proud Real Estate Public Company Limited

# Opinion

I have audited the accompanying consolidated financial statements of Proud Real Estate Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Proud Real Estate Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proud Real Estate Public Company Limited and its subsidiaries and of Proud Real Estate Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of revenue from sale of real estate

Revenue from sale of real estate is the most significant amount in the statement of comprehensive income and it is a key performance indication in the real estate industry on which the financial statements' users focus. Revenue from sale of real estate is a significant amount of the Group. In addition, the Group has entered into agreements with a large number of customers and there are a variety of conditions, pertaining to matters such as sales promotions and offering special discounts to boost sales. There are therefore risks with respect to the occurrence of revenue from sale of real estate presented in the financial statements, and the relation between business and revenue.

I have examined the Group's recognition of revenue from sale of real estate by assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also applied a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy, examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period on a sampling basis, and performed analytical procedures on revenue from sale of real estate data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

# Compliance with loan covenants in loan agreements

Compliance with loan covenants in loan agreements is a key audit matter as the Group has significant loan balances, which are the biggest liability items of the Group. Each loan agreement specifies loan covenants which the Group must comply, such as debt to equity ratios. If the Group is unable to comply with the financial covenants, it may result in the lenders calling the loans and the reclassification of the liabilities from non-current liabilities to current liabilities, which could affect the going concern of the Group.

I have gained an understanding of the process of monitoring compliance with the various covenants by management and testing for compliance with both non-financial and financial covenants, including whether financial ratios are in line with those stipulated in the borrowing agreements. In addition, we have assessed the disclosures made with respect to covenants in the notes to the financial statements.

### Other Matter

The consolidated financial statements of Proud Real Estate Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Proud Real Estate Public Company Limited as at and for the year ended 31 December 2019 were audited by another auditor who, under her report dated 26 February 2020, expressed an unmodified opinion on those financial statements.

### Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

# Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether
  due to fraud or error, design and perform audit procedures responsive to those risks, and
  obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one
  resulting from error, as fraud may involve collusion, forgery, intentional omissions,
  misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for the purpose of expressing
  an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including

the disclosures, and whether the financial statements represent the underlying transactions

and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities

or business activities within the Group to express an opinion on the consolidated financial

statements. I am responsible for the direction, supervision and performance of the group

audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies

in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on my independence, and where

applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters

that were of most significance in the audit of the financial statements of the current period and are

therefore the key audit matters. I describe these matters in my auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

I determine that a matter should not be communicated in my report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits

of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 22 February 2021

# Statement of financial position

# As at 31 December 2020

(Unit: Baht)

		Consolidated fina	ncial statements	Separate financia	al statements
	Note	<u>2020</u>	<u>2019</u>	2020	<u>2019</u>
Assets					
Current assets					
Cash and cash equivalents	8	161,535,102	101,898,226	47,940,442	661,784
Other receivables	9	219,787	657,236	62,964,552	34,664,782
Short-term loans to related party	7	-	-	16,967,000	4,110,000
Inventories		677,276	43,461	-	-
Real estate development costs	10	1,593,425,165	1,538,383,413	3,782,770	146,955,735
Current tax assets		3,028,146	1,856,963	3,026,930	1,856,881
Other current financial assets	11	2,646,694	-	2,646,694	-
Other current assets	12	182,111,595	43,912,656	6,990,771	13,468,738
Total current assets		1,943,643,765	1,686,751,955	144,319,159	201,717,920
Non-current assets					
Restricted bank deposits	8, 13	191,416	190,656	191,416	190,656
Investments in subsidiaries	14	-	-	50,249,625	50,249,625
Long-term loans to related parties	7	-	-	641,500,000	641,500,000
Buildings and equipment	15	9,138,940	8,757,952	4,956,263	7,759,213
Right-of-use assets	20	15,314,674	-	8,366,778	-
Intangible assets	16	4,987,146	3,678,474	4,987,146	3,678,474
Deferred tax assets	28	26,878,144	11,272,714	2,365,656	11,272,714
Other non-current financial assets	11	1,256,427	-	1,198,818	-
Other non-current assets			4,413,564	<u> </u>	4,388,064
Total non-current assets		57,766,747	28,313,360	713,815,702	719,038,746
Total assets		2,001,410,512	1,715,065,315	858,134,861	920,756,666

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

# Statement of financial position (continued)

# As at 31 December 2020

(Unit: Baht)

		Consolidated finar	ncial statements	Separate financial statements	
	Note	2020	<u>2019</u>	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	17	14,097,657	14,529,606	14,097,657	14,529,606
Trade and other payables	18	47,421,390	41,609,554	9,628,442	9,707,489
Retention payables		-	18,054,332	-	17,220,585
Short-term loans from related parties	7	-	50,000,000	-	-
Current portion of long-term loans from					
financial institutions	19	99,818,058	15,249,600	-	15,249,600
Current portion of lease liabilities	20	7,218,638	568,173	3,230,802	568,173
Deferred revenue from sale of real estate	21	358,525,970	7,607,265	7,238,038	5,407,265
Deferred revenue from contract work		1,383,541	1,383,541	1,383,541	1,383,541
Accrued expenses related to the projects		6,234,858	15,918,814	6,234,858	15,918,814
Other current liabilities		3,195,521	1,355,196	547,842	957,505
Total current liabilities		537,895,633	166,276,081	42,361,180	80,942,578
Non-current liabilities					
Long-term loans from financial institutions,					
net of current portion	19	738,877,342	808,355,058	-	62,874,508
Lease liabilities, net of current portion	20	6,240,400	1,710,516	3,142,585	1,710,516
Provision for long-term employee benefits	22	1,137,861	719,881	1,137,861	719,881
Provision for decommissioning costs		3,008,544	-	3,008,544	-
Other non-current financial liabilities		20,893,740		15,368,381	<u>-</u>
Total non-current liabilities		770,157,887	810,785,455	22,657,371	65,304,905
Total liabilities		1,308,053,520	977,061,536	65,018,551	146,247,483

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

# Statement of financial position (continued)

# As at 31 December 2020

(Unit: Baht)

		Consolidated fina	Consolidated financial statements		cial statements
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	23				
Registered					
673,148,951 ordinary shares of Baht 1 each		673,148,951	673,148,951	673,148,951	673,148,951
Issued and fully paid-up					
641,469,040 ordinary shares of Baht 1 each		641,469,415	641,469,327	641,469,040	641,468,952
Share premium	24	263,629,186	263,629,139	263,629,186	263,629,139
Deficits		(211,741,609)	(167,094,687)	(111,981,916)	(130,588,908)
Equity attributable to owners of the Company		693,356,992	738,003,779	793,116,310	774,509,183
Total shareholders' equity		693,356,992	738,003,779	793,116,310	774,509,183
Total liabilities and shareholders' equity		2,001,410,512	1,715,065,315	858,134,861	920,756,666

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

# Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:	11010	<u> </u>	2010	2323	<u> </u>
Revenues					
Revenues from sale of real estate		181,654,644	53,815,798	181.654,644	53,815,798
Revenues from contract work		-	31,434,731	-	31,434,731
Other income		16,175,992	24,463,747	44,869,833	32,851,821
Total revenues		197,830,636	109,714,276	226,524,477	118,102,350
Expenses					
Cost of real estate sold		146,288,545	29,865,869	146,288,545	29,865,869
Cost of contract work		-	22,650,708	_	22,650,708
Selling and distribution expenses		15,317,804	10,046,286	15,316,303	9,806,552
Administrative expenses		93,020,671	79,058,138	68,802,264	77,397,734
Total expenses		254.627,020	141,621,001	230,407,112	139,720.863
Loss from operating activities		(56,796,384)	(31,906,725)	(3,882,635)	(21,618,513)
Share of loss from investment in joint venture		-	(5,436,392)	-	(5,436,392)
Finance income		373,301	1,260,900	34,876,261	27,303,809
Finance cost	26	(4,042,711)	(5,518,156)	(3.693,018)	(5,343,498)
Profit (loss) before income tax income (expenses)		(60,465,794)	(41,600,373)	27,300,608	(5,094,594)
Income tax income (expenses)	28	15,648,118	1,513,865	(8,864,370)	1,513,865
Profit (loss) for the year		(44,817,676)	(40,086,508)	18,436,238	(3,580,729)
Other course have in the course					
Other comprehensive income:  Item not to be reclassified to profit or loss in subsequent	wo are:				
·	years.	213,443	8,191,798	212 442	0 101 700
Actuarial gain Income tax effect	28	(42,689)		213,443 (42,689)	8,191,798
Item not to be reclassified to profit or loss in subsequent		(42,009)	(1,638,360)	(42,009)	(1,638,360)
- net of income tax	years	170,754	6,553,438	170,754	6,553,438
Other comprehensive income for the year		170,754	6,553,438	170,754	6,553,438
Carlot Comprehensive machine for the year		110,101	0,000,100	110,104	0,000,400
Total comprehensive income for the year		(44,646,922)	(33,533,070)	18,606,992	2,972,709
Earnings per share	29				
Basic earnings (loss) per share					
Profit (loss)		(0.070)	(0.084)	0.029	(0.007)

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

### Proud Real Estate Public Company Limited and its subsidiaries Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements

		Issued and			Total
		paid-up			shareholders'
	<u>Note</u>	share capital	Share premium	Deficits	equity
Balance as at 1 January 2019		190,080,063	68,318,028	(133,561,617)	124,836,474
Loss for the year		-	-	(40,086,508)	(40,086,508)
Other comprehensive income for the year				6,553,438	6,553,438
Total comprehensive income for the year		-	-	(33,533,070)	(33,533,070)
Increase share capital	23	451,389,264	195,311,111		646,700,375
Balance as at 31 December 2019		641,469,327	263,629,139	(167,094,687)	738,003,779
Balance as at 1 January 2020		641,469,327	263,629,139	(167,094,687)	738,003,779
Loss for the year		-	-	(44,817,676)	(44,817,676)
Other comprehensive income for the year				170,754	170,754
Total comprehensive income for the year		-	-	(44,646,922)	(44,646,922)
Increase share capital	23	88	47		135
Balance as at 31 December 2020		641,469,415	263,629,186	(211,741,609)	693,356,992
			Separate financ	cial statements	(Unit: Baht)
		Issued and			Total
		paid-up			shareholders'
		share capital	Share premium	Deficits	equity
Balance as at 1 January 2019		190,080,063	68,318,028	(133,561,617)	124,836,474
Loss for the year		-	-	(3,580,729)	(3,580,729)
Other comprehensive income for the year				6,553,438	6,553,438
Total comprehensive income for the year		-	-	2,972,709	2,972,709
Increase share capital	23	451,388,889	195,311,111		646,700,000
Balance as at 31 December 2019		641,468,952	263,629,139	(130,588,908)	774,509,183
Balance as at 1 January 2020		641,468,952	263,629,139	(130,588,908)	774,509,183
Profit for the year		-	-	18,436,238	18,436,238
-					
Other comprehensive income for the year		-	-	170,754	170,754
Other comprehensive income for the year  Total comprehensive income for the year			-	170,754 18,606,992	170,754 18,606,992
	23		- - 47		

### Proud Real Estate Public Company Limited and its subsidiaries

### Statement of cash flows

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	2019	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit (loss) before tax	(60,465,794)	(41,600,373)	27,300,608	(5,094,594)
Adjustments to reconcile profit (loss) before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	11,418,149	1,291,201	6,315,927	1,288,957
Loss on sales/write-off of equipment	14,252	1,202,980	14,252	1,202,980
Write-off of retention payables	-	(247,655)	-	(247,655)
Share of loss from investment in joint venture	-	5,436,392	-	5,436,392
Gain on disposal of investment in joint venture	-	(20,414,701)	-	(20,414,701)
Reversal of estimated cost for rectification and				
maintenance expense	(7,859,672)	(272,119)	(7,859,672)	(272,119)
Reversal of impairment loss on other current financial assets	(1.059,989)	-	(1.059,989)	-
Gain on compensation received from insurance	(2,253,012)	-	(2,253,012)	-
Amortisation of deferred interest expenses				
under lease liabilities	763,510	-	395,981	-
Amortisation of front end fee	1,023,212	-	1,023,212	-
Provision for long-term employee benefits	631,423	629,264	631,423	629,264
Finance income	(373,301)	(1,260,900)	(34,876,261)	(27,303,809)
Finance cost	3,279,201	5,518,156	3,297,037	5,343,498
Loss from operating activities before				
changes in operating assets and liabilities	(54,882,021)	(49,717,755)	(7,070,494)	(39,431,787)

### Proud Real Estate Public Company Limited and its subsidiaries

### Statement of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	2019
Operating assets (increase) decrease				
Other receivables	1,276,791	38,909,299	7,136,014	29,777,764
Inventories	(633,815)	1,497,441	-	1,497,441
Real estate development costs	(23,789,948)	(1,351,483,487)	143,172,965	25,589,563
Accrued income	-	2,007,065	-	2,007,065
Other current financial assets	5,066,055	-	5,066,055	-
Other current assets	(142,512,104)	(37,031,662)	2,164,721	(2,024,832)
Other non-current financial assets	145,984	-	188,592	-
Other non-current assets	10,500	24,592	-	50,174
Operating liabilities increase (decrease)				
Trade and other payables	6,449,002	17,871,984	316,546	(13,427,717)
Retention payables	-	(50,040)	-	(883,787)
Deferred revenue from sale of real estate	350,918,705	(20,754,596)	1,830,773	(22,954,596)
Deferred revenue from contract work	-	(4,784,141)	-	(4,784,141)
Accrued expenses related to the projects	(1,824,284)	2,303,476	(1,824,284)	2,303,476
Other current liabilities	1,793,809	(3,404,255)	(456,179)	(3,801,946)
Other non-current financial liabilities	2,839,408		(1,852,204)	
Cash flows from (used in) operating activities	144.858,082	(1,404,612,079)	148.672,505	(26,083,323)
Cash received from interest income	466,595	2,436,037	373,112	2,427,797
Cash paid for long-term employee benefits	-	(2,571,924)	-	(2,571,924)
Cash paid for interest expenses	(31,801,373)	(20,442,139)	(3,540,681)	(5,350,456)
Cash paid for corporate income tax	(3.028,146)	(1,856,881)	(3.026,930)	(1,856,881)
Cash received from withholding tax refundable	1,631,901	3,304,709	1,631,901	3,304,709
Cash received from compensation received from insurance	2,253,012		2,253,012	
Net cash flows from (used in) operating activities	114,380,071	(1,423,742,277)	146,362,919	(30,130,078)

### Proud Real Estate Public Company Limited and its subsidiaries

### Statement of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

					(Onic Banc)
		Consolidated final	ncial statements	Separate financi	al statements
	<u>Note</u>	<u>2020</u>	<u>2019</u>	2020	<u>2019</u>
Cash flows from investing activities					
Cash paid to provide short-term loans to related parties	7	-	(11,110,000)	(12,857,000)	(39,703,568)
Cash received from repayment of short-term loans to					
related parties		-	28,730,531	-	53,224,099
Cash paid to provide long-term loans to related parties		-	-	-	(650,000,000)
Cash received from repayment of long-term loans to relate	ed parties	-	-	-	8,500,000
Cash paid for purchase investments in subsidiaries		-	-	-	(50,249,625)
Net cash inflows from disposal of investments in joint vent	ture	-	43,761,930	-	43,761,930
Restricted bank deposits (increase) decrease		(760)	7,236,516	(760)	7,236,516
Cash received from sales of equipment		150,000	5,051,115	150,000	5,051,115
Cash paid for acquisition of equipment		(5,768,189)	(6,651,146)	(1,452,255)	(5,650,162)
Cash paid for acquisition of intangible assets	16	(1.646,500)	(2,450,890)	(1.646,500)	(2,450,890)
Net cash flows from (used in) investing activities		(7,265,449)	64,568,056	(15,806,515)	(630,280,585)
Cash flows from financing activities					
Decrease in bank overdrafts		(431,949)	(2,507,881)	(431,949)	(2,507,881)
Proceeds from short-term loans from financial institutions		-	550,000.000	-	-
Repayment of short-term loans from financial institutions		-	(550,000,000)	-	-
Proceeds from short-term loans from related parties	7	-	61,100,000	9,000,000	11,100,000
Repayment of short-term loans from related parties	7	(50,000,000)	(41,000,000)	(9,000,000)	(41,000,000)
Cash received from long-term loans from					
financial institutions	19	110,000,000	850,000,000	20.000,000	100,000,000
Repayment of long-term loans from financial institutions	19	(99,097,320)	(60,347,674)	(99,097,320)	(60,347,674)
Cash paid for front end fee	19	(50,000)	-	(50,000)	-
Cash paid for settle lease liabilities		(7,898,612)	(182,649)	(3,698,612)	(182,649)
Cash received from issuance of ordinary shares		135	646,700,000	135	646,700,000
Net cash flows from (used in) financing activities		(47,477,746)	1,453,761,796	(83,277,746)	653,761,796
Net increase (decrease) in cash and cash equivalents		59,636,876	94,587,575	47,278,658	(6,648,867)
Cash and cash equivalents at beginning of the year		101,898,226	7,310,651	661,784	7,310,651
Cash and cash equivalents at end of the year	:	161,535,102	101,898,226	47,940,442	661,784
Supplement disclosures of cash flows information					
Non-cash items					
Recorded the interest expense as real estate project					
under development		28,036,954	24,543,084	-	-
Increase in fixed assets payables		4,439	-	4,439	
Increase in liabilities under lease agreement	20	1,142,999	3,089,000	1,142,999	3,089,000

# Proud Real Estate Public Company Limited and its subsidiaries Notes to consolidated financial statements For the year ended 31 December 2020

### 1. General information

### 1.1 General information of the Company

Proud Real Estate Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in real estate development. The registered office of the Company is at 900, Tonson Tower Building, 6th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok.

### 1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, 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 the Thai language financial statements.

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

### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Proud Real Estate Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

		Country of	Percen	tage of
Company's name	Nature of business	incorporation	shareholding	
			2020	<u>2019</u>
			Percent	Percent
Hua Hin Alpha 71 Co., Ltd.	Real estate development	Thailand	99.99	99.99
Hua Hin Sky Living Co., Ltd.	Real estate development	Thailand	99.97	99.97

- b) 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.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

### 3. New financial reporting standards

### a) Financial reporting standards that became effective in the current period

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standards involve changes to key principles, which are summarised below.

### Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments 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:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 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 amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

### TFRS 16 Leases

TFRS 16 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 recognise 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.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

# Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets and reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

# b) Financial reporting standards that will became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

# 4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Baht)

	Consolidated financial statements						
		The e	The effect of				
		Financial					
		reporting					
		standards					
		related to					
	31 December	financial		1 January			
	2019	instruments	TFRS 16	2020			
Statement of financial position							
Assets							
Current assets							
Other current financial assets	-	4,538,227	-	4,538,227			
Other current assets	43,912,656	(4,538,227)	-	39,374,429			
Non-current assets							
Buildings and equipment	8,757,952	-	(2,326,029)	6,431,923			
Right-of-use assets	-	-	22,350,637	22,350,637			
Other non-current financial assets	-	3,527,444	-	3,527,444			
Other non-current assets	4,413,564	(3,527,444)	-	886,120			
Liabilities and shareholders' equity							
Current liabilities							
Retention payables	(18,054,332)	18,054,332	-	-			
Current portion of lease liabilities	(568,173)	-	(6,091,983)	(6,660,156)			
Non-current liabilities							
Lease liabilities, net of current portion	(1,710,516)	-	(11,080,469)	(12,790,985)			
Other non-current financial liabilities	-	(18,054,332)	-	(18,054,332)			

		Toponare miani				
		The effect of				
		Financial				
		reporting				
		standards				
		related to				
	31 December	financial		1 January		
	2019	instruments	TFRS 16	2020		
Statement of financial position						
Assets						
Current assets						
Other current financial assets	-	4,538,227	-	4,538,227		
Other current assets	13,468,738	(4,538,227)	-	8,930,511		
Non-current assets						
Buildings and equipment	7,759,213	-	(2,326,029)	5,433,184		
Right-of-use assets	-	-	11,432,515	11,432,515		
Other non-current financial assets	-	3,501,944	-	3,501,944		
Other non-current assets	4,388,064	(3,501,944)	-	886,120		
Liabilities and shareholders' equity						
Current liabilities						
Retention payables	(17,220,585)	17,220,585	-	-		
Current portion of lease liabilities	(568,173)	-	(2,259,512)	(2,827,685)		
Non-current liabilities						
Lease liabilities, net of current portion	(1,710,516)	-	(3,994,818)	(5,705,334)		
Other non-current financial liabilities	-	(17,220,585)	-	(17,220,585)		

### 4.1 Financial instruments

Total financial assets

As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Baht) Consolidated financial statements Classification and Carrying amounts under measurement the former in accordance with TFRS 9 basis Amortised cost Financial assets as at 1 January 2020 Cash and cash equivalents 101,898,226 101,898,226 Other receivables 657,236 657,236 Other current financial assets 4,538,227 4,538,227 Restricted bank deposits 190,656 190,656 3,527,444 3,527,444 Other non-current financial assets 110,811,789 110,811,789 **Total financial assets** (Unit: Baht) Separate financial statements Classification and Carrying amounts under measurement the former in accordance with basis TFRS 9 Amortised cost Financial assets as at 1 January 2020 Cash and cash equivalents 661,784 661,784 Other receivables 34,664,782 34,664,782 Short-term loans to related parties 4,110,000 4,110,000 Other current financial assets 4,538,227 4,538,227 Restricted bank deposits 190,656 190,656 641,500,000 641,500,000 Long-term loans to related parties 3,501,944 3,501,944 Other non-current financial assets

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

689,167,393

689,167,393

### 4.2 Leasing

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 1 January 2020. For leases the previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

		(Unit: Baht)
	Consolidated	Separate
	financial	financial
	statements	statements
Operating lease commitments as at 31 December 2019	18,084,121	10,065,925
Less: Short-term leases and leases of low-value assets	(456,611)	(456,611)
Less: Contracts reassessed as service agreements	(4,632,374)	(2,914,178)
Add: Adjustment	5,250,000	-
Less: Deferred interest expenses	(1,072,684)	(440,806)
Increase in lease liabilities due to the adoption of TFRS 16	17,172,452	6,254,330
Liabilities under finance lease agreements as at		
31 December 2019	2,278,689	2,278,689
Lease liabilities as at 1 January 2020	19,451,141	8,533,019
Weighted average incremental borrowing rate (percent		
per annum)	4.03 - 5.60	5.35 - 5.60
Comprise of:		
Current lease liabilities	6,660,156	2,827,685
Non-current lease liabilities	12,790,985	5,705,334
	19,451,141	8,533,019

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

		(Unit: Baht)
	Consolidated	Separate
	financial	financial
	statements	statements
Motor vehicles	2,326,029	2,326,029
Office space	20,024,608	9,106,486
Total right-of-use assets	22,350,637	11,432,515

### 5. Significant accounting policies

### 5.1 Revenue and expense recognition

### Revenue from sale of real estate

Revenue from sale of real estate is recognised at the point in time when control of the asset is transferred to the customer by, generally upon transfer of the legal ownership of residential condominium units. Revenue from sale of real estate is measured at the amount of the consideration received after deducting discounts and consideration payable to the customers. The payment condition depends on the payment terms which is stipulated in the contract with customers. Payment in advance from customers, which made before transferring of control of the asset, has been presented under the caption of "Deferred revenue from sale of real estate" in the statement of financial position.

### Revenue from contract work

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Deferred revenue from contract work" in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

### Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### 5.2 Cost of sale of real estate

Cost of sale of residential condominium units is determined based on the anticipated total development costs (after considering the actual costs incurred to date) attributed to residential condominium units already sold on the basis of the salable area, and is recognised as cost of sale in accordance with the revenue recognition.

Cost of sale of real estate includes cost of other goods, such as furniture and fixtures, that are considered part of the residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

### 5.3 Cash and cash equivalents

Cash and cash equivalents consist cash in hand and at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### 5.4 Inventories

Inventories are valued at the lower of average cost and net realisable value.

### 5.5 Real estate development costs

Real estate development costs are valued at the lower of cost and net realisable value. Cost of real estate development is calculated as detailed below.

### Land

Land is valued at cost on a weighted average method and is recognised as cost in accordance with the revenue recognition.

### Deferred interest

Interest expenses relating to project development are recorded as deferred interest, with capitalisation ceasing when the ownership is transferred to buyer. Such deferred interest is recorded as a part of real estate development costs and is recognised as cost of sale in accordance with the average revenue recognition.

### Infrastructure

The costs of construction for infrastructure like road, electricity system, water supply system and others are recorded as a part of real estate development costs and are recognised as cost of sale in accordance with the revenue recognition.

### Deferred project development costs

Preparation costs and project development costs before sales are recorded as a part of real estate development costs and are recognised as cost of sale in accordance with the revenue recognition.

The Group recognises loss on diminution in value of projects (if any) in profit or loss.

### 5.6 Cost to obtain a contract

The Group recognises commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Group otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

### 5.7 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

### 5.8 Equipment and depreciation

Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Constructions - 5 years
Equipment - 5 - 10 years
Furniture and office equipment - 3 - 5 years
Vehicle - 4 - 5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

### 5.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction on 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 costs 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.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

### 5.10 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

<u>Useful lives</u>

Computer software

3 - 10 years

### 5.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### The Group as a lessee

### Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings 3 years
Motor vehicles 4 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### Accounting policies adopted before 1 January 2020

Leases of buildings and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of buildings and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### 5.12 Related party transactions

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.

### 5.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the buildings and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

### 5.14 Employee benefits

### Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

### Post-employment benefits

### Defined contribution plans

The Group and employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

### Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

### 5.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### 5.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### 5.17 Financial instruments

### Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

### Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

### Other receivables

Other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### 5.18 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 Group applies a quoted market price in an active market to measure their 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 Group measures fair value using valuation technique 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.

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 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 Group determines 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.

### 6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Leases

### The Group as a lessee

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

### Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### 7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Sepa	rate		
	financial statements		financial sta	atements	Pricing policy	
	2020	<u>2019</u>	2020	<u>2019</u>		
Transactions with subsidiary of	ompanies					
(eliminated from the consolidat	ted					
financial statements)						
Management income	-	-	34	8	Contractual agreed price	
Interest income	-	-	35	26	MLR - 0.5% per annum	
Transactions with joint venture	es					
Interest income	-	1	-	1	MLR + 1% per annum	
Transactions with related parti	es					
Revenues from contract work	-	1	-	1	Contractual agreed price	
Management income	-	1	-	1	Contractual agreed price	
Cost of food and beverage	1	-	-	-	Contractual agreed price	
Purchase of fixed assets	-	1,325	-	-	Market price	
Rental fee	4	1	-	-	Contractual agreed price	
Transactions with directors						
Interest expenses	-	1	-	1	MOR	

The balances of the accounts as at 31 December 2020 and 2019 between the Company and those related parties are as follows:

				(Unit: Baht)	
	Consc	lidated	Sep	arate	
	financial s	statements	financial statements		
	31 December	31 December	31 December	31 December	
	2020	2019	2020	2019	
Amount due from and advance to related parti	es (Note 9)				
Subsidiaries			3,131,949	9,139,656	
Total amount due from and advance to					
related parties			3,131,949	9,139,656	
Interest receivable - related parties (Note 9)					
Subsidiaries			59,631,645	25,035,203	
Total interest receivable - related parties		-	59,631,645	25,035,203	
Other payables - related parties (Note 18)					
Related parties	3,828,585	1,300,786	109,090		
Total other payables - related parties	3,828,585	1,300,786	109,090		
Lease liabilities - related party					
Related party	7,085,651				
Total lease liabilities - related party	7,085,651				

### Loans to and loans from related parties

As at 31 December 2020 and 2019, the balance of loans between the Company and those related parties and the movements in loans are as follows:

### Loans to subsidiary companies

(Unit: Baht)

	Separate financial statements					
	Balance as at		Balance as at			
	31 December	Increase	31 December			
Short-term loans to subsidiary company	2019	during the year	2020			
Hua Hin Sky Living Co., Ltd.	4,110,000	12,857,000	16,967,000			
Total	4,110,000	12,857,000	16,967,000			

Short-term loans to subsidiary company are due at call, carrying interest at the rate of MLR-0.5% per annum.

	Separate	financial	statements
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	Balance as at		Balance as at
	31 December	During	31 December
Long-term loans to subsidiary companies	2019	the year	2020
Hua Hin Alpha 71 Co., Ltd.	541,500,000	-	541,500,000
Hua Hin Sky Living Co., Ltd.	100,000,000		100,000,000
Total	641,500,000		641,500,000

Long-term loans to the subsidiaries bear interest at the rate of MLR-0.5% per annum. The payment schedules of principal and interests are as follows:

<u>Subsidiaries</u>	Due date of principal and interest
Hua Hin Alpha 71 Co., Ltd.	31 December 2022
Hua Hin Sky Living Co., Ltd.	31 December 2023

### Short-term loans from related companies

(Unit: Baht)

	Consolidated financial statements				
	Balance as at		Balance as at		
	31 December	Decrease	31 December		
Short-term loans from related companies	2019	during the year	2020		
Proud Resort Hua Hin Co., Ltd.	25,000,000	(25,000,000)	-		
Vana Nava Co., Ltd.	25,000,000	(25,000,000)			
Total	50,000,000	(50,000,000)			

Short-term loans from related companies are unsecured and due at call.

(Unit: Baht)

	Separate financial statements				
	Balance as at			Balance as at	
	31 December	During	the year	31 December	
Short-term loans from subsidiary company	2019	Increase	Decrease	2020	
Hua Hin Alpha 71 Co., Ltd.	-	9,000,000	(9,000,000)		
Total	_	9,000,000	(9,000,000)	_	

On 24 July 2020, the Company obtained loan from Hua Hin Alpha 71 Co., Ltd., a subsidiary company, which bears interest at the rate of MLR-0.5% per annum. As at 31 December 2020, the Company repaid the entire loan amount.

### Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

		(Unit: Baht)
	Consolidated	d/Separate
	financial st	atements
	For the year	ar ended
	31 Dece	ember
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	19,079,358	17,204,075
Post-employment benefits	575,000	608,544
Total	19,654,358	17,812,619

### 8. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate		
			financial st	atements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
Cash	208,120	129,159	126,298	93,789	
Deposits at banks	161,518,398	101,959,723	48,005,560	758,651	
Less: Restricted bank deposits (Note 13)	(191,416)	(190,656)	(191,416)	(190,656)	
Total cash and cash equivalents	161,535,102	101,898,226	47,940,442	661,784	

As at 31 December 2020, bank deposits in savings accounts and fixed account carried interests between 0.03 and 0.25 percent per annum (2019: between 0.10 and 0.60 percent per annum).

### 9. Other receivables

(Unit: Baht)

	Consolidated		Separate	
	financial st	financial statements		statements
	<u>2020</u>	<u>2019</u>	2020	<u>2019</u>
Amount due from and advance to related				
parties (Note 7)	-	-	3,131,949	9,139,656
Other receivables - unrelated parties	219,787	657,236	200,958	489,923
Interest receivables - related parties (Note 7)_		-	59,631,645	25,035,203
Total _	219,787	657,236	62,964,552	34,664,782

### 10. Real estate development costs

(Unit: Baht)

	Consolidated financial statements		Separate financial statement	
	2020	<u>2019</u>	2020	<u>2019</u>
Land	1,329,610,805	1,390,407,297	1,641,624	62,532,192
Construction in progress and				
design expenses	207,721,900	112,145,272	1,843,573	73,135,783
Promotion costs	193,595	7,327,065	193,595	7,327,065
Capitalised borrowing costs	55,898,865	28,503,779	103,978	3,960,695
Total	1,593,425,165	1,538,383,413	3,782,770	146,955,735

During the year ended 31 December 2020 and 2019, the subsidiaries capitalised borrowing costs to be included in the cost of land and construction in progress which were calculated from capitalisation rate from weighted average rate of loans as follows:

	Consolidated fina	Consolidated financial statements		
	<u>2020</u>	<u>2019</u>		
Borrowing costs included in the cost of land				
and construction in progress (Million Baht)	30	25		
Capitalisation rate (%)	3.78 - 6.10	4.53 - 6.10		

As at 31 December 2020 and 2019, the Group has pledged some land and construction thereon as collateral for credit facilities and overdrafts of the Group which have net book value as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value of land and construction				
that has been pledged as collateral	1,328	1,583	-	256

### 11. Other financial assets

Other financial assets as at 31 December 2020 are as follows:

		(Unit: Baht)
	Consolidated	Separate
	financial	financial
	statements	statements
Financial assets at amortised cost		
Retention receivables	2,646,694	2,646,694
Deposits	1,256,427	1,198,818
Total other financial assets	3,903,121	3,845,512
Current	2,646,694	2,646,694
Non-current	1,256,427	1,198,818

### 12. Other current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	<u>2019</u>	2020	<u>2019</u>
Advance payment for project				
management fee	124,659,593	23,776,338	-	-
Prepaid expenses	4,261,963	4,597,925	2,683,778	2,991,394
Advance for purchase of inventories				
and equipment	49,048,270	5,524,352	165,306	463,303
Others	4,141,769	10,014,041	4,141,687	10,014,041
Total	182,111,595	43,912,656	6,990,771	13,468,738

### 13. Restricted bank deposits

These represent fixed deposits pledged by the Company with the banks to secure credit facilities and letter of guarantees obtained from the banks.

### 14. Investments in subsidiaries

Company's name	Paid-up	capital	Shareholding	percentage	Cost	
	2020	<u>2019</u>	2020	2019	2020	2019
	(Baht)	(Baht)	(Percent)	(Percent)	(Baht)	(Baht)
Hua Hin Alpha 71 Co., Ltd.	50,000,000	50,000,000	99.99	99.99	49,999,700	49,999,700
Hua Hin Sky Living Co., Ltd.	250,000	250,000	99.97	99.97	249,925	249,925
Total					50,249,625	50,249,625

### 15. Buildings and equipment

(Unit: Baht)

		Consc	olidated financial state	ments	
-			Furnitures and		
_	Construction	Equipment	office equipment	Vehicles	Total
Cost					
1 January 2019	619,952	68,637,563	13,599,523	7,332,453	90,189,491
Additions	-	5,820	6,645,326	2,452,974	9,104,120
Disposals/write-off	(619,952)	(66,243,383)	(13,599,523)	(7,332,453)	(87,795,311)
31 December 2019	-	2,400,000	6,645,326	2,452,974	11,498,300
Adjustments of right-of-use					
assets due to TFRS 16					
adoption (Note 4)				(2,452,974)	(2,452,974)
1 January 2020	-	2,400,000	6,645,326	-	9,045,326
Additions	-	-	5,772,628	-	5,772,628
Disposals/write-off		(2,400,000)	(190,468)		(2,590,468)
31 December 2020			12,227,486	-	12,227,486
Accumulated depreciation					
1 January 2019	439,854	64,058,966	13,306,753	6,199,359	84,004,932
Depreciation for the year	82,547	313,833	343,583	188,318	928,281
Accumulated depreciation on					
disposals/ write-off	(522,401)	(61,972,800)	(13,436,932)	(6,260,732)	(82,192,865)
31 December 2019	-	2,399,999	213,404	126,945	2,740,348
Adjustments of right-of-use					
assets due to TFRS 16					
adoption (Note 4)				(126,945)	(126,945)
1 January 2020	-	2,399,999	213,404	-	2,613,403
Depreciation for the year	-	-	2,901,359	-	2,901,359
Accumulated depreciation on					
disposals/ write-off	-	(2,399,999)	(26,217)	-	(2,426,216)
31 December 2020	-		3,088,546	-	3,088,546
Net book value					
31 December 2019	-	1	6,431,922	2,326,029	8,757,952
31 December 2020	-	_	9,138,940	-	9,138,940
Depreciation for the year					
2019 (included in the administra	itive expenses)				928,281
2020 (included in the administra	tive expenses)				2,901,359

### Separate financial statements

-		,	Furnitures and			
	Construction	Equipment	office equipment	Vehicles	Total	
Cost						
1 January 2019	619,952	68,637,563	13,599,523	7,332,453	90,189,491	
Additions	-	5,820	5,644,343	2,452,974	8,103,137	
Disposals/write-off	(619,952)	(66,243,383)	(13,599,523)	(7,332,453)	(87,795,311)	
31 December 2019	-	2,400,000	5,644,343	2,452,974	10,497,317	
Adjustments of right-of-use						
assets due to TFRS 16						
adoption (Note 4)				(2,452,974)	(2,452,974)	
1 January 2020	-	2,400,000	5,644,343	-	8,044,343	
Additions	-	-	1,456,694	-	1,456,694	
Disposals/write-off	-	(2,400,000)	(190,468)	-	(2,590,468)	
31 December 2020	-		6,910,569		6,910,569	
Accumulated depreciation						
1 January 2019	439,854	64,058,966	13,306,753	6,199,359	84,004,932	
Depreciation for the year	82,547	313,833	341,339	188,318	926,037	
Accumulated depreciation on						
disposals/ write-off	(522,401)	(61,972,800)	(13,436,932)	(6,260,732)	(82,192,865)	
31 December 2019	-	2,399,999	211,160	126,945	2,738,104	
Adjustments of right-of-use						
assets due to TFRS 16						
adoption (Note 4)				(126,945)	(126,945)	
1 January 2020	-	2,399,999	211,160	-	2,611,159	
Depreciation for the year	-	-	1,769,363	-	1,769,363	
Accumulated depreciation on						
disposals/ write-off	-	(2,399,999)	(26,217)		(2,426,216)	
31 December 2020	-		1,954,306	-	1,954,306	
Net book value						
31 December 2019	-	1	5,433,183	2,326,029	7,759,213	
31 December 2020	-		4,956,263	-	4,956,263	
Depreciation for the year						
2019 (included in the administra	itive expenses)				926,037	
2020 (included in the administra	tive expenses)				1,769,363	

### 16. Intangible assets

The net book value of intangible assets representing computer software, as at 31 December 2020 and 2019 is presented below.

(Unit: Baht) Consolidated/ Separate financial statements Cost 1 January 2019 4,402,350 Additions 2,450,890 (1,747,350)Disposals 31 December 2019 5,105,890 1,646,500 Additions 6,752,390 31 December 2020 Accumulated amortisation 1 January 2019 2,160,196 Amortisation for the year 362,920 (1,095,700)Disposals 31 December 2019 1,427,416 337,828 Amortisation for the year 1,765,244 31 December 2020 Net book value 3,678,474 31 December 2019 4,987,146 31 December 2020 Amortisation for the year 362,920 2019 (included in the administrative expenses) 337,828 2020 (included in the administrative expenses)

### 17. Bank overdrafts

Bank overdrafts of the Company are subject to interest at the rate of MOR. The bank overdrafts are guaranteed by a person without demanding consideration for the guarantee.

### 18. Trade and other payables

(Unit: Baht)

	Consolidated fina	ancial statements	Separate financial statements	
	2020	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - unrelated parties	25,524,768	10,261,630	2,287,325	1,958,969
Other payables - related parties (Note 7)	3,828,585	1,300,786	109,090	-
Other payables - unrelated parties	7,341,589	24,978,981	2,375,567	5,515,632
Accrued expenses	10,726,448	5,068,157	4,856,460	2,232,888
Total	47,421,390	41,609,554	9,628,442	9,707,489

# 19. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2020 and 2019 were summarised below.

								(Unit: Baht)
					Consc	Consolidated	Separate	ırate
	Credit	Significant terms and conditions of loan agreements	ons of loan agreements		financial	financial statements	financial statements	tatements
No.	facilities	Repayment term	Collateral	Interest rate	2020	2019	2020	2019
	(Thousand	70		(percent per				
	Baht)			annum)				
The C	The Company							
<del>-</del>	100,000	Repayment of principal upon redemption of residential condominium unit and not less than	The mortgage of residential	MLR-1.00	1	79,097,320	ı	79,097,320
		amount as stated in the agreement and due						
		within 2022						
Subs	Subsidiaries							
Hua	Hua Hin Alpha 71 Co., Ltd.	1 Co., Ltd.						
<del>-</del>	1,320,000	1,320,000 Repayment of principal upon redemption of	The mortgage of land and	Year 1:	740,000,000	650,000,000	ı	ı
		residential condominium unit sold at the rate of	construction thereon	MLR-2.00				
		75% of the selling price and not less than amount		and thereafter				
		as stated in the agreement and within 2023		MLR-1.50				
Hua H	Hua Hin Sky Living Co., Ltd.	ng Co., Ltd.						
2.	100,000	100,000 Repayment of principal within 2021	The mortgage of land and	MLR-1.50	100,000,000	100,000,000	ı	ı
			construction thereon					
Total					840,000,000	829,097,320	•	79,097,320
Less:1	Less: Deferred front end fee	nt end fee			(3,054,290)	(5,492,662)	,	(973,212)
Add: 1	Finance cost	Add: Finance cost - Interest expenses on borrowings			1,749,690	ı	1	1
Net					838,695,400	823,604,658	,	78,124,108
Less	Less: Current portion	noi			(99,818,058)	(15,249,600)	1	(15,249,600)
Long-1	term loans -	Long-term loans - net of current portion			738,877,342	808,355,058	1	62,874,508

Movements in the long-term loans account during the year ended 31 December 2020 were summarised below.

		(Unit: Baht)
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	823,604,658	78,124,108
Add: Additional borrowings	110,000,000	20,000,000
Amortisation of front end fee	2,488,372	1,023,212
Finance cost - Interest expenses on borrowings	1,749,690	-
Less: Repayments	(99,097,320)	(99,097,320)
Front end fee	(50,000)	(50,000)
Balance as at 31 December 2020	838,695,400	

Under loan agreements, the Group must comply with the conditions stipulated in the agreements such as the maintenance of net debt to equity ratio not more than 2:1.

During the year, the Company repaid the entire loan amount and redeemed the mortgage of land and constructions thereon of the Company's project.

As at 31 December 2020, the loan facilities of the subsidiaries which have not yet been drawn down amounted to Baht 580 million (2019: Baht 670 million).

### 20. Leases

The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 2 - 5 years.

### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Baht)

	Consoli	dated financial state	ements
	Buildings Motor vehicles		Total
1 January 2020	20,024,608	2,326,029	22,350,637
Additions	-	1,142,999	1,142,999
Depreciation for the year	(7,389,823)	(789,139)	(8,178,962)
31 December 2020	12,634,785	2,679,889	15,314,674

Separate	financial	statements
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	Buildings	Motor vehicles	Total
1 January 2020	9,106,486	2,326,029	11,432,515
Additions	-	1,142,999	1,142,999
Depreciation for the year	(3,419,597)	(789,139)	(4,208,736)
31 December 2020	5,686,889	2,679,889	8,366,778

### b) Lease liabilities

(Unit: Baht)

	Consol	idated	Separate	
	financial st	atements	financial st	atements
	2020 2019		2020	2019
Lease payments	14,095,058	2,560,500	6,745,058	2,560,500
Less: Deferred interest expenses	(636,020)	(281,811)	(371,671)	(281,811)
Total	13,459,038	2,278,689	6,373,387	2,278,689
Less: Portion due within one year	(7,218,638)	(568,173)	(3,230,802)	(568,173)
Lease liabilities - net of current portion	6,240,400	1,710,516	3,142,585	1,710,516

### c) Expenses relating to leases that are recognised in profit or loss

(Unit: Baht)

	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	8,178,962	4,208,736
Interest expense on lease liabilities	763,510	395,981
Expense relating to short-term leases	139,925	139,925
Expense relating to leases of low-value assets	96,000	96,000

### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 8 million (Separate financial statements: Baht 4 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 1 million (Separate financial statements: Baht 1 million).

#### 21. Deferred revenue from sale of real estate

Deferred revenue from sale of real estate comprises cash received in advance from customers which can be classified by entity as follows:

				(Unit: Baht)	
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	<u>2020</u>	<u>2019</u>	
Proud Real Estate Public Co., Ltd.	7,238,038	5,407,265	7,238,038	5,407,265	
Hua Hin Alpha 71 Co., Ltd.	351,287,932	2,200,000			
Total	358,525,970	7,607,265	7,238,038	5,407,265	

#### 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Baht	
	Consolidate	ed/Separate
	financial statements	
	2020	<u>2019</u>
Provision for long-term employee benefits at beginning of year	719,881	10,854,339
Included in profit or loss:		
Current service cost	612,274	596,410
Interest cost	19,149	3,199
Past service costs	-	29,655
Included in other comprehensive income:		
Actuarial gain (loss) arising from		
Financial assumptions changes	100,366	(10,073)
Experience adjustments	(313,809)	(8,181,725)
Benefits paid during the year		(2,571,924)
Provision for long-term employee benefits at end of year	1,137,861	719,881

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 14 years (2019: 11 years) (Separate financial statements: 14 years (2019: 11 years)).

Significant actuarial assumptions are summarised as follows:

(Unit: % per annum)

Consolidat	ed/Separate
financial	statements
2020	2019
1.49	2.66
5.00	5.00
5.73 - 68.76	5.73 - 68.76

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

(Unit: Baht)

	Consolidated/Separate financial statements			
	202	20	20°	19
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(60,492)	65,415	(33,908)	36,117
	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%
Salary increase rate	126,151	(110,265)	79,666	(71,213)
	Increase	Decrease	Increase	Decrease
	20.0%	20.0%	20.0%	20.0%
Staff turnover rate	(202,542)	290,439	(114,756)	153,683

#### 23. Share capital and warrant

#### 23.1 Registered share capital

On 26 April 2019, an Annual General Meeting of shareholders of the Company passed the resolutions approving the following:

#### Decrease in registered share capital

The meeting approved a reduction in the registered share capital from Baht 228 million (227,760,073 ordinary shares of Baht 1 per share) to Baht 222 million (221,760,062 ordinary shares of Baht 1 per share) by cancelling the 6,000,011 unissued ordinary shares with a par value of Baht 1 each.

#### Increase in registered share capital

The meeting approved the increase in its registered share capital from Baht 222 million (221,760,062 ordinary shares of Baht 1 per share) to Baht 673 million (673,148,951 ordinary shares of Baht 1 per share) through the issuance of 451,388,889 additional ordinary shares of Baht 1each, at Baht 1.44 per share. In case there are remaining ordinary shares from rights offering, it shall be allocated and offered to investors as a private placement. The Company offered and allocated the newly-issued ordinary shares totaling 451,388,889 shares to existing shareholders of the Company. The Company registered the increase in its issued and paid-up share capital to the Ministry of Commerce on 13 May 2019.

The increase in share capital of the Company during the year 2020 resulting from exercising of warrants are summarised below.

		Number of	Ordinary shares		Date of registration of
Date of	Type of	exercised	issued for		share capital with the
exercised	warrant	warrants	exercised warrants	Exercise price	Ministry of Commerce
		(Unit)	(Shares)	(Baht per share)	
3 July 2020 (a final exercise date)	PROUD-W2	75	88	1.533	14 July 2020

#### 23.2 Warrants

				Warrants		Warrants as at
			Warrants as at	exercised during	Warrants expired	31 December
Warrants	Exercise price	Exercise ratio	1 January 2019	the year	during the year	2020
	(Baht per unit)	(Warrants:	(units)	(units)	(units)	(units)
		ordinary shares)				
PROUD-W2	1.533	1:1.174	31,679,999	(75)	(31,679,924)	-

On 3 July 2020 (a final exercise date), PROUD-W2 warrant holder exercised 75 warrants to purchase 88 newly issued ordinary shares with per value of Baht 1 at an exercise price of Baht 1.533 per share. The Company received the cash of Baht 135 from the exercise of the warrants, and the Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 14 July 2020.

#### 24. Share premium

Pursuant to Section 51 of the Public Limited Companies Act B.E. 2535, in case the Company intends to offer share for sale at a price higher than the registered per value, the Company is required to appropriate the amount in excess of the par value to the surplus reserve fund. Share premium is not available for dividend distribution.

#### 25. Revenue from contracts with customers

#### 25.1 Revenue recognised in relation to contract balances

During the year 2020, the Group has no recognition the items that was included in advance received from customers at the beginning of the year as the revenue in the statement of comprehensive income (2019: Baht 10 million, Separate financial statements: Baht 10 million).

#### 25.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, expected revenue to be recognition in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers are as follows:

				(Unit: Baht)
	Consolid	Consolidated financial statements		ate
	financial sta			financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Nature of business:				
Real estate development	2,240,627,411	8,588,000	8,588,000	8,588,000

The Group expects to satisfy the performance obligations within 2 years.

However, the revenue recognised in the future are subject to several internal and external factors including ability to make installment payments by customers and getting approved credit facilities from banks, the progression of projects construction of the Group and also economic and political conditions.

#### 26. Finance cost

				(Unit: Baht)	
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	2020	<u>2019</u>	
Interest expenses on borrowings	3,122,813	5,414,698	3,140,649	5,240,040	
Interest expenses on lease liabilities	763,510	-	395,981	-	
Others	156,388	103,458	156,388	103,458	
Total	4,042,711	5,518,156	3,693,018	5,343,498	

#### 27. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial s	tatements	financial statements	
	2020	<u>2019</u>	2020	<u>2019</u>
Construction infrastructure and				
design expenses	68,381,222	13,959,147	68,381,222	13,959,147
Land cost	60,890,568	12,430,026	60,890,568	12,430,026
Salaries, wages and other employee benefits	46,922,628	64,708,413	46,922,628	64,708,413
Transfer and commission fee	9,001,282	8,776,843	9,001,282	8,776,843
Promotion and advertising expenses	6,316,522	1,269,443	6,315,022	1,029,709
Rental and service expenses	1,857,619	3,919,957	1,857,619	3,919,957
Depreciation and amortisation expenses	11,418,149	1,291,201	6,315,927	1,288,957

#### 28. Income tax

Income tax expenses (income) for the years ended 31 December 2020 and 2019 are made up as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	<u>2019</u>
Current income tax				
Current income tax charge	-	-	-	-
Deferred tax				
Relating to origination and reversal of				
temporary differences	(15,648,118)	(1,513,865)	8,864,370	(1,513,865)
Income tax expenses (income) reported in				
profit or loss	(15,648,118)	(1,513,865)	8,864,370	(1,513,865)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
Deferred tax relating to actuarial gain from					
post-employment benefits	42,689	1,638,360	42,689	1,638,360	

The reconciliation between accounting profit (loss) and income tax expenses (income) is shown below.

				(Unit: Baht)		
	Conso	Consolidated		Separate		
	financial s	tatements	financial st	atements		
	2020	<u>2019</u>	2020	2019		
Accounting profit (loss) before tax	(60,465,794)	(41,600,373)	27,300,608	(5,094,594)		
Applicable tax rate	20%	20%	20%	20%		
Accounting profit (loss) before tax multiplied by						
income tax rate	(12,093,159)	(8,320,075)	5,460,122	(1,018,919)		
Effects of:						
Non-deductible expenses	188,732	263,659	88,879	262,222		
Additional expense deductions allowed	(8,222)	(9,634)	(8,222)	(9,634)		
Total	180,510	254,025	80,657	252,588		
Deferred tax assets not recognised	(2,016,162)	8,275,251	(2,229,624)	975,532		
Decreased (increased) recognition of						
deferred tax assets	5,553,215	(2,810,345)	5,553,215	(2,810,345)		
Decreased in deferred tax assets not						
recognised	(7,272,522)	-	-	-		
Share of loss from investments in joint						
ventures		1,087,279		1,087,279		
Income tax expenses (income) reported in						
the statement of comprehensive income	(15,648,118)	(1,513,865)	8,864,370	(1,513,865)		

The components of deferred tax assets are as follows:

				(Unit: Baht)
	Conso	lidated	Sepa	arate
	financial s	statements	financial s	tatements
	<u>2020</u>	<u>2019</u>	2020	<u>2019</u>
Deferred tax assets				
Allowance for expected credit losses - retention				
(2019: Allowance for doubtful accounts)	1,596,928	1,596,928	1,596,928	1,596,928
The difference between book and tax				
accounting net revenue	323,226	689,578	295,675	689,578
Provision for long-term employee benefits	227,572	143,976	227,572	143,976
Provision for decommissioning costs	245,481	-	245,481	-
Unused tax loss	12,495,083	8,842,232	-	8,842,232
Interest on loan from parent company				
capitalised as project costs	11,989,854			
Total	26,878,144	11,272,714	2,365,656	11,272,714

As at 31 December 2020, the Group has deductible temporary differences Baht 5 million (2019: Baht 43 million) (Separate financial statements: Baht 5 million (2019: Baht 17 million)) and unused tax losses which will expire in 2022 - 2025 totaling Baht 49 million (2019: Baht 29 million) (Separate financial statements: Baht 48 million (2019: Baht 19 million)), on which deferred tax assets have not been recognised as the Group believes that the future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

#### 29. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Basic earnings (loss) per share for the year ended 31 December 2020 and 2019 are as follows:

	Consol	idated	Separate financial statements		
	financial st	atements			
	2020	2019	2020	<u>2019</u>	
Profit (loss) for the year (Baht)	(44,817,676)	(40,086,508)	18,436,238	(3,580,729)	
Weighted average number of					
ordinary shares (shares)	641,468,993	478,226,943	641,468,993	478,226,943	
Basic earnings (loss) per share (Baht/share)	(0.070)	(0.084)	0.029	(0.007)	

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued according to the portion of warrant exercise.

As at 31 December 2019, the warrants are excluded from the potential ordinary shares since the effect of diluted earnings per share is antidilutive.

#### 30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on business operations and have two reportable segments as follows:

- Development of real estate segment, which is residential condominium projects for sales.
- Construction segment, which is construction services provided.

No operating segment have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit (loss) and total assets/total liabilities information regarding the Group's operating segments for the year ended 31 December 2020 and 2019.

For the year ended 31 December

	For the year ended 31 December					
	Development of real estate		Const	truction	Consolidated	
	2020	2019	2020	2019	2020	2019
Revenues from external						
customers	181,654,644	53,815,798	-	31,434,731	181,654,644	85,250,529
Cost	(146,288,545)	(29,865,869)	-	(22,650,708)	(146,288,545)	(52,516,577)
Gross profit margin	35,366,099	23,949,929	-	8,784,023	35,366,099	32,733,952
Revenues and expenses wh	ich					
have not been allocated:						
Other income					16,175,992	24,463,747
Selling and distribution expe	nses				(15,317,804)	(10,046,286)
Administrative expenses					(93,020,671)	(79,058,138)
Share of loss from investmen	nt in joint venture				-	(5,436,392)
Finance income					373,301	1,260,900
Finance cost					(4,042,711)	(5,518,156)
Income tax income					15,648,118	1,513,865
Loss for the year					(44,817,676)	(40,086,508)

Balance as at 31 December

	Development of real estate		Constru	uction	Consolidated	
	2020	<u>2019</u>	<u>2020</u>	2019	2020	2019
Assets						
Other receivables	28,990	466,439	190,797	190,797	219,787	657,236
Real estate development costs	1,593,425,165	1,538,383,413	-	-	1,593,425,165	1,538,383,413
Others					407,765,560	176,024,666
Total assets					2,001,410,512	1,715,065,315
Liabilities						
Bank overdrafts	14,097,657	14,529,606	-	-	14,097,657	14,529,606
Trade and other payables	46,129,352	33,659,994	1,292,038	7,949,560	47,421,390	41,609,554
Retention payables	-	833,747	-	17,220,585	-	18,054,332
Deferred revenue from sale of						
real estate	358,525,970	7,607,265	-	-	358,525,970	7,607,265
Deferred revenue from contract						
work	-	-	1,383,541	1,383,541	1,383,541	1,383,541
Accrued expenses related to						
the projects	5,423,423	14,272,277	811,435	1,646,537	6,234,858	15,918,814
Long-term loans from financial						
institutions	838,695,400	823,604,658	-	-	838,695,400	823,604,658
Other non-current financial						
liabilities	6,681,273	-	14,212,467		20,893,740	-
Others					20,800,964	54,353,766
Total liabilities					1,308,053,520	977,061,536

#### Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

#### Main customers

For the year 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

#### 31. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributed to the fund monthly at the rate of 5 percent of basic salary and its employees contributed to the fund monthly at the rate of 3 percent to 15 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Co., Ltd., will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 1 million (2019: Baht 1 million) were recognised as expenses.

#### 32. Commitments and contingent liabilities

**32.1** As at 31 December 2020, the Group had commitments in respect of service agreements payable in the future, which the terms of the agreements are generally between 1 and 3 years, of approximately Baht 19 million (2019: Baht 19 million) (Separate financial statements: Baht 2 million (2019: Baht 10 million)).

#### 32.2 Commitments with respect to project development and related services

The Group had commitments in respect of property development cost and related services totaling Baht 480 million (2019: Baht 58 million) (Separate financial statements: Baht 3 million (2019: Baht 5 million)).

#### 32.3 Guarantees

- (1) The Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 1,450 million (2019: Baht 1,450 million)
- (2) As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 4 million (2019: Baht 12 million) issued by banks on behalf of the Company to guarantee contractual performance.

#### 32.4 Other commitment

On 22 November 2019, a subsidiary company entered into a sales and marketing license agreement with Intercontinental Hotel Group (Asia Pacific) Pte. Ltd. The subsidiary company is obligated to comply with the conditions stipulated in the agreement whereby it shall pay 3% of revenue generated by sales of condominium units.

#### 33. Financial instruments

#### 33.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

Credit risk primarily with respect to loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors, and may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

#### Market risk

#### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loan and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements

	Consolidated financial statements						
		31 December 2020					
	Floating	Non-interest		Effective			
	interest rate	bearing	Total	interest rate			
				(% per annum)			
Financial assets							
Cash and cash equivalents	152,821,403	8,713,699	161,535,102	0.03 to 0.25			
Other receivables	-	219,787	219,787	-			
Restricted bank deposits	191,416	-	191,416	0.25 to 0.75			
Other financial assets		3,903,121	3,903,121	-			
	153,012,819	12,836,607	165,849,426				
Financial liabilities							
Bank overdrafts	14,097,657		14,097,657	MOR			
Trade and other payables	-	43,615,595	43,615,595	-			
Long-term loans	838,695,400	-	838,695,400	MLR-2.00 to			
				MLR-1.50			
Other financial liabilities		20,893,740	20,893,740				
	852,793,057	64,509,335	917,302,392				

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Conso	lidated	tinancia	l statements

31 December 2019					
Fixed	Floating	Non-interest		Effective	
	J		Total	interest rate	
- Marini i year	- Interest rate	Desiring	Total	(% per annum)	
				(70 per armam)	
-	101,746,067	152,159	101,898,226	0.10 to 0.60	
-	-	657,236	657,236	-	
-	190,656	-	190,656	0.60	
		8,065,671	8,065,671	-	
	101,936,723	8,875,066	110,811,789		
-	14,529,606	-	14,529,606	MOR	
-	-	41,609,554	41,609,554	-	
50,000,000	-	-	50,000,000	7.5	
-	823,604,658	-	823,604,658	MLR-2.00 to	
				MLR-1.00	
		18,054,332	18,054,332	-	
50,000,000	838,134,264	59,663,886	947,798,150		
	interest rate within 1 year  50,000,000	interest rate within 1 year  - 101,746,067 190,656 101,936,723  - 14,529,606	Fixed interest rate within 1 year  - 101,746,067	Fixed interest rate within 1 year  - 101,746,067	

Separate	financial	statements
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	31 December 2020				
	Floating	Non-interest		Effective	
_	interest rate	bearing	Total	interest rate	
				(% per annum)	
Financial assets					
Cash and cash equivalents	47,811,062	129,380	47,940,442	0.03 to 0.25	
Other receivables	-	62,964,552	62,964,552	-	
Short-term loans to related parties	16,967,000	-	16,967,000	MLR - 0.50	
Long-term loans to related parties	641,500,000	-	641,500,000	MLR - 0.50	
Restricted bank deposits	191,416	-	191,416	0.25 to 0.75	
Other financial assets	-	3,845,512	3,845,512	-	
	706,469,478	66,939,444	773,408,922		
Financial liabilities					
Bank overdrafts	14,097,657	-	14,097,657	MOR	
Trade and other payables	-	9,628,442	9,628,442	-	
Other financial liabilities		15,368,381	15,368.381	-	
	14,097,657	24,996,823	39,094,480		

Separate	financial	stat	tements
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_	31 December 2020				
	Floating	Non-interest		Effective	
_	interest rate	bearing	Total	interest rate	
	_			(% per annum)	
Financial assets					
Cash and cash equivalents	564,995	96,789	661,784	0.10 to 0.60	
Other receivables	-	34,664,782	34,664,782	-	
Short-term loans to related parties	4,110,000	-	4,110,000	MLR - 0.50	
Long-term loans to related parties	641,500,000	•	641,500,000	MLR - 0.50	
Restricted bank deposits	190,656	-	190,656	0.6	
Other assets	-	8,040,171	8,040,171	-	
	646,365,651	42,801,742	689,167,393		
Financial liabilities					
Bank overdrafts	14,529,606	-	14,529,606	MOR	
Trade and other payables	-	9,707,489	9,707,489	-	
Long-term loans	78,124,108	-	78,124,108	MLR - 1.00	
Retention payable	<u>-</u>	17,220,585	17,220,585	-	
	92,653,714	26,928,074	119,581,788		

#### Liquidity risk

The Group need liquidity to meet its obligations and is responsible for its own cash balances and the raising of internal and external credit lines to cover the liquidity needs. The Group monitors the risk of a shortage of liquidity position by recurring liquidity planning an adequate level of cash and cash equivalent, unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

	Consolidated financial statements				
	On	On Less than			
	demand	1 year	years	Total	
Non-derivatives					
Bank overdraft	14,097,657	-	-	14,097,657	
Trade and other payables	-	43,615,595	-	43,615,595	
Lease liabilities	-	7,696,986	6,398,072	14,095,058	
Long-term loans	-	127,467,776	774,162,432	901,630,208	
Other financial liabilities			20,893,740	20,893,740	
Total non-derivatives	14,097,657	178,780,357	801,454,244	994,332,258	

	Separate financial statements			
	On	Less than	1 to 5	
	demand	1 year	years	Total
Non-derivatives				
Bank overdraft	14,097,657	-	-	14,097,657
Trade and other payables	-	9,628,442	-	9,628,442
Lease liabilities	-	3,496,986	3,248,072	6,745,058
Other financial liabilities			15,368,381	15,368,381
Total non-derivatives	14,097,657	13,125,428	18,616,453	45,839,538

#### 33.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

#### 34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Group manages its capital position with reference to its net debt-to-equity ratio in order to comply with a condition in loan agreement, which requires the Group to maintain the net debt to equity ratio not exceeding 2:1 (2019: 2:1).

The Group's net debt used to calculate the above financial ratio is the net value of interest bearing liabilities minus with cash and/or cash equivalent in the consolidated financial statements.

The Group's equity used to calculate the above financial ratio is the shareholders' equity in the consolidated financial statements.

No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 2019.

#### 35. Event after the reporting period

On 5 February 2021, Hua Hin Sky Living Co., Ltd., a subsidiary, entered into an amendment to loan agreement with a commercial bank in order to revise the term of repayment from within May 2021 to within 14 May 2022. As at 31 December 2020, such loans were still classified as current portion.

In addition, the amendment revised the interest rate from MLR-1.5% to MLR -2.0% per annum from 1 January 2021 to 30 June 2021 and MLR-1.5% per annum from 1 July 2021 onwards.

#### 36. Reclassifications

The Group has reclassified certain amounts in the financial statements to conform to the current year's classification. The reclassifications are as follows:

(Unit: Baht)
Consolidated statement of financial position
as at 31 December 2019

	As previously		
	reported	Reclassified	As reclassified
Trade and other receivables	502,985	(502,985)	-
Other receivables	-	657,236	657,236
Inventories	-	43,461	43,461
Current tax assets	-	1,856,963	1,856,963
Other current assets	42,492,509	1,420,147	43,912,656
Buildings and equipment	9,393,978	(636,026)	8,757,952
Other non-current assets	12,594,906	(8,181,342)	4,413,564
Current portion of long-term loans from			
financial institutions	(78,319,542)	63,069,942	(15,249,600)
Current portion of lease liabilities	(730,596)	162,423	(568,173)
Long-term loans from financial institutions,			
net of current portion	(750,000,000)	(58,355,058)	(808,355,058)
Lease liabilities, net of current portion	(2,175,755)	465,239	(1,710,516)

(Unit: Baht)

## Separate statement of financial position as at 31 December 2019

As previously		
reported	Reclassified	As reclassified
34,510,532	(34,510,532)	-
-	34,664,782	34,664,782
-	1,856,881	1,856,881
7,485,679	5,983,059	13,468,738
8,395,239	(636,026)	7,759,213
12,569,324	(8,181,260)	4,388,064
(78,319,542)	63,069,942	(15,249,600)
(730,596)	162,423	(568,173)
-	(62,874,508)	(62,874,508)
(2,175,755)	465,239	(1,710,516)
	reported  34,510,532  7,485,679 8,395,239 12,569,324  (78,319,542) (730,596)	reported Reclassified  34,510,532 (34,510,532)  - 34,664,782  - 1,856,881  7,485,679 5,983,059  8,395,239 (636,026)  12,569,324 (8,181,260)  (78,319,542) 63,069,942  (730,596) 162,423  - (62,874,508)

(Unit: Baht)

### Consolidated statement of comprehensive income

for the year ended 31 December 2019

	As previously	As previously		
	reported	Reclassified	As reclassified	
Revenue from sale and service	(89,720,971)	89,720,971	-	
Revenue from sale of real estate	-	(53,815,798)	(53,815,798)	
Revenue from contract work	-	(31,434,731)	(31,434,731)	
Other income	(24,934,647)	470,900	(24,463,747)	
Cost of sales and services	57,464,135	(57,464,135)	-	
Cost of real estate sold	-	29,865,869	29,865,869	
Cost of contract work	-	22,650,708	22,650,708	
Distribution cost	9,968,204	(9,968,204)	-	
Selling and distribution expenses	-	10,046,286	10,046,286	
Administrative expenses	77,869,104	1,189,034	79,058,138	
Finance income	-	(1,260,900)	(1,260,900)	
			(Unit: Bal	

Separate statement of comprehensive income for the year ended 31 December 2019

(27,303,809)

(27,303,809)

As previously reported Reclassified As reclassified Revenue from sale and service (89,720,971) 89,720,971 Revenue from sale of real estate (53,815,798)(53,815,798)Revenue from contract work (31,434,731) (31,434,731)Other income (59,365,630) 26,513,809 (32,851,821)57,464,135 Cost of sales and services (57,464,135)Cost of real estate sold 29,865,869 29,865,869 Cost of contract work 22,650,708 22,650,708 Distribution cost 9,729,334 (9,729,334)9,806,552 Selling and distribution expenses 9,806,552 Administrative expenses 76,207,836 1,189,898 77,397,734

The reclassifications had no effect to previously reported profit (loss) for the year or shareholders' equity.

#### 37. Approval of financial statements

Finance income

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2021.



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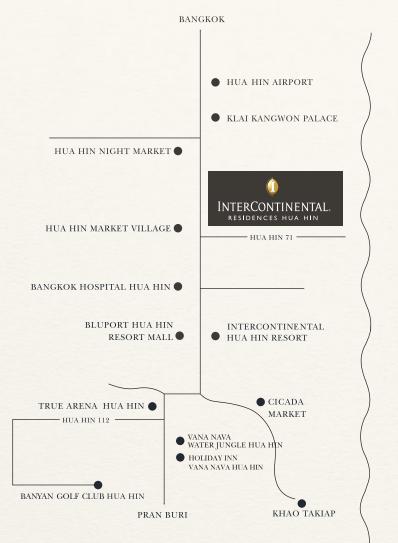
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MARKET VILLAGE	300 M 3 MIN-WALK
BANGKOK HOSPITAL HUA HIN	1.1 KM 2 MIN- DRIVE
INTERCONTINENTAL HUA HIN RESORT	1.2 KM 2 MIN-DRIVE
BLUPORT HUA HIN RESORT MALL	1.4 KM 5 MIN-DRIVE
HUA HIN NIGHT MARKET	2.1 KM 4 MIN-DRIVE
CICADA MARKET	2.8 KM 5 MIN-DRIVE
VANA NAVA WATER JUNGLE HUA HIN	3.4 KM 5 MIN-DRIVE
HUA HIN AIRPORT	9.9 KM 16 MIN-DRIVE
BANYAN GOLF CLUB HUA HIN	13 KM 16 MIN-DRIVE



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