



56-1

ONE REPORT 2023

PROUD REAL ESTATE PUBLIC COMPANY LIMITED

MORE THAN JUST LIVING



MORE THAN JUST LIVING

MORE THAN JUST LIVING IS THE INTENTION
AND DETERMINATION TO CREATE AND DEVELOP
TO TRANSCEND THE MEANING OF THE WORD “RESIDENCE”

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Proud History

30 March

1989

Established under the name of Pasuput Co.,Ltd.



5 October

2004

Registered in the market for Alternative Investment (MAI) under the Stock Exchange of Thailand (SET).



4 November

2002

The company was converted into a public limited.

19 November

2008

Change the Company's name to Focus Development and Construction Public Company Limited

19 November

2015

Focus Ploenchit Condominium Project completed.

21 November

2003

Change the Company's name to Focus Engineering and Construction Public Company Limited



4 November

2011

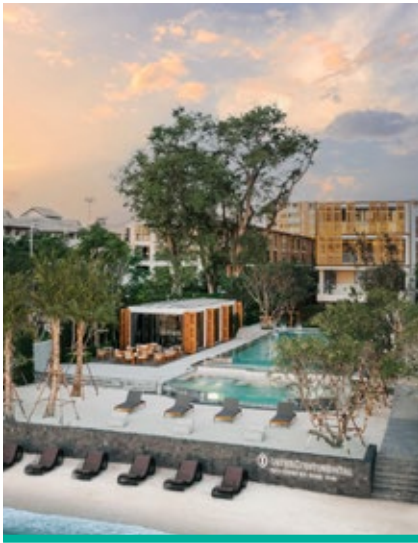
Focus on Saladaeng Condominium Project completed.



4 November

2019

The company, transitioning from construction to real estate development and altering its shareholder structure, is now named Proud Real Estate Public Company Limited



28 November

2022

Received an award at the 17th “Property Guru Thailand Property Award” of the project “VEHHA Hua Hin” in the category of Development Awards, Best Condo Development (Hua Hin)



22 January

2020

Launch the first luxury project in Thailand Under the brand InterContinental - InterContinental Residences Hua Hin

20 July

2023

Launch VI ARI, The Ultra Luxury single house in the heart of Ari, one of the best locations in Bangkok



1 July

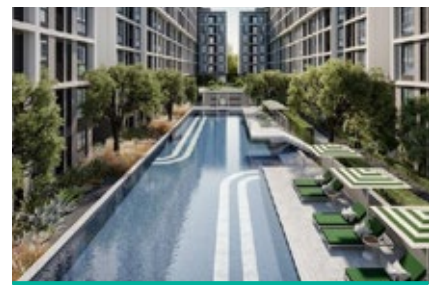
2022

Launch the highest condominium project in Hua Hin - Vehha Hua Hin

21 February

2023

Launch ROMM Convent, CBD Retreat Residence on Soi Convent-Sathon Road



25 July

2023

Acquire 100% of the ordinary shares of Kukhot Station Alliance Co., Ltd. and Rama 9 Alliance Co., Ltd. from Noble Development Public Company Limited and TNL Alliance Co., Ltd.

Message from the Board of Directors

In 2023, the real estate market experienced a decline in the purchasing power of consumers in the country. This was influenced by economic factors such as rising interest rates and the burden of household debt. It accordingly affected real estate purchases. Despite these challenges, the impact on high-income groups and international clients remained minimal, and an expansion of the mid- to high-end residential sector continued in both Bangkok and several tourist provinces, which established the Company's main customer base.

Additionally, "Nue District R9" and "Nue Cross Khu Khot Station" were acquired as two more projects to expedite revenue recognition, which is more immediate than projects developed internally by the Company. In 2023, the Company recorded a total revenue of 1,534 million baht from the projects "Intercontinental Residences Hua Hin" and "Nue Cross Khu Khot Station," with a recorded profit of 102 million baht. In 2023, the Company achieved pre-sales of 11,204 million baht, which was notably 10 times higher compared to 2022, which had a record of 1,096 million baht. Additionally, there was a backlog of 11,428 million baht which will transfer and record as revenue in the years 2024–2026.

In addition, the Company has plan to continue expanding its business. As of December 2023, the Company acquired land for the development of a low-rise project aimed at meeting the demands of a group of customers with high purchasing power in the mid-to-high-end housing segment, which is the Company's target group.

In 2024, the Company will uphold its commitment to driving business growth and resilience in accordance with the established business plan. We will persist in expanding projects consistently in both Bangkok and various tourist provinces, with a transformation from high-rise to low-rise developments. This strategic shift is in line with our goal of sustaining growth and delivering long-term returns to our shareholders. Our focus will be on delivering lifestyles that transcend conventional living standards, through the concept of "More Than Just Living."

As a representative of the Company, I would like to express our sincere gratitude to our customers, shareholders, business partners, financial institutions, and the media for their continuous support. We greatly appreciate your ongoing commitment and collaboration. Looking ahead, we eagerly anticipate your continued support in the upcoming year.



(Mr. Anuwat Maytheewibulwut)
Chairman



(Mr. Pumipat Sinacharoen)
Chief Executive Officer



Profiles of the Board of Directors

Mr. Anuwat Maytheewibulwut

Age 72 years

Position

- Independent Director
- Chairman of the Board of Directors
- Chairman of the Audit Committee
- Chairman of the Nomination and Remuneration Committee
- Chairman of the Risk Committee

Date appointed as Director on May 15, 2019

Educations

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



- Training**
- Director Accreditation Program (DAP) 104/2013, Thai Institute of Directors (IOD)
 - 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

Shareholding Proportion (%) None

Family relationship with other directors, executive None

Spouse /lived together as spouse None

Minor None

Work Experiences Position in Other Listed Company

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

Position in Other Non-Listed Company / Other Organization

2022 – Present Expert Director in Administration and Management, Ministry of Interior

2019 – Present Expert Committee on Land, Ministry of Finance

2015 – Present Council of State, Office of the Council of State

2012 – Present Executive Vice President, Charoen Pokphand Group

Work Experience during 5 years

2018 – 2022 Expert Committee of Law, Office of the Permanent Secretary, Ministry of Interior

2014 – 2019 Member of the National Legislative Assembly

2014 – 2018 Chairman, JSP. Property Public Company Limited

2008 – 2012 Director General of the Land Department, Ministry of Interior

Mr. Pitak Pruittisarikorn

Age 60 years

Position

- Vice Chairman of the board of Director
- Chairman of the Executive Committee

Date appointed as Director on
April 28, 2023

Educations

- Master's Degree in Electronic Engineering, Faculty of Engineering, Kyoto University, Japan.
- Bachelor's Degree in Electronic Engineering, Faculty of Engineering, Kyoto University, Japan



- Training**
- The "Executive Program for Business Development and Investment" Program (EBID), 1st Batch
 - The "Executive Program in Energy Literacy for a Sustainable Future" Program (TEA), 11th Batch
 - The "Thai-Chinese Leadership Studies" Program (TCL 3), 3rd Batch
 - The "Enterprise Transformation in Digital Era" Program (Zhejiang University)
 - The Executive Development Program (by Royal Thai Police, Budget in the 2022 Fiscal Year)

Shareholding Proportion (%)	None
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Family relationship with other directors, executive	None
---	------

Spouse /lived together as spouse	None
----------------------------------	------

Minor	None
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Work Experiences

Position in Other Listed Company

2023 - Present	Independent Director and Audit Committee Member, I.C.C. INTERNATIONAL Public Company Limited
----------------	--

Position in Other Non-Listed Company / Other Organization

2021 - Present	Chairman of the Board of Directors, Honda Automobile (Thailand) Co., Ltd.
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Work Experience during 5 years

2013 – 2021	Regional Board Committee Member, Asian Honda Motor Co., Ltd.
-------------	--

2014 – 2021	Chief Operating Officer (COO), Honda Automobile (Thailand) Co., Ltd.
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Mr. Anucha Sihanatkathakul

Age 64 years

Position

- Director
- Member of the Nomination and Remuneration Committee
- Independent Director

Date appointed as Director on
May 15, 2019

Educations

- 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
- Director Certification Program (DCP) 4/2000, Thai Institute of Directors (IOD)
- Director Compensation 2003
- Non-Executive Director 2004
- Board Failure and How to Fix it 2004
- CEO Performance Evaluation 2004
- Raising the Awareness of Corporate Fraud in Thailand 2005



Shareholding Proportion (%)	None
-----------------------------	------

Family relationship with other directors, executive	None
---	------

Spouse /lived together as spouse	None
----------------------------------	------

Minor	None
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Work Experiences Position in Other Listed Company

2007 – Present	Director and Chairman of the Audit Committee Amata Corporation Public Company Limited
----------------	--

Position in Other Non-Listed Company / Other Organization

Present	Director, Moon Dance Bistro Company Limited
Present	Director, New Leaf Solutions Company Limited
Present	Director, Planet Blue Corporation Company Limited
Present	Director, Thai Chinese Rayong Industrial Estate Development 2 Company Limited
2017 – Present	Director, Thai Chinese Rayong Industrial Estate Development Company Limited
2016 – Present	Chairman, Focus Wheig Corporation Company Limited
2016 – Present	Director, Amata B. Grimm Power (Rayong) 5 Company Limited
2015 – Present	Director, Amata B. Grimm Power (Rayong) 4 Company Limited
2015 – Present	Director, Amata B. Grimm Power (Rayong) 3 Company Limited
2013 – Present	Director, Rai Arthit Company Limited
2010 – Present	Chairman, Data In Motion Company Limited
2010 – Present	Director, Amata B. Grimm Power Company Limited
	Director, Amata B. Grimm Power 1 Company Limited
	Director, Amata B. Grimm Power 2 Company Limited
	Director, Amata B. Grimm Power 4 Company Limited
	Director, Amata B. Grimm Power 5 Company Limited
	Director, Amata Power (Rayong) Company Limited
	Director, Amata B. Grimm Power (Rayong) 1 Company Limited
	Director, Amata B. Grimm Power (Rayong) 2 Company Limited
2008 – Present	Director, Amata Asia Company Limited
2008 – Present	Director, Amata Summit Ready Built Company Limited
2008 – Present	Director, 888 Property Company Limited
2002 – Present	Director, Focus Environmental Company Limited
1998 – Present	Director, Capital Focus Company Limited
1989 – Present	Director, Moon dance Development Company Limited

Work Experience during 5 years

2003 – 2019	Committee Chairman and Chairman of Executive Directors, Focus Development and Construction Public Company Limited
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Mr. Dan Zonmani

Age 60 years

Position

- Independent Director
- Member of the Audit Committee
- Director
- Member of the Risk Mangement Committee

Date appointed as Director on February 23, 2021

Educations

- Bachelor of Management science International marketing, Canberra University



Shareholding Proportion (%)	None
Family relationship with other directors, excutive	None
Spouse /lived together as spouse	None
Minor	None
Work Experiences	Position in Other Listed Company
	None
	Position in Other Non-Listed Company / Other Organization
2023 - Present	Director, Veera Company Limited
2022 - Present	Director, Euro Creation Company Limited
2018 - Present	Qualified Director, Creative Economy Agency (Public Organization)
2558 – ปัจจุบัน	Executive Director, Brandology (Thailand) Company Limited
2021-2023	Managing Director, ADA Digital (Thailand) Company Limited
2559 – 2564	Global Brand Lead, LINE Corporation (Thailand) Company Limited and LINE Company (Thailand) Company Limited
Work Experience during 5 years	
Director of Content Business	Line Thailand
First Executive Vice President on Business innovation	Siam Piwat Company Limited
Chief Executive Officer	MullenLowe Thailand
Executive Director	Far East Fame Line Ddb Public Company Limited
Country Manager	The World Gold Council
Group Account Director	BBDO Bangkok Company Limited
Key Account Sales Manager / Brand Manager	Seagram (Thailand) Company Limited

Ms. Anchalee Bunsongsikul

Age 54 years

Position

- Independent Director
- Director
- Member of the Audit Committee
- Member of the Risk Management Committee

Date appointed as Director on
May 15, 2019

Educations

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



Training

- The Rule of Law for Democracy Program, 11th Batch, College of Constitutional Court.
- The National Defence Course Class 63, National Defence College
- Senior Justice Administration Program Class 24, Institute of Civil Service Development for Judiciary Affairs, Office of the Courts of Justice
- Director Accreditation Program (DAP) Class 163, Thai Institute of Directors
- The Executive Program in Energy Literacy for a Sustainable Future Class 12, Thailand Energy Academy
- Capital Market Leader Program Class 25, Capital Market Academy
- Academy of Business Creativity Class 6/2517, Sri Pratum University

Shareholding Proportion (%)	None
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Family relationship with other directors, executive	None
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Spouse /lived together as spouse	None
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Minor	None
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Work Experiences

Position in Other Listed Company

2022 - Present	Member of the Audit Committee and Chairman of the Risk Management Committee, I-Tail Corporation Public Company Limited
----------------	--

2017 – Present	Executive Vice President and Head of Corporate and Institutional Clients Division, Standard Chartered Bank (Thai) Public Company Limited
----------------	--

Position in Other Non-Listed Company / Other Organization

- None

Work Experience during 5 years

2015 - 2017	MD & Head, Financial Markets, Thailand, Standard Chartered Bank (Thai) Public Company Limited
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2012 – 2015	MD & Head, Corporates, Thailand, Standard Chartered Bank (Thai) Public Company Limited
-------------	--

Mr.Pumipat Sinacharoen

Age 54 years

Position

- Director
- Member of the Executive Committee
- Chief Executive Officer

Date appointed as Director on
May 15, 2019

Educations

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



- Training**
- Director Accreditation Program (DAP) 36/2005, Thai Institute of Directors
 - Director Accreditation Program (DAP) 2007, 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, USA
 - Strategic Board Master Class (SBM) 9/2020, Thai Institute of Directors

Shareholding Proportion (%)	None
-----------------------------	------

Family relationship with other directors, executive	None
---	------

Spouse /lived together as spouse	None
----------------------------------	------

Minor	None
-------	------

Work Experiences

Position in Other Listed Company

- | | |
|----------------|--|
| 2022 - Present | Independent Director / Audit Committee Member, Euro Creations Public Company Limited |
| 2021 - Present | Director, Kang Yong Electric Public Company Limited |
| 2005 - Present | Director and Audit Committee Fortune Parts Industry Public Company Limited |

Position in Other Non-Listed Company / Other Organization

- None

Work Experience during 5 years

- | | |
|-------------|---|
| 2017 - 2020 | Executive Vice President, PTG Energy Public Company Limited |
| 2002 - 2018 | Chief People Officer and Director of AP Academy/ Chief Finance Officer (CFO) and Investor Relations, AP (Thailand) Public Company Limited |

Mr. Pasu Liptapanlop

Age 37 years

Position

- Director
- Vice Chairman of the Executive Committee
- Member of the Nomination and Remuneration Committee

Date appointed as Director on May 15, 2019

Educations

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

Training

- The TIJ Executive Program on Law and Development 2022, Thailand Institute of Justice.
- Director Accreditation Program (DAP) 138/2017, Thai Institute of Directors (IOD).
- The Thai-Chinese Leadership Studies Program (TCL), 1st Batch, Thai-Chinese Leadership Institute, Huachiew Chalermprakiet University.
- The CMA-GMS Executive Program, 1st Batch, Association of Capital Market Academy Alumni.
- The Young Executive Program in Energy Literacy for a Sustainable Future (YTEA), 1st Batch, Thailand Energy Academy.



Shareholding Proportion (%)	208,903,894 shares (21.36%)
Family relationship with other directors, executive	Ms.Proudpuh Liptapanlop's brother
Spouse /lived together as spouse	None
Minor	None

Work Experiences	Position in Other Listed Company
	None
Position in Other Non-Listed Company / Other Organization	
2023 - Present	Director, The Estate 345 Company Limited
2021 - Present	Director, Convent Beta Company Limited
2021 - Present	Director, Proud Horseshoe Company Limited
2019 - Present	Director, Hua Hin Alpha 71 Company Limited
2019 - Present	Director, Hua Hin Sky Living Company Limited
2016 - Present	Director, Robowealth Mutual Fund Brokerage Securities Company Limited
2015 - Present	Executive Director, Elite Securities Company Limited
2016 - Present	Director, Vana Nava Company Limited
2016 - Present	Director, Proud Group Holding Company Limited
2016 - Present	Director, Proud Hospitality Company Limited
2016 - Present	Director, Proud Resort Hua Hin Company Limited

Work Experience during 5 years

2016 - 2023	Director, Whitewater west SEA Ltd.
2015 - 2018	Vice President FICC Sales, The Royal Bank of Scotland Plc (Singapore & Hong Kong)

Ms. Proudpath Liptapanlop

Age 36 years

Position

- Director
- Member of the Executive Committee

Date appointed as Director on
May 15, 2019

Educations

- 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 (IOD)



Shareholding Proportion (%)	228,903,894 shares (23.50%)
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Family relationship with other directors, executive	Mr.Pasu Liptapanlop's sister
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Spouse /lived together as spouse	None
----------------------------------	------

Minor	None
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Work Experiences

Position in Other Listed Company

None

Position in Other Non-Listed Company / Other Organization

- 2023 – Present Director, The Estate 345 Company Limited
- 2022 – Present Director, Proud Group Company Limited
- 2022 – Present Director, Proud Villa Company Limited
- 2021 – Present Director, Proud Resort Phuket Company Limited
- 2021 – Present Director, Proud Horseshoe Company Limited
- 2021 – Present Director, Convent Beta Company Limited
- 2019 – Present Director, Hua Hin Alpha 71 Company Limited
- 2019 – Present Director, Hua Hin Sky Living Company Limited
- 2013 – Present Director, Vana Nava Company Limited
- 2012 – Present Director, Proud Group Holding Company Limited
- 2012 – Present Director, Proud Hospitality Company Limited
- 2012 – Present Director, Proud Resort Hua Hin Company Limited
- 2012 – Present Director, Hua Hin Asset Company Limited

Work Experience during 5 years

- 2016 – 2022 Director, Whitewater west SEA Ltd.

Executives' Profile



Ms. Suphaluck Sangseda

Age 46 years

Position

- Executive Vice President of Sales and Marketing

Educations

- Master of Business Administration in General Management, Assumption University
- Bachelor of Engineering in Electrical, King Mongkut's Institute of Technology Ladkrabang

Work Experiences

- | | |
|-----------------------|--|
| 2023 - present | Executive Vice President of Sales and Marketing Proud Real Estate Public Company Limited |
| 2018 - 2023 | Senior Vice President of Sales Sansiri Public Company Limited |
| 2013 - 2018 | Strategic Innovation Department Manager Thai Samsung Electronics Company Limited |

Ms. Anotai Worasunthararom

Age 42 years

Position

- Senior Vice President of Business Development and Strategy Division

Educations

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

Work Experiences

- | | |
|-----------------------|---|
| 2019 – Present | Senior Vice President of Business Development and Strategy Division 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), Prukso Real Estate Public Company Limited |



Ms. Naruedee Koslathip

Age 44 years

Position

- Senior Vice President of Finance and Accounting Division

Educations

- MBA, Finance Major, Coventry University
- Bachelor of Business Administration in Accounting, Assumption University

Work Experiences

2022 - Present	Senior Vice President of Finance and Accounting Division Proud Real Estate Public Company Limited
2021 - 2022	Senior Controller in Accounting and Finance UD Trucks Corporation (Thailand) Company Limited
2013 - 2020	Vice President of Accounting Division Minor Lifestyle Company Limited

Mr. Chisarat Surakarn

Age 47 years

Position

- Vice President of Project Development

Educations

- Bachelor of Architecture, Kasetsart University

Work Experiences

2021 - Present	Vice President of Project Development Proud Real Estate Public Company Limited
2020 - 2022	Assistant Vice President of Project Development Division KWI (Thailand) Public Company Limited
2014 - 2020	Senior Project Manager Proud Group Holding Company Limited



Mr. Kitiwat Chinrangkhakun

Age 45 years

Position

- Vice President of Project Development

Educations

- Bachelor of Engineering Program in Civil Engineering, Chiang Mai University

Work Experiences

- | | |
|-----------------------|--|
| 2021 - Present | Vice President of Project Development
Proud Real Estate Public Company Limited |
| 2020 - 2021 | Assistant Vice President of Project Development Division
Central Pattana Public Company Limited |
| 2017 - 2019 | Vice President of Project Development AP (Thailand) Public Company Limited |

Mr. Eakchai Tejthiwat

Age 36 years

Position

- Vice President of Corporate Marketing and PR Department

Educations

- Bachelor of Business Administration (Marketing), Srinakharinwirot University

Work Experiences

- | | |
|-----------------------|--|
| 2022 - Present | Vice President of Corporate Marketing and PR Department
Proud Real Estate Public Company Limited |
| 2018 - 2022 | Vice President of Business Innovation Department
PTG Energy Public Company Limited |
| 2015 - 2018 | Assistant Vice President of Internal Communications Department
AP (Thailand) Public Company Limited |



Mr. Kornwara Sai-intr

Age 42 years

Position

- Vice President of Business Process Improvement and Information Technology

Educations

- Bachelor of Engineering in Mechanical Engineering, Mahanakorn University of Technology

Work Experiences

- | | |
|-----------------------|---|
| 2023 - present | Vice President of Business Process Improvement and Information Technology
Proud Real Estate Public Company Limited |
| 2015 - 2023 | Senior Manager Business Process Management and Improvement
AP (Thailand) Public Company Limited |
| 2013 - 2015 | APAC Regional Business Process Improvement Supervisor
Lixil (Thailand) Public Company Limited |

Mr. Suttirak Vatthanakhool

Age 43 years

Position

- Vice President of Procurement and Administrative

Educations

- Bachelor of Engineering in Civil Engineering, King Mongkut's University of Technology North Bangkok

Work Experiences

- | | |
|-----------------------|--|
| 2022 - present | Vice President of Procurement and Administrative
Proud Real Estate Public Company Limited |
| 2019 - 2022 | Assistant Vice President of Procurement
Fraser's Property (Thailand) Public Company Limited |
| 2013 - 2019 | High Rise Contractor Sourcing Expert
AP (Thailand) Public Company Limited |



Ms. Pichapob Iamanek

Age 37 years

Position

- Vice President of International Business

Educations

- Master of International Business, Trade and Commerce, University of International Business and Economics, China
- Certificate in Chinese Business and Economic Program, University of International Business and Economics
- Certificate in Chinese Language and Literature, Capital Normal University
- Bachelor of Business Administration in International Business, Mahidol University International College (MUIC)

Work Experiences

- | | |
|----------------|--|
| 2023 - present | Vice President of International Business
Proud Real Estate Public Company Limited |
| 2015 - 2023 | International Business Department Manager
Sansiri Public Company Limited |
| 2014 - 2015 | Independent Consultant
East Group Company Limited |





PART **1**

Business Operations and Performance



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01

Business Structure and Operations of the Corporate Group

1.1 Policy and Business Overview

Vision

Transcend the expected with “More than Just Living”

We aspire to creatively shape a ‘living style’ that exceeds conventional notions of ‘living,’ addressing diverse needs with harmonious combinations while staying true to the essence of surroundings, nature, and communities. A living style we offer seeks to elevate the norm of ‘living,’ contributing to enhance societal sustainability.

Mission

“Challenge the boundary of living”

Our projects aim to become more than just a house or a home, but a ‘living style’ intended to enhance both individual lives and society. With a commitment to expanding the boundaries of people’s imagination and redefining conventional notions of ‘living’, all projects of Proud Real Estate Co., Ltd. (the Company) aim to establish a new standard of living with innovative styles that perfectly integrate with nature and create a harmonious balance with surroundings.

Business Strategies

In 2022 and 2023, the Company continued its commitment to conducting business under the concept of “More than just living” through the following key strategies.

1. A business expansion on horizontal project development (Low-rise Projects)
2. Focus on projects in Bangkok

Company History

The Company was founded on March 30th, 1989, under the name “Pasuput Co., Ltd.,” operating in the construction business with contracts from government and private sectors. Significant changes occurred as follows:



Changes in the Shareholding Structure

At the meeting No. 1/2019 of the Board of Directors of Focus Development and Construction Public Co., Ltd., the first resolution was passed on February 20th, 2019. The decision was reached to issue new common stock for sale, thereby adding new capital of 451,388,889 shares at 1.44 baht per share. In addition, the Company also approved an investment in the real estate development business for residential purposes by acquiring 2 tracts of land: 7 Rai 2 Ngan 48.8 Square Wah from Prow Resort Huahin Co., Ltd. and 5 Rai 1 Ngan 9.5 Square Wah from Vana Nava Company Limited. The combined land area is 12 Rai 3 Ngan 57.85 Square Wah in total, located in Hua Hin, Prachuap Khiri Khan, with a total value of 1,325 million baht. The conditions for the payment of the land are outlines as follows:

1. Paid in common stock, an increase in capital of 650 million baht allocated to Mr. Pasu Liptapanlop and Miss Proudputh Liptapanlop.
2. Loans from financial institutions, totaling 650 million baht.
3. Paid in circulating capital and/or promissory, totaling 25 million baht.

In accordance with Condition 1 (payment in common shares), Mr. Pasu Liptapanlop and Miss Proudputh Liptapanlop, both major shareholders of Focus Development and Construction Public Company Limited, held a combined stake exceeding 70%, leading to the decision to change the company’s name to Proud Real Estate Public Company Limited, with the designated call name ‘PROUD’

Key Business Changes and Milestones

Focus Development and Construction Public Co., Ltd. was formerly a building construction company that ran business for government sectors, state-owned enterprises, and private sectors through main contractors or subcontractors. Following a capital increase and a name change to Proud Real Estate Public Company Limited, the Company shifted its focus to the real estate development business under the concept of “More than just living.”

Key Events of the Company Group

2023

February

- The Company launched ROMM Convent project.

July

- The Company launched VI Ari project
- The company has allocated additional common stock increases-356,371,689 shares at 1 baht per share-to existing shareholders in proportion to their shareholding. Shareholders that would obligate the company under foreign law (Preferential Public Offering: PPO) are excluded at 1.75 baht per share. The company offered shares for sale at a ratio of 1.80 existing shares per 1 new share and set the booking date for the newly issued common shares for PPO shares between July 13-19, 2023. As of July 20, 2023, 20 shareholders have purchased additional common stock increases, acquiring a total of 332,544,970 shares, valued at 581,403,697.50 baht.
- The Company carried out the registration of a change in paid-up capital, with a record of 332,544,970 baht with the Department of Business Development, Ministry of Commerce. Consequently, the Company now has registered capital of 997,840,729 baht and paid-up capital of 974,014,010 baht.
- The Company acquired 3,000,000 common shares in KhuKhot Station Alliance Co., Ltd., representing a 100% of the voting rights of KhuKhot Station Alliance Co., Ltd., and 7,680,000 shares in Phraram 9 Alliance Co., Ltd., also representing a 100% ownership stake. These shares were acquired from Noble Development Public Co., Ltd. and TNL Alliance Co., Ltd., establishing an asset acquisition transaction.
 1. KhuKhot Station Alliance Co., Ltd. has the “Nue Cross Khu Khot Station” project with a project value of 2,104 million baht and comprises 1,202 units
 2. Phraram 9 Alliance Co., Ltd. has the “Nue District R9” project with a project value of 6,519 million baht and comprises 1,442 units.
- The Estate 345 Co., Ltd. was established, with the company holding 99.99% of the shares. The company has a registered capital of 1,000,000 baht and aims to develop real estate.

DECEMBER

- Company made land acquisition for the “345 Residence” project, a new development of detached houses with a project value of 3,700 million baht. The intention is to develop it into a high-end detached-home project under The Estate 345 Co., Ltd.

2022

April

- Prompt Solution Management Co., Ltd. was established with the Company holding 99.99% of the shares. The Company has a registered capital of Baht 500,000 and aims to manage condominium legal entities and other real estate-related services.

July

- Hua Hin Sky Living Co., Ltd., a subsidiary in which the Company holds 99.99% of the shares, passed a resolution to increase its registered capital by Baht 50 million (500,000 common shares, 100 baht per share). This marked an adjustment from the original registered capital of 1 million Baht (10,000 common shares at 100 baht per share) to a new registered capital of 50 million Baht (500,000 common shares at 100 baht per share).
- The Company launched the VEHHA Hua Hin project.

2022 November

- The Company was honored with an award at the 17th PropertyGuru Thailand Property Award for the VEHHA Hua Hin project in the Development Awards category, winning the title of Best Condo Development (Hua Hin).

2021 April

- Proud Horseshoe Co., Ltd. was established with the company holding 99.99% of the shares. The registered capital is 20,000,000 Baht, and its main objective is to develop real estate.

August

- Convent Beta Co., Ltd. was established with the company holding 99.97% of the shares. The Company has a registered capital of Baht 1,000,000 and aims to develop real estate.

September

- Hua Hin Alpha 71 Co., Ltd., a subsidiary where the Company holds 99.99% of the shares, increased its registered capital by 750 million baht (1.5 million common shares with a par value of 100 baht and 6 million preferred shares with a par value of 100 baht). This adjustment is made from the original registered capital of 50 million baht, consisting of 500,000 common shares with a par value of 100 baht per share, to a new registered capital of 800 million baht. The updated capital structure comprises 2,000,000 common shares and 6,000,000 preferred shares, both with a par value of 100 baht per share.

2020 February

- The Company launched InterContinental Residences Hua Hin project.

July

- The Company issued and allocated 31,679,999 units of the warrants to purchase common shares of the Company No. 2 (Proud-W2 warrants) to existing shareholders. The allocation was based on their shareholding proportions as of July 1st, 2017, with a term of 3 years. The first exercise date was on September 29, 2017, and the last exercise date was on July 6th, 2020. On June 25th, 2020, one shareholder exercised 88 shares at an exercise price of 1.533 baht per share, equivalent to 134.90 baht.

September

- The Company was honored with awards at the 'Dot Property Thailand Award 2020' for the 'InterContinental Residences Hua Hin' project, winning the titles of Best Luxury Condominium Hua Hin and Best Branded Residence Hua Hin.
- The Company completed the transfer of the last unit in the "Focus Ploenchit" condominium project, acquired through the acquisition of Focus Development and Construction Public Company Limited.

November

- Proud Real Estate Public Company Limited was honored with awards in additional categories at the "Property Guru Thailand Property Awards" event as follows:
 1. DEVELOPMENT AWARDS: Best Luxury Condo Development (Hua Hin) and Best Branded Residence
 2. DESIGN AWARDS: Best Condo Landscape Architectural Design
 3. BEST OF THAILAND AWARDS: Best Condo Development (Thailand)

1.2 Nature of Business

1.2.1 Revenue structure

Revenues by Business Types

Description	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Real Estate Sales Revenues	1,508.17	98.17	2,108.37	99.91	-	-
Financial Revenues	2.37	0.15	0.33	0.01	0.47	12.98
Other Revenues	25.81	1.68	1.59	0.08	3.15	87.02
Total Revenue	1,536.35	100.00	2,110.29	100.00	3.62	100.00

In 2023, Proud Real Estate Public Company Limited recorded a total revenue of 1,536 million baht. The primary source of revenue was from the sale of the InterContinental Residences Hua Hin project, amounting to 1,461 million baht, with an additional 47 million baht generated from the Nue Cross Khu Khot Station project. These figures represent 98.17 percent of the company's total recorded revenue.



1.2.2 Product Information

(1) Characteristics of Products and Services

The Company focuses on real estate development as its core business, with a current emphasis on developing projects in key locations in Bangkok and popular seaside tourist destinations. Details are as follows:

Real Estate for Sale

Project	Location	Project Type	Ownership	Area (Rai)	Unit Numbers	Project Value (Million Baht)	Construction Duration	Sales Progress (Percentage of Project Value)
Land development projects completed								
InterContinental Residences Hua Hin	Prachuap Kiri Khan	Condo minium	Hua Hin Alpha 71 Company Limited	7-2-48.8	238	3,840	Quarter 3/2020 - Quarter 2/2023	96%
VEHHA Hua Hin	Prachuap Kiri Khan	Condo minium	Hua Hin Sky Living Company Limited	5-1-9.05	364	2,290	Quarter 1/2023 - Quarter 4/2025	44%
VI Ari	Soi Ari, Phaya Thai	Detached house	Proud Horseshoe Company Limited	1-0-2.2	6	491	Quarter 3/2022 - Quarter 1/2025	0%
ROMM Convent	Soi Convent, Bang Rak	Condo minium	Convent Beta Company Limited	1-2-40.7	180	4,150	Quarter 2/2023 - Quarter 4/2026	40%
Nue Cross Khu Khot Station	Khu Khot station, Lam Luk Ka	Condo minium	Khu Khot Station Alliance Co., Ltd.	11-1-90	1,202	2,115	Quarter 3/2023 - Quarter 4/2024	100%
Nue District R9	Phra Ram 9, Huai Khwang	Condo minium	Phraram 9 Alliance Co., Ltd.	6-0-90	1,442	6,617	Quarter 2/2023 - Quarter 4/2025	94%
Land Awaiting Development Projects								
345 Residence	Pak Kret, Nonthaburi	Detached house	The Estate 345 Co., Ltd.	79-1-82	175	3,700	Quarter 2/2024 - Until 2027	Project is under developments

InterContinental Residences Hua Hin Project

Low-rise condominium
7-storey building
and 4-story 8 Building
238 units

01

The Company has developed the first luxury residential project in Thailand managed by the world-renowned hotel group “IHG.” This project is located on 7 Rai 2 Ngan 48.8 Square Wah by the beach in the heart of Hua Hin on Petchakasem Road, between Soi Hua Hin 71 (opposite Market Village shopping center), which is constructed as a low-rise condominium building with one 7-story building and eight 4-story buildings, totaling 238 units.

The Company employs the InterContinental brand for the project “InterContinental Residences Hua Hin,” aiming to cater to high-end customers by delivering an exceptional living experience with a full range of hotel-like services and facilities under the international standards of InterContinental.

InterContinental Residences Hua Hin is the first residential project in Thailand under the globally recognized InterContinental Hotels and Resorts brand, an exclusive name with only a few properties worldwide. Serving as a model for residential development under the concept of ‘More Than Just Living,’ this project combines the best components to create a unique living experience, providing exceptional services and privacy. The interior design seamlessly blends modernity with the colonial architectural style of Colonia, and the building’s location offers captivating sea views. Moreover, the units feature private swimming pools and other amenities.

The InterContinental Residences Hua Hin project has several key highlights:



1. The InterContinental Residences Hua Hin is the first and only luxury residential project in Thailand under the InterContinental brand. It is located on prime real estate in Hua Hin, recognized for its high prices in the New-High category due to its position on the last beachfront plot in Hua Hin.
2. InterContinental Hotel Group (IHG) has entered into a partnership with the Company, enabling the project to offer various services such as a Concierge counter in the lobby, a baggage storage room with porter service, a golf cart shuttle service within the project area, and other services like the Beach Pavilion, which can be used as an event venue with catering services available from the hotel.
3. The project supports family bonding with spacious accommodations and common areas that encourage shared activities such as chess, labyrinth, and more.
4. Green area and public area allocate approximately 4 Rai with 70% or around 7,000 square meters of a large garden with secluded beach and communal facilities such as 7 swimming pools for children, families, elderly, and people who need exercise, including beach pool, hidden gym, and other facilities.
5. Special privileges include access to services from 5,900 InterContinental Hotel Group hotels worldwide and membership in the "Proud Privileges" program from Proud Group and its partners. Additionally, there is access to the 111 Social Club, a Colonial-style beachfront café located adjacent to the InterContinental Residences Hua Hin project.
6. The units are approximately 6 meters wide, featuring full-height glass doors that constitute about 80% of the project. These units provide captivating sea views. For penthouse units, the front is approximately 9 meters wide, allowing for an expansive 270-degree sea view.
7. The project offers global standard services under the InterContinental brand, available 7 days a week and 24 hours a day. Residents will enjoy hotel-standard services, including butler service, concierge service, preparation of special meals delivered directly to the room, chef service for social events, housekeeping, laundry, and bed linen service. Additionally, services encompass residence repairs, free internet access in common areas, and a shuttle service to nearby important locations.
8. The 9 buildings are divided into 7 groups to cater to diverse needs, comprising a 7-story high-rise building and 8 4-story buildings. Each unit is fully furnished according to InterContinental standards.
9. The balcony is nearly 10 square meters wide and includes a day bed to provide the best possible sea view.



VEHHA Hua Hin Project

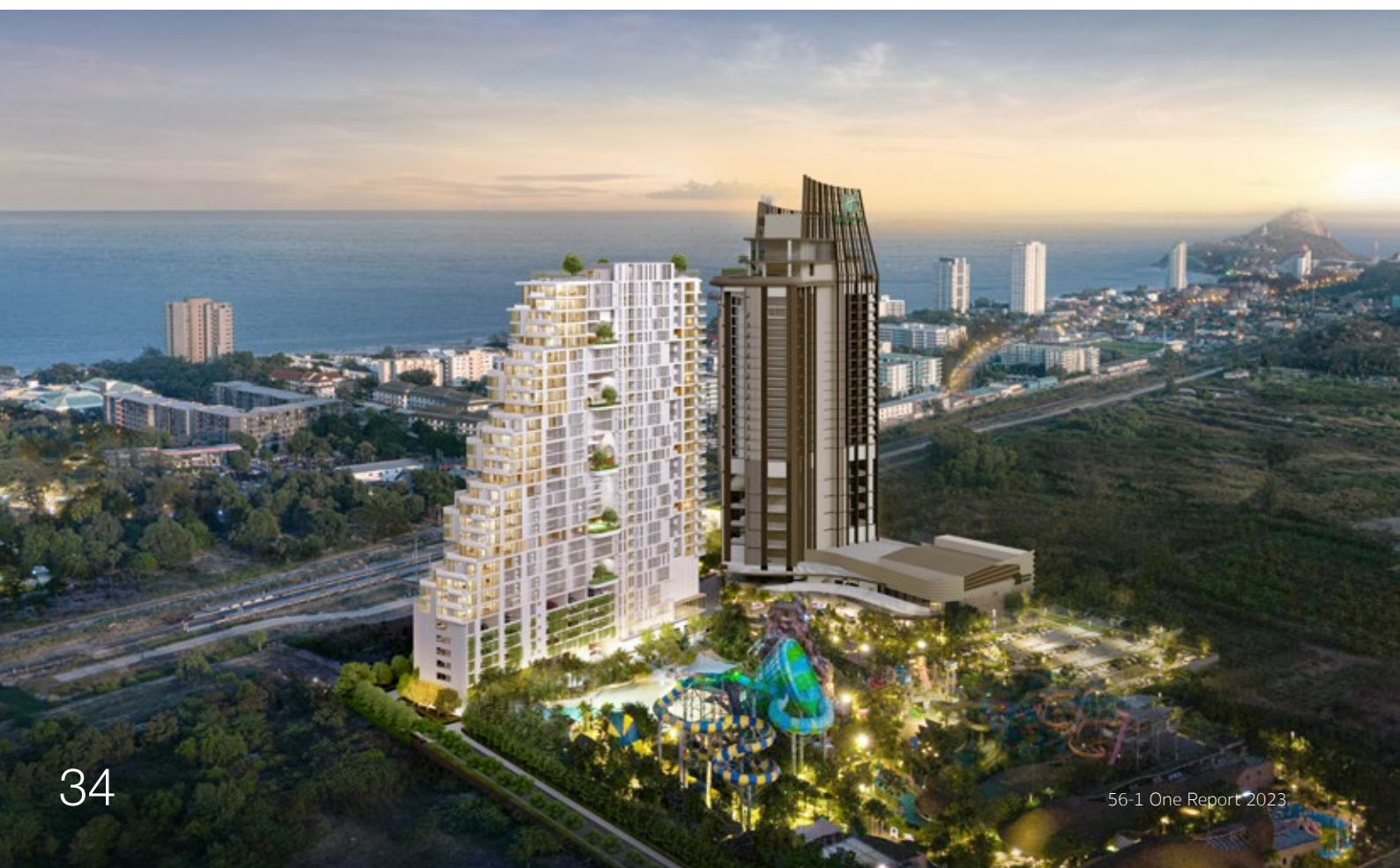
High-rise condominium
31-story building
364 units


02

The project is located in a prime location, with the most popular places in Hua Hin accessible within a 10-minute walk. It is considered a landmark in the heart of Hua Hin, surrounded by tourist attractions, lifestyle venues, and fully equipped amenities. It is close to Cicada Market and Tamarind Market - Hua Hin's famous night markets, as well as Bluport shopping mall. Moreover, transportation is convenient, easy, and will be further improved by future transportation projects, catering to people of all lifestyles.

The project's concept is "Happiness Happens," featuring Family Zone, Relax Zone, and Retreat Zone, totaling nearly 2 Rai (2,647 sq.m.) of common area spread across floors above the 10th floor. This concept caters to diverse lifestyles, aligning with the philosophy of "More Than Just Living." It blends relaxation with resort-level services, including amenities from the world-class hotel chain, Holiday Inn Vana Nava Hua Hin, an IHG hotel, and the first in Thailand to provide free access to Vana Nava Water Park for 5 years.

VEHHA is defined as the tallest condominium in Hua Hin city, offering a sea view from every room and catering to a complete lifestyle. The building's design incorporates a Single Corridor layout, ensuring panoramic sea views from dawn to dusk in every room. The fully furnished rooms are designed for effortless living, with meticulous attention to detail. Inside, the rooms are bright and airy, capturing ample natural light and providing views from every angle.





The highlight of the VEHHA project's design is that every square inch of the accommodation rooms offers a sea view, ensuring privacy and exclusivity. With only 364 units available, there are seven different room layouts to choose from, including 1 Bedroom, 1 Bedroom Plus, 1 Bedroom Plus Corner, 2 Bedroom, 2 Bedroom Jacuzzi, Penthouse, and Penthouse Duplex, ranging from 28 to 349 square meters. The functions in each room are designed to accommodate various lifestyles across generations. Additionally, the project uses high-quality materials that meet the standards suitable for a perfect vacation destination.

ROMM Convent Project

High-rise condominium
32-story building
180 units

03

The ROMM Convent is a luxury wellness residence project that prioritizes health and harmonious living with nature, providing a living experience akin to “residing in the heart of the city.” It is an establishment that fosters happiness and an enhanced quality of life, ensuring a lifestyle that is both enduring and sustainable.

The project is located in Soi Convent, opposite BNH Hospital, just 500 meters from Sala Daeng BTS station near Lumpini Park, taking around 5 minutes by car. Surrounded by a public park, the project offers opportunities for leisurely strolls and exercise. Additionally, its strategic location within the Central Business District (CBD) ensures easy access to both work and other key destinations, amidst the mega-project area of One Bangkok and Dusit Central Park. The completion of these projects in 2026 is expected to significantly enhance the growth and development of the area.

The ROMM Convent is a high-rise condominium project comprising 32 floors and 180 units, situated on a total area of 1-2-40.7 Rai. The project offers a variety of room types, featuring up to 11 layouts, emphasizing spacious living areas while maintaining privacy, with a maximum of 8 units per floor.



Other Highlights of the Project

1. Live Architecture is designed to establish a connection between nature with residents through green spaces of more than 1,200 square meters within the project. The green tunnel connects Soi Convent and Lumpini Park, allowing residents to experience relaxation every day. The design places emphasis on natural ventilation and air circulation, with full-height glass windows ensuring ample natural light and panoramic views. Additionally, the expansive living areas contribute to a homely ambiance.

2. The Wellness Solution addresses family health concerns by providing comprehensive care from A-List experts with 24-hour access to healthcare services at the ROMM project, BNH Hospital, and affiliated hospitals. This also includes access to the BeeDee by BDMS app, offering exclusive privileges and discounts.

The Proud Health Butler, beyond a typical concierge, provides essential health advice and emergency assistance, instantly connecting residents to specialists.

In addition, residents will instantly be invited to become VVIP members, or Loyal Heritage members of BNH, receiving exceptional care and up to 20% discounts.

3. Life: A Perfect Living Space for Everyone

The central area is nearly 2,000 square meters with over 15 facilities, offering a very spacious ample space when compared to the 180 units in the project. These facilities include a music room, FitLab Café, Sky Lounge, Family Onsen, and a 25-meter-long swimming pool that comes with a hydrotherapy pool.

The facilities on the first and second floors include a Sensory Garden, FitLab Café and Co-working Space, Wellness Lounge, and a Teens Club (Music and Study Room).

The Sky Retreat comprises a three-story floating central villa and a rooftop level with a swimming pool, kids pool, jacuzzi, gym, wellness studio, meditation pod, onsen and treatment room, sky lounge, sensory playground, rooftop garden, and BBQ yard. It is enhanced with cutting-edge technology for full relaxation and health care, including hydrotherapy, aquasymphony, Pilates reformer, and technogym.



VI Ari Project

Detached house
3.5-story
6 units

04

The project is a modern-style detached house located in Soi Ari 3. It boasts unique characteristics, including a roof design with long eaves and a slight slope, and a roof structure featuring horizontal and vertical sunshade panels that add aesthetic appeal to the overall design. The window proportions are well-suited to the house's dimensions, and the extensive green space design seamlessly integrates with the living spaces on each floor, creating a comfortable living atmosphere.



Nue Cross Khu Khot Station Project

The project comprises 6 low-rise buildings, including 7-story Towers A and B and 8-story Towers C, D, E, and F. It features fully equipped facilities spread across 4 zones: an interactive fitness space, an exercise area near the swimming pool, and a trendy social zone. The social zone offers diverse options, including glamping in the natural surroundings of the glamping yard, a pool party, or a floating cinema for movie viewing. The project accommodates various lifestyles and is conveniently located near a community mall and the Khu Khot station.

Low-rise condominium
8-story 4 buildings
7-story 2 buildings
1,202 units

05



Nue District R9 Project

The high-rise condominium project consists of 2 buildings: Tower R with 33 floors and Tower 9 with 41 floors. The condominium units are spacious and fully furnished, with more than 8 zones of facilities, including a spacious lobby for relaxation, a Sky Fitness workout area, a cardio area, a weight training area, or a boxing ring with a panoramic view of the skyline. The Indigo and Ivory Lounge offers a panoramic view of the city, a swimming pool, and a rooftop garden with city views. The lifestyle can be fully experienced in all modes, with just 180 meters to Rama 9 Central and Rama 9 station.

High-rise condominium
33-story building
41-story building
1,442 units

06



Future Project

345 Residence

The new detached house project is located on Thai Chamber of Commerce Road, a potentially prosperous location. It offers convenient access, connecting Chaiphruet Road and 345 Road to Chaeng Watthana in just 5 minutes. The location is surrounded by a large, quality community of over 40,000 households and more than 75,000 people. The development of the project is worth over Baht 100,000 million, providing all the conveniences on Thai Chamber of Commerce Road, including educational institutions, the international school SISB, convenience stores, large stores, and premium residential projects.

The Company has the intention to develop a high-end single-detached house project, with a focus on the importance of living space and internal home functions. The project includes a spacious common area designed to elevate the sustainable living quality of residents.

Privileges for Project Customers

Most of the projects that the Company is currently developing and will continue to develop in the future offer privileges for residents, covering various lifestyles through the benefits of the “Proud Privilege” program. This program includes access to InterContinental Hua Hin Resort, InterContinental Phuket Resort, Holiday Inn Resort Vana Nava Hua Hin, True Arena Hua Hin, Vana Nava Water Jungle, Vana Nava Sky, Blueport Hua Hin, and the 111 Social Club (a colonial-style house adjacent to InterContinental Residences Hua Hin Resort, which has been renovated into a beachfront clubhouse).

(2) Market and Competition

In 2023, despite the ongoing growth in the economy compared to the previous year, there is a persistent slowdown, as expected, attributed to several risk factors that have not favored the real estate business. These factors include high household debt and a consistent increase in interest rates. The Bank of Thailand has implemented the revocation of the loan-to-value (LTV) ratio relaxation, effective from January 1, 2023. Furthermore, the post-election political uncertainty has contributed to a deceleration in residential property purchases.

From the overall market information and the residential project launches in 2023, it is found that real estate developers have adjusted their strategies to launch projects at higher price levels to meet the demand of existing buyers in the market. As a result, there is a notable emphasis on the luxury market segment. Simultaneously, when compared to the residential market in the price range of less than Baht 10 million, the market for residences priced over Baht 10 million experiences the lowest rejection rate. This segment is considered the target customer group with significant potential.¹

The residential market in various provinces shows continuous recovery, driven by the return of foreign buyers and tourists. This helps boost the residential market, especially in key tourist provinces.² Hua Hin is undoubtedly one of the world's tourist relaxation destinations. It is found that the number of foreign tourists in Prachuap Khiri Khan has increased by up to 360% compared to the same period in 2021, resulting in a higher occupancy rate of up to 13%³ compared to the previous year.

This year, it is observed that the age of foreign residents in Hua Hin decreases, and there are more families, resulting in a current population of approximately 40,000–50,000 foreign residents, which is a significant number compared to the city's population of approximately 130,000.

Given the market situation and conditions, existing projects such as InterContinental Residences Hua Hin, VEHHA Hua Hin, and new projects launched in 2023, such as ROMM Convent and VI Ari, receive positive results. This is due to the Company's strengths and expertise in developing luxury projects, as well as its vision and philosophy of delivering a living experience that is More Than Just Living. Consequently, the Company creates a unique identity and receives continuous positive feedback from both domestic and international customers.

The purchase of two condominium projects, Nue District R9 and Nue Cross Khu Khot Station, has significantly enhanced the Company's competitive edge. This has provided the Company with opportunities for business expansion, diversifying the business portfolio in terms of location and customer base. It also provides opportunities for the Company's revenue to reach up to Baht 10,000 million in 2026. Additionally, the Company has gained valuable insights into the development and management processes from leading real estate developers in Thailand, such as Noble Development Public Company Limited. This has paved the way for the Company to enhance its competitive edge in various dimensions in the future.

References:

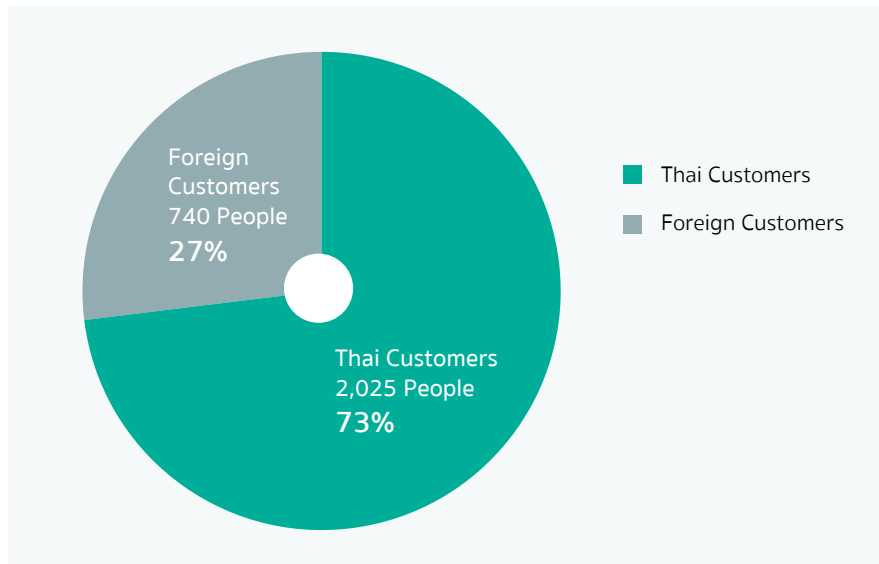
1. (Additional information may be added for comparison purposes as of the end of 2023.) SCB EIC Industry Insight - Real Estate
2. SCB EIC Industry Insight - Real Estate
3. Tourism Statistics for the Years 2022-2023, Ministry of Tourism and Sports

In addition, the Company has also achieved success in marketing and selling the Nue District R9 project through the sale of 95 units in the Big Lot format to Jadeite Investment Management Limited, totaling over Baht 500 million. This has resulted in the immediate closure of the foreign quota for the project.

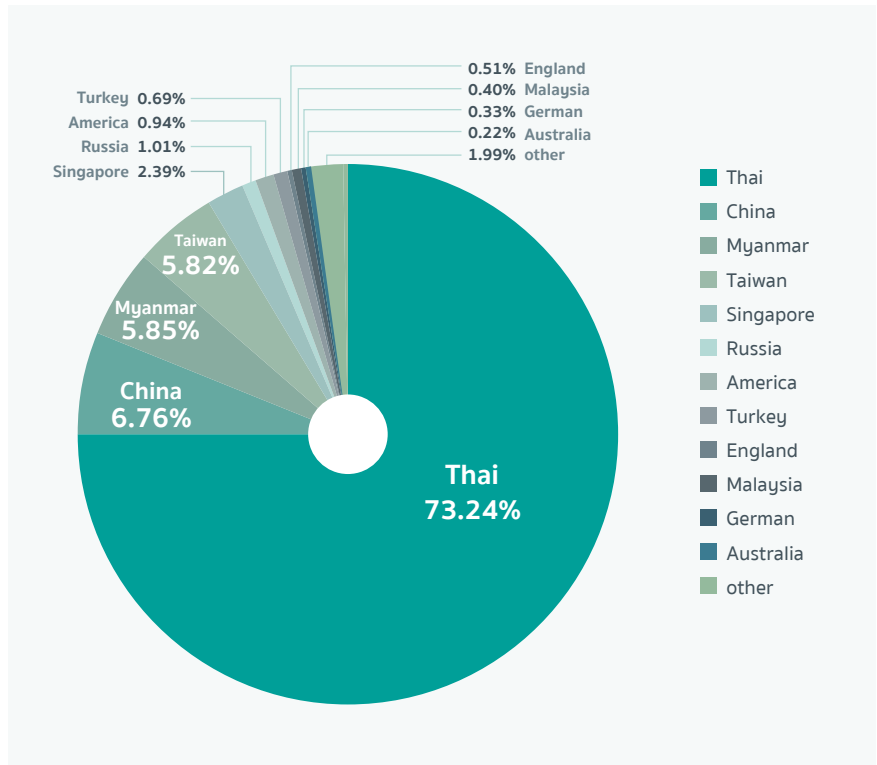
Characteristics of Customers and Target Groups

The Company's target group continues to focus on individuals with B+ level capacity, who may be affected by financial situations or reduced income due to ongoing circumstances over the past year. Additionally, our marketing and sales strategies aim to reach diverse customer groups with varying needs, including those interested in investment, seeking new residential addresses, second homes, or outdoor living homes. Furthermore, the Company distinguishes between domestic and international customer segments.

The proportion of customers who made bookings in 2023 (January to December)



The proportion of international customers, categorized by country



Distribution and Distribution Channels

The Company has planned distribution channels aligned with its strategic objectives, continuously adjusting to match the situation and types of products. The adjustments are as follows:

(1) Sales are conducted by the Company's sales team, consisting of employees who engage in sales activities both within and outside the project's sales office. This includes participation in roadshows at various locations, department stores, residential fairs, and hotels affiliated with Proud Group Co., Ltd. The sales team undergoes training to adhere to the Company's service standards.

(2) Sales Agent
 The Company employs sales agents to further enhance sales opportunities. This involves expanding distribution channels and forming partnerships with real estate sales agent companies, both Thai and international. Various strategies, including referral programs, are implemented to stimulate sales. These strategies involve supporting sales and collaborating with sales agent groups. For instance, the Company organizes special activities for agent customers, such as property roadshows, and offers special referral rate promotions for specific periods. Currently, the Company has more than 50 sales agents in both corporate and individual capacities.

Organizing Campaigns and Promotional Activities

Before launching campaigns and sales promotions, the Company conducts a thorough study of the behaviors and demands of each customer group. The purpose is to design the most effective strategies. Additionally, the Company considers the maximum benefits for customers, participants, and stakeholders. For example, campaigns are organized to educate members on family health care, child development, environmental care, and good investment planning. The campaigns and sales promotions are done in collaboration with various business partners who specialize in different areas, all for the maximum benefit as mentioned above.

(3) Procurement of products and services

3.1 Nationwide Residential Market on quarter 3/2023

The Real Estate Information Center (REIC) Government Housing Bank announces key economic indicators related to the residential property market for the third quarter of 2023. It is found that, in demand, there were 94,946 units, or -7.0%, and a transfer value of 267,655 million baht for residential properties nationwide, or -2.6%, compared to the previous year.

In the supply of the third quarter of 2023, the number of units permitted for residential development nationwide is 17,087 units, or -48.7% compared to the previous year. This is also the first negative expansion in 7 quarters, indicating that developers are starting to reduce supply in the market. The area that received construction permits for residential purposes nationwide is expected to continue decreasing from the second quarter of 2023, with an estimated area of approximately 8.46 million square meters, or -16.5% in the third quarter compared to the previous year. This is consistent with the data on the number of newly launched residential units in Bangkok in the third quarter of 2023, which is 20,369 units, or -14.8%, and the value of Baht 166,509 million, or +13.8%. However, there is an expansion in both the number of units and the value of newly launched residential units in the Eastern Economic Corridor (EEC) in three provinces, with an increase of 90.7% and 130.7%.

In terms of demand, the first 9 months of 2023 has a decrease in the number of units transferred for residential purposes, totaling 270,650 units, or -4.2%. However, there is an increase in the value of these units, totaling 766,791 million baht, or +1.6%. It is observed that the largest group of transferred units is in the price range below 3.0 million baht, with a decrease from -5.9% to -8.8%. On the other hand, the group of houses priced over 3.0 million baht has undergone a significant expansion. Particularly, in the segment of residences priced over 7.5 million baht, there is a substantial increase in both the number of units and their value. Additionally, field surveys reveal that the number of newly sold units in Bangkok decreases by -24.7% and

-21.0%. Similarly, in the Eastern Economic Corridor (EEC), there is a decrease in both the number of units and their value, with reductions of -16.0% and -11.7%.

The delay in demand puts pressure on residential developments, leading to a decrease. In the first 9 months of 2023, the number of residential units that received development permits decreased by -16.4%, while the area that received construction permits in the first 8 months decreased by -1.9%. It is found that the reduced allocation of units was in the category of flat residential units, which is in accordance with the current trend of developers focusing on high-priced residential units. This is because buyers in this category have better purchasing power and can more easily secure credit approval, compared to buyers of low-priced to mid-priced residential units.

Dr. Vichai Viratkapan, the Bank of Thailand's Inspector and Acting Director of the Real Estate Information Center, pointed out that "the real estate economic indicators for the third quarter of 2023 reflect that the overall residential market situation nationwide has adjusted downwards compared to the previous year. The decrease in both the number of units and their value is likely due to the ability of buyers to adjust their demand due to various negative factors, particularly among those seeking residences in the mid-range to lower price segments. This results in a clear decrease in the supply of residential properties on the market in 2023. The focus will be on the mid-range to high-end residential markets, as these are the groups of buyers who are more likely to be able to obtain loans. Consequently, this leads to a decrease in the supply of new residential properties, whose value has not decreased but has even increased. Additionally, it has been observed that entrepreneurs are beginning to recognize that the residential market in Bangkok currently has a high level of unsold inventory and intense competition, so they are looking to expand into more regional areas, particularly large provinces and tourist destinations with strong economies."

3.1.1 Market Direction for 2023-2024

In summary, for the year 2023, it is expected that both supply and demand will adjust downward compared to the previous year. 2022 is a year of significant market recovery for the real estate market, establishing a notable standard for the market to aspire to in 2023. Regarding the situation in the continuous 3 quarters, it is found that the situation of transferring ownership rights is better than expected at the beginning of the year due to the good sales performance in the previous year. Consequently, the number of units of ownership rights transferred in 2023 is estimated to be a total of 377,832 units, or -3.8% from the previous year, with a value of 1.07 trillion baht, or +0.1% from the previous year.

Dr. Vichai summarizes the direction for the year 2024 as follows: "If the market can maintain this momentum, it is likely that the number and value of property transfers in 2024 will increase by 4.0% and 4.6%, respectively. It is expected that there will be 392,936 units transferred, with a total value of 1.114 trillion baht. The proportion of single houses is still estimated to be around 70%, while condominiums account for 30%. On the supply side, the market is expected to expand by 2% to 4% to accommodate the growth in demand for residential properties. It is important to prioritize the supply of the remaining unsold properties in the market, as the rapid and substantial increase in supply previously has resulted in a slow absorption of the demand.

3.2 The situation of the housing market in tourist provinces

3.2.1 The housing market in Prachuap Khiri Khan

Summary of Prachuap Khiri Khan Province for the First half of 2023: In the surveyed area of Prachuap Khiri Khan, there are a total of 2,637 residential units offered for sale, totaling 15,522 million baht, or -35.1% and -33.0%, respectively. It can be divided into 1,589 units of housing developments totaling 9,368 million baht and 1,048 units of condominium projects totaling 6,154 million baht. In the first half of 2023, there are 164 new residential units entering the market, or -87.6%, totaling 1,369 million baht, or -81.5%. The number of newly sold units was 321, or -59.7%, totaling 1,865 million baht, or -56.5%. The remaining unsold units were 2,361, or -29.1%, totaling 13,657 million baht, or -27.7% compared to the same period of 2022 (YoY). REIC predicts that in 2023, there will be 246 residential units entering the market, totaling 2,054 million baht; 603 newly sold units, totaling 3,513 million baht; and 2,116 remaining units for sale, totaling 12,468 million baht.

Cha-am, Hua Hin, and Pranburi are noteworthy regions in Thailand worth monitoring closely. They stand as significant tourist destinations, closely trailing Chonburi-Rayong. Their main drawback lies in the absence of industrial resources, unlike the Eastern region.

Dr.Sopon Pornchokchai, director of the Agency for Real Estate Affairs, points out that the residential market in Cha-am, Phetchaburi, extending to Hua Hin and Pranburi in Prachuap Khiri Khan, has seen an influx of foreign tourists visiting Thailand after the relaxation of COVID-19 restrictions. Especially, Hua Hin is one of the top areas that foreign tourists are particularly interested in visiting.

3.3 The residential market in Bangkok in quarter 2/2023

Dr. Vichai Viratkapan, the Bank of Thailand's Inspector and Acting Director of the Real Estate Information Center, reveals the overall situation of the residential market, including both horizontal and vertical projects, with a remaining inventory of no fewer than 6 units, in Bangkok and 5 suburban provinces in the second quarter of 2023. It is found that the total number of residential units offered for sale (including housing developments and condominiums) was 206,246 units, totaling 1,019,318 million baht, or +3.3% and +5.3% respectively compared to the same period of the previous year. Only 23,080 units are from newly launched projects, accounting for just 11.19% of the total units offered for sale, totaling 127,774 million baht, or 12.54% of the total sales value. The newly launched units have experienced a decrease in both number and value compared to the same period of the previous year, by 19.0% and 6.6% respectively. These units are divided into 11,224 units for housing developments, totaling 80,299 million baht, or -7.8%, and 11,856 units for condominiums, with a decrease of 27.3% in the number of units and an increase of 5.9% in the project value.

According to data provided by CBRE, the condominium market in Hua Hin, originally dominated by Thais, has experienced a surge in interest from foreigners, particularly Russians, following the COVID-19 pandemic. They now constitute the second-largest group of buyers of condominiums, after Thais, for second homes. Aliwassa Pathnadabutr, President of CBRE (Thailand) Company Limited, reports that the overall real estate market in central Hua Hin has maintained a consistently positive performance. There's an escalating demand for second homes, particularly since the COVID-19 pandemic, along with a rising interest from new foreign buyers. However, the launch of new projects is limited due to the scarcity of available beachfront land for development.

In 2022, there were many new projects launched, marking a difference from the previous years of 2020-2021, when there were mainly luxury projects along the beach. The projects that sold well are mostly not only by the sea but also near the beach, especially those within a walking distance of no more than 300 meters.

This type of project will typically have an average price per square meter lower than projects directly on the beach. However, it still offers a lifestyle comparable to beachfront projects, resulting in a high sales volume of 100%. The overall picture of the condominium market in central Hua Hin is positive, with projects launched between 2017 and 2022 valued at up to 85%.

In terms of sales, it is found that during the second quarter, a total of 15,959 residential units were sold, with a combined project value of 83,499 million baht, representing a decrease of -32.3% in units and a decrease of -28.4% in value. Only 5,909 units were from condominium projects, with a combined project value of 24,900 million baht, representing a decrease of 56.5% in units and a decrease of 53.1% in value. The remaining 10,050 units were from housing development, with a combined project value of 59,490 million baht, representing an increase of 0.7% in units and a decrease of -8.9% in value.

In terms of residence, it is found that in the second quarter of 2023, there are a total of 190,287 units remaining for sale, indicating an increase of 8.0% in volume and 9.9% in value, totaling 935,819 million baht. This includes 74,230 condominium units, which increased by 11.2% in volume and decreased by 1.3% in value to 290,637 million baht, and 116,057 housing developments, which increased by 6.1% in volume and 15.8% in value to 645,182 million baht.

While analyzing the horizontal residential market in Bangkok during the second quarter of 2023, it was found that there were 126,107 units offered for sale, totaling 704,672 million baht. This represents an increase of 5.7% in volume and 13.2% in value compared to the same period of the previous year. Single-detached houses exhibited the highest growth in the number of units offered for sale, with a total of 32,947 units, representing an increase of 15.9%. It is noteworthy that townhouses were the only type of flat residential property that experienced a slight decrease in the number of units offered for sale, with a total of 69,356 units, or -0.3%.

In terms of new residential sales in the second quarter of 2023, the horizontal residence sector comprised a total of 10,050 units, marking a modest expansion of 0.7%, with a value of 59,490 million baht, representing a decline of -8.9%. The absorption rate remained steady at 2.7, indicating that the horizontal residential market remained relatively stable, akin to the first quarter of 2022. Notably, the number of newly sold residential units across all types of horizontal projects exhibited a higher expansion rate compared to the post-COVID average, spanning from 2022 to the present. Among these, commercial buildings and twin houses demonstrated the highest expansion rates at 26.1% and 25.6%, respectively. However, townhouses experienced a decrease in the new sales rate of 7.5%, while single houses exhibited a slight increase of 3.3%. Notably, the number of new sales units for townhouse projects has also decreased, dropping by as much as 15.5%.

In the second quarter of 2023, in Bangkok, the condominium market witnessed 80,139 units offered for sale, valued at 314,646 million baht. This represents a decrease of 0.3% in units and -8.9% in value compared to the same period in the previous year. Among these figures, the reduction in units is primarily attributed to the introduction of new condominium projects, totaling 11,856 units, or -27.3%, yet showing an increase in value by 5.9% to 47,475 million baht. Additionally, in terms of new sales volume for condominiums introduced in the second quarter of 2023, there are 5,909

units sold, or -56.5% in units and -53.1% in value to 24,009 million baht. Consequently, the remaining unsold units total 74,230, indicating an increase of 11.2% in unit count, while the value decreases by 1.3% to 290,637 million baht.

The Real Estate Information Center assessed the overview of 2023 and predicted the trend for 2024, anticipating that in 2023 there would have been a total of 95,732 residential units entering the market, consisting of 56,646 housing developments and 39,086 condominium projects. The expansion rate was estimated to have decreased by 12.5%, with new sales expected to have reached a total of 80,239 units. This would have included 47,375 units from allocated house projects and 32,864 units from condominium projects, representing a decrease of 15.6% compared to 2022. The total number of units or sales remaining in the market would have amounted to 198,282 units, with the number of residential units remaining increasing by 7.5%. This trend was considered more favorable than that of 2022, with housing developments comprising 127,043 units and condominium projects comprising 71,239 units. Meanwhile, the absorption rate was expected to have decreased to an average of 2.8% in 2023.

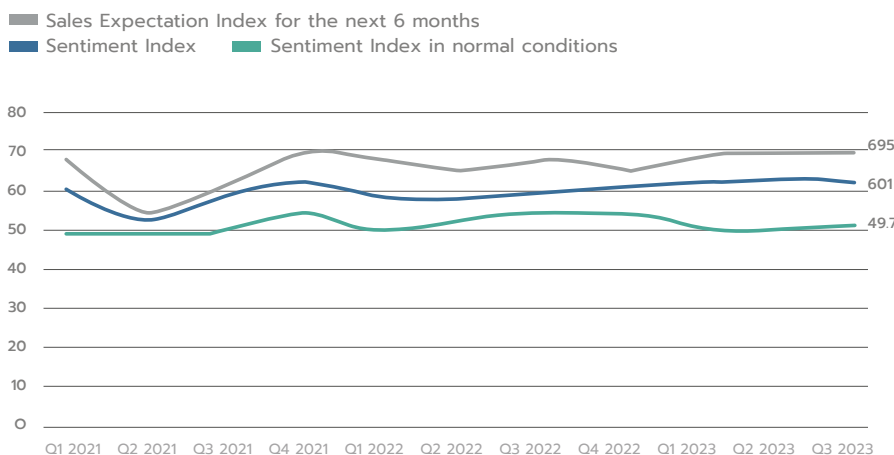
For the year 2024, the Real Estate Information Center predicts a recovery in the residential market situation. This is attributed to the adaptation of market players, achieving a balance between existing inventory and new arrivals. It is anticipated that there will be a total of 108,886 newly opened residential units for sale, marking an increase of 13.7% compared to 2023. This comprises 63,794 housing development projects and 45,091 condominium projects. Additionally, it is expected that new sales will occur in 2024, totaling 109,184 units, representing a 36.1% increase. This includes 62,862 housing development units and 46,323 condominium units. Overall absorption rates are expected to increase from 2.8% in 2023 to 3.0% in 2024. Furthermore, it is anticipated that there will be a remaining inventory of 197,984 units for sale in 2024, divided into 127,976 housing development units and 70,008 condominium units.



3.4 An overview of the condominium market in Bangkok in Quarter 3/2023

In the third quarter of the year, the overall demand for condominiums gradually recovered. Consequently, developers launched new projects continuously, which was seen as a positive sign. Despite a slight improvement in the confidence index among residential developers regarding the current situation, negative factors such as the central bank's inflation rate and high household debt continued. As a result, some segments of the condominium market remained slow. Meanwhile, real demand decreased due to accumulated debts, leading to a preference for renting condominiums. Consequently, the rental market regained its importance and popularity among both actual residents and some returning international tourists. Additionally, sales in the secondary condominium market were continuously announced. Therefore, the increased competition in the current condominium market may have been impacted. This trend aligns with the sales expectation index for the next six months among developers, which remained relatively stable.

Home Developers Sentiment Index



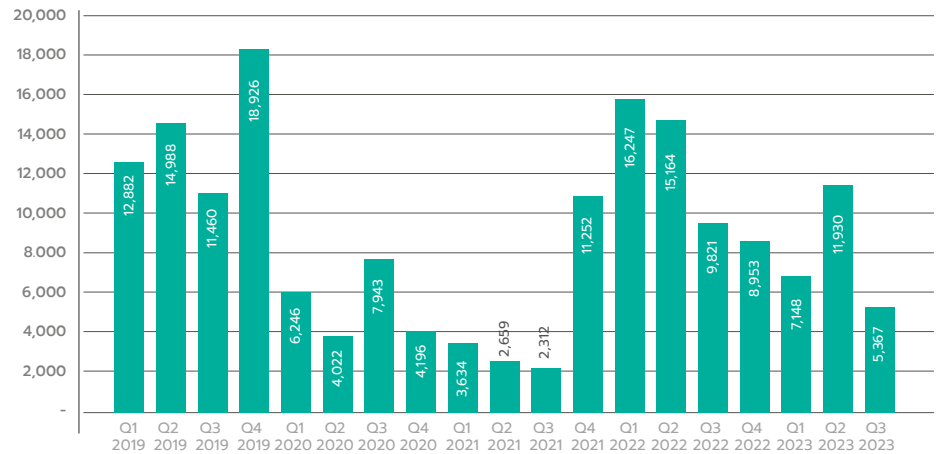
- Note :
- Index value equals 50 sentiment "Stable"
 - Index value more than 50 sentiment "Increased"
 - Index value less than 50 sentiment "Decreased"

Ref: Real Estate Information Center

Supply

In the third quarter of 2023, the newly opened supply of condominium units reached 5,367. The number of new units sold significantly decreased compared to the previous quarter, with a drop of 45.4%, and it continued to fall by 122.3% compared to the same period last year. Additionally, most of the condominiums newly opened for sale were located in the suburbs of Bangkok, representing 76%, followed by the Central Business District at 16%, and the City Fringe at 8%. The focus of the newly opened supply was primarily on developing B grade level condominiums, which constituted 52% of the total, followed by grade C at 47%, while grade A accounted for only 1%.

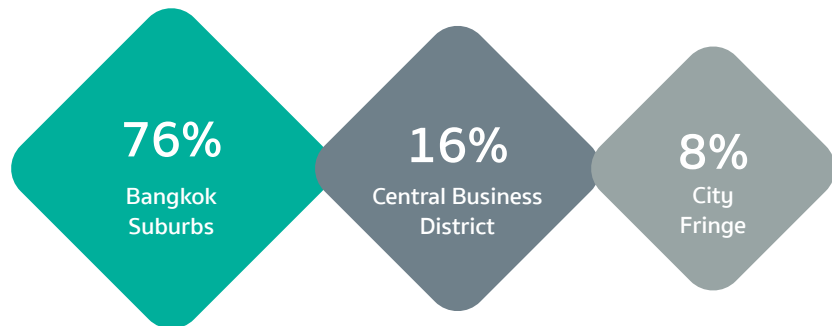
Supply of newly opened condominiums in Bangkok from the first quarter of 2019 to the third quarter of 2023



Supply of newly opened condominiums in Bangkok from the first quarter of 2019 to the third quarter of 2023

Source: Research department of Knight Frank Chartered (Thailand) Co., Ltd.

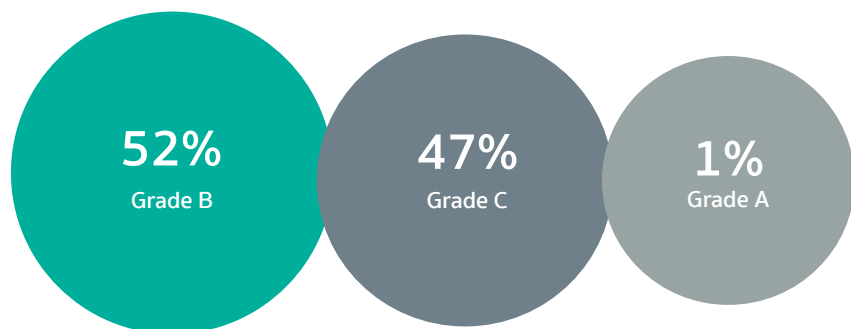
Supply of newly opened condominiums categorized by location as of the third quarter of 2023



Supply of newly opened condominiums categorized by location as of the third quarter of 2023

Source: Research department of Knight Frank Chartered (Thailand) Co., Ltd.

Supply of newly opened condominiums categorized by grade as of the third quarter of 2023



Supply of newly opened condominiums categorized by grade as of the third quarter of 2023

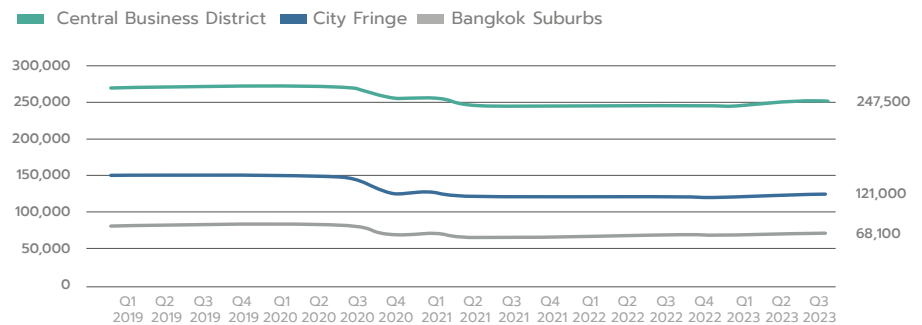
Source: Research department of Knight Frank Chartered (Thailand) Co., Ltd.

Note : Grade A has an average selling price of 150,000 Baht/sq.m. and above.
Grade B has an average selling price ranging from 80,000-149,999 Baht/sq.m.
Grade C has an average selling price below 80,000 Baht/sq.m.

Sale Prices

The offering prices of condominiums in the third quarter of 2023 adjusted downwards in some areas. In the Central Business District (CBD), the price was approximately 247,500 Baht per square meter, indicating a decrease of 0.20% from the previous quarter. Prices in the Central Business District Vicinity (City Fringe) were around 121,000 Baht per square meter, indicating a decrease of 0.25% from the previous quarter. Meanwhile, the offering price of condominiums in the suburbs of Bangkok was approximately 68,100 Baht per square meter, indicating an increase of 0.15% from the previous quarter. The average offering price across all areas decreased by 0.1% due to increased interest rates and high household debts, negatively impacting purchasing power. Consequently, several projects with completed constructions had to adjust prices downwards and offered promotional deals to stimulate purchasing.

Condominium offer per quarter categorized by location from the first quarter of 2018 to the third quarter of 2023

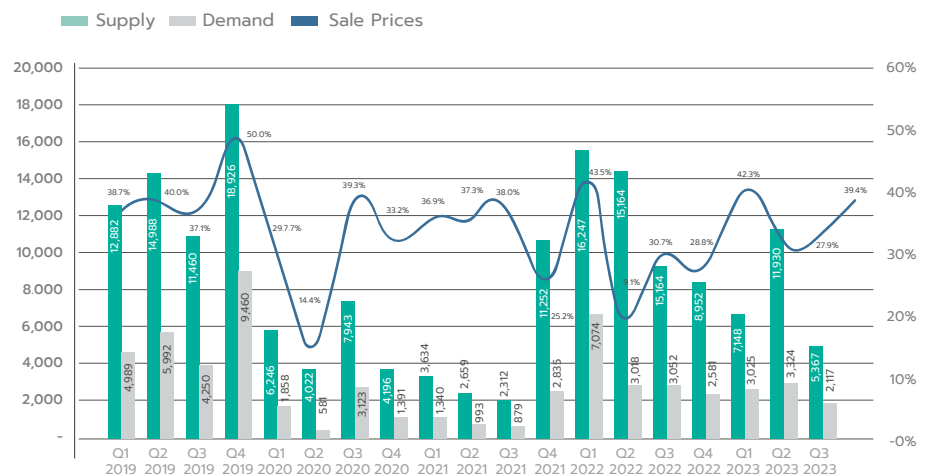


Source: Research department of Knight Frank Chartered (Thailand) Co., Ltd.

Demand

Based on the data collected for the third quarter of 2023, as of the end of September, approximately 2,117 units were sold out of the 5,367 units that were newly opened for sale. This sales rate of 39.4% indicates an increase of 11.6% from the previous quarter and an increase of 8.7% compared to the same period last year. Moreover, the demand for these newly opened units was primarily driven by Thai investors. For a real-demand group, there was a clear preference for completed projects over those still under construction due to the fact that it gave buyers an opportunity to see actual layouts of the units before making decision. Nevertheless, there was a modest level of continued interest from foreign buyers, especially those in search of residential properties, predominantly from Taiwan, Singapore, and Europe. In addition, as tourism gradually recovered, including a below-expected influx of Chinese tourists, the sales rates might not reach as high as expected.

The supply, demand, and sales rate of the condominium market from the first quarter of 2019 to the third quarter of 2023



The supply, demand, and sales rate of the condominium market from the first quarter of 2019 to the third quarter of 2023

Source: Research department of Knight Frank Chartered (Thailand) Co., Ltd.

(4) Assets Used in Business Operations

As of December 31, 2023, the Company and its subsidiaries have the following main assets used in their business operations:

1. Real Estate Development Cost

Real estate development costs include land and buildings for sale in various projects, with a total book value in the financial statements as of December 31, 2023, amounting to Baht 7,949.77 million. The subsidiary company has mortgaged land and buildings totaling Baht 6,844 million to banks as collateral for loans. The details of the development costs of real estate are as follows:

Unit: Million Baht

Description	Total
Cost of land for development	2,442.35
Real Estate Development Cost	5,289.08
Financial Costs	112.65
Deferred Project Development Cost	105.69
Total	7,949.77

As of December 31, 2023, the Company and its subsidiaries have the remaining net real estate development costs according to the accounts in the projects for sale as follows:

No.	Project Name	Book Value Cost (Net) As of 31 December 2023 (million baht)	Encumbrance
1	InterContinental Residences Hua Hin Project	162.01	Under mortgage with financial institutions
2	VEHHA Hua Hin Project	464.78	
3	VI Ari Project	276.30	
4	ROMM Convent Project	1,331.58	
5	345 Residence Project	876.25	
6	Nue District R9 Project	3,443.68	
7	Nue Cross Khu Khot Station Project	1,395.17	
	Total	7,949.77	

2. Building and Equipment

As of 31 December 2023, the Company and its subsidiaries have buildings and equipment for business operations as follows:

Details	Cost Price	Accumulated	Expected Credit Losses	Book Value	Encumbrance
Buildings and improvement	98.79	(35.16)	(14.79)	48.84	None
Furnitures and office equipment	19.87	(14.88)	(0.25)	4.74	None
Vehicles	0.82	(0.46)	-	0.36	None
Asset under construction	0.23	-	-	0.23	None
Total	119.71	(50.50)	(15.04)	54.17	

3. Right-of-use assets

As of 31 December 2023, The Company and its subsidiaries have right-of-use assets for business operations as follows:

Unit: Million Baht

Details	Cost Price	Accumulated	Book Value	Obligation
Lands	7.71	(4.28)	3.43	None
Buildings	30.35	(21.77)	8.58	None
Vehicles	6.13	(2.64)	3.49	None
Total	44.19	(28.69)	15.50	

4. Intangible Assets

As of December 31, 2023, the intangible assets for business operations of the Company and its subsidiaries consist of software and computer program licenses, which have a book value in the consolidated financial statements of 4.24 million baht.

Investment Policy in Subsidiaries, Associated Companies and Joint Ventures

The Company has a policy of investing in real estate development business. If there are any other interesting and promising business opportunities, the Company may consider investing in them. However, any investment must undergo evaluation and approval by the Company's Board of Directors.

The subsidiary management policy involves long-term equity investment. The Company will appoint representative committees to participate in managing the subsidiary according to the proportion of shares held by the Company. This is to establish important policies and control the operations of the subsidiary in a direction that is appropriate, suitable, and profitable for the Company.

As of December 31, 2023, the investment proportion in the subsidiary accounts for 41.57% of the total assets in the Company's financial statements. In the future, the Company plans to further invest in additional ventures beyond its current scope, considering potential risks and ensuring favorable returns for the company.

DETAILS OF PROPERTY APPRAISALS

- None -

1.3 Shareholding structure of the Company Group

1.3.1 Shareholding structure of the Company Group

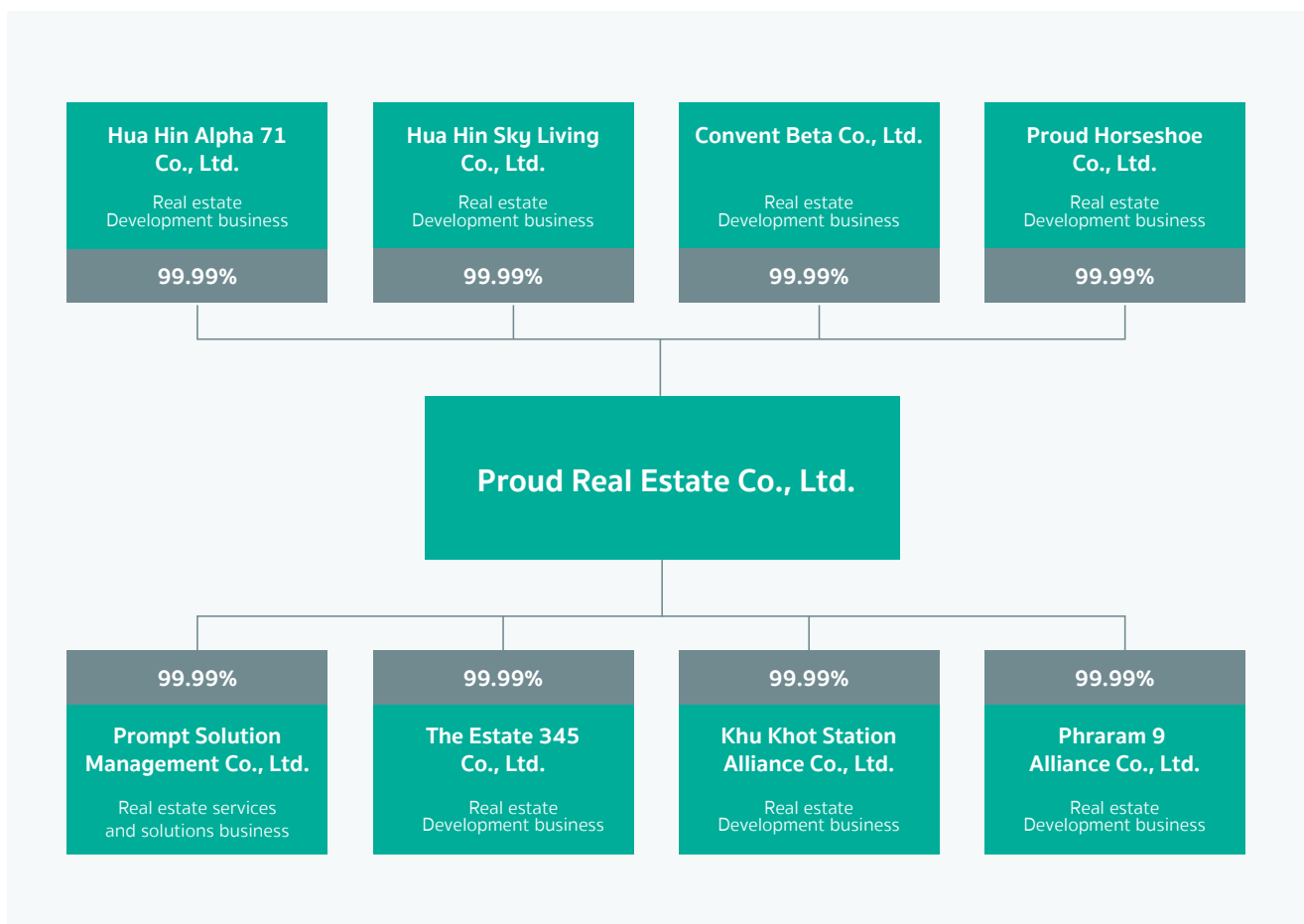
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For the investment proportion in the subsidiary as of December 31, 2023, it accounts for 41.57% of the total assets in the Company's financial statements. In the future, the Company plans to further invest in additional ventures beyond its current scope, considering potential risks and ensuring favorable returns for the Company.

Proud Real Estate Public Company Limited is a real estate developer in Thailand that currently has only one segment: the real estate development business. The Company focuses on designing innovative residential projects that elevate the concept of "residence" into a living experience under the concept of "More than just living." The concept blends relaxation with resort-level services to allow you to immerse yourself in nature and the luxury of modern living every day.

Investment Structure of the Company Group



1.3.2 Persons with Possible Conflicts

- None -

1.3.3 Relationship with Major shareholder's Business Group

Ms. Proudpuh Liptapanlop and Mr. Pasu Liptapanlop are major shareholders of the Company, holding 44.86% of the shares, and they are also directors. Therefore, in board meetings where there may be conflicts of interest or related-party transactions, The Company will proceed in accordance with the SET's rules to protect the interests of the Company and shareholders. In this regard, directors with conflicts of interest will not participate in the decision-making process regarding agenda items in which they have a conflict of interest.

1.3.4 Shareholders

The list of the top 10 major shareholders of the Company as of the closing date of the register on December 12, 2023, is as follows:

No.	Shareholders	Number of Shares	Proportion (%)
1	Ms. Proudpuh Liptapanlop	228,903,894	23.50
2	Mr. Pasu Liptapanlop	208,046,695	21.36
3	Yuanta Securities (Hongkong) Company Limited	84,327,200	8.66
4	Mrs. Jaraspim Liptapanlop	75,857,300	7.79
5	Ramkhamhaeng 191 Co., Ltd.	62,000,000	6.37
6	Noble Development Public Company Limited	42,542,900	4.37
7	Mr. Sompong Chonecadeedumrongkul	30,825,400	3.17
8	Mr. Nares Ngamapichon	21,600,000	2.22
9	UBS AG Singapore Branch	18,555,555	1.91
10	Thai NVDR Company Limited	16,310,350	1.68
	Other Shareholders	185,044,716	18.97
	Total	974,014,010	100.00

Source : Thailand Securities Depository Co., Ltd.

(2) Agreement Between Major Shareholders

- None -

1.4 Amount of registered capital and paid-up capital

The Company has a registered capital of 997,840,729.00 baht with a paid-up registered capital of 974,014,010.00 baht, divided into 974,014,010 common shares with a par value of 1 baht per share.

1.5 Issuance of other securities

- None -

1.6 Dividend Payment Policy

The Company has a policy to pay dividends to its shareholders at the dividend payout rate of no less than 40% of its net profit after tax and legal reserves, or as the Board of Directors deems appropriate. The Board of Directors will consider dividend payments based on the benefits to shareholders as a priority, such as reserving funds for future investments, reserving funds for repayment of loans, or as working capital within the Company.



Risk Management

2.1 Organizational Risk Management Policy and Plan

The company is continuously engaged in organizational risk management, emphasizing its vital role in every aspect of business operation and its connection to all levels within the organization.

The Company faces a dynamic and uncertain environment influenced by internal and external factors. This poses challenges to achieving its goals in business operations. In recent years, unexpected crises such as natural disasters, pandemics, and various threats have significantly affected the Company's capabilities and had the potential to disrupt key business processes.

2.2 Risk Factors for the Company's Business Operations

1) Risks from Legal and Regulatory Changes that may Impact Real Estate Development Business

The Company operates in real estate development for housing, adhering to relevant laws, rules, regulations, and practices. Currently, numerous laws and regulations govern the business, varying by location, economic conditions, and government policies. Examples include the Land Development Act, Town Planning Act, and Traffic Control Management and Planning. This complexity may pose challenges, leading to non-compliance with legal and regulatory requirements.

However, the Company acknowledges the mentioned risk and has undertaken a comprehensive review of all relevant and updated laws and regulations in all project development locations. This is to ensure that the business operates in full compliance with legal and regulatory requirements.

2) Risks from Competition in Real Estate Development Business

Numerous competitors exist in the real estate development business, resulting in high competitiveness. This includes small-scale companies not listed on the stock market, as well as large publicly traded companies that directly compete with the Company. This challenge, along with the fact that the Company is in the early stages of establishing its reputation in the real estate development industry, poses a challenge in building a reputation that can rival those with a more established and long-term presence. Currently, different competitors employ distinct development tactics, offering a variety of options to effectively meet customer needs. They also implement strategies for consistently driving sales, aiming to expand their customer base and reduce product inventory.

The Company has established a risk management strategy by promoting brand awareness and enhancing its reputation within the specific customer base of each project. This includes ongoing advertising and marketing communication through diverse magazines and media channels, targeting high-level and luxury customers, such as those interested in the InterContinental Residences Hua Hin project. In addition, several studies relevant to business development have been conducting, including development for strategies for effective customer need responses, potential interesting locations, transport systems, and new innovation to be implemented in future projects. By implementing the aforementioned risk management strategies, the Company aims to elevate its position and emerge as a leading real estate development company within the next 1-2 years.

3) Risks from the Spread of the Coronavirus Disease 2019 (COVID-19)

The persistent critical situation and the potential resurgence of the Coronavirus Disease 2019 (COVID-19) could have ongoing impacts on business operations. Consequently, the Company maintains a high level of caution, adapting operational plans and enhancing business resilience in response to evolving circumstances. This adaptation applies to employee work practices and spans both short-term and long-term marketing strategies. Accordingly, marketing plans have been improved regularly in order to better meet customer needs, focusing on both domestic and international customers. Information about projects is communicated to international sales agencies to provide details for potential customers abroad and streamline collaborative sales and purchase transactions. Notably, in the current situation, international tourism has shown significant improvement, with figures now at over 90% of pre-pandemic levels.

4) Risks from Land Acquisition

On several occasions, high-potential lands acquire high-financial demands on resources. Due to limited resources available to this initial stage, acquiring a sufficient quantity of land to meet future needs in both the medium and long term has been unachievable.

Fortunately, the Company has undertaken comprehensive studies on additional investment strategies for new development projects, incorporating both short-term and long-term plans. These plans encompass the development of new projects in condominiums and horizontal developments, as deemed appropriate, to avoid relying solely on any particular segment.

5) Risks from Labor and Contractor Hiring

The policy of increasing the minimum wage has a direct impact on the construction industry and the materials used in construction. Consequently, the prices of construction materials have risen, partly due to labor costs in manufacturing and the construction of various projects. This also leads to a subsequent increase in overall costs, causing a cost-related risk factor for entrepreneurs in industries heavily dependent on labor.

However, regarding this matter, the Company has implemented proactive measures to establish fixed prices with contractors and secure construction materials in advance, in an aim to mitigate the associated risks. A regular assessment of prices from contractors is also conducted to minimize the impact on the Company's business operations as much as possible.

6) Risks from Raw Material Price Fluctuation

Fluctuating raw material prices impact costs, such as steel prices, fuel prices as part of transportation costs, and the rising labor costs.

7) Risks from Economic Volatility

Examining an overview of the economic landscape in 2023 for the real estate sector, several significant negative impacts on development emerged. This included intense competition from various companies that continued to develop real estate projects. In the meantime, the economic slowdown led to increased concerns among Thai customers about their spending, and global economic challenges resulted in a decreased proportion of international buyers compared to previous years. These factors led to significant risks, with greater challenges for all companies in the real estate development industry.

The Company has explored the possibility of developing projects to pass through the current economic conditions. Studies have been conducted on economic situations with the potential to impact the business in the long term and meet customer needs, aiming to be well-prepared and responsive to such situations. A study with a specific focus on various approaches for business development was also explored. Notably, the Company has gained trust from the Intercontinental Hotel Group (IHG), a globally renowned real estate development brand, and developed the InterContinental Residences Hua Hin project, aiming to increase confidence internally and externally. This project allows the company to face the current economic situation more effectively.

8) Risks from Stringency from Financial Institutions

In the past few years, the economic conditions have experienced contraction. Consequently, the criteria for granting mortgage loans from financial institutions have become more stringent, serving as a risk prevention measure against customers who may lack the ability to make repayments. Additionally, regulations for housing loans have been announced by the Bank of Thailand, implementing criteria for tightening the loan-to-value ratio (LTV). This is aimed at maintaining economic stability. This has resulted in a decrease in customers' purchasing power for housing, directly impacting the Company's main revenue and presenting a greater challenge in establishing fundraising for investment capital from financial institutions.

The Company places significant importance on the mentioned events by establishing credibility with various financial institutions in order to assure its sufficient capability to meet capital payment obligations. This is achieved through the development of practical and suitable business plans, along with high caution in avoiding excessive debt burdens, and effective cash flow management. Additionally, the Company has forged diverse business partnerships with financial institutions to enhance customer offerings for loan considerations, making it more convenient for customers to contact and request credit.



Driving Business for Sustainability

3.1 Sustainability Management Goal, Policy and Direction

The Company is committed to the principles of corporate social and environmental responsibility, in accordance with the updated 2023 version of the company's corporate governance policy and code of conduct for the board of directors, executives, and employees. This revised version was approved during the meeting of the board of directors held on August 14, 2019 (Meeting No. 9/2019). The updated version provides guidance and additional policies for agencies in all business units, encompassing sustainable development across all dimensions, with a particular focus on the environment, society, and good governance (Environment, Social, Governance: ESG).

The ESG principle is applied as a tool to ensure comprehensive consideration of all groups of stakeholders, environmental care, social responsibilities, and corporate governance. The company also incorporates the UN Sustainable Development Goals (UNSDGs) as part of its sustainability roadmap across all business units and follows the GRI topic standards as guidance for information disclosure.

3.2 Management of Impacts on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

The Company conduct its business giving priority to all groups of its stakeholders from inception to completion stages. The processes are as follows:

- A search for lands with project development potential: this phase includes assessing the feasibility of the land for project development, determining target customer groups, analyzing competitors, conducting risk analysis, and evaluating relevant important legal and regulatory issues.
- Project design and development preparation: This phase involves conceptualizing a project framework and creating designs for various purposes. It includes selecting eco-friendly project materials with power-saving standards to ensure long-term energy efficiency for residents. This phase also includes obtaining approvals or permits from relevant authorities and preparing project funds for development.
- Sales planning and marketing activities: this phase includes selecting sales tools and marketing media and channels, and designing and constructing model houses or units.
- Project construction: This phase begins with the selection of contractors and construction management consultants. The selection is conducted with fairness and transparency in the process. For a project construction, a consultant is appointed to oversee the project construction, including the construction of central infrastructure, house or unit construction, project cost management, quality control, and construction inspection.
- Delivery of homes/units to customers: this process involves the Company assisting customers with loan applications to banks, inspecting and handing over homes/units, addressing amendments and repairs, and facilitating ownership transfers.
- Post services after ownership transfers: this phase involves customer relationship management, quality assurance for houses/units, services and assistances for customers' repair reporting, and an establishment of legal entities for the residential building management.

3.2.2 Analysis of Stakeholders in Business Value Chain

Stakeholder engagement, both within and outside the organization, is crucial in determining the operational direction for business sustainable development. The Company has conducted an organizational operational assessment in order to identify groups of stakeholders involved in the business operation, and has summarized issues pertaining to the stakeholder expectations. These insights are presented in the 2023 Sustainability Report, under the section “Stakeholders in the Business Value Chain.”

3.3 Management of Sustainability in the Environmental Dimension

With objectives and a dedicated commitment to aligning its business with environmental preservation, the Company has strictly followed environmental regulations from various approaches in every process. This starts from incorporating considerations for environmentally-friendly lifestyles into project development guidelines to the selection of materials and household equipment that contribute to energy efficiency and reduce environmental pollution and waste.

In addition, emphasis has also been placed on operating the business in compliance with standards to minimize environmental impacts. This has been achieved through the

implementation of measures for preventing and mitigating environmental impacts, as specified in the Environmental Impact Assessment (EIA) Report. Relevant activities have also been undertaken to foster awareness of environmental responsibility among customers, business partners, and residents. The continuous development of employees within the organization has been promoted through knowledge-sharing sessions to enhance understanding of environmental, social, and corporate governance (ESG) practices, along with guidance on professional workplace behaviors in all aspects.

3.4 Social Sustainability Management

The company maintains its commitment to prioritizing collaboration with agencies, organizations, and business partners for corporate social responsibility activities that benefit society and surrounding communities through policies that specifically aim to create sustainable positive impacts. The company also upholds an equality and fairness policy, promoting equal and fair treatment for employees, supporting the employment of local labor, as well as individuals facing disadvantages and those with disabilities, and fostering non-discriminatory environments by embracing diversity in terms of ethnicity, religion, gender, age, education, and other aspects.

Additionally, the Company has managed to provide flexible benefits and welfare to align with changing circumstances and employee needs, with a cover on occupational safety, health and environment. The development of employee expertise and competence in their respective fields, and the cultivation of awareness have also been promoted, while

employees have been encouraged to participate in creating efficient and effective work in an effort to establish positive impacts on the organization, society, and the environment. The company encourages engagement from customer groups and stakeholders through their feedback, as it provides valuable insights for service improvement and development. The company is also dedicated to caring for communities and society.

Operating the business under sustainable practices is a significant principle that Proud Real Estate Public Company Limited upholds. Therefore, the company has created a separate Sustainability Report with detailed insights. Readers can find additional information in the mentioned report, which is openly available on the ‘Sustainability Report’ section on the company’s website.

04

Analysis and Detailed Information from the Management Unit

Three-Year Audit Report Summary

Audit Report Summary as of December 31, 2023

The financial statement for the year 2023 were audited by Mr. Piya Chaipruckmalakarn, a certified accountant with registration number 7544, from EY Company Limited.

The accountant expresses an unqualified opinion with an emphasis of matter on revenue recognition from real estate sales. Nonetheless, an emphasis of the matter does not affect the auditor's opinion.

Audit Report Summary as of December 31, 2022

The financial statements for the year 2022 were audited by Mr. Piya Chaipruckmalakarn, a certified accountant with registration number 7544, from EY Company Limited.

The accountant expresses an unqualified opinion with an emphasis of matter on revenue recognition from real estate sales. Nonetheless, an emphasis of the matter does not affect the auditor's opinion.

Audit Report Summary as of December 31, 2021

The financial statements for the year 2021 were audited by Ms. Siriwan Suratepin, a certified accountant with registration number 4604, from EY Company Limited.

The accountant expresses an unqualified opinion with an emphasis of matter on compliance with the terms and conditions off the loan agreement with the bank. Nonetheless, an emphasis of the matter does not affect the auditor's opinion.

Key Financial Overview

Key Financial Information	2023	2022	2021
Financial Position (Million Baht)			
Total assets	9,998.91	3,270.06	3,988.16
Total liabilities	8,490.27	2,445.63	3,392.24
Shareholders' equity	1,508.64	824.43	595.92
Paid-up capital	974.01	641.47	641.47
Performance (Million Baht)			
Total Revenues	1,536.34	2,110.29	3.62
Real estate sales revenue	1,508.17	2,108.37	-
Contractual work revenue	-	-	-
Net profit (loss) for the year	102.26	228.52	(97.23)
Book Value (Baht per Share)			
Net profit (Loss) per share	0.120	0.356	(0.152)
Book value per share	1.89	1.29	0.93
Significant Financial Ratios			
Current ratio (times)	3.26	2.28	1.86
Return on equity ratio (%)	8.77	32.18	(15.08)
Return on assets ratio (%)	1.02	6.99	(2.44)
Debt to equity ratio (times)	5.63	2.97	5.69
Asset turnover ratio (times)	0.15	0.65	0.00
Gross profit margin ratio (%)	34.80	36.42	N/A
Net profit (Loss) margin (%)	6.66	10.83	(2,685.91)

Three-Year Comparative Summary of Financial Position Statement, Comprehensive Income Statement, Cash Flows Statement, and Significant Financial Ratios

Statements of Financial Position

Items	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	867.47	8.68	199.22	6.09	288.63	7.24
Trade accounts receivable	4.96	0.05	106.07	3.24	0.26	0.01
Inventories	-	-	0.20	0.01	0.20	0.01
Cost of real estate development	7,949.77	79.51	2,721.45	83.22	3,344.65	83.86
Current tax assets	13.00	0.13	2.22	0.07	1.90	0.05
Other current assets	846.31	8.46	153.69	4.70	280.27	7.03
Total Current Assets	9,681.51	96.83	3,182.85	97.33	3,915.91	98.19
Bank deposits as collateral	0.19	0.00	0.19	0.01	0.19	-
Property and equipment	54.17	0.54	42.48	1.30	9.83	0.25
Right-of-use assets	15.50	0.16	10.26	0.31	11.11	0.28
Intangible assets	4.24	0.04	4.78	0.15	4.60	0.12
Deferred tax assets	237.89	2.38	27.09	0.83	45.20	1.13
Other non-current assets	5.41	0.05	2.41	0.07	1.32	0.03
Total Non-current Assets	317.40	3.17	87.21	2.67	72.25	1.81
Total Assets	9,998.91	100.00	3,270.06	100.00	3,988.16	100.00
Bank overdrafts and short-term loans from financial institutions	40.14	0.47	85.12	3.48	19.68	0.57
Trade accounts and other payable	867.66	10.22	87.50	3.58	673.89	19.87
Current portion of long-term loans from financial institutions	120.36	1.42	1.20	0.05	101.94	3.01
Current portion of lease liabilities	6.29	0.07	6.11	0.25	5.99	0.18
Deferred revenue from sale of real estate	1,763.56	20.77	399.97	16.35	657.39	19.38
Accrued project costs	107.14	1.26	128.49	5.25	1.73	0.05
Redeemable cumulative preferred stock	-	-	663.74	27.14	611.40	18.02
Retention payables	16.65	0.20	16.32	0.67	25.92	0.76
Income tax arrears	33.41	0.39	-	-	-	-
Other current liabilities	12.12	0.14	8.37	0.34	2.92	0.09
Total Current Liabilities	2,967.33	34.95	1,396.82	57.12	2,100.86	61.93
Long-term personal loans	90.00	1.06	-	-	-	-
Long-term loans from financial institutions, net of current portion	4,546.73	53.55	991.39	40.54	1,258.91	37.11
Lease liabilities, net of current portion	8.09	0.10	3.56	0.15	3.27	0.10

Items	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Redeemable cumulative preferred stock - net of current portion	763.24	8.99	-	-	-	-
Provision for long-term employee benefits	4.22	0.05	3.38	0.14	2.05	0.06
Provision for decommissioning costs	6.79	0.08	8.25	0.34	8.04	0.24
Retention payables	103.87	1.22	42.22	1.73	19.11	0.56
Total Non-current Liabilities	5,522.94	65.05	1,048.80	42.88	1,291.38	38.07
Total Liabilities	8,490.27	100.00	2,445.62	100.00	3,392.24	100.00
Authorized share capital	997.84	-	673.15	-	673.15	-
Issued and paid-up share capital	974.01	64.56	641.47	77.81	641.47	107.64
Share Premium	513.04	34.01	263.63	31.98	263.63	44.24
Retained Earning (deficit)	-	-	-	-	-	-
Appropriated – Statutory reserve	0.42	0.03	-	-	-	-
Unappropriated	21.17	1.40	(80.66)	9.78	(309.18)	51.88
Total Shareholders' Equity	1,508.64	100.00	824.44	100.00	595.92	100.00
Total Liabilities and Shareholders' Equity	9,998.91	100.00	3,270.06	100.00	3,988.16	100.00

Statement of Comprehensive Income

Items	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Real estate sales income	1,508.17	98.17	2,108.37	99.90	-	-
Finance income	2.36	0.15	0.33	0.02	0.47	12.98
Other income	25.81	1.68	1.59	0.08	3.15	87.02
Total Revenue	1,536.34	100.00	2,110.29	100.00	3.62	100.00
Cost of property sales	983.36	64.01	1,340.56	63.52	-	-
Selling and distribution expenses	209.96	13.67	235.10	11.14	0.29	8.01
Administrative expenses	152.35	9.92	161.62	7.66	101.68	2,808.84
Finance costs	29.13	1.90	68.77	3.26	17.15	473.76
Total Costs and Expenses	1,374.80	89.49	1,806.05	85.58	119.12	3,290.61
Profit (Loss) before income tax	161.54	10.51	304.24	14.42	(115.50)	(3,190.61)
Income tax income (expenses)	(59.28)	(3.86)	(75.72)	(3.59)	18.27	504.70
Profit (Loss) for the year	102.26	6.66	228.52	10.83	(97.23)	(2,685.91)
Other comprehensive income (expense) for the year, net of tax	-	-	-	-	(0.21)	(5.80)
Total Comprehensive Income	102.26	6.66	228.52	10.83	(97.44)	(2,691.71)

Statement of Cash Flows

(Unit: Million Baht)

Items	2023	2022	2021
Net cash from (used in) operating activities	(2,037.99)	815.59	(974.81)
Net cash from (used in) investing activities	(52.42)	(38.48)	(0.77)
Net cash from (used in) financing activities	2,758.65	(866.52)	1,102.68
Net increase in cash and cash equivalents	668.25	(89.41)	127.10
Cash and cash equivalents at beginning of the year	199.22	288.63	161.53
Cash and cash equivalents at the end of the year	867.47	199.22	288.63

Financial Ratio

Items	Unit	2023	2022	2021
Liquidity Ratio				
Current ratio	times	3.26	2.28	1.86
Quick ratio	times	0.29	0.22	0.14
Cash flow ratio	times	(0.93)	0.47	(0.74)
Account receivable turnover ratio	times	29.38	41.07	N/A
Average collection period	days	12	9	N/A
Account payable turnover ratio	times	7.02	23.11	6.99
Debt repayment period	days	52	16	52
Profitability Ratio				
Gross profit margin - real estate business	%	34.80	36.42	-
Gross profit margin – construction business	%	-	-	-
Gross profit margin ratio	%	34.80	36.42	N/A
Other income ratio	%	1.68	0.08	87.02
Net loss ratio	%	6.66	10.83	(2,685.91)
Return on equity ratio	%	8.77	32.18	(15.08)
Efficiency Ratio				
Return on assets ratio	%	1.02	6.99	(2.44)
Return on fixed assets ratio	%	138.36	397.29	(380.70)
Asset turnover ratio	times	0.15	0.65	0.00

Items	Unit	2023	2022	2021
Financial Policy Ratio				
Debt to equity ratio	times	5.63	2.97	5.69
Interest coverage ratio	times	6.55	5.42	(5.73)
Dividend payout ratio	%	-	-	-
Growth Rate				
Real estate sales revenue	%	(28.47)	100.00	(100.00)
Contractual work revenue	%	-	-	-
Cost of real estate sold	%	(26.65)	100.00	(100.00)
Cost of contract	%	-	-	-
Cost of sales and services	%	(8.67)	127.01	(5.88)
Net Profit (Loss)	%	(55.25)	335.03	(116.93)

4.1 Analysis of Business Performance Outcomes and Financial Position

Overall Business Performance in the Past

The Company focuses solely on real estate development business line. In 2019, the Company invested in two business subsidiaries: Hua Hin Alpha 71 Co., Ltd. and Hua Hin Sky Living Co., Ltd., to develop residential real estate projects. Currently, Hua Hin Alpha 71 Co., Ltd. is delivering the “InterContinental Residences Hua Hin” project, the first luxury residential project in Thailand 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 developing the “VEHHA Hua Hin” project, a residential project on 5-1-9.5 rai of land between Vana Nava Water Jungle and Holiday Inn Resort Vana Nava Hua Hin.

In 2021, the company expanded its business by investing in two more subsidiaries: Proud Horseshoe Co., Ltd. and Convent Beta Co., Ltd., to develop residential real estate projects. Presently, Proud Horseshoe Co., Ltd. is actively developing the “VI Ari” project, a luxurious low-rise residential venture situated on 2.2 rai of land in Soi Ari 3, Bangkok. Meanwhile, Convent Beta Co., Ltd. is progressing with the “ROMM Convent” project, a residential endeavor spanning 1-2-38.5 rai of land on Convent Road, Silom, within the central business district (CBD) of Bangkok.

In 2022, the Company invested in one subsidiary, Prompt Solution Management Co., Ltd., to operate real estate management services, particularly on the Company groups’ real estate projects.

In 2023, the company acquired common shares of Khu Khot Station Alliance Co., Ltd. and Phraram 9 Alliance Co., Ltd. in a 100% proportion from Noble Development Public Company Limited and TNL Alliance Company Limited. The two companies were responsible for developing two projects: the ‘Nue District R9’ project, a large-scale high-rise condominium situated in the CBD area near Rama 9 Road, adjacent to Phra Ram 9 Station, spanning 6 rai with a project value of 6,519 million baht; and the ‘Nue Cross Khu Khot Station’ project, a low-rise condominium strategically located on Lam Luk Ka Road, near Khu Khot Station, featuring various facilities and valued at 2,104 million baht.

In 2023, the Company made an additional investment in The Estate 345 Co., Ltd., one of its subsidiary companies, to make a development project for a horizontal residential real estate. The land acquisition was completed in December, 2023.

The Company has made investments in Hua Hin Alpha 71 Co., Ltd. Hua Hin Sky Living Co., Ltd. Proud Horseshoe Co., Ltd. Convent Beta Co., Ltd. Prompt Solution Management Co., Ltd. Khu Khot Station Alliance Co., Ltd., Phraram 9 Alliance Co., Ltd. and The Estate 345 Co., Ltd. With authority power over these companies, the Company includes their financial statements in the consolidated financial statements. The preparation of these consolidated financial statements follows uniform accounting policies to ensure that the recording of transactions and events with similar circumstances is conducted consistently.

4.1.1 Performance Outcomes

The Company has its primary business operation on property development. The revenue is as follows:

Table of Revenue Sources

(Unit: Million Baht)

Description	2023		2022		Changes	
	Amount	%	Amount	%	Amount	%
Property Development Business	1,508.17	98.17%	2,108.37	99.91%	(600.20)	(28.47%)
Finance income	2.36	0.15%	0.33	0.02%	2.03	595.88%
Other income	25.81	1.68%	1.59	0.08%	24.22	1,522.96%
Total	1,536.34	100%	2,110.29	100%	(573.95)	(27.20%)

Property Development Business

As of December 31, 2023, the Company recorded an income of 1,508.17 million Baht from its real estate development business. Details can be provided as follows:

Projects	Income from Real Estate Development
InterContinental Residences Hua Hin	1,461.43
Nue Cross Khu Khot Station	46.74
Total	1,508.17

Financial Income

Financial income primarily comprises interest income from bank deposits. In 2023, the Company recorded a financial income of 2.37 million baht, marking an increase of 2.03 million baht or 605% compared to the prior year's gain of 0.34 million baht.

Other Income

In 2023, the Company recorded other income of 25.81 million baht, reflecting an increase of 24.22 million baht, or 1,526 % compared to the previous year, which recorded other income of 1.59 million baht. This increase was from income from booking fee withholding, contracts, down payments for various projects, and from clearing estimates for building demolition due to office relocation.

Expenses

Expenses consisted of the cost of sales and expenses in selling real estate, administrative expenses, financial costs, and income tax expenses.

In 2023 and 2022, the Company's costs from the property development business were as follows:

Items	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Income	1,508.17	100%	2,108.37	100%	(600.20)	(28.47%)
Cost	983.36	65%	1,340.56	64%	(357.20)	(26.65%)
Gross Profit	524.81	35%	767.81	36%	(243.00)	(31.65%)
Selling expenses	209.96	14%	235.10	11%	(25.14)	(10.69%)
Profit after Selling Expenses	314.85	21%	532.71	25%	(217.86)	(40.90%)

Cost in Property Development Business

In 2023, the company recorded property development costs of 983.36 million baht, representing a decrease of 357.20 million baht or 26.65% compared to the prior year. This was primarily from the “InterContinental Residence Hua Hin” project. In 2023, the decrease in ownership transfers from the previous year led to a corresponding reduction in property development costs. In other words, in 2023, property development costs accounted for 65% of the revenue, with an initial profit margin of 35%, similar to 2022.

Selling Expenses

In 2023, the Company recorded selling expenses of 209.96 million baht, indicating a decrease of 25.14 million baht, or 10.69% compared to the prior year. The selling expenses were primarily from ownership transfer fees and promotional and advertising expenses for the “InterContinental Residences Hua Hin” project, and the specific business tax for the “Nue District R9” project.

(Unit: Million Baht)

Items	2023	2022	Changes	
Administrative expenses	152.36	161.62	(9.26)	(5.73%)
Finance costs	29.13	68.77	(39.64)	(57.64%)
Income tax revenue (expense)	59.28	75.72	(16.44)	(21.71%)

Administrative Expenses

In 2023, the company recorded administrative expenses of 152.36 million baht, reflecting a decrease of 9.26 million baht, or 5.73%, compared to the prior year. This was due to a decrease in the common area maintenance and the project juristic person of the “InterContinental Residences Hua Hin.”

Finance Costs

In 2023, the company’s financial costs were 29.13 million baht, decreasing by 39.64 million baht or 57.64 percent compared to the previous year. This decrease resulted from reduced interest expenses on redeemable cumulative preference shares dividends and loan interest payments from financial institutions.

Income (expenses) Income Taxes

In 2023, the Company recorded income tax expenses of 59.28 million baht, indicating a decrease of 16.44 million baht, or 21.71% compared to the prior year. The decrease was primarily due to the reduction in corporate income tax for companies and the impending accounting adjustment for the income tax assets of the “InterContinental Residences Hua Hin,” “Nue District R9,” and “Nue Cross Khu Khot” projects.

4.1.2 Financial Position

The Company's financial position in 2023, when compared to 2022, had significant changes as follows:

Assets

(Unit: Million Baht)

Assets	2023	2022	Changes	
Cash and cash equivalents	867.47	199.22	688.25	335.43%
Trade receivables and other receivables	4.97	106.07	(101.10)	(95.32%)
Inventories	-	0.20	(0.20)	(100.00%)
Real estate development costs	7,949.77	2,721.45	5,228.32	192.12%
Current tax assets	13.00	2.22	10.78	485.38%
Other current assets	846.31	153.69	692.62	450.66%
Total Current Assets	9,681.51	3,182.85	6,498.66	204.18%
Collateralized deposits	0.19	0.19	0.00	-
Buildings and equipment	54.17	42.48	11.69	27.52%
Right-of-use assets	15.50	10.26	5.24	51.09%
Intangible assets	4.24	4.78	(0.54)	(11.39%)
Deferred tax assets	237.89	27.09	210.80	778.16%
Other non-current financial assets	5.41	2.41	3.00	124.38%
Total non-current assets	317.40	87.21	230.19	263.95%
Total assets	9,998.91	3,270.06	6,728.85	205.77%

As of December 31, 2023, the Company recorded total assets of 9,998.91 million baht, indicating an increase of 6,728.85 million baht or 205.77% compared to the total assets at the end of 2022, which were 3,988.16 million baht. This total comprises 9,681.51 million baht of current assets and 317.40 million baht of non-current assets. The significant changes include:

1. The Company recorded cash and cash equivalents at 867.47 million baht, indicating an increase of 668.25 million baht from cash flows generated by financing and investing activities
2. Costs of real estate development As of December 31, 2023 are as follows:

(Unit: Million Baht)

Items	InterContinental Residences Hua Hin Project	VEHHA Hua Hin Project	VI Ari Project	ROMM Convent Project	Nue Cross Khu Khot Station Project	Nue District R9 Project	Future Projects	Total
Land Development Costs	68.74	200.87	170.04	1,127.02	1,111.78	1,802.64	875.68	5,356.77
Real Estate Development Costs	87.49	242.75	92.90	130.77	282.87	1,537.65	0.22	2,374.65
Financial Costs	5.78	21.16	13.36	73.79	(5.40)	3.61	0.35	112.65
Deferred Expenses on Project Development	-	-	-	-	25.37	80.33	-	105.70
Total	162.01	464.78	276.30	1,331.58	1,414.62	3,424.23	876.25	7,949.77

- The company recorded development costs for real estate at 7,949.77 million baht, indicating an increase of 5,228.32 million baht. This was primarily from the “Nue District R9” and “Nue Cross Khu Khot” projects, which were at 4,838.85 million baht of the increase.
- The company recorded other current assets at 846.31 million baht, indicating an increase of 692.62 million baht. This increase was primarily due to deposits and prepayments for construction costs for the “Nue District R9” and “Nue Cross Khu Khot Station” projects totaling 71.03 million baht, advance payments for the main structural work of the “VEHHA Hua Hin” project at 94.92 million baht, the “ROMM Convent” project at 88.84 million baht, and prepayments for sales and marketing management expenses for the “ROMM Convent” project at 32.95 million baht, along with the “Nue District R9” and “Nue Cross Khu Khot Station” projects at 403.98 million baht
- The company recorded deferred income tax assets at 237.89 million baht, indicating an increase of 210.81 million baht. This was from the 1% withholding tax on transfer amounts by the Department of Lands.

Liabilities

(Unit: Million Baht)

Items	2023	2022	Changes	
Bank overdrafts and short-term loans from financial institutions	40.14	85.12	(44.98)	(53%)
Trade accounts and other payable	867.66	87.50	780.16	892%
Current portion of long-term loans from financial institutions	120.36	1.20	119.16	9,930%
Current portion of lease liabilities	6.29	6.11	0.18	3%
Deferred revenue from sale of real estate	1,763.56	399.97	1,363.59	341%
Accrued project costs	107.14	128.49	(21.35)	(17%)
Redeemable cumulative preferred stock	-	663.74	(663.74)	(100%)
Retention payables	16.65	16.32	0.33	2%
Income tax arrears	33.41	-	33.41	100%
Other current liabilities	12.12	85.12	3.75	45%
Total Current Liabilities	2,967.33	1,396.82	1,570.51	112%
Long-term loans from financial institutions, net of current portion	4,546.73	991.39	3,555.34	359%
Long-term personal loans	90.00	-	90.00	100%
Lease liabilities, net of current portion	8.09	3.56	4.53	127%
Redeemable cumulative preferred stock, net of current portion	763.24	-	763.24	100%
Provision for long-term employee benefits	4.22	3.38	0.84	25%
Provision for decommissioning costs	6.78	8.25	(1.47)	(18%)
Retention payables	103.87	42.22	61.65	146%
Total Non-current Liabilities	5,522.94	1,048.80	4,474.14	427%
Total Liabilities	8,490.27	2,445.62	6,044.65	247%

The Company reported total liabilities as of December 31, 2023, at 8,490.27 million baht, reflecting an increase of 6,044.64 million baht or 247% compared to the total liabilities at the end of 2022. This total comprises current liabilities of 2,967.33 million baht and non-current liabilities of 5,522.94 million baht. The significant changes were:

- The company reported trade and other payables amounting to 867.66 million baht, reflecting a surge of 780.16 million baht. This includes 442.16 million baht from land payments for the “345 Residence” project, 221.56 million baht in construction costs for the “Nue District R9” and “Nue Cross Khu Khot Station” projects, 60.13 million baht for the “VEHHA Hua Hin” project, and 24.73 million baht for the “ROMM Convent” project.
- The Company recorded deferred income from real estate sales at 1,763.56 million baht, reflecting a substantial increase of 1,363.59 million baht. This rise primarily came from the “Nue Cross Khu Khot Station” project at 221.77 million baht, the “Nue District R9” project at 1,195.16 million baht, the “VEHHA Hua Hin” project at 147.51 million baht, and the “ROMM Convent” project at 118.62 million baht.

3. The Company holds 763.24 million baht of redeemable cumulative preferred shares, contributing to the capital increase of Phraram 9 Alliance Co., Ltd. and the outstanding returns on the preferred shares.
4. The Company recorded its long-term loans from financial institutions of 4,667 million baht in total, consisting of the current portion with a due date within one year, totaling 120.36 million baht, and the loans net of the current portion, totaling 4,546.73 million baht. Details are as follows:

1. Credit facility from Hua Hin Sky Living Co., Ltd. for land purchase and development of the “VEHHA Hua Hin” project
2. Credit facility from Proud Horseshoe Co., Ltd. for land purchase and development of the “VI Ari” project
3. Credit facility from Convent Beta Co., Ltd. for land purchase and development of the “ROMM Convent” project
4. Credit facility from Phraram 9 Alliance Co., Ltd. for land purchase and development of the “Nue District R9” project
5. Credit facility from Khu Khot Station Alliance Co., Ltd. for land purchase and development of the “Nue Cross Khu Khot Station” project
6. Credit facility from The Estate 345 Co., Ltd. for land purchase and development of the “345 Residence” project
7. Credit facility from Proud Real Estate Public Company Limited for purchase of shares in Khukhot Station Alliance Co., Ltd. and Phraram 9 Alliance Co., Ltd.

The collateral for the loan includes land along with the structures of the project, and the company guarantees the debt for its subsidiaries.

Project	Credit Facilities (Million Baht)	Balance as of 31/12/23 (Million Baht)	Period	Interest Rate per annum	Repayment
VEHHA Hua Hin	870.00	110.00	4 years after the withdrawal date	MLR-2.0	Upon the ownership transfer
VI Ari	172.70	119.20	Within 2024	MLR-2.0	Upon the ownership transfer of land title deed of each plot in the project
ROMM Convent	1,680.00	903.15	Within 2026	MLR-1.5	Upon the ownership transfer
Nue District R9	2,569.00	1,444.13	Within 2026	MLR-1.25	Upon the ownership transfer
Nue Cross Khu Khot Station	1,661.00	1,347.64	Within 2026	MLR-1.0	Upon the ownership transfer
345 Residence	2,024.00	289.30	N/A	MLR-1.87	Upon the ownership transfer
Proud Real Estate	450.00	450.00	Within 2023	MLR-1.35	Installment payment schedules
Total	9,426.70	4,663.42			

Note: The loan balance provided is before deducting the financing fee.

Shareholders' Equity

As of December 31, 2023, and 2022, the Company had a shareholders' equity as follows: (Unit: Million Baht)

Items	2023	2022	Changes	
Registered share capital	997.84	673.15	324.69	48%
Issued and fully paid-up share capital	974.01	641.47	332.54	52%
Share premium	513.04	263.63	249.41	95%
Accumulated profit (loss)	-	-	-	-
Appropriated – Legal reserve	0.42	-	0.42	100%
Unappropriated	21.17	(80.66)	101.83	126%
Total Shareholders' Equity	1,508.64	824.44	684.20	83%

As of December 31, 2023, the Company obtained 1,508.64 million baht of shareholders' equity, indicating an increase of 684.21 million baht, or 82% compared to the prior year which was 824.44 million baht. The increase is primarily due to the Company's increased capital, share premium and accumulated profit.

4.1.3

Cash flow and liquidity

(Unit: Million Baht)

Items	2023	2022
Net cash flows from (used in) operating activities	(2,037.99)	815.59
Net cash flows used in investing activities	(52.42)	(38.48)
Net cash flows from (used in) financing activities	2,758.65	(866.52)
Net increase in cash and cash equivalents	668.25	(89.41)
Cash and cash equivalents at beginning of the year	199.22	288.63
Cash and cash equivalents at end of the year	867.47	199.22

As of December 31, 2023, the Company recorded a cash and cash equivalents balance of 864.47 million baht with an increase in net cash flows in the amount of 668.25 million baht, which consisted of:

1. Net cash used in operating activities was 2,037.99 million baht, primarily from real estate development costs of 3,706.14 million baht and other current assets of 690.42 million baht.
2. Net cash used in investing activities was 52.42 million baht, primarily resulting from cash payments for the acquisition of equipment and intangible assets.
3. Net cash from financing activities was 2,758.65 million baht, primarily from 2,135.13 million baht of cash received from long-term loans from financial institutions, 750 million baht of cash received from the issuance of cumulative preferred shares for dividends, and 581.95 million baht of cash received from an increase of capital.

In 2023, the Company's liquidity ratio was 3.26 times, indicating an increase of 0.98 times compared to the ratio of 2.28 times in 2022. This increased ratio is a result of the growth in current assets, primarily from an increase in the cost of real estate development, cash, cash equivalents, and other current assets. However, the portion of current liabilities has also increased, from advances received from the sale of real estate and trade payables and other liabilities. Nevertheless, it remains proportionally lower than the total current assets.

It is noted that the Company continues to primarily utilize its main financial sources from long-term loans and shareholders' equity. It is evident that the debt-to-equity ratio as of December 31, 2023, is 5.63 times, indicating an increase compared to the ratio in 2022.

Commitments and Contingent Liabilities

As of December 31, 2023, the Company and its subsidiaries had obligations and contingent liabilities as follows:

1. Obligations in respect of service agreements payable in the future, with the terms of the agreements generally between 1 and 3 years of approximately 15 million baht (2022: 21 million baht) (Separate financial statement: 14 million baht (2022: 19 million baht)).
2. Obligations with respect to project development and related services
The Company group had obligations in respect of property development costs and related services totaling 2,094 million baht (2022: 257 million baht) (Separate financial statement: none (2022: none))
3. Guarantees.
 - 3.1 The Company had guaranteed the bank credit facilities of its subsidiaries for 4,928 million baht in total (2022: 2,823 million baht).
 - 3.2 The Company had letters of guarantee issued by banks on behalf of the Company for 0.3 million baht that remain outstanding (2022: 0.3 million baht) to guarantee the execution of work operations in accordance with the contracts.
4. Other Commitments
On November 22, 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.

4.2 Main Actors and Influences that Might Affect the Operations or Financial Status in the Future

The property development business is a promising venture, despite factors affecting operations such as finding potential land at a suitable price, location, design, and aligning prices with the demands of the target customers. The Company recognizes the real estate market trend for customers desiring residences near tourist destinations not too far from Bangkok. Consequently, the Company has the policy to expand investments in vertical property development, especially in Hua Hin District, Prachuap Khiri Khan Province, and invest in subsidiaries to develop residential condominium projects in the area. The project focuses on target customers with high purchasing power, a rarity in the current real estate market. Additionally, the company has expanded its business into flat real estate development in Bangkok while still focusing on target customers with high purchasing power.

During 2023, the main impacts on the real estate business and industry mostly stem from continuous increases in interest rates on loans from commercial banks and high household debt, which have deducted the purchasing power for real estate. Housing prices increase due to cost pressure and pressures from international purchasing power, especially from China, which has been affected by the global economic slowdown. The demand for residential properties consequently decreased, especially among investors in the condominium market. However, there are indications that the trend of interest rates is expected to increase in the future. Continuously high household debt affects customers' long-term debt commitments, while financial institutions are increasing their efforts to expand lending. Additionally, project development costs are likely to increase due to the rise in material prices, energy costs, and labor wages affected by labor shortages.

The mentioned situation may lead to uncertainties and affect the business environment. However, the Company's management team has been monitoring and assessing the financial impact on asset value, including provisions and contingent liabilities. Also, the management team has used suitable estimates and judgments regarding various issues as the situation has evolved.

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General Information and Other Important Information

5.1 Company Information

Securities Issuer Company	Proud Real Estate Public Company Limited
Symbol	PROUD
Types of Business	Property development
Registration No.	0107545000331
Registered Capital	997,840,729.00 shares as of 31 December 2023
Paid-Up Capital	Baht 974,014,010.00 as of 31 December 2023
Types of Shares	Common
Par Value Per Share	Baht 1 per share
Head office	No.548 One City Centre Building, 19th Floor, Room Number 1902-1903, Ploenchit Road, Lumpini, Pathum Wan, 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, 2023, 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	800,000,000 shares as of 31 December 2023
	Paid-Up Capital	Baht 800,000,000 as of 31 December 2023
	Type of Shares	6,000,000 preferred shares and 2,000,000 common shares as of 31 December 2023
	Par Value Per Share	Baht 100 per share
	Head Office	No.548 One City Centre Building, 19th Floor, Room Number 1902-1903, Ploenchit Road, Lumpini, Pathum Wan, 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	50,000,000 shares as of 31 December 2023
	Paid-Up Capital	Baht 50,000,000 as of 31 December 2023
	Type of Shares	Common
	Par Value Per Share	Baht 100 per share
	Head Office	No.548 One City Centre Building, 19th Floor, Room Number 1902-1903, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330
	Percentage of Shareholding	99.99%

3.

Company Name	Proud Horseshoe Company Limited
Type of Business	Property development
Registration Number	0105564071882
Registered Capital	20,000,000 shares as of 31 December 2023
Paid-Up Capital	Baht 20,000,000 as of 31 December 2023
Type of Shares	Common
Par Value Per Share	Baht 100 per share

Head Office	No.548 One City Centre Building, 19th Floor, Room Number 1902-1903, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330
Percentage of Shareholding	99.99%

4.

Company Name	Convent Beta Company Limited
Type of Business	Property development
Registration Number	0105564122312
Registered Capital	1,000,000 shares as of 31 December 2023
Paid-Up Capital	Baht 1,000,000 as of 31 December 2023
Type of Shares	Common
Par Value Per Share	Baht 100 per share

Head Office	No.548 One City Centre Building, 19th Floor, Room Number 1902-1903, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330
Percentage of Shareholding	99.99%

5.

Company Name	Prompt Solution Management Company Limited
Type of Business	Other activities related to real estate
Registration Number	0105565066769
Registered Capital	500,000 shares as of 31 December 2023
Paid-Up Capital	Baht 500,000 as of 31 December 2023
Type of Shares	Common
Par Value Per Share	Baht 100 per share

Head Office	No.548 One City Centre Building, 19th Floor, Room Number 1902-1903, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330
Percentage of Shareholding	99.99%

6.

Company Name	The Estate 345 Company Limited
Type of Business	Property development
Registration Number	0105565066769
Registered Capital	1,000,000 shares as of 31 December 2023
Paid-Up Capital	Baht 1,000,000 as of 31 December 2023
Type of Shares	Common
Par Value Per Share	Baht 100 per share

Head Office	No.548 One City Centre Building, 19th Floor, Room Number 1902-1903, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330
Percentage of Shareholding	99.99%

7.

Company Name	Khu Khot Station Alliance Company Limited
Type of Business	Property development
Registration Number	0105558100752
Registered Capital	300,000,000 shares as of 31 December 2023
Paid-Up Capital	Baht 300,000,000 as of 31 December 2023
Type of Shares	Common
Par Value Per Share	Baht 100 per share
Head Office	1035 Noble Building, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330
Percentage of Shareholding	99.99%

8.

Company Name	Phraram 9 Alliance Company Limited
Type of Business	Property development
Registration Number	0105559195684
Registered Capital	1,518,000,000 shares as of 31 December 2023
Paid-Up Capital	Baht 1,518,000,000 as of 31 December 2023
Type of Shares	Common
Par Value Per Share	Baht 100 per share
Head Office	1035 Noble Building, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330
Percentage of Shareholding	99.99%

Other Reference Persons

Securities Registra (Common Shares)	Thailand Security Depository Company Limited. 93 Stock Exchange of Thailand Headquarter, Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel	(662) 009-9999
Auditor	EY Office Limited 193/136-137 3rd Floor, Lake Rachada Office Complex, New Rachadapisek Road, Klongtoey, Bangkok 10110
Tel	(662) 264-9090
Fax	(662) 264-0789-90

5.2 Other Information

- None -

5.3 Legal Dispute

- None -

5.4 Secondary Market

- None -



PART 2

Good Corporate Governance



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The Company is a well-managed organization, demonstrating efficiency in business operations, good corporate governance, and excellent management. The Company operates its businesses with adherence to corporate responsibility, business ethics, fairness, transparency, and accountability. It is committed to maximizing shareholders' benefits while recognizing the significance of all stakeholder groups, aiming to promote trustworthiness and achieve sustainable growth together.

06

Corporate Governance Policy

The Company has established the Good Corporate Governance policy in writing and conducted reviews on a regular basis. The policy aligns with the principles of good corporate governance for listed companies in 2017 (CG Code) set by the Securities and Exchange Commission, creating sustainable value for businesses, investors, capital markets, and society. This policy also applies to subsidiary companies.

6.1 Overview of Corporate Governance

The Company has established a good corporate governance policy for the Company's Group. The policy consists of 15 sections, as follows:

Section 1: Policy and Code of Conduct Regarding Rights of Shareholders and Equitable Treatment of Shareholders

The Company acknowledges the significance of shareholder rights and the fair treatment of shareholders by ensuring their active participation in crucial decision-making processes and providing support for their involvement. To facilitate this, the Company has set criteria that grant minority shareholders the right to propose additional agenda items ahead of the shareholders' meeting date, nominate individuals for board positions, and submit questions in advance of meetings. These criteria are disclosed to shareholders in advance and made publicly accessible on the Company's website.

In addition, the Board of Directors ensures that shareholders' meetings are conducted in an orderly, transparent, and efficient manner, allowing shareholders to fully exercise their rights. For instance, the accuracy, completeness, and sufficiency of meeting notices for shareholders to exercise their rights are ensured by the Board, and no unnecessary agenda items are added without prior notice. As well, the resolutions and voting results of the shareholder meeting are disclosed by the Company on the next business day through the Stock Exchange of Thailand's information system and on the Company's website.



Section 2: Policy and Code of Conduct Regarding Roles of Stakeholders

The Company conducts business ethically, responsibly towards society and the environment, and does not violate the rights of stakeholders. This is a guide for every part of the organization to be able to achieve sustainable goals and objectives. The Company's policy covers all stakeholders, including shareholders, customers, business partners, creditors, competitors, employees, the community, society, and the environment.

Section 3: Policy and Code of Conduct Regarding Disclosure and Transparency

This policy is consistent with Principle 7 on Maintaining Financial Credibility and Disclosure of the Good Corporate Governance Principles for Listed Companies 2017 (CG Code). The Company ensures that financial reports and disclosures of important information are accurate, sufficient, timely, and in compliance with relevant rules, standards, and practices.



Section 4: Policy and Code of Conduct Regarding Roles, Duties, and Responsibilities of the Board of Directors, Chairman of the Board, President, and Sub-Committees.

The Company's Board of Directors understands and is aware of the responsibility as leaders with a duty to oversee the organization's effective management and ensure that all members perform their duties with responsibility, vigilance, and integrity towards the organization. The Board ensures that operations are conducted in accordance with the law, Articles of Association, and Resolutions of the Shareholders' Meeting.

This section of the policy defines the responsibilities of the Board of Directors, Chairman of the Board, Managing Director, and Sub-Committees. It covers directors and executives' nomination and remuneration, the Board of Directors' independence from management, director development, and directors' performance evaluations, including supervision of subsidiaries and associated companies.

Section 5: Policy and Code of Conduct Regarding Human Resource Management and Development.

The Company recognizes that employees are its most valuable resource and a key factor in achieving sustainable success and growth. Consequently, the Company has established guidelines for managing and developing human resources. This includes ensuring fair and equitable compensation for employees, as well as promoting and supporting employee training both internally and externally.

Section 6: Policy and Code of Conduct Regarding Accounting and Financial Transactions

The Company recognizes the importance of accurately and completely recording accounting and financial transactions, ensuring their accuracy and verifiability

Section 7: Policy and Code of Conduct Regarding Internal Control

The Company has a risk management and internal control system designed to achieve objectives effectively, efficiently, and in compliance with relevant laws and standards.

Section 8: Policy and Code of Conduct Regarding Connected Transactions

The Company is committed to accurately and transparently handling proceedings related to connected transactions, and will ensure the adequate disclosure of information. To achieve this, the Company has established guidelines for directors, executives, and employees to carry out their responsibilities with precision.

Section 9: Policies and Code of Conduct Regarding Anti-Corruption.

The Company has a policy against all forms of corruption. Directors, executives, and all employees shall not engage or participate in any form of corruption, including but not limited to bribery, being bribed, or seeking any benefit unlawfully and immorally, whether directly or indirectly. The Company conducts regular reviews to ensure compliance with its Anti-Corruption Policy.

Section 10: Policy and Code of Conduct Regarding Non-Infringement of Intellectual Property.

The Company maintains a policy and code of conduct against activities that infringe upon intellectual property rights. In accordance with these guidelines, work produced by executives and employees is considered the Company's intellectual property. The use of any software or computer programs that violate intellectual property rights in the Company's work is strictly prohibited.



Section 11: Policy and Code of Conduct Regarding Non-Violation of Human Rights

The Company upholds a policy and code of conduct against human rights violations. It strictly prohibits any form of discrimination based on gender, race, religion, personal status, economic or social status, etc. These policies and codes of conduct are applied consistently in the hiring process, task assignments, promotions, and employee compensation.

Section 12: Policy and Code of Conduct Regarding Whistleblowing

The Company ensures that there is a mechanism for receiving complaints and taking action in cases where employees observe or suspect actions that may be considered corruption related to the Company.

Section 13: Policy and Code of Conduct Regarding Safety, Occupational Health, and Work Environment

The Company is committed to addressing safety, occupational health, and environmental concerns in the workplace, with the belief that workplace accidents and illnesses can be prevented. Consequently, the Company has implemented policies applicable to all employees.

Section 14: Policy and Succession Plan of Executives

To ensure the continuous operation of the business, the Board of Directors has established a succession plan for senior executives in the event that a position becomes vacant or an executive is unable to perform duties.

In addition, the Company has a job rotation plan for employees in key positions, providing them with opportunities to gain insights into other departments. Depending on the case, employees may attend Board of Directors or sub-committees' meetings. This initiative aims to prepare employees for potential succession to higher positions, as deemed appropriate by the Company.

Section 15: Policy Regarding Board Meetings.

The Company arranges meetings and prepares agendas of the Board of Directors in advance allowing directors to plan their time and attend meetings. The frequency of the meetings is determined based on the duties and responsibilities of the Board and the nature of the Company's business.

6.2 Business Code of Conduct

The Company has established a code of ethics for business along with guidelines for directors, executives, and employees. Regular monitoring ensures compliance with good corporate governance policies, business ethics, and guidelines by directors, executives, and employees. The Company has effectively communicated these policies and guidelines to all employees across the organization.

6.3 Significant changes and developments in policies, practices, and corporate governance systems in the past year

The Company conducts an annual review of the Good Corporate Governance principles and the code of conduct. This practice aims to enhance governance efficiency and ensure compliance with the Good Corporate Governance Principles for Listed Companies 2017 (CG Code), as outlined by the Securities and Exchange Commission guidelines.

Other Practices According to Corporate Governance Code

Section 1: Rights of Shareholders

The Company acknowledges and upholds the rights of all shareholders, ensuring equal fundamental rights. For instance, shareholders have the right to attend shareholder meetings and receive sufficient, accurate, and complete information. Shareholders' rights are actively supported by the Company as follows:

1. Organizing the 2023 Annual General Meeting of Shareholders, the Company encourages and supports the participation of all shareholders, including institutional investors, by proceeding as follows:

Actions taken before the date of the shareholders' meeting.

The Company offers shareholders opportunities to propose agendas and nominate candidates for directors and submit questions in advance of the 2023 Annual General Meeting of Shareholders. The criteria are published on the Company's website and notified through the information disclosure system of the Stock Exchange of Thailand to shareholders.

The Company has published the notice of the Annual General Meeting of Shareholders along with the meeting documents in both Thai and English on the Company's website. An invitation letter has also been sent by the Company to all shareholders, clearly stating the date, time, location, and agenda of the meeting. The invitation letter includes a proxy form and documents for each agenda item, as well as the Articles of Association regarding the meeting in both Thai and English and is sent 14 days in advance of the meeting date. The meeting agenda is ensured to be sufficiently detailed, including the board's opinion, allowing shareholders to make informed decisions regarding their voting rights. Additionally, Shareholders have been notified by the Company of the necessary documentation and evidence required to maintain voting rights for both shareholders and proxies. In the event that shareholders are unable to attend the meeting, shareholders can delegate their voting rights to an independent director of the Company or any person to attend the meeting and votes through the proxy form. This allows shareholders to specify the direction of their votes.

Procedures on the Date of the Meeting of Shareholders

- The Company sets a suitable date, time, and location for the meeting to facilitate convenient attendance for shareholders.
- The Company ensures the availability of a sufficient and suitable staff to facilitate shareholders in reviewing meeting documents and providing stamp duties.
- The Company employs a barcode system for registration for accuracy, convenience, and speed. The number and proportion of shareholders attending the meeting in person and by proxy are notified by the system, along with clear voting and counting procedures. A barcode system is employed by the Company for vote counting and display to ensure the efficient and quick running of the meeting.
- The Company has appointed external legal consultants to oversee the meeting, ensuring transparency and compliance with the laws, regulations, and Article of Association of the Company.
- The Company conducts the meeting according to the agenda specified in the invitation letter and does not add any additional agenda to the meeting.
- The Company allocates sufficient time and provides an opportunity for shareholders to express their opinions and ask questions. Comprehensive information and clarification are provided to shareholders by the Company's directors and executives.
- The Company conducts voting using ballot cards for every agenda. In adherence to good practices in organizing shareholders' meetings, shareholders and proxies are requested to return any unused ballot cards after the meeting for record-keeping and future reference.
- The Company records the meeting in a video format.

Actions after the shareholders' meeting date

- The Company announced the resolutions and voting results for each agenda on the day of the meeting through the Stock Exchange of Thailand's information disclosure system and on the Company's website, ensuring shareholders are promptly informed.
- The Company accurately and completely records the minutes of the meeting, submits them to the Stock Exchange of Thailand within 14 days after the meeting date, and publishes the minutes on the Company's website.

2. **The Company ensures thorough communication with shareholders by disclosing important and necessary information on the Company's website and through the information disclosure system of the Stock Exchange of Thailand.**

Section 2: Equitable Treatment of Shareholders

1. The Company places importance on the equitable treatment of shareholders and provides a process and channels for minority shareholders to participate in the nomination and appointment of directors before the Annual General Meeting of Shareholders. Shareholders have the opportunity to propose agendas, nominate candidates for director positions, and submit questions in advance of the meeting, adhering to the Company's criteria, from October 1, 2023, to December 30, 2023. As of now, none of the shareholders has proposed an agenda item or nominated candidates for director positions.
2. The Company has a written policy preventing the use of inside information, which consists of guidelines for safeguarding and avoiding the use of the Company's internal information. Executives, managers, and directors are informed of this policy and are required to adhere to the guidelines strictly. As of 2023, no reports of directors, executives, or employees using the Company's internal information for personal gain have been identified.
3. The Company has established a clear policy for conducting related-party transactions, involving interactions between the Company and individuals with potential conflicts of interest or a stake in the Company's outcome. The Audit Committee provides input on the necessity of these transactions and ensures compliance with the notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Depending on the circumstances, approval for these transactions must be obtained from the management, the Board of Directors, or the shareholders. All connected transactions are conducted fairly, at market prices, and in accordance with the normal course of business. In cases where there is no comparable market price, the transactions must be at a reasonable and justifiable price, maximizing benefits for the Company and its shareholders.

The Company does not have a policy of providing financial assistance to companies that are not subsidiaries unless it is in the form of a loan or guarantee of a loan in proportion to the shareholding as state in the joint venture agreement.

4. The Company has established a policy regarding conflicts of interest by requiring the disclosure of the interests of directors and executives. This is to provide the Company with information to comply with the regulations regarding related party transactions, which may give rise to conflicts of interest and may result in the transfer of benefits.

Section 3: Roles of Stakeholders

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

Treatment of Stakeholders

1. Treatment and Responsibilities to Shareholders

The Company recognizes that shareholders are the owners of the business, and as such, the Company has a duty to create long-term value for shareholders. Therefore, the following guidelines have been established for employees to follow:

- 1.1 To perform duties with honesty, integrity, and make decisions with caution and fairness for the benefit of all shareholders.
- 1.2 To oversee operations to ensure that the Company maintains a comprehensive financial status and operating performance. Additionally, the Company's status, performance, financial and accounting data, and other relevant information are comprehensively and accurately presented on a regular basis.
- 1.3 To report to all shareholders about the Company's future trends, both positive and negative, based on possibilities supported by sufficient information and reasoning.
- 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 all shareholders equally in shareholder meetings.

2. Treatment and Responsibilities to the Public Sector

The Company places importance on compliance with the laws, rules, and regulations of the government sector, especially in undertaking transactions. Actions that may motivate inappropriate conduct by the state or its employees shall be avoided. The Company prioritizes fostering good mutual relationships within reasonable and permitted boundaries, based on the following principles:

- 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 have various conditions, procedures, or practices, and the Company must strictly comply.

3. Treatment and Responsibilities to Employees

The Company believes that every employee is the most valuable resource and a crucial factor in objective success. Consequently, the Company establishes policies for fair practices in terms of opportunities, remuneration, appointments, transfers, and capacity development based on the following principles:

- 3.1 To treat employees with respect, honor, and personal rights.
- 3.2 To always maintain a safe working environment for employees' lives and property.
- 3.3 To appoint, transfer, reward, and punish employees with integrity and based on their knowledge, competency, and qualifications.
- 3.4 To emphasize the continuous development of employees' knowledge and skills, including regular training seminars and workshops, and to provide equal opportunities.
- 3.5 To set employee remuneration fairly based on market

conditions, business competition, duty, performance, and the Company's financial capacity. Any unfair conduct that may affect the employees' job security shall be avoided.

- 3.6 To give employees the opportunity to share feedback, raise concerns, suggest solutions to benefit all parties, and foster good working relationships.

4. Treatment and Responsibilities to Customers

The Company focuses on real estate development by creating, presenting, and managing the Company's products and services for customers with standards and ethics based on the following principles:

- 4.1 To supply and develop products and services that fulfill customer needs.
- 4.2 To deliver high-quality products and services under equitable conditions.
- 4.3 To provide accurate information on products and services, ensuring that customers have sufficient information to make decisions; and not to make an exaggeration in advertisements or other communications with customers, which may mislead customers over the quality, quantity, or any conditions of the products and services.
- 4.4 Establish a system where customers can notify problems or lodge complaint about inappropriate services, allowing the company to address and resolve issues promptly and utilize the data for further improvement of products and services.
- 4.5 To maintain customer data confidentiality, ensuring it is neither disclosed nor used inappropriately.

5. Treatment and Responsibilities to Business Partners and Counterparties

The Company adheres to a code of conduct aimed at treating suppliers and contractual parties fairly, recognizing them as crucial contributors to business success. This approach is grounded in mutual benefits and is based on the following principles:

- 5.1 The Company is committed to efficiently supplying products and services, guided by the following principles:
 - To compete based on equal access to information.
 - To establish criteria for the evaluation and selection of suppliers and contractual parties.
 - To prepare appropriate and equitable contract formats for both parties.
 - To establish a management and monitoring system to ensure compliance with the contract terms and prevent corruption and misconduct at every stage of the procurement process.
 - To punctually pay suppliers and contract parties according to agreed payment terms.
- 5.2 The Company aims to develop and maintain sustainable relationships with suppliers and contract parties with a clear emphasis on high-quality products and services that offer worth value, mutual trust, and respect.
- 5.3 All executives and employees are prohibited from accepting any personal benefits from suppliers and contractual parties, whether directly or indirectly.
- 5.4 Use of procurement-obtained information for personal or others' benefits is prohibited.

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

- Meet the Company's criteria on quality, price, delivery schedule, and service.
- Comply with laws, have ethical standards of society, and value human rights, society, and the environment.
- Maintain good business conditions, uphold financial stability, establish a verifiable credentials, and maintain a clean business history free from prohibited trade records due to fraudulent activities, abandoned work records, or inclusion on government and private sector blacklists.
- Comply with the Company's policies and regulations.

6. Treatment and Responsibilities to Creditors

The Company is committed to operating business 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 stated in contracts or as mutually agreed.
- 6.2 In the event that the agreed conditions cannot be met, the Company will inform its creditors in advance to collaboratively consider potential solutions.

The Company is committed to treat creditors with responsibility, fairness, and adherence to good practices, following the terms and conditions of the contract, guarantee conditions, capital management and debt repayment, timeline, as well as financial obligations strictly. The Company will not conceal information or facts that may damage creditors and will report financial status to creditors accurately and completely without distorting the facts in accordance with the terms and conditions of the loan contract.



7. Treatment and Responsibilities to Competitors

The Company conducts business with the intention of achieving sustainable success and becoming a leading company in the industry, under fair and ethical competition under the following practices:

- 7.1 To engage in fair competition.
- 7.2 Not to seek competitors' confidential information through unethical means for the benefit of its business operations.
- 7.3 Not to claim false accusations or tarnish the reputation of competitors.
- 7.4 Not to engage in any actions that infringe upon the intellectual property of others or competitors.

8. Treatment and Responsibilities to the Overall Society

The Company prioritizes the community and society. As an integral part of society, the Company commits to contributing to societal development and environmental sustainability. Consequently, the Company consistently engages in community and societal activities, conducting business responsibly towards the community and society, as follows:

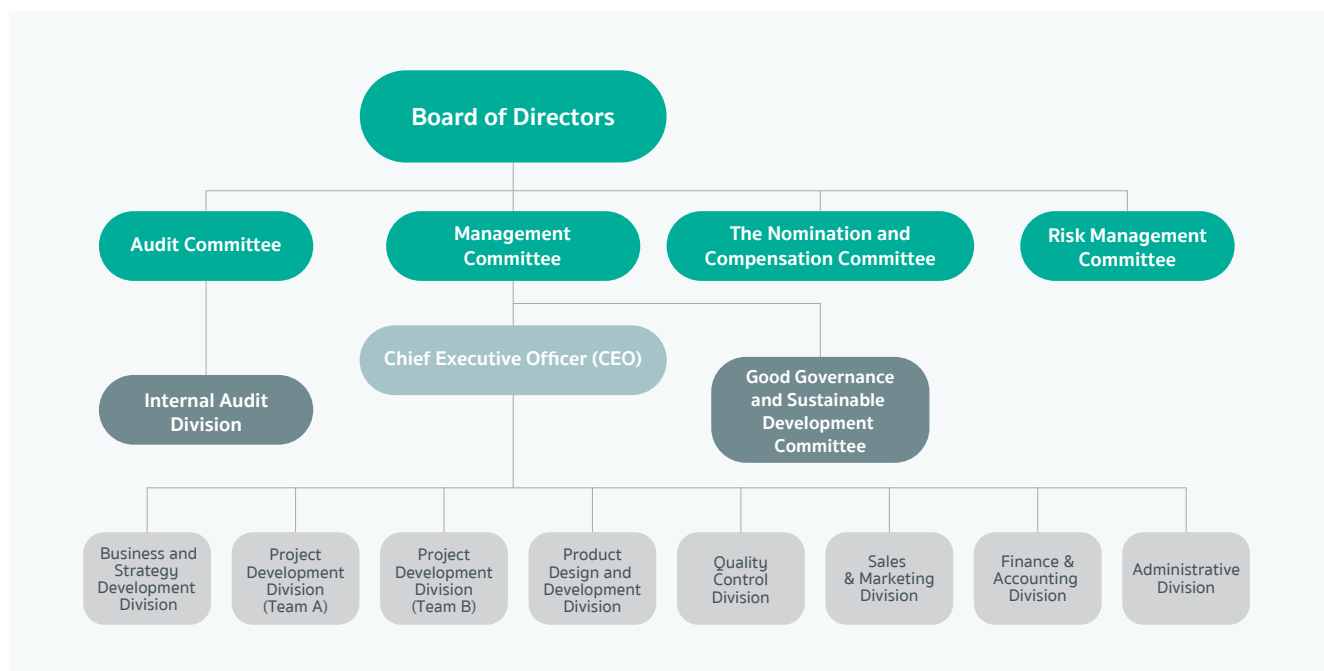
- 8.1 To adopt a policy on eco-conscious business operations and to strictly comply with applicable environmental laws and rules.
- 8.2 To adopt and adhere to a clear corporate social responsibility (CSR) policy.
- 8.3 To promote a sense of consciousness and responsibility among the Company's employees towards the environment and society.
- 8.4 To respect the customs, traditions, and cultures of each local area where the Company operates.
- 8.5 To continuously engage in social, community, and environmental activities to enhance the quality of life in the communities where it operates.
- 8.6 To cooperate, as appropriate, with activities of neighboring communities where it operates.
- 8.7 To promptly and effectively respond to events that impact the community's environment, life, and property due to the Company's operations by fully cooperating with relevant government authorities and agencies.
- 8.8 To adopt an anti-corruption policy that prohibits employees from engaging in any form of bribery, whether directly or indirectly, including offering, promising, soliciting, demanding, giving, or accepting bribes, as well as engaging in any behavior leading to corruption or misconduct. The policy aims to prevent the Company's personnel or any individual, especially government officials, from obtaining or maintaining any undue benefits. Any gifts, assets, or other benefits given to government officials, both domestically and internationally, must ensure compliance with all laws and local customs.

Corporate Governance Structure and Important Information about the Boards of Directors, Sub-committees, Management, Employees, and Others

7.1 Corporate Governance Structure

The management structure of Proud Real Estate Public Company Limited as of December 31, 2023, consists of the Board of Directors, which is divided into four subcommittees to assist in important tasks. These include the Audit Committee, the Nomination and Remuneration Committee, and the Management Committee. Also, the Risk Management Committee has been appointed to oversee risk management. In addition, the Good Governance and Sustainable

Development Committee has been appointed to oversee the management of good governance and sustainable development of the Company. This committee is chaired by Mr. Pasu Liptapanlop and Mr. Pumipat Sinacharoen, who are representatives from the Board of Directors. Mr. Pasu Liptapanlop serves as the Chairman of the Committee, with the Chief Executive Officer being the highest-ranking executive of the Company.



7.2 Information of the Board of Directors

7.2.1 Structure of Board of Directors

The current Board of Directors of the Company consists of the following 8 members:

- 4 non-executive directors, representing 50% of the total number of directors.
- 4 independent directors, representing 50% of the total number of directors.
- 4 Executive directors.
- 2 females directors, representing 25% of the total number of directors.

According to the Company's regulations and the principles of good corporate governance for the group of companies, the Board of Directors must comprise a minimum of 5 members and a maximum of 12 members. The appointment and removal of directors must be conducted at the shareholders' meeting. The Board is responsible for ensuring that its members possess a diverse range of qualifications,

including skills, experience, abilities, and specific characteristics, as well as factors such as gender and age. These qualifications are deemed necessary to achieve the organization's objectives and primary goals. Additionally, a skills matrix should be developed to guarantee that the committee is well-qualified and can comprehend and address the needs of the stakeholders

Director	Real Estate Development	Accounting/ Finance/ Auditing	Administration/ Management	Engineering/ Construction	Economic	Legal	Political/Social Science	Marketing/Sale	Information	Operation Improvement
1. Mr. Anuwat Maytheewibulwut	✓		✓			✓				
2. Mr. Pitak Pruittisarikorn			✓	✓			✓	✓	✓	✓
3. Mr. Anucha Sihanatkathakul	✓	✓	✓	✓						
4. Ms. Anchalee Bunsongsikul		✓	✓							
5. Mr. Pumipat Sinacharoen	✓	✓	✓		✓					
6. Mr. Pasu Liptapanlop	✓	✓	✓							
7. Ms. Proudpuh Liptapanlop	✓		✓		✓					
8. Mr. Dan Zonmani			✓					✓	✓	

7.2.2 Information of the Board of Directors and Individual Control Authorities of the Company

The list of the Board of Directors as of December 31, 2023, consists of the following members:

No.	Name	Position	Date of appointment as a director
1	Mr. Anuwat Maytheewibulwut	Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Committee	May 15, 2019
2	Mr. Pitak Pruittisarikorn ¹	Vice Chairman of the board of Director, Chairman of the Executive Committee	April 28,2023
3	Mr. Pasu Liptapanlop	Director, Vice Chairman of the Executive Committee, Member of the Nomination and Remuneration Committee	May 15, 2019
4	Ms. Proudpuh Liptapanlop	Director, Member of the Executive Committee	May 15, 2019
5	Mr. Anucha Sihanatkathakul	Director, Member of the Nomination and Remuneration Committee, Independent Director	May 15, 2019
6	Ms. Anchalee Bunsongsikul	Independent Director, Director, Member of the Audit Committee, Member of the Risk Committee	May 15, 2019
7	Mr. Dan Zonmani	Independent Director, Director, Member of the Audit Committee, Member of the Risk Committee	February 23,2021
8	Mr. Pumipat Sinacharoen	Director, Member of the Executive Committee, Chief Executive Officer	May 15, 2019

Remark 1. Mr. Pitak Pruittisarikorn has been appointed as a director to replace Mr. Verapong Chaiperm, as resolved at the Annual General Meeting of Shareholders 2023. This is due to Mr. Verapong Chaiperm 's resignation from the position due to health issues. Mr. Verapong Chaiperm passed away on April 14, 2023.

Authorized Signatory Directors

The authorized signatory directors are Mr. Pitak Pruittisarikorn or Mr. Pasu Liptapanlop or Ms. Proudputh Liptapanlop or Mr. Pumipat Sinacharoen, two of these four jointly sign and affix the Company's seal.

Qualifications and Term of Office for Directors

The Company's directors must meet the qualifications and shall not possess any disqualifying characteristics as outlined by the Company's Board of Directors, the securities and exchange law, the public limited companies' law, the anti-corruption law, and other relevant legislations. Additionally, the term of office is as follows:

1. At each annual general meeting, a minimum of one-third of the directors shall retire. In cases where the number of directors is not divisible by three, the number shall approximate as closely as possible to one-third. The retiring directors have the option to seek re-election for another term.
2. In the event of a vacancy on the Board of Directors for any reason other than rotation-based retirement, the Board shall appoint a legally qualified individual to serve as a director at the next Board meeting, unless the remaining term of the director being replaced is less than two months. If this occurs, the Board resolution must be endorsed by a minimum of three out of the four remaining directors. The appointed person shall serve for the remaining term of the director they are replacing.

Directors desiring to resign from their position must submit a resignation letter to the Company. The resignation becomes effective from the date the Company receives the resignation letter.

At a shareholder meeting, a resolution to remove a director from their position before the term concludes can be passed with a vote of at least three out of four votes from the shareholders present and eligible. The combined number of shares must not be less than half of the total shares held by the shareholders present at the meeting with voting rights.

7.2.3 Roles and Responsibilities of the Board of Directors

The board of directors holds the authority to make decisions for the utmost benefit of the Company and its shareholders. The roles and responsibilities between the Board of Directors and management are distinctly delineated to guarantee adherence to laws, objectives, regulations, and resolutions of shareholder meetings. The principles of good corporate governance within the Group stipulate the roles, duties, and responsibilities of the Board of Directors. The key points can be summarized as follows:

The Group Corporate Governance Principles outline the roles and responsibilities of the Board of Directors as follows:

1. The Scope of Authority and Duties of the Board of Directors

- To determine and review the structure of the Board of Directors regarding the number of directors, the ratio of independent directors, and a diverse range of qualifications to be appropriate for the Company's business operations.
- To identify vision and mission in support of business operations with regular reviews and approvals.

- To assess the operating master plans, budgets, business goals, and policies, and to develop the Company's capabilities.
- To oversee and supervise the execution of the Company's strategy, ensuring regular reporting of operating results for performance measurement.
- To manage the Company in accordance with the law, objectives, regulations of the Company, board resolutions, and resolutions of the shareholders' meeting.
- To determine risk management policies and supervise risk management, and to regularly review and evaluate the risk management system.
- To oversee and enhance the Company's corporate governance in alignment with the guidelines of the SEC and the Stock Exchange of Thailand.
- To promote ethical and moral awareness among employees at all levels, in adherence to the Company's corporate governance principles and anti-corruption policy, to oversee an appropriate internal control system and internal audit to reduce the risk of corruption and abuse of power, and to prevent illegal activities.
- To uphold the benefits and interests of both major and minor shareholders, to promote the ability of shareholders to exercise their rights to maintain their benefits, and to oversee the Company to disclose important information accurately, completely, transparently, auditable, and timely.
- To oversee the establishment of effective processes and channels for receiving and managing complaints from individuals wishing to report whistleblowers or other stakeholders, and to provide opportunities for all stakeholders to directly contact and express concerns or complaints about issues that may be problematic to the committee.
- To assess the development plan for senior executives and succession plans for the CEO, to oversee regular performance evaluations of senior executives, and to establish a transparent and comprehensive remuneration system for senior management, ensuring alignment with their responsibilities and performance, and fostering motivation in both the short and long terms.
- To conduct an annual assessment of the performance of the Board of Directors and regularly review the performance appraisal forms of directors and subcommittees.
- To oversee a transparent process for nominating and appointing individuals as directors and ensure appropriate compensation for both directors and subcommittee members.
- To attend board and shareholder meetings unless there is a valid reason. If a director cannot attend, the chairman or corporate secretary shall be informed in a timely manner.
- To develop knowledge and abilities in performing duties as a director through continuous training or participation in courses related to board responsibilities or seminars that continuously increase the knowledge of the operation.

2. Roles and Responsibilities of Chairman of Board of Directors

- To supervise, monitor, and ensure that the performance of duties of the Board of Directors is efficient and meets the Company's main objectives and goals.
- To set the agenda for board meetings through discussions with the CEO and have measures in place to ensure that important matters are included in the agenda for the meeting.

- To allocate sufficient time for management to present issues and enough time for the board to discuss important matters thoroughly, and to encourage board members to exercise independent judgment and express their opinions freely.
- To promote good relationships between the executive and the non-executive directors, and between the Board of Directors and the management

3. Roles and Responsibilities of the Chief Executive Officer

- To supervise the management of the Company and its subsidiaries to ensure alignment with the vision, mission, values, policies, and objectives set by the board and shareholders, as well as compliance with regulations and Company goals.
- To manage and control the general management of the Company and its subsidiaries to ensure alignment with the objectives, policies, regulations, and rules of the Company, as well as to monitor the operations of the management department to report the progress of operations and the performance of the Company and its subsidiaries to the board regularly.
- To establish policies for human resource management and support operations in all units to align with the guidelines set by the board to fully develop and utilize existing potential and be efficient.
- To provide guidance and share experiences in business operations with executives and employees to benefit the Company and its subsidiaries.
- To manage and allocate the Company's and its subsidiaries' financial resources and budget expenditures to maximize benefits and efficiency.
- To perform any other duties as assigned by the Board of Directors and/or resolutions of the shareholders' meeting.

As of December 31, 2023, the Company's Audit Committee consists of 8 members as follows:

Name-Surname	Position	Attended Meetings / Total Meetings (Times)
1. Mr. Anuwat Maytheewibulwut	Board of Directors	7/7
2. Mr. Pitak Pruittisarikorn ⁽¹⁾	Board of Directors	5/7
3. Mr. Pasu Liptapanlop	Board of Directors	7/7
4. Ms. Proudputh Liptapanlop	Board of Directors	7/7
5. Mr. Anucha Sihanatkathakul	Board of Directors	7/7
6. Ms. Anchalee Bunsongsikul	Board of Directors	6/7
7. Mr. Dan Zonmani	Board of Directors	7/7
8. Mr. Pumipat Sinacharoen	Board of Directors	7/7

Remark

(1.) Mr. Pitak Pruittisarikorn has been appointed as a director to replace Mr. Verapong Chaiperm, as resolved at the Annual General Meeting of Shareholders 2023. This is due to Mr. Verapong Chaiperm's resignation from the position due to health issues. Mr. Verapong Chaiperm passed away on April 14, 2023.

7.3 Information of Subcommittees

As of December 31, 2023, the management structure of the Company consists of 4 sub-committees: (1) Nomination and Remuneration Committee; (2) Audit Committee; (3) Executive Committee; and (4) Risk Management Committee. Details are as follows:

The Audit Committee

consists of 3 independent directors with independence, knowledge, abilities, and experience in reviewing financial reports, internal control systems, audits, and laws. The directors also have insights into the Company's business, and possess qualifications according to the Capital Market Supervisory Board's Notification and the Stock Exchange of Thailand (SET)'s Notification Re: Qualifications and Scope of Operations of the Audit Committee B.E. 2558 (A.D. 2015). In 2023, the Audit committee and their meetings are listed as follows:

As of December 31, 2023, the Company's Audit Committee consists of 3 members as follows:

Name-Surname	Position	Attended Meetings / Total Meetings (Times)
1. Mr. Anuwat Maytheewibulwut	Chairman of the Audit Committee (Independent)	5/5
2. Ms. Anchalee Bunsongsikul	Audit Committee Member (Independent)	5/5
3. Mr. Dan Zonmani	Audit Committee Member (Independent)	5/5

Duties and Responsibilities of the Audit Committee

The Audit Committee shall be responsible for examining the financial reports of the Company, the adequacy of the internal control system, compliance with laws, regulations, and standards related to securities and stock markets, and any transactions or items that may have conflicting interests to ensure accuracy, completeness, and transparency. Furthermore, the Audit Committee shall review the Company's anti-corruption process to ensure alignment with the guidelines of relevant supervisory bodies; the internal processes regarding receiving and supervising whistleblowing reports and handling complaints; and the consideration and selection of auditors and the fixing of audit fees. Further details are shown in the Audit Committee Charter and the report of the Audit Committee operating performance in the year 2023.

The Nomination and Remuneration Committee

consists of 3 members who have knowledge, expertise, and experience in nominating and assessing the qualified candidates for the position of Company director. The list of members and their attendance at meetings in 2023 is as follows:

As of December 31, 2023, the Nomination and Remuneration Committee consists of 3 members as follows:

Name-Surname	Position	Attended Meetings / Total Meetings (Times)
1. Mr. Anuwat Maytheewibulwut	Chairman (Independent)	2/2
2. Mr. Anucha Sihanatkathakul	Committee member	2/2
3. Mr. Pasu Liptapanlop	Committee member	2/2

Duties and Responsibilities of the Nomination and Remuneration

There are 2 main duties as follows:

1) Nomination: The Committee shall consider the structures and compositions of the boards of directors of the business group and consider the qualifications of directors with a mix of qualities unique to the Company. The Committee shall prepare the Board Skills Matrix, which includes criteria and methods for nominating candidates for directors of the Company group's subcommittees. The committee shall review the succession plan for the positions of CEO and senior executives of the Company to ensure the Company's management continues smoothly.

2) Remuneration: The Committee shall determine the forms and criteria for remuneration payments by the Board of Directors, the respective subcommittees, and advisors to the Board of Directors and the subcommittee. The committee shall consider policy frameworks for remuneration and other benefits in financial and non-financial forms, limits on bonus rates, and annual salary increase rates for group-wide employees. Details are specified in the board of directors' charter and the remuneration committee's performance report for 2023.

The Executive Committee

consists of 4 directors who are knowledgeable, capable, and experienced in investment, real estate development management, economics, and finance, as follows:

As of 31 December 2023, the Executive Committee consists of the following 4 members

Name-Surname	Position	Attended Meetings / Total Meetings (Times)
1. Mr. Pitak Pruittisarikorn	Chairman of the Executive committee	10/15
2. Mr. Pasu Liptapanlop	Executive committee member	15/15
3. Ms. Proudpuh Liptapanlop	Executive committee member	15/15
4. Mr. Pumipat Sinacharoen	Executive committee member	15/15

Duties and Responsibilities of the Executive Committee

The Executive Committee shall be responsible for formulating policies, goals, strategies, operational plans, annual budgets, and the powers of various administrations of the Company to propose to the Board of Directors for approval. The Executive Committee shall control and supervise the business operations of the Group to be in accordance with the policies, goals, and strategies, as well as provide management advice to senior executives. Further details are shown in the 2023 Report of the Executive Committee.

The risk management committee

At the 7/2023 meeting on November 13, 2023, the Company's board of directors resolved to appoint a risk management committee consisting of 3 independent directors: Mr. Anuwat Maytheewibulwut, Ms. Anchalee Bunsongsikul, and Mr. Dan Zonmani, who possess knowledge, skills, and experience in risk management and governance.

Roles and Responsibilities of the Risk Management Committee

1. Establish policies and organizational-level risk management frameworks for the Company and its subsidiaries and submit them to the Board of Directors for approval.
2. Oversee the critical organizational risk management that impacts the Company's policies, operations, and reputation/image to ensure that risks are maintained at an acceptable level and within appropriate cost constraints.
3. Evaluate and review guidelines and tools for effective and suitable risk management in accordance with the specific traits and dimensions of risks associated with each aspect of operations that the Company operates.
4. Evaluate and provide approval for risk assessment criteria acceptable risk levels/trigger points, and risk management plans/strategies that cover crucial types of risks: strategic risk, financial risk, compliance risk, and operational risk. These risks include corporate governance risk, reputational risk, information technology risk, and social, environmental and sustainability risks.
5. Evaluate and provide feedback on the organizational risk management performance to ensure that the company manages risks across various critical areas, including an adequate and appropriate handling of corporate governance and anti-corruption risks, as well as monitor the results of organizational risk management, particularly cases where the assessed risk exceeds acceptable levels or triggers points set by the company.
6. Communicate and develop relevant knowledge and understanding of risk and risk management processes among employees.

7.4 Executive Information

7.4.1 Names and positions of executives as of December 31, 2023

As of December 31, 2023, the Company had executives according to the names listed in the Company's organizational chart and according to definition in the Notification of the Capital Market Supervisory Board.

Director	Position
Mr. Pumipat Sinacharoen	Chief Executive Officer
Ms. Suphaluck Sangseda	Executive Vice President of Sales and Marketing
Ms. Naruedee Koslathip	Senior Vice President of Finance and Accounting Division
Ms. Anotai Worasunthrarom	Senior Vice President of Business Development and Strategy Division
Mr. Chisarat Surakarn	Vice President of Project Development
Mr. Kitiwat Chinrangkhakun	Vice President of Project Development
Mr. Eakchai Tejthiwat	Vice President of Corporate Marketing and PR Department
Mr. Suttirak Vatthanakhool	Vice President of Procurement and Administrative
Mr. Kornwara Sai-intr	Vice President of Business Process Improvement and Information Technology
Ms. Pichapob Iamanek	Vice President of Sale

Remuneration for Directors and Executives

The Company's Board of Directors has appointed a nomination and compensation committee consisting of 2 independent directors and 1 executive director, totaling three members. The committee shall be responsible for setting policies, criteria, and procedures for evaluating and determining the remuneration of the Board of Directors, sub-committees, and senior executives. Shareholders and stakeholders shall be assured that individuals appointed for positions are qualified in accordance with the Company's needs and adhere to good corporate governance principles. The committee shall present proposals to the Board of Directors and then to the annual general meeting of shareholders for approval.

The Company has set a clear and transparent policy on remuneration for directors. The Nomination and Remuneration Committee shall be responsible for reviewing the remuneration, which is at a level comparable to the same industry and is sufficient to attract and retain directors with the desired qualifications as per the Company's requirements.

In terms of determining the remuneration for directors and sub-committee members, both in monetary and non-monetary forms, the Board of Directors shall evaluate the recommendations of the Nomination and Remuneration Committee. The evaluation shall be done by comparing the remuneration rates of directors in the same industry group, including the appropriateness of the scope of responsibilities of directors and sub-committee members. The remuneration shall be divided into 2 parts, as follows:

(1) Monetary Remuneration

Remuneration for Director

The remuneration for directors includes the meeting allowance, special remuneration for non-executive directors, and the meeting allowance for the sub-committee members.

The remuneration for directors individually received as Company directors in 2023 is as follows:

Name	Meeting Allowance (Baht/Year)				Special Remuneration (Baht/Year)	Total
	Board of Director	Audit Committee	Nomination and Remuneration Committee	Executive Director	Non-executive Director	
Mr. Anuwat Maytheewibulwut	140,000	100,000	40,000	-	-	280,000
Mr. Pitak Pruittisarikorn	75,000	-	-	-	-	75,000
Mr. Pasu Liptapanlop	105,000	-	30,000	-	-	135,000
Ms. Proudpath Liptapanlop	105,000	-	-	-	-	105,000
Mr. Anucha Sihanatkathakul	105,000	-	30,000	-	-	135,000
Ms. Anchalee Bunsongsikul	90,000	75,000	-	-	-	165,000
Mr. Dan Zonmani	105,000	75,000	-	-	-	180,000
Mr. Pumipat Sinacharoen	105,000	-	-	-	-	105,000
Total						1,180,000

Remuneration for Executives

In 2023, the Company recorded compensation expenses, salaries and bonuses for 10 executives for a total of 35.9 million Baht.

(2) Other Remuneration

Provident Fund Contribution

The Company does not provide provident fund contribution to the directors, except for those who are also employees of the Company. In 2023, the Company recorded its provident fund contribution for 10 directors, for 1.26 million Baht in total.

In addition, the Company's executives also receive benefits and other welfare according to the Company's regulations, similar to employees, such as medical benefits and health check-ups.

7.5 Employee Information

Personnel

As of December 31, 2023, the Company had a total of 65 employees. In 2023, the Company recorded employee remuneration, consisting of salaries, bonuses, provident fund contributions, and other income, for 81.1 million Baht in total.

The number of employees in each main line of work is as follows.

1. Management Department	2 Person
2. Business Development and strategy Division	7 Person
3. A Project Development Division Team A	2 Person
4. Project Development Division Team B	3 Person
5. Finance and Accounting Division	12 Person
6. Sales and Marketing Division	28 Person
7. Administration Division	11 Person

During the past three years, the Company has not made any significant changes to its number of employees.

Company's Secretary

The Board of Directors of the Company has approved the appointment of Mr. Pumipat Sinacharoen as the Company Secretary, effective from January 1, 2021. The secretary's duties and responsibilities are as specified in the Securities and Exchange Act. Advising the Board of Directors and management on legal matters and regulations that the Board must be aware of and comply with is also included. The secretary is also responsible for organizing meetings of the Board of Directors, subcommittees, and shareholder meetings and coordinating with internal units of the Company to ensure compliance with laws, objectives, Company regulations, Board resolutions, and shareholder meeting resolutions. Additionally, the secretary is responsible for overseeing the disclosure of information and reporting in accordance with the requirements of the relevant regulatory authorities.

Policy on Employee Remuneration and Benefits

The Company recognizes that employees are one of the key factors driving the Company towards business excellence. Therefore, recruiting, developing, and taking care of all employees equally and fairly are emphasized. Importance is placed on the welfare and benefits of employees so that they receive appropriate remuneration in accordance with their employment in the labor market.

In return for performance, the Company has established an annual evaluation of employee remuneration and benefits to encourage efficient work, morale, and the well-being of employees' families. This evaluation aims to determine the appropriate remuneration and benefits for all age groups of employees based on economic conditions and competitiveness within the real estate market. Additionally, in 2023, a survey of employee loyalty to the organization was

conducted, and the results will be used to develop remuneration and benefits that are most aligned with employees' needs and satisfaction.

To ensure transparency and fairness in remuneration payments, the Company has established a policy aligning remuneration with its operational results and annual profitability. Additionally, the Performance Index (KPI) serves as a tool for managing performance-based remuneration, determining the rewards employees will receive. Remuneration is categorized into two types: monetary remuneration and non-monetary remuneration or welfare benefits. Details are as follows:

(1) Monetary Remuneration

Salary

The Company has established a policy and format for employee compensation that is appropriate to the workload and responsibilities. Remuneration is set above legal requirements, and the organization's salary structure is designed based on market remuneration data to ensure fairness to employees, alignment with economic conditions, and competitiveness with other companies in the real estate industry. Additionally, to motivate efficient performance and boost employee morale, the Company conducts an annual review of remuneration rates based on performance, Company goals, and individual employee performance, as measured by Key Performance Indicators (KPIs) set each year.

Bonus

In 2023, the Company established clear policies, criteria, and methods for awarding annual bonuses, along with distinct work objectives for employees through the Performance Management System. This system incorporates Key Performance Indicators (KPIs) at the organizational, departmental, and individual levels, ensuring that employees comprehend their responsibilities and the organization's goals, thereby facilitating efficient work. Subsequently, the performance results are utilized to determine the annual bonuses for employees.

Provident Funds

The Company has established a provident fund in accordance with the Provident Fund Act of 2530 B.E. (1987 A.D.) with the objectives of promoting savings, providing a financial safety net for employees and their families, and allowing employees to benefit from tax advantages. Membership and the amount of employee contributions depend on the employees' willingness. Employees can choose investment plans according to their preferences and can accumulate contributions at a rate ranging from 3% to 15% of their monthly salary. The Company will contribute to the provident fund for each employee at a rate of 5% of their monthly salary.

Social Security Fund

Other benefits, such as allowances, food, and travel expenses, etc.

(2) Non-Monetary Compensation

Life and Health Insurances

The Company provides life and health insurance to all employees, entitling each employee to receive medical treatment when sick. This coverage includes emergency care, inpatient and outpatient care, and accident coverage. Additionally, employees receive benefits in the event of death, with the insurance coverage amount depending on the employee's job level.

Annual health check

Due to the importance of employee health, the Company provides annual health check-ups with the objectives of encouraging employees to maintain their physical health and raising awareness of the risks of various diseases and conditions. This initiative enables employees to prevent potential diseases in the future.

Social Security Fund

The social security fund is deducted from employees' salaries each month, along with the Company's contribution and the government's contribution. This fund is utilized in cases of illness or accidents that are not work-related.

Provident fund

Every year, the Company is responsible for contributing to all compensation funds. This fund is utilized in cases where employees fall ill or experience accidents due to their work.

Grants and benefits that extend to families.

Childbirth, funeral assistance including support for funeral wreaths and funeral expenses, extends to employees, their parents, spouses, children, and other eligible dependents.

Extra Activities

The Company places importance on the commitment and happiness of its employees in the workplace. Consequently, activities are organized to foster good relationships, relieve work-related stress, and provide opportunities for employees to acquaint themselves with each other and their managers. These activities aim to cultivate a strong organizational culture, promote a positive work environment, and enhance the Company's resilience. Some of these activities include New Year celebrations, annual Company outings, Chinese New Year, and Songkran festivities.

Policy on People Development

The Company believes that employees are the crucial foundation for sustainable organizational growth. Therefore, it focuses on developing strategies for managing human resources in every process, from recruitment and appointment to performance management, employee development, leadership development, retention, career advancement, and the integration of technology into various work processes. These efforts are aimed at ensuring that employees can work happily and efficiently with the Company. Important details in various aspects are as follows:

Selection and Recruitment

The Company recognizes that the organization's image is a crucial factor in its success, aiding in the attraction and retention of employees. Consequently, information is publicized to present a positive image of the organization, including its human resource management policies such as organizational culture and work environment. This ensures that the target group is provided with accurate information and is ready to become part of the Company.

- **Employer Branding Project:** The Company has initiated public relations activities to promote and portray a positive image of the organization. Its human resource management policies, such as organizational culture and work environment, are communicated to the target audience through various channels, including the Company's website, social media platforms, and collaborations with various job platforms. This ensures that individuals interested in applying for positions at the Company have access to accurate information about the organization, thereby attracting individuals with similar goals who are prepared to become part of the organization.
- **Internship Program:** The Company collaborates with educational institutions to encourage students to develop their potential, knowledge, and skills to keep up with technology. The students are exposed to direct experience and the real work environment, which becomes a vital force in driving the economy through practical work experience in the business sector and academic studies. Moreover, the students receive various benefits and welfare, with faculty and PROUD staff providing guidance and advice. This program also increases the chances of recruiting and appointing highly skilled individuals to join the organization.
- **PROUD Onboarding Program** prepares new employees with orientation to provide knowledge about the company culture, an overview of the organization, and a business overview from construction to sales and transfer. On-the-job training by supervisors or mentors is included, which helps new employees adapt to the organizational culture quickly.

Performance Management, Rewarding and Recognition

The Company has developed a performance management system (PMS) and implemented the program since 2022. The process begins with setting Key Performance Indicators (KPIs) with each employee to establish clear individual work goals, ensuring that the performance evaluation process is fair, transparent, and acceptable. In addition to managing work performance through evaluations based on these KPIs, assessing employee behavior is also crucial to the Company. Consequently, the Company has conducted activities and projects to promote performance management, such as the following initiatives:

- The Company has established a performance assessment system using the Key Performance Indicator (KPI) system to ensure fair, transparent, and clear performance assessments. The assessment process includes facilitating discussions between supervisors and employees, providing guidelines for the evaluation process, and ensuring that the evaluation is more effective.
- The mid-year performance review is conducted to enable employees to understand their strengths and weaknesses and to develop their work performance before the annual performance evaluation.
- Providing feedback between supervisors and workers to inform employees of where they need to develop to move to higher positions in the future, which helps motivate employees.
- Salary surveys are conducted to ensure that the remuneration and salary structure are up-to-date, fair, in accordance with the situation and economic conditions, as well as competitive in the real estate market.
- Creating a work culture (Way of Working) where employees take pride in being part of the Company, recognize the quality of products and services, value the importance of customers, consider the outcomes of their actions at every stage, innovate to pursue greater objectives, and uphold integrity towards their roles and the Company.
- The “MORE THAN JUST LIVING” Branding Workshop project aims to provide knowledge and raise awareness and understanding of the importance of PROUD’s true essence, which defines the Company’s image, identity, and business benefits. The Company believes that working with clear principles and shared beliefs is a fundamental basis that fosters behaviors and dedication to consistently achieve the best results.
- Employees have the opportunity to enhance their skills for leadership development, ensuring that the organization drives sustainable growth. In 2023, the company organized a program for executives at every level, focusing on planning, strategy management, and team management to prepare them in both business and human resource management dimensions.
- The MORE THAN JUST LIVING workshop, an activity to enhance understanding and caring of the brand, is a program designed to provide knowledge and create awareness among employees about the importance of branding. In this program, external experts are invited to share their expertise, enabling employees to create and communicate the brand accurately and appropriately.
- In-house training programmes, with a focus on knowledge and management enhancement, are designed to promote and support employee learning in various areas. This ensures that employees have the knowledge and understanding needed to perform their tasks accurately and appropriately in each position. The programmes emphasize adjusting the mindset, attitudes, and work methods of employees, enabling them to confidently adapt to an uncertain environment. This, in turn, ensures that the company continues to maintain competitiveness and achieve sustainable growth.

Amidst the rapidly changing landscape of the business and technology world, including the challenges in the digital era’s New Normal, the organization needed to adapt and be mindful of diverse learning patterns, in response to the lifestyle of the new generation and the challenges posed by the COVID-19 pandemic in the year 2023. Consequently, the Company has prioritized employee development through online training courses. These courses were designed to alleviate constraints related to time and location. Some of the courses offered by our company include the following programmes.

People Development

Building a workforce with qualified skills is the company’s commitment and determination, as an effort to drive the business to have strong competitiveness and sustainable development. Therefore, enhancing the skills and competence of employees at all levels in the workplace in all dimensions is the company’s priority. Accordingly, the company provides employee development that aligns with the corporate culture, improving their knowledge and skills relevant to their work and management. This enables them to work proficiently and efficiently, equipped with new knowledge and skills useful for adapting to changing situations and prepared to tackle current and future business challenges.

- The PROUD Onboarding Programme is a comprehensive 4-month training initiative offered to new employees throughout their job probation period. Dedicated mentors and teams provide guidance, support, and assistance with work-related matters. This ensures that employees receive the necessary training, enhance their skills, boost their work confidence, and adapt more quickly to the new corporate culture.
- Leading in a Disruptive World (Training and Development) was a programme for the management team to develop the potential of personnel and the organization, preparing readiness to cope with and seize business opportunities in a rapidly changing global environment.
- Update TFRS&TAS for Accountants 2023 (online) was a programme for the Accounting and Finance department, aiming to enhance knowledge and summarize key points of the accounting reporting standards that were changed and were effective in the year 2023.
- The 2nd Practical Training Workshop for Personal Data Protection Officers (DPO) Hands-on Workshop was a program designed to develop knowledge and capabilities in managing personal data, assessing the impact, and managing risks related to personal data, while aligning internal organizational practices with the PDPA (Personal Data Protection Act).

- An online workshop was organized to provide training on the responsibilities of accountants and the preparation of accounts in accordance with accounting standards. The aim was to ensure employees' skills in applying knowledge at work, reducing errors, and enhancing the capabilities of financial statement preparers.
- The Personal Data Protection Level 1 workshop (Training and Examination) (online) was a training designed to develop knowledge and a basic understanding of personal data under PDPA (Personal Data Protection Act).
- The Mid-Year Real Estate Market Directions 2023 workshop was organized for the Sales and Marketing department to ensure that employees gain insights into the business directions of the real estate market in the second half of the year. These insights are derived from the survey results conducted by AREA.
- The SEAC HR Club - Elevating People Leadership workshop aimed to equip employees with new knowledge and tools for strategic organizational management planning. It facilitated the enhancement and systematic development of human resources, aligning with the current working environment.
- The Company Secretary Forum workshop was organized to enhance the skills of company secretaries in driving Environmental, Social, and Governance (ESG) initiatives. The goal was to facilitate knowledge acquisition and provide effective guidance and oversight on ESG matters.
- The Adman Awards & Symposium 2023 event was conducted with the aim of enriching employees' knowledge in the field of marketing and advertising.
- The Software Course Training workshop, covering SAP, CM, and REM, was organized for employees to enhance their abilities in utilizing these programs in alignment with the business operations system, ensuring maximum benefits.
- The Personal Data Protection Level 1 workshop (Training and Repair Examination), conducted online, was designed to cultivate knowledge and a fundamental understanding of personal data under the Personal Data Protection Act (PDPA).
- The Make-up and Hair Styling workshop was organized for the sales department with the aim of refining and enhancing the external appearance of sales staff. The goal is to ensure appropriateness and a positive impact on the organization's image.

Establishment of Employee Engagement

The commitment of employees to the organization and their job satisfaction undoubtedly yield various benefits across several aspects. These include reducing employee turnover rates, enhancing the quality and efficiency of work, fostering dedication to tasks, and improving customer service. In light of this, the Company has initiated activities aimed at

fortifying relationships among employees, with a focus on promoting better interaction and acquaintance. This effort includes the implementation of an Employee Engagement survey, serving as a valuable channel to listen to employee opinions and suggestions. The insights gathered from the survey are utilized to enhance organizational management and human resources strategies, both in the short and long term.

Technology for Human Resources Management Efficiency (Digital HR)

The present era is marked by constant and rapid changes, driven by significant advancements in technology. Acknowledging these transformations, the Human Resources department at the Company has proactively adopted the integration of technology in the workplace. The primary objective is to enhance convenience for employees, facilitate swift and comprehensive responses, and ensure the seamless delivery of information across all organizational levels. Moreover, this initiative aims to optimize work processes and reduce the utilization of organizational resources, such as paper and traditional document storage. Over the past year, the following initiatives have been successfully implemented.

The development of the ESS system has been undertaken with the aim of providing more convenient and efficient access to essential information for employees. The development begins with the integration of technology to enhance time management and HR document management. The system, developed by the Company, prioritizes user-friendly interfaces at all levels. This allows users to access information anytime and anywhere through internet networks and smartphones. Additionally, the system helps reduce the Company's resource utilization, promotes a paperless workflow, and maximizes cost savings in high-cost work processes.

7.6 Other Key Information

The following list presents individuals appointed with direct responsibility for accounting control. This includes the head of the internal audit unit, the company secretary, and the head of the Company's operational compliance unit. The names are as follows:

1. Miss Naruedee Koslathip serves as the Chief Financial Officer (CFO) and holds the position of Director of Financial and Accounting, with a responsibility in the finance and accounting department. Her role involves overseeing accounting functions, and a comprehensive profile outlining her responsibilities and qualifications is provided in the attached document.
2. P&L International Audit Co., Ltd., the designated internal audit service provider, conducts internal audits for the Company. The appointment was confirmed by the Audit Committee during Meeting. The committee recognizes their expertise in internal control system auditing, and a comprehensive profile is provided in the attached document.

In addition, the Company has an Investor Relations department led by Miss Naruedee Koslathip, the Director of Financial and Accounting, who is responsible for providing the Company's information, including both financial and general information, to shareholders, investors, securities analysts, and credit rating agencies. The information is publicized through the company's website under the section 'Investor Relations.' This is to facilitate convenient access for interested parties in getting information. In case shareholders, investors, or relevant individuals have inquiries or need clarification, they can contact the Investor Relations department at the phone number 02-035-0999 or email at ir@proudrealestate.co.th or through the Company's website.

Fees for Accountants

1. Audit Fee

The Company and its subsidiary companies paid audit fees to EY Office Co., Ltd. The total payment for audit fees to the auditors of both the Company and its subsidiaries amounted to 2,980,000 Baht in the past fiscal year.

Report of Key Operating Performance in Corporate Governance

Summary of the Board's Performance in the Past Year

8.1.1 Recruitment, Development, and Assessment of the Performance of Duties of the Board of Directors

Nomination and Appointment of Directors

In the process of nominating and appointing suitable individuals to serve as directors within the Company group, the Nomination and Remuneration Committee is responsible for appointing and reviewing individuals who have the qualifications outlined in accordance with the Company's regulations. In summary, the key responsibilities of the Nomination and Remuneration Committee in this context include:

1. To evaluate candidates, the committee considers qualifications, expertise, professionalism, leadership qualities, forward-looking vision, moral and ethical standards, transparent career records, and the ability to express independent opinions.

2. To assess the Board Skill Matrix, the committee evaluates skills, experience, abilities, and diversified fields of expertise relevant to the business, without regard to gender, race, or any other differences. The aim is to establish a comprehensive and maximally beneficial Board of Directors.

3. To verify the qualifications of nominated individuals, the committee conducts inquiries with relevant agencies, checking for financial interests and conflicts of interest that the individual may have with the Company.

4. To select independent directors based on criteria and qualifications for independent directors, the Company adheres to the definition outlined by the SEC's nine requirements as follows:

- 1) Holding shares not exceeding 1% of the total number of shares with voting rights of the Company. This limit shall be inclusive of the shares held by related persons of such an independent director.
- 2) Neither having been nor being a director involved in the management, nor worker, an employee, or advisor receiving a regular salary, nor a controlling person of the Company, unless the aforementioned status has ceased for a period of not less than 2 years.
- 3) Neither being a blood relative nor having a legal registration connection with another director, executive, major shareholder, controlling person, or a person to be nominated as director, executive, or controlling person of the Company or its subsidiaries.
- 4) Neither having nor having had a business relationship with the Company in the manner that may interfere with independent judgment, and neither being nor used to being a significant shareholder or a controlling person of any person having a business relationship with the

Company, unless the foregoing relationship has ended not less than 2 years.

- 5) Neither currently being nor having been an auditor of the Company, and not being a significant shareholder, a controlling person, or partner of the audit firm that employs the Company's auditor, unless the foregoing relationship has ended not less than 2 years.
- 6) Neither being nor having been any professional service provider, including providing legal or financial consulting services, which have received fees exceeding 2 million Baht per year from the Company, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for at least 2 years prior.
- 7) Not being a director appointed as a representative of the Company's Board of Directors, a major shareholder, or a shareholder related to major shareholders.
- 8) Not engaging in any business of the same nature as and competing with that of the Company or its subsidiary companies, not being a significant partner in a partnership, not being a director who takes part in the management committee, worker, employee, consultant receiving a regular salary, or holding shares exceeding 1% of the total number of shares with voting rights of other companies that undertake businesses of the same nature as and competing with that of the Company or its subsidiary companies.
- 9) Not possessing any other characteristics that hinder an ability to express independent opinions with regard to the Company's business operations.

5. In the event of a vacancy of directorship due to rotation, the Company shall allow shareholders to nominate individuals for election as directors each year, to be proposed for approval at the next annual general meeting of shareholders. During the election process, voting shall be conducted individually for each candidate. Shareholders have the right to vote for candidates but not to exceed the number of directors to be elected at that meeting. Vote-splitting is not allowed. Shareholders shall exercise all their votes for each nominated candidate for director separately. The candidate with the highest number of votes shall be elected. In the event that individuals with the next highest votes have the same number of votes, potentially resulting in exceeding the number of directors to be elected, the chairperson at the meeting shall cast an additional vote to break the tie.

6. In the event that a director resigns or a directorship becomes vacant for any reason other than rotation, the Nomination and Remuneration Committee shall appoint a new candidate with the appropriate qualifications mentioned above to the Board of Directors' meeting for consideration and approval. A resolution must be passed by at least three out of four of the remaining directors.

Nomination of Top Executives

The Nomination and Remuneration Committee has established criteria for nominating candidates for the position of President and Chief Executive Officer of the Company. The Committee reviews qualifications, knowledge, abilities, skills, and experiences that are beneficial to the Company's operations. It provides preliminary approval before proposing the candidates to the Board of Directors for final approval. Additionally, the Committee is responsible for selecting top executives of the business group companies based on the knowledge, abilities, and experiences of the Company's executives that are beneficial to the group's operations. The Committee proposes these candidates to both the Board of Directors and the Group's Board of Directors for approval.

Director Development

For a new director, the Company shall arrange an orientation program. This program is designed to provide a comprehensive understanding of the business nature, directions, and relevant information, including the shareholding structure, management structure, past performance records, significant construction projects, as well as good corporate governance guidelines, laws, and regulations relevant to their duties. The CEO shall provide a summary of such information. Meanwhile, the corporate secretary shall prepare relevant documents, including the Company's Articles of Association, rules, principles of good corporate governance for the group of companies, subsidiary committee charters, past board meeting reports, annual reports, etc.

In addition, the Company places strong emphasis on the attendance of training deemed essential for the duties of the Board of Directors, along with other courses aimed at fostering continuous development of knowledge and skills for directors. This commitment facilitates directors in comprehending the business, executing their duties proficiently, and providing effective oversight of business operations. The courses encompass various areas, including ethics, risk management, internal controls, and laws pertinent to the Company's business. Importantly, a majority of directors have completed training programs offered by the Thai Institute of Directors (IOD), as outlined in their respective biographies.

Board of Directors' Performance Assessment

The Company conducts performance assessments of the Board of Directors on both a collective and individual basis, as well as annual assessments of the CEO's performance. These assessments are conducted once a year to allow the Board of Directors to collectively assess the performance, issues, and challenges of the past year. The assessments are divided into four categories as follows:

- 1) Board of Directors Self-assessment Form
- 2) Individual Self-assessment Form for Respective Subcommittees
- 3) Individual Director Self-assessment Form
- 4) Chief Executive Officer Assessment Form

The Board of Directors shall analyze the summary of the performance assessment to consider adjustments to improve operational efficiency and ensure alignment with good corporate governance principles moving forward.

The board of director self-assessment form

contains the following 6 question topics:

- 1) Structure and Qualifications of the Board of Directors
- 2) Role, Duties, and Responsibilities of the Board of Directors
- 3) Meetings of the Board of Directors
- 4) Duties of a Director
- 5) Director's Relationship with Management
- 6) Director's Self-development and Executive Development

The summary of the Board of Directors' performance evaluation indicates an average score of 3.8 (Total = 4).

The self-assessment form for each respective subcommittee

includes the following 3 question topics.

- 1) Structure and Qualifications of the Subcommittee
- 2) Meetings of the Subcommittee
- 3) Compliance with the Scope of Authority, Duties, and Responsibilities

The performance ratings of each respective subcommittee can be summarized as follows:

Subcommittees	Ratings (%) Full score 4 points
1. Audit Committee	4
2. Nomination and Remuneration Committee	3.5
3. Executive Committee	3.6

The individual director self-assessment includes the following 3 question topics:

- 1) Structure and Qualifications of the Board of Directors
 - 2) Meetings of the Board of Directors
 - 3) Role, Duties, and Responsibilities of the Board of Directors
- The result of the individual performance assessment of the Board of Directors is an average score of 3.6 (Total = 4).

The chief executive officer assessment form

includes the following 11 question topics.

- 1) Leadership
- 2) Strategy Formulation
- 3) Strategy Implementation
- 4) Financial, Investment, and Expenses Management
- 5) Relationship with the Board of Directors
- 6) Relationship with the Outside & Satisfaction of stakeholders such as employees working for business partners
- 7) Management and Employee Relations
- 8) Succession Plan
- 9) Product and Service Knowledge
- 10) Personal Traits
- 11) Responsibilities for society, environment, and workplace safety for stakeholders

8.1.2 Directors' Meeting Attendance and Remuneration

Directors' meeting attendance as of December 31, 2023 can be summarized as follows:

List of directors	Positions	Meetings	
		Board's Meeting	Shareholders' Meeting
1. Mr. Anuwat Maytheewibulwut	Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Committee	7/7	1/2
2. Mr. Pitak Pruittisarikorn ¹	Vice Chairman of the board of Director, Chairman of the Executive Committee	5/7	1/2
3. Mr. Pasu Liptapanlop	Director, Vice Chairman of the Executive Committee, Member of the Nomination and Remuneration Committee	7/7	2/2
4. Ms. Proudpuh Liptapanlop	Director, Member of the Executive Committee	7/7	2/2
5. Mr. Anucha Sihanatkathakul	Director, Member of the Nomination and Remuneration Committee, Independent Director	7/7	2/2
6. Ms. Anchalee Bunsongsikul	Independent Director, Director, Member of the Audit Committee, Member of the Risk Committee	6/7	2/2
7. Mr. Dan Zonmani	Independent Director, Director, Member of the Audit Committee, Member of the Risk Committee	7/7	2/2
8. Mr. Pumipat Sinacharoen	Director, Member of the Executive Committee, Chief Executive Officer	7/7	2/2

Remark 1. Mr. Pitak Pruittisarikorn has been appointed as a director to replace Mr. Verapong Chaiperm as per the resolution passed at the Annual General Meeting of Shareholders held on April 28th, 2023.

Directors' Remuneration

The Nomination and Remuneration Committee is responsible for evaluating and reviewing the remuneration of the Board of Directors and subsidiary committees before presenting it to the Board of Directors for approval. Following approval by the Board of Directors, the proposed remuneration is then submitted to the shareholders for further consideration and approval.

The Company has defined the remuneration rates for directors in monetary terms, encompassing meeting allowances and performance-based compensation, such as director's bonuses. Nevertheless, the Company does not offer any non-monetary benefits.

In determining criteria for paying remuneration, other appropriate considerations and factors were also considered, i.e., 1) Industrial practice, 2) Operating results and business size, 3) Directors' knowledge, capabilities, and experiences, 4) Directors' role, duties, and responsibilities, and 5) Directors' individual performances. The Company establishes director remuneration rates that are suitable, equitable, and able to retain and motivate directors with the required qualities. Furthermore, director bonuses are in alignment with shareholder interests.

Additionally, the Nomination and Remuneration Committee is tasked with evaluating and reviewing the remuneration structure of the CEO, which is then proposed to the Board of Directors for approval. This process entails assessing the bonus framework and annual salary increase rates for employees, taking into account the Company's performance, economic conditions, and competitive position.

At the Annual General Meeting of Shareholders on April 28th, 2023, the following resolutions were passed regarding the remuneration of the Board of Directors:

	Meeting allowance of the year 2023	
	Chairman	Board/Committee Member
Board of Directors Meeting	20,000 Baht	15,000 Baht
Audit Committee Meeting	20,000 Baht	15,000 Baht
Nomination and Remuneration Committee Meeting	20,000 Baht	15,000 Baht

2. There is no payment of bonuses to directors due to the Company's operating loss.

Details of the Board of Directors' and the subcommittees' remuneration for 2023 can be summarized as follows: (Unit : Baht)

List of directors	Meeting allowance				Bonus paid from 2023 business performance	Total
	Board of Directors	Audit Committee	Executive Committee	Nomination And Remuneration Committee		
1. Mr. Anuwat Maytheewibulwut	140,000.00	100,000.00	-	40,000.00	-	280,000.00
2. Mr. Pitak Pruittisarikorn	75,000.00	-	-	-	-	75,000.00
3. Mr. Pasu Liptapanlop	105,000.00	-	-	30,000.00	-	135,000.00
4. Ms. Proudputh Liptapanlop	105,000.00	-	-	-	-	105,000.00
5. Mr. Anucha Sihanatkathakul	105,000.00	-	-	30,000.00	-	135,000.00
6. Ms. Anchalee Bunsongsikul	90,000.00	75,000.00	-	-	-	165,000.00
7. Mr. Dan Zonmani	105,000.00	75,000.00	-	-	-	180,000.00
8. Mr. Pumipat Sinacharoen	105,000.00	-	-	-	-	105,000.00

Remuneration for Directors Leaving the Board of Directors in 2023

- None -

8.1.3 Supervision of Operations of Subsidiaries and Associates

The Board of Directors has a mechanism in place to supervise, manage, and oversee the operations of subsidiaries, ensuring the protection and preservation of the Company's investment benefits. This is achieved by appointing the Company's high-level executives as directors or managers of the subsidiaries to participate in management and operations at both the policy and operational levels. However, appointments of the Company's high-level executives must be endorsed by resolutions of the Company's Board of Directors' meetings.

In addition, individuals appointed by the Company must ensure that its subsidiaries have regulations regarding related-party transactions, acquisitions, and dispositions of assets or other significant transactions. These regulations should be complete, accurate, and compliant with the Company's criteria for disclosure and transactions. This responsibility also includes ensuring that procedures are in place for data storage and accounting records for the subsidiaries. Furthermore, the Company has the authority to inspect and compile the financial statements of the subsidiaries within the specified period.

The Company neither had any shareholders' agreements to manage its subsidiaries nor operated a holding company business.

8.1.4 Monitoring compliance with corporate governance policies and guidelines

The Company places a strong emphasis on good corporate governance and business ethics within its group. It has established and promoted policies and practices aligned with these principles.

Moreover, the Company monitored the implementation of the following four issues related to good corporate governance principles.

1. Prevention of conflict of interest

The Company has a policy regarding conflicts of interest, which requires directors, executives, or employees to inform the Company of any relationships or transactions related to its business that may result in conflicts of interest.

Moreover, during board meetings of the Company or any subcommittee, directors are required to report any conflict of interest at least before considering the meeting agenda and to record it in the minutes of the meeting. Directors with such conflicts cannot express their opinions freely and must abstain from participating in the discussion of that agenda item.

2. Supervision of Internal Information Use

The Company has a policy and code of conduct for directors, executives, and employees to maintain the security and confidentiality of information. This policy prohibits the use of internal information that is important to the Company and has not been disclosed to the public for their own or others' benefit, including the buying and selling of the Company's securities. The policy is outlined with the following guidelines.

- 1) The Company requires directors and executives to report their shareholdings in the Company, held either in their own name, spouses, or underage children, to the Securities and Exchange Commission ("SEC") in accordance with Section 59 of the Securities and Exchange Act of 1992 and related announcements. Additionally, they are required to provide a copy of the report to the Company.
- 2) The Company requires directors, executives, and employees to report changes in shareholding to the Securities and Exchange Commission ("SEC") in accordance with Section 59 of the Securities and Exchange Act of 1992 within 3 days from the date of the change. Additionally, they must notify the Company secretary to prepare a record of changes and summarize the number of shares held by each director and executive individually for presentation to the Company's Board of Directors at the next meeting.
- 3) Directors, executives, and employees are prohibited from disclosing financial statements or other information that may affect the Company's securities prices to external parties or those not involved. In addition, they are prohibited from trading securities within 1 month before financial information or other information affecting the Company's securities prices is publicly disclosed, and they must refrain from trading securities until 24 hours have passed since the information has been disclosed to the public.
- 4) The Company will disclose operational results and significant information that may affect the Company's securities prices and financial statements within 45 days from the end of the quarter and 60 days from the end of the accounting period.

3. Anti-Corruption

The Company has a policy to prevent all forms of corruption. Directors, executives, and all employees are not allowed to be involved in any form of corruption, receive bribes, or seek benefits without legal and moral approval in any form, directly or indirectly. Additionally, there is a regular review of the implementation of the Anti-Corruption Policy. Consequently, the Company has the following guidelines for the policy and code of conduct.

- 1) All directors, executives, and employees at all levels are required to comply with the anti-corruption policy and must not engage in corruption, whether directly or indirectly.

- 2) All employees of the Company, at every level, must understand that corruption is unacceptable within the Company's corporate culture.
- 3) Employees involved in corruption are subject to disciplinary and legal penalties.
- 4) In case an employee discovers or suspects any act that may constitute corruption-related misconduct involving the Company, the employee must promptly report it to the Company and cooperate in the investigation of the relevant facts.

The Company will keep the whistleblower's name and details confidential for the safety of the whistleblower's life and property.

4. Whistleblowing

The Company has a policy and code of conduct regarding whistleblowing, which means that if any employee discovers or suspects any act that may constitute corruption-related misconduct involving the Company, the employee must promptly report it to the Company and cooperate in the investigation of the relevant facts.

The Company will keep the whistleblower's name and details confidential for the safety of the whistleblower's life and property.

4.1 Complaints regarding the provision or receipt of bribes, corruption, or any inappropriate behaviors can be submitted through the following channels by using a complaint form.

- 4.1.1 Direct supervisors of employees (from the management level and above)
- 4.1.2 Complaint channels through the email whistleblower@proudrealestate.co.th
- 4.1.3 Company secretary via email comsec@proudrealestate.co.th
- 4.1.4 Chairman of the Audit Committee (Independent directors or other committee members by mail or email at the following address)

PROUD Real Estate Co., Ltd.
No.548 One City Centre Building, 19th Floor,
Ploenchit Road, Lumpini, Pathum Wan,
Bangkok 10330
email: ac@proudrealestate.co.th

4.2 After witnessing, suspecting, or receiving an allegation of misconduct or fraud, an associated supervisor must inform the legal department of the incident or allegation within seven (7) days for further investigation in compliance with the determined procedures.

4.3 It is advised that a person who would like to make a complaint submits a complaint form to provide essential information to the company group for further investigation regarding the complaint or allegation.

5. Complaints or Allegation without a Disclosed Name

5.1 The company group encourages individuals who wish to submit complaints to disclose their identity and contact information, facilitating the company group in investigating the truth and/or obtaining additional information for the purpose of addressing the complaint/allegation.

5.2 For complaints or allegations without disclosed names, an investigation of that complaint/allegation will be limited solely to the content of the complaint/allegation received by the company group.

Directors' ownership of PROUD shares as of December 31, 2023

No.	Name-surname	Position	Number of PROUD Shares		
			31 December 2022	31 December 2023	Change during the year
1	Mr. Anuwat Maytheewibulwut	Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Committee	-	-	-
	Spouse and underage children		-	-	-
2	Mr. Pitak Pruittisarikorn	Vice Chairman of the board of Director, Chairman of the Executive Committee	N/A	-	-
	Spouse and underage children		-	-	-
3	Mr. Pasu Liptapanlop	Director, Vice Chairman of the Executive Committee, Member of the Nomination and Remuneration Committee	226,046,445	208,046,695	17,999,750
	Spouse and underage children		-	-	-
4	Ms.Proudputh Liptaponlop	Director, Member of the Executive Committee	226,046,444	228,903,894	2,857,450
	Spouse and underage children		-	-	-
5	Mr. Anucha Sihanatkathakul	Director, Member of the Nomination and Remuneration Committee, Independent Director	-	-	-
	Spouse and underage children		-	-	-
6	Ms. Anchalee Bunsongsikul	Independent Director, Director, Member of the Audit Committee, Member of the Risk Committee	-	-	-
	Spouse and underage children		-	-	-
7	Mr. Dan Zonmani	Independent Director, Director, Member of the Audit Committee, Member of the Risk Committee	-	-	-
	Spouse and underage children		-	-	-
8	Mr.Pumipat Sinacharoen	Director, Member of the Executive Committee, Chief Executive Officer	3,177,500	250,000	2,927,500
	Spouse and underage children		-	-	-

Directors' ownership of PROUD shares who leaving during the year 2023

- None -

Executives' ownership of PROUD shares as of December 31, 2023

No.	Name-surname	Position	Number of PROUD Shares		
			31 December 2022	31 December 2023	Change
1	Ms. Suphaluck Sangseda ⁽¹⁾	Executive Vice President of Sales and Marketing	N/A	-	-
	Spouse and underage children		N/A	-	-
2	Ms. Anotai Worasunthararom	Senior Vice President of Business Development and Strategy	-	-	-
	Spouse and underage children		-	-	-
3	Ms. Naruedee Koslathip	Senior Vice President of Finance and Accounting	N/A	3,000	-
	Spouse and underage children		N/A	-	-
4	Mr. Chisarat Surakarn	Vice President of Project Development	N/A	-	-
	Spouse and underage children		N/A	-	-
5	Mr. Kitiwat Chinrangkhakun	Vice President of Project Development	-	10,000	-
	Spouse and underage children		-	-	-
6	Mr. Eakchai Tejthiwat	Vice President of Corporate Marketing and PR	-	-	-
	Spouse and underage children		-	-	-
7	Mr. Kornwara Sai-intr ⁽²⁾	Vice President of Business Process Improvement and Information Technology	N/A ⁽⁵⁾	-	-
	Spouse and underage children		N/A	-	-
8	Mr. Suttirak Vatthanakhool ⁽³⁾	Vice President of Procurement and Administrative	N/A	-	-
	Spouse and underage children		N/A	-	-
9	Ms. Pichapob Iamanek ⁽⁴⁾	Vice President of International Business	N/A	-	-
	Spouse and underage children		N/A	-	-

Remark

- (1) Ms. Suphaluck Sangseda has been appointed to the position during 2023
(2) Mr. Kornwara Sai-intr has been appointed to the position during 2023
(3) Mr. Suttirak Vatthanakhool has been appointed to the position during 2023
(4) Ms. Pichapob Iamanek has been appointed to the position during 2023
(5) N/A means no information as the executive has been appointed to the position during 2023

8.2 Report on the performance of duties of the Audit Committee for 2023

Further details are as shown on page [174](#)

8.3 Summary of the performance of other subcommittees

8.3.1 The performance of the Remuneration and Nomination Committee report

Further details are as shown on page [176](#)

8.3.2 The performance of the Board of Directors report

Further details are as shown on page [177](#)

Internal Control and Intercompany

Proud Real Estate Public Company Limited recognizes the importance of internal control and risk management to ensure efficient operational oversight. The Audit Committee is responsible for independently reviewing the internal control system without interference from others. This ensures that the company's internal control system is appropriate and adequate to protect the company's assets, the benefits of the company, subsidiaries, and shareholders, including preventing fraud, corruption, or risk factors that may impact operations and result in conflicting interests. Additionally, the company provides sufficient disclosure to ensure transparency and can be audited according to good corporate governance practices.

9.1 Internal Control

Summary of the Board of Directors and the Audit Committee's opinions on Internal Control

At the Audit Committee Meeting No. 1/2024, held on February 23, 2024, the Committee assessed the sufficiency and appropriateness of the internal control operation based on its assessment report in various areas. This process aimed to ensure that the Company recognizes the significance of maintaining an appropriate and sufficiently risk-managed internal control. Consequently, the internal control aligns with international standards, covering all eight key areas:

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 acknowledges a critical role of internal management within the organization to facilitate appropriate and competent business operations, fostering a culture of robust internal control. To ensure independence and mitigate conflicts of interest among the Board of Directors, executives, and employees, the Company delegates the Audit Committee's responsibilities separately from the Executive Committee's authority.

The Board of Directors has established an independent internal audit unit to conduct risk-based internal audits and address various business-related issues. This includes an assessment and monitoring of performance, and fostering trust within the organization. The internal audit unit is authorized to report audit results directly to the Audit Committee, which consists of individuals with remarkable knowledge, abilities, and expertise in the company's businesses. This composition ensures the establishment of an appropriate internal control system. Moreover, the Audit Committee operates independently from the Board

of Directors and executives, a crucial aspect that guarantees the effectiveness and efficiency of meeting internal audit objectives.

The Board of Directors has established a well-defined organizational management structure by appointing individuals with authority in each department, with determined frameworks for responsibilities and decision-making. This allows clear and verifiable operations. The authorities within each department demonstrate competence and capability to effectively foster the development of employees under their supervision.

2. Objective Setting

The Company has established objectives for risk management, addressing both internal and external dimensions. The internal audit department is assigned to conduct assessments of potential risks that may impact the organization, and report results to the management and audit committees, enabling the determination of responses to risks that the organization can accept.

3. Event Identification

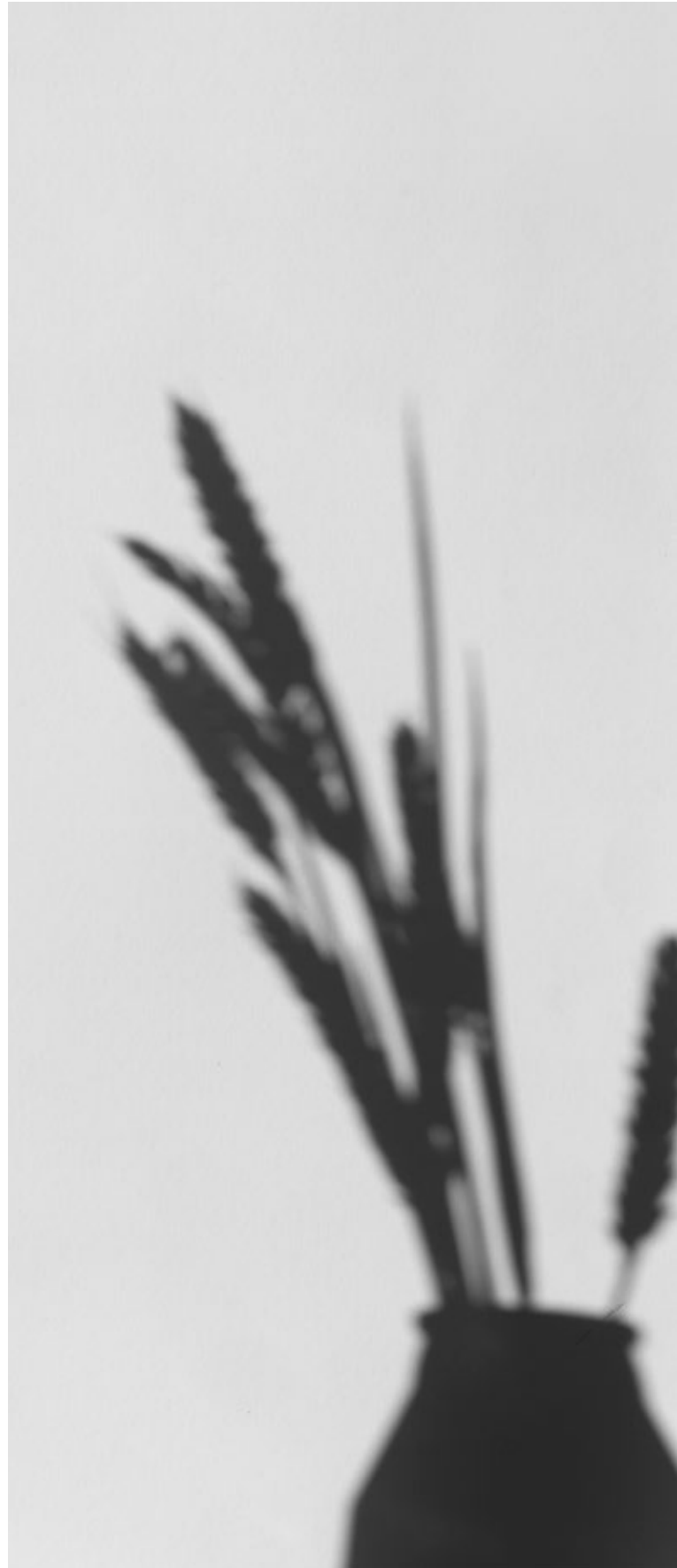
The company emphasizes the monitoring of events that have the potential to impact organizational management. The strategic focus lies in thoroughly examining potential risks, both internally and externally, including ongoing business operations. The gathered data is then presented to the Executive Committee for consideration in determining policies to address these risks appropriately.

4. Risk Assessment

The Company has recognized the risks associated with operational activities and has conducted risk assessments for both operating businesses and internal operational activities. The Board of Directors has instituted risk management protocols, establishing audit targets to prevent events that could impact the organization. The internal audit department has assessed both internal and external risks to the organization, aligning with the business models and the Company's operations at all levels, covering every department and position. Assessments also cover pertinent aspects, including operational risks, standard compliance, and external risks that may impact the businesses, ensuring a comprehensive list of issues for a thorough audit. These procedures have undergone review by the Audit Committee to ensure appropriate risk management by those responsible for the specific risk responses. Regular reviews for potential organizational risks have been conducted to ensure that appropriate audit guidance can be adjusted to suit and respond to current risks effectively.

5. Risk Response

The Company responds to risks that may occur both within the organization, as identified through internal audits, and from external sources, such as impacts on business types or economic factors. The Board of Directors is responsible for overseeing the overall risk of the organization, including managing risks through appropriate methods. The highest authority in each department is responsible for considering such risks and finding ways to respond to them, ensuring that the risks are within the organization's acceptable limits.



6. Control Activities

The Board of Directors has explicitly determined the scope, authority, duties, and responsibilities in alignment with the operational structure of the organization. Clarity in duties and responsibilities extends to all managers and employees. In addition, management procedure guidelines for potential risks have been established into written measures, such as determination of operational standards for every unit within the organization. To provide alternative options for the organization, different control approaches have been determined. Examples include the Anti-Corruption policy and control approaches in compliance with the law. These determinations have been made for the control of both potential internal and external risks. Also, the Board of Directors places a special focus on developing an information system to be implemented based on the organization's structure. The primary emphasis in the development lies on appropriateness and security. Additionally, the Company has established a monitoring process for subsidiary companies' operations to ensure consistency across the board. This includes regular reviews of all controls, adapting them as needed to address changing risks.

7. Information and Communication

The Company acknowledges the significance of developing information and data communication systems that align with the nature of the business. The development of the equipment and operating systems not only ensures up-to-date improvements but also quick accessibility, all while maintaining a high level of operational security. The data derived from these systems plays a crucial role in the decision-making and operational processes for the Board of Directors, ensuring accuracy, efficiency, and applicability for internal use within the organization. In addition, communication channels, for both internal and external disclosure of important information, have been established. Alternative channels have also been established to receive complaints, feedback, or reports related to corruption and illegal activities from individuals personally invested in the company. Information obtained from these channels will undergo a comprehensive review to ensure clarity and to identify areas for improvement, facilitating more appropriate actions and promoting fairness for all related units.

8. Monitoring Activities

The company emphasizes the importance of monitoring and evaluating whether its operations align with objectives, business ethics, and established requirements. This includes assessing the impact of management and employee practices on the organization and determining if there is a need for improvement or further development in any area. Action plans are developed within specified timeframes based on evaluations from both self-assessments by employees and internal audit units, which follow standardized auditing and reporting procedures. The reports are then submitted to the risk oversight authority, including the Audit Committee or the Board of Directors, for approval. After receiving the evaluations, the company can promptly address the risks that occurred through appropriate risk management.

It can be concluded that the Company has an internal control system that is sufficient and suitable for business operations. Deficiencies in the internal control system that are of significant concern are not identified. The system can safeguard assets from unauthorized use by management or abuse of power. The financial reports of the company are prepared in accordance with generally accepted accounting principles. The disclosure of information in the financial reports is reliable and accurate. The company's operations comply with the Securities and Exchange Act and other relevant laws.

Head of Internal Audit of the Company

The current internal audit department of the company is outsourced to P&L Internal Audit Co., Ltd., an external organization hired for 2022 and 2023 (annual contract). The individuals within this department have been assessed by the audit committee and are considered to have sufficient knowledge and competency to perform their tasks. An examination, approval, appointment, removal, or transfer of the head of the internal audit department of the Company must be approved by the Audit Committee.

It can be concluded that the Company has an internal control system that is sufficient and suitable for business operations.

Deficiencies in the internal control system that are of significant concern are not identified. The system can safeguard assets from unauthorized use by management or abuse of power.

The disclosure of information in the financial reports is reliable and accurate. The company's operations comply with the Securities and Exchange Act and other relevant laws.

9.2 Related Transactions

In 2023 and 2022, the Company and its subsidiaries had significant related transactions with individuals and businesses that may have had conflicts of interest, as follows: (Please refer to the additional financial statement notes.)

Related Party	Relation/ Type of Relation	Transaction Details	Transaction value (Million Baht)		Necessity/Description	Rationale
			2023	2022		
1. Lieutenant General Poonpirom Liptapanlop	Close relatives of directors	Transaction of a subsidiary company				
		- Purchase of preferred stocks	7.00	-	Returns are calculated from an investment of 7 million baht and a return rate of 9% per year. (Duration: July 25, 2023 – As of December 31, 2023)	Similar to ordinary investors, having no additional special rights
		- Accumulated dividends on preferred stocks	0.28			Similar return rate as of ordinary investors

Necessity and Sensibility of the Transactions

The related transactions of the Company and its subsidiaries have been conducted in accordance with normal business practices, aimed at maximizing the benefit of the company. Payment policies have been established based on market rates, criteria approved by the Board of Directors, or industry-standard agreed-upon rates. Transactions must comply with the related transaction policy as specified by the resolution of the Board of Directors' meeting.

Future Trend or Policy of Inter-Company Transactions

The Company and its subsidiaries anticipate that future related transactions will include normal business transactions, such as rental fees. Additionally, there may be transactions involving a purchase or sale of land with related companies, as well as other transactions. However, future related transactions must be beneficial to the company and comply with established measures and approval procedures.



PART **3**

Financial Report



Financial Report

Proud Real Estate Public Company Limited

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 2023, 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 2023, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgment, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter. 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Revenue recognition from sales of real estate

Revenue from sale of real estate is a 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. In addition, the Group has a significant number of sale agreements. I have therefore focused on the audit of the actually occurring and timing of revenue recognition.

I have examined the revenue recognition from sales of real estate of the Group by:

- Assessing and testing the Group's internal controls with respect to the cycle of revenue from sales of real estate by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select real estate sale agreements to assess whether the revenue recognition was consistent with the conditions of the relevant agreements, and was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, including 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 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 this matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.



Piya Chaipruckmalakarn

Certified Public Accountant (Thailand) No. 7544

EY Office Limited

Bangkok: 23 February 2024

Proud Real Estate Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	867,468,190	199,222,959	7,370,144	4,197,090
Trade and other receivables	8	4,965,474	106,070,004	582,058,896	86,854,615
Short-term loans to related parties	6	-	-	1,430,900,235	468,900,400
Current portion of long-term loans to related party	6	-	-	100,000,000	100,000,000
Inventories		-	195,358	-	-
Real estate development costs	9	7,949,768,622	2,721,449,611	-	-
Current tax assets		12,995,331	2,220,710	899,542	2,207,954
Other current assets	10	846,314,940	153,691,440	27,843,577	10,001,727
Total current assets		9,681,512,557	3,182,850,082	2,149,072,394	672,161,786
Non-current assets					
Restricted bank deposits	7, 11	193,806	192,366	193,806	192,366
Investments in subsidiaries	12	-	-	1,551,447,065	271,498,500
Building and equipment	13	54,169,380	42,484,717	10,157,766	2,501,429
Right-of-use assets	18	15,501,572	10,257,629	12,075,281	485,881
Intangible assets	14	4,235,794	4,775,997	4,235,794	4,775,997
Deferred tax assets	29	237,893,468	27,086,150	2,623,804	2,896,245
Other non-current financial assets		5,407,491	2,412,912	2,766,171	1,706,192
Total non-current assets		317,401,511	87,209,771	1,583,499,687	284,056,610
Total assets		9,998,914,068	3,270,059,853	3,732,572,081	956,218,396

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

Proud Real Estate Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2023

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
(Unit: Baht)					
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	40,139,688	85,116,053	14,348,325	71,323,566
Trade and other payables	16	867,660,309	87,501,295	393,922,146	46,962,213
Short-term loan from related parties	6	-	-	1,170,000,000	-
Current portion of long-term loans from					
financial institutions	17	120,363,725	1,206,000	-	1,206,000
Current portion of lease liabilities	18	6,288,568	6,112,415	3,403,259	500,353
Deferred revenue from sale of real estate	19	1,763,558,440	399,966,816	-	-
Accrued expenses related to the projects		107,143,077	128,487,992	83,202,717	1,202,717
Current portion of cumulative and redeemable					
preference shares	20	-	663,739,726	-	-
Retention payable		16,646,902	16,319,799	14,261,024	13,933,921
Income tax payable		33,414,020	-	-	-
Other current liabilities		12,116,390	8,369,128	6,929,142	4,317,173
Total current liabilities		<u>2,967,331,119</u>	<u>1,396,819,224</u>	<u>1,686,066,613</u>	<u>139,445,943</u>
Non-current liabilities					
Long-term loan from other person	21	90,000,000	-	90,000,000	-
Long-term loans from financial institutions,					
net of current portion	17	4,546,734,574	991,390,875	447,891,781	-
Lease liabilities, net of current portion	18	8,089,344	3,560,409	7,178,275	-
Cumulative and redeemable of preference shares					
- net of current portion	20	763,243,036	-	-	-
Provision for long-term employee benefits	22	4,216,648	3,381,735	4,216,648	3,381,735
Provision for decommissioning costs		6,784,578	8,253,002	1,784,578	3,288,478
Retention payable		103,870,622	42,219,991	-	-
Total non-current liabilities		<u>5,522,938,802</u>	<u>1,048,806,012</u>	<u>551,071,282</u>	<u>6,670,213</u>
Total liabilities		<u>8,490,269,921</u>	<u>2,445,625,236</u>	<u>2,237,137,895</u>	<u>146,116,156</u>

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

Proud Real Estate Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered	27				
997,840,729 ordinary shares of Baht 1 each (2022: 673,148,951 ordinary shares of Baht 1 each)		<u>997,840,729</u>	<u>673,148,951</u>	<u>997,840,729</u>	<u>673,148,951</u>
Issued and fully paid-up					
974,014,010 ordinary shares of Baht 1 each (2022: 641,469,040 ordinary shares of Baht 1 each)		974,014,385	641,469,415	974,014,010	641,469,040
Share premium	23	513,037,914	263,629,186	513,037,914	263,629,186
Retained earnings (deficit)					
Appropriated - statutory reserve	28	419,113	-	419,113	-
Unappropriated		<u>21,172,735</u>	<u>(80,663,984)</u>	<u>7,963,149</u>	<u>(94,995,986)</u>
Equity attributable to owners of the Company		<u>1,508,644,147</u>	<u>824,434,617</u>	<u>1,495,434,186</u>	<u>810,102,240</u>
Total shareholders' equity		<u>1,508,644,147</u>	<u>824,434,617</u>	<u>1,495,434,186</u>	<u>810,102,240</u>
Total liabilities and shareholders' equity		<u>9,998,914,068</u>	<u>3,270,059,853</u>	<u>3,732,572,081</u>	<u>956,218,396</u>

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

Directors

Proud Real Estate Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenues from sale of real estate		1,508,168,622	2,108,367,454	-	8,588,000
Dividend revenue		-	-	119,561,602	-
Other income		25,805,094	1,587,402	92,558,778	102,804,404
Total revenues		1,533,973,716	2,109,954,856	212,120,380	111,392,404
Expenses					
Cost of real estate sold		983,356,125	1,340,558,199	-	3,782,770
Selling and distribution expenses		209,960,703	235,099,904	1,291,010	1,434,588
Administrative expenses		152,356,345	161,617,040	113,132,527	111,708,176
Total expenses		1,345,673,173	1,737,275,143	114,423,537	116,925,534
Operating profit (loss)		188,300,543	372,679,713	97,696,843	(5,533,130)
Finance income		2,365,988	335,661	62,291,942	29,575,217
Finance cost	25	(29,129,561)	(68,773,655)	(56,338,096)	(5,107,391)
Profit before income tax income (expenses)		161,536,970	304,241,719	103,650,689	18,934,696
Income tax income (expenses)	29	(59,281,138)	(75,721,047)	(272,441)	507,120
Profit for the year		102,255,832	228,520,672	103,378,248	19,441,816
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		102,255,832	228,520,672	103,378,248	19,441,816
Earnings per share					
30					
Basic earnings per share					
Profit		0.12	0.36	0.12	0.03

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 2023

(Unit: Baht)

	Consolidated financial statements				Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	641,469,415	263,629,186	-	(309,184,656)	595,913,945
Profit for the year	-	-	-	228,520,672	228,520,672
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	228,520,672	228,520,672
Balance as at 31 December 2022	<u>641,469,415</u>	<u>263,629,186</u>	<u>-</u>	<u>(80,663,984)</u>	<u>824,434,617</u>
Balance as at 1 January 2023	641,469,415	263,629,186	-	(80,663,984)	824,434,617
Profit for the year	-	-	-	102,255,832	102,255,832
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	102,255,832	102,255,832
Increase share capital (Note 27)	332,544,970	249,408,728	-	-	581,953,698
Transferred unappropriated retained earnings to statutory reserve (Note 28)	-	-	419,113	(419,113)	-
Balance as at 31 December 2023	<u>974,014,385</u>	<u>513,037,914</u>	<u>419,113</u>	<u>21,172,735</u>	<u>1,508,644,147</u>

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	641,469,040	263,629,186	-	(114,437,802)	790,660,424
Profit for the year	-	-	-	19,441,816	19,441,816
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	19,441,816	19,441,816
Balance as at 31 December 2022	<u>641,469,040</u>	<u>263,629,186</u>	<u>-</u>	<u>(94,995,986)</u>	<u>810,102,240</u>
Balance as at 1 January 2023	641,469,040	263,629,186	-	(94,995,986)	810,102,240
Profit for the year	-	-	-	103,378,248	103,378,248
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	103,378,248	103,378,248
Increase share capital (Note 27)	332,544,970	249,408,728	-	-	581,953,698
Transferred unappropriated retained earnings to statutory reserve (Note 28)	-	-	419,113	(419,113)	-
Balance as at 31 December 2023	<u>974,014,010</u>	<u>513,037,914</u>	<u>419,113</u>	<u>7,963,149</u>	<u>1,495,434,186</u>

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

Proud Real Estate Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Cash flows from operating activities					
Profit before tax		161,536,970	304,241,719	103,650,689	18,934,696
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		35,227,558	17,672,228	5,146,772	5,771,673
Loss (gain) on sales/write-off of equipment	13	147,243	4,691	35,877	(1,279)
Impairment loss on equipment		15,040,935	-	9,747	-
Reversal of estimated cost for rectification and maintenance expense		(3,288,478)	-	(3,288,478)	-
Amortisation of deferred interest expenses under lease liabilities	18	528,026	443,764	237,459	80,543
Amortisation of front end fee		141,781	1,444,079	141,781	-
Provision for long-term employee benefits		834,913	1,330,343	834,913	1,330,343
Dividend income	12	-	-	(119,561,802)	-
Finance income		(2,365,988)	(335,661)	(62,291,942)	(29,575,217)
Finance cost		28,038,031	66,885,812	55,895,352	5,026,848
Profit (loss) from operating activities before changes in operating assets and liabilities		235,840,991	391,686,975	(19,189,432)	1,567,607
Operating assets (increase) decrease					
Other receivables		101,104,530	(105,858,358)	(320,855,460)	(30,276,639)
Inventories		195,358	-	-	-
Real estate development costs		(3,706,142,662)	668,324,325	-	3,782,770
Other current assets		(690,415,714)	124,469,970	(15,634,064)	22,050
Other non-current financial assets		(2,994,578)	(1,097,297)	(1,059,978)	(508,187)
Operating liabilities increase (decrease)					
Trade and other payables		777,823,513	(39,319,581)	305,375,455	38,534,268
Deferred revenue from sale of real estate		1,363,591,624	(257,418,507)	-	(8,303,932)
Accrued expenses related to the projects		(21,344,914)	126,753,345	-	(531,930)
Other current liabilities		4,311,283	4,886,044	2,939,072	494,932
Retention payable		327,103	13,508,302	-	(89,824)
Other non-current liabilities		61,650,631	-	-	-
Cash flows from (used in) operating activities		(1,876,052,835)	925,935,218	(48,424,407)	4,691,115
Cash received from interest income		2,365,988	382,186	107,463	3,604,803
Cash paid for interest expenses		(118,720,225)	(53,319,715)	(14,751,857)	(903,969)
Cash paid for corporate income tax		(45,583,771)	(59,261,795)	(899,373)	(2,207,954)
Cash received from withholding tax refundable		-	1,856,881	-	1,856,881
Net cash flows from (used in) operating activities		(2,037,990,843)	815,592,775	(63,968,174)	7,040,876

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

Proud Real Estate Public Company Limited and its subsidiaries
Statement of cash flows (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Cash flows from investing activities					
Cash paid to provide short-term loans					
to related parties	6	-	-	(961,999,835)	(36,694,000)
Cash received from repayment of long-term loans					
to related parties		-	-	-	29,859,000
Cash paid for purchase of investments in subsidiaries		-	-	(1,197,948,565)	(50,249,475)
Cash received from dividend		-	-	7,397,260	-
Increase in restricted bank deposits		(1,441)	(476)	(1,441)	(476)
Cash received from sales of equipment		-	20,390	-	20,390
Cash paid for acquisition of equipment		(52,284,527)	(37,693,188)	(9,378,318)	(429,255)
Cash paid for acquisition of intangible assets		(130,000)	(805,920)	(130,000)	(805,920)
Net cash flows used in investing activities		(52,415,968)	(38,479,194)	(2,162,060,899)	(58,299,736)
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		12,023,634	8,437,688	24,759	(401,631)
Cash received from short-term loans from					
related parties	6	-	-	1,170,000,000	-
Cash received from short-term loans from					
financial institutions		-	57,000,000	-	57,000,000
Repayment of short-term loans from financial institutions		(57,000,000)	-	(57,000,000)	-
Cash received from long-term loans from other person	21	90,000,000	-	90,000,000	-
Proceeds from short-term loans from financial institutions	17	2,135,134,975	408,658,313	450,000,000	-
Repayment of long-term loans from financial institutions	17	(35,339,000)	(1,320,993,923)	(1,206,000)	(1,694,000)
Cash paid for front end fee		(23,709,595)	(3,850,000)	(2,250,000)	-
Cash advance for finance cost		-	(1,475,000)	-	-
Cash paid for interest expense		-	(6,555,000)	-	(6,555,000)
Payment of principal of lease liabilities	18	(7,986,990)	(7,743,519)	(2,320,330)	(2,356,584)
Proceeds from increase of share capital	27	581,953,698	-	581,953,698	-
Cash received from issuance of cumulative					
and redeemable preference shares	20	750,000,000	-	-	-
Cash paid for redemption of cumulative					
and redemption preference shares	20	(600,000,000)	-	-	-
Dividend paid		(86,424,680)	-	-	-
Net cash flows from (used in) financing activities		2,758,652,042	(866,521,441)	2,229,202,127	45,992,785
Net increase (decrease) in cash and cash equivalents		668,245,231	(89,407,860)	3,173,054	(5,266,075)
Cash and cash equivalents at beginning of the year		199,222,959	288,630,819	4,197,090	9,463,165
Cash and cash equivalents at end of the year		867,468,190	199,222,959	7,370,144	4,197,090
Supplement disclosures of cash flows information					
Non-cash items					
Recorded the interest expense as real estate project					
under development	9	177,385,220	45,140,908	-	-
Increase (decrease) in accrued cost of land		442,162,365	(550,000,000)	-	-
Increase in payables for purchase of equipment		477,603	3,419,327	477,603	82,800
Increase in payables for purchase of intangible assets		-	43,000	-	43,000
Increase in liabilities under lease agreements	18	12,164,052	7,709,155	12,164,052	-

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

1. General information

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.

The Company has changed its registered address from 900 Tonson Tower, 6th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok, to the new address at 548 One City Centre, 19th Floor, Unit No. 1902 - 1903, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok, effective from 1 August 2023. The Company registered the change in registered address with the Ministry of Commerce on 20 July 2023.

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”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 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	99.99	99.99
Proud Horseshoe Co., Ltd.	Real estate development	Thailand	99.99	99.99
Convent Beta Co., Ltd.	Real estate development	Thailand	99.97	99.97
Prompt Solution Management Co., Ltd.	Property management service	Thailand	99.94	99.94
The Estate 345 Co., Ltd.	Real estate development	Thailand	99.99	-
Khu Khot Station Alliance Co., Ltd.	Real estate development	Thailand	99.99	-
Phraram 9 Alliance Co., Ltd.	Real estate development	Thailand	99.99	-

- 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.
- e) 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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. 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 believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenue from sale of real estate

Revenue from sale of land and houses and sale of residential condominium units 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 the properties. 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.

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.

4.2 Cost of sale of real estate

Cost of sale of land and houses/residential condominium units is determined based on the anticipated total development costs (after considering the actual costs incurred to date) attributed to land and houses/residential condominium units already sold on the basis of the salable area or value, 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.

4.3 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.

4.4 Inventories

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

4.5 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 (calculated separately for each projects) 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 (calculated separately for each project).

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.

4.6 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.

4.7 Investments in subsidiaries

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

4.8 Buildings and equipment and depreciation

Buildings and 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.

Building and building improvements	-	3 years
Equipment	-	5 - 10 years
Furniture and office equipment	-	3 - 5 years
Vehicles	-	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.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset or development of the projects 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.

4.10 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 the straight-line 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

4.11 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

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, lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

4.12 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 associates, 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 Financial instruments

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.

Cumulative and redeemable preference shares

Cumulative and redeemable preference shares are separated into financial liability and equity components based on the terms of the contract.

On issuance date of the cumulative and redeemable preference shares, the Group initially recognised the value of the liability component and redemption option at fair value using a market rate and classified as a financial liability. The remainder of the proceeds is allocated to the equity component.

Cumulative and redeemable preference shares - liability component are measured at amortised cost (net of transaction costs) until they are redeemed or due to repayment. The value of the cumulative and redeemable preference shares - equity component determined upon the issuance of the preference shares do not change in subsequent periods. The redemption option are subsequently measured at fair value at the end of each reporting period. Changes in the fair value of the redemption option are recognised in profit or loss.

Transaction costs that relate to the issuance of cumulative and redeemable preference shares are apportioned to the liability and equity components of the cumulative and redeemable preference shares in proportion to the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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 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 as credit impaired or 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 trade receivables and 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.

ECLs are calculated 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.

4.18 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.

5. 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.

6. 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		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Management income	-	-	90	87	Contractual agreed price
Interest income	-	-	62	29	MLR - 0.5% per annum
Other income	-	-	120	16	Contractual agreed price
Interest expense	-	-	77	-	
Transactions with related parties					
Rental fee	4	4	-	-	Contractual agreed price
Other expenses	69	5	-	-	Contractual agreed price
Transactions with related persons					
Return on cumulative and redeemable preference shares					
	-	2	-	-	Contractual agreed price

As at 31 December 2023 and 2022, the balances of the accounts between the Group and those related parties are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Amount due from and advance to related parties (Note 8)				
Subsidiaries	-	-	581,278,792	37,901,421
Total amount due from and advance to related parties	-	-	581,278,792	37,901,421
Interest receivables - related parties (Note 8)				
Subsidiaries	-	-	-	48,761,058
Total interest receivables - related parties	-	-	-	48,761,058

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other payables and advance from related parties (Note 16)				
Related persons	-	110,000	-	110,000
Related parties	<u>4,982,567</u>	<u>819,016</u>	<u>322,814,816</u>	<u>24,772,797</u>
Total other payables and advance from related parties	<u>4,982,567</u>	<u>929,016</u>	<u>322,814,816</u>	<u>24,882,797</u>
Interest payable - related party (Note 16)				
Subsidiary	<u>207,123</u>	-	<u>40,891,662</u>	<u>131,291</u>
Total interest payable - related party	<u>207,123</u>	-	<u>40,891,662</u>	<u>131,291</u>
Redeemable preference shares - related persons				
Related persons	<u>7,123,602</u>	<u>20,027,816</u>	-	-
Total redeemable preference shares - related persons	<u>7,123,602</u>	<u>20,027,816</u>	-	-
Lease liabilities - related party				
Related party	<u>235,968</u>	<u>3,084,031</u>	-	-
Total lease liabilities - related party	<u>235,968</u>	<u>3,084,031</u>	-	-

Loans to related parties

As at 31 December 2023 and 2022, the balances of loans between the Group and those related parties and the movements in loans were as follows:

Loans to subsidiary companies

	(Unit: Baht)			
	Separate financial statements			
	Balance as at 31 December 2022	Increase during the year	Balance as at 31 December 2022	Effective interest rate (Percent per annum)
Short-term loans to subsidiary companies				
Convent Beta Co., Ltd.	369,942,000	-	369,942,000	MLR-0.5
Proud Horseshoe Co., Ltd.	64,288,400	-	64,288,400	MLR-0.5
Hua Hin Sky Living Co., Ltd.	34,670,000	-	34,670,000	MLR-0.5
Khu Khot Station Alliance Co., Ltd.	-	301,006,614	301,006,614	MLR-1.0
Phraram 9 Alliance Co., Ltd.	-	660,993,221	660,993,221	MLR-1.0
Total	468,900,400	961,999,835	1,430,900,235	

Short-term loans to subsidiary companies are due at call.

	(Unit: Baht)		
	Separate financial statements		
Long-term loan to subsidiary company	31 December 2022	During the year	31 December 2023
Hua Hin Sky Living Co., Ltd.	100,000,000	-	100,000,000
Total	100,000,000	-	100,000,000
Less: Current portion	(100,000,000)	-	(100,000,000)
Long-term loan to related party, net of current portion	-	-	-

Long-term loans to subsidiary company bear interest at the rate of MLR-0.5% per annum.

Loans from subsidiary companies

As at 31 December 2023 and 2022, the balance of loans between the Company and the subsidiary companies and the movements were as follows:

Loans from subsidiary company

(Unit: Baht)

Short-term loans from subsidiary companies	Separate financial statements		
	31 December 2022	Increase during the year	31 December 2023
Hua Hin Alpha 71 Co., Ltd.	-	600,000,000	600,000,000
Khu Khot Station Alliance Co., Ltd.	-	540,000,000	540,000,000
Phraram 9 Alliance Co., Ltd.	-	30,000,000	30,000,000
Total	-	1,170,000,000	1,170,000,000

On 30 March 2023, the Extraordinary General Meeting of Shareholders of Hua Hin Alpha 71 Co., Ltd., a subsidiary, passed a resolution approving a loan to the Company. The purpose of the loan is to redeem the subsidiary's cumulative and redeemable preference shares in the amount of Baht 600 million. The redemption will be divided into 3 installments, with the three installments of Baht 200 million each that were paid on 31 March 2023, 17 May 2023 and 30 September 2023, respectively.

The Company additionally drew down loans from the aforementioned subsidiary to redeem cumulative and redeemable preference shares for the three installments, with each installment amounting to Baht 200 million. As a result, as of 31 December 2023, the Company's short-term loan from the subsidiary companies increased in total of Baht 600 million and the total investment in preference shares amounts to Baht 600 million, as described in Note 12 to the consolidated financial statements.

Short-term loans from subsidiary companies bear interest at the rate of MLR - 0.5% per annum. The payment schedules of principal and interests are due within 31 December 2023.

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Baht)	
	Consolidated/Separate financial statements	
	For the year ended 31 December	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	38,553,816	31,298,200
Post-employment benefits	700,216	1,115,663
Total	<u>39,254,032</u>	<u>32,413,863</u>

7. Cash and cash equivalents

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	230,821	278,829	71,166	67,879
Deposits at banks	867,431,175	199,136,496	7,492,784	4,321,577
Less: Restricted bank deposits (Note 11)	(193,806)	(192,366)	(193,806)	(192,366)
Total cash and cash equivalents	<u>867,468,190</u>	<u>199,222,959</u>	<u>7,370,144</u>	<u>4,197,090</u>

As at 31 December 2023, bank deposits in savings accounts and fixed account carried interests between 0.15 and 1.10 percent per annum (2022: between 0.20 and 0.55 percent per annum).

8. Trade and other receivables

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade receivables	-	102,665,777	-	-
Amount due from and advance to related parties (Note 6)	-	-	581,278,792	37,901,421
Other receivables - unrelated parties	4,965,474	3,404,227	780,104	192,136
Interest receivables - related parties (Note 6)	-	-	-	48,761,058
Total	<u>4,965,474</u>	<u>106,070,004</u>	<u>582,058,896</u>	<u>86,854,615</u>

9. Real estate development costs

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	2,442,347,308	1,998,408,249	-	-
Construction in progress and design expenses	5,289,077,385	636,212,843	-	-
Capitalised borrowing costs	112,646,940	86,828,519	-	-
Deferred development project expenses	105,696,989	-	-	-
Total	7,949,768,622	2,721,449,611	-	-

During the years ended 31 December 2023 and 2022, 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 financial statements	
	<u>2023</u>	<u>2022</u>
Borrowing costs included in the cost of land and construction in progress (Million Baht)	177	45
Capitalisation rate (%)	4.95 - 8.81	4.80 - 5.17

As at 31 December 2023 and 2022, the subsidiaries have pledged some land and construction thereon as collateral for credit facilities of the subsidiaries which have net book value as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
Net book value of land and construction that has been pledged as collateral	6,844	1,630

10. Other current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Advance payment for project management fee	591,458,084	87,571,969	-
Prepaid expenses	24,893,043	12,185,540	16,496,195	4,558,620
Advance for purchase of inventories	216,854,588	41,371,463	165,306	165,306
Others	13,109,225	12,562,468	11,182,076	5,277,801
Total	846,314,940	153,691,440	27,843,577	10,001,727

11. 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.

12. Investments in subsidiaries

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)
<u>Ordinary shares</u>						
Hua Hin Alpha 71 Co., Ltd.	200,000	200,000	99.99	99.99	200,000	200,000
Hua Hin Sky Living Co., Ltd.	50,000	50,000	99.99	99.99	50,000	50,000
Proud Horseshoe Co., Ltd.	20,000	20,000	99.99	99.99	20,000	19,999
Convent Beta Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000
Prompt Solution Management Co., Ltd.	500	500	99.94	99.94	500	500
The Estate 345 Co., Ltd.	-	-	99.97	99.97	1,000	-
Khu Khot Station Alliance Co., Ltd.	300,000	-	99.99	-	253,856	-
Phraram 9 Alliance Co., Ltd.	768,000	-	99.99	-	425,091	-
<u>Preference shares</u>						
Hua Hin Alpha 71 Co., Ltd.	600,000	-	100.00	-	600,000	-
Total investments in subsidiaries					<u>1,551,447</u>	<u>271,499</u>

The establishment of new subsidiary

On 17 July 2023, a meeting of the Company's Board of Directors passed a resolution approving the establishment of a new subsidiary company under the name "The Estate 345 Company Limited". This new subsidiary is engaged in real estate development and has a registered capital of 10,000 ordinary shares of Baht 100 each, totaling Baht 1 million. The Company holds shares 99.99 percent of the shares in the new subsidiary. The subsidiary company registered its establishment with the Ministry of Commerce on 21 July 2023.

Additional investments in subsidiaries

On 29 June 2023, the Extraordinary General Meeting of Shareholders of the Company passed the resolution to approve the acquisition of all ordinary shares in Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited (referred to collectively as the "Target Company"), which are to be acquired from Noble Development Public Company Limited and TNL Alliance Company Limited (referred to collectively as the "Sellers"). The number of shares to be acquired is 3,000,000 shares and 7,680,000 shares, respectively. The consideration for the shares was paid in cash, totaling Baht 573,251,877. Furthermore, the meeting approved the execution of a share purchase agreement between the Company and the Sellers, along with other relevant documents pertaining to the aforementioned transaction. On 26 May 2023, the Company executed the share purchase agreement and paid a deposit of Baht 15 million to the Sellers as a guarantee for the agreement.

In addition, due to an existing loan agreement, apart from the share purchase agreement, between the Target Company and the Sellers, with a total outstanding debt of Baht 1,161,891,951, the Company will undertake the following actions. The Company (1) will receive a partial transfer of claims under the loan agreement between the Target Company and the Sellers. The Company will receive the transfer of debts amounting to Baht 426,748,123 and will assume the role of the borrower on behalf of the Sellers. The Company is obligated to pay consideration in cash for the transfer of the claims, equivalent to the outstanding debt received to the Sellers. Additionally, (2) the Company will facilitate Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited in borrowing funds from commercial banks and/or raising capital through the issuance of preferred shares to be used to repay the remaining loan amount under the loan agreement between the Target Company and the Sellers, for the portion where the transfer of debts has not been assigned to the Company. The Target Company will repay the aforementioned loan amount to the Sellers in cash, totaling Baht 735,143,828, either on the same day as the business acquisition or within 1 day thereafter.

On 25 July 2023, the fulfillment of conditions precedent has been completed as stipulated in the agreement. The Company purchased and signed the share transfer documents of the aforementioned ordinary shares. Therefore, the status of the Target Company was changed to the subsidiaries of the Company and the financial statements of the Target Company has been included in the consolidated financial statements since 25 July 2023, which was the date on which the Company assumed control.

In acquiring shares of the following subsidiary companies, the Company analysed the acquisition transactions in accordance with Thai Financial Reporting Standard No.3 Business Combinations and identified that the acquisitions of these investments qualified as assets acquisitions.

	(Unit: Thousand Baht)	
	Khu Khot Station Alliance Company Limited	Phraram 9 Alliance Company Limited
Cash and cash equivalents	21,402	36,554
Other receivables	59,811	44,618
Real estate development costs	651,427	2,452,251
Deferred front end fee	303	528
Other current assets	11,558	7
Deferred tax assets	-	204,637
Property and equipment, net	-	18,722
Cost to obtain contract	70,268	293,828
Trade and other payables	(17,449)	-
Deferred revenue from sale of real estate	(178,031)	(978,691)
Short-term loans from shareholders	(364,006)	(810,993)
Long-term loans from financial institutions	(263,047)	(1,297,190)
Accrued interest expenses	(879)	(4,108)
Accrued expenses	(290)	(1,016)
Other current liabilities	(9,140)	(16,339)
Net liabilities	<u>(18,073)</u>	<u>(57,192)</u>
Cash paid for investments in subsidiaries	228,490	344,763
Cash paid for existing shareholders loans	510	426,237
Less: Cash and cash equivalents of the subsidiaries	<u>(21,402)</u>	<u>(36,554)</u>
Net cash paid for investments in subsidiaries	<u>207,598</u>	<u>734,446</u>

Transaction costs incurred to asset acquisition in the amount of Baht 23.7 million recorded as investment in subsidiaries in the Company's statement of financial position and recorded as real estate development costs in the consolidated statement of financial position as at 31 December 2023.

Contingent consideration liability

In accordance with the share purchase agreements related to the acquisition of Khu Khot Station Alliance Company Limited and Phraram 9 Alliance Company Limited, the Company has a contingent consideration obligation to the previous shareholders. The obligation is equivalent to 40 percent of the residual cash flows from the two subsidiaries, after fully reserving related items. The capped amount for such consideration is stipulated at Baht 82 million and is due once the transfer of ownership for all condominium units related to the projects undertaken by these two acquired subsidiaries has been completed, subject to the contractual terms set forth in the share purchase agreements.

As at the acquisition date, the Company estimated the fair value of the consideration expected to be paid using the discounted cash flow method. The contingent consideration liability is presented under the 'accrued expenses related to the projects' in the consolidated financial statements.

Redemption of subsidiary's cumulative and redeemable preference shares

On 30 March 2023, the Extraordinary General Meeting of Shareholders of Hua Hin Alpha 71 Co., Ltd., a subsidiary, passed a resolution approving a loan to the Company for the purpose of redeeming the subsidiary's cumulative and redeemable preference shares. On 31 March 2023, the subsidiary paid dividends and accumulated accrued dividends of preference shares to investors (net of withholding tax). On the same day, the Company exercised its right to partially purchase the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve, for a total of Baht 200 million. As a result, the Company's investment in preference shares in the subsidiary increased by Baht 200 million.

On 17 May 2023 and 30 June 2023, the Company additionally drew down loans from the aforementioned subsidiary and subsequently redeemed cumulative and redeemable preference shares for the second and third installments, with each installment amounting to Baht 200 million. As a result, the Company's investment in the preference shares of the subsidiary increased by Baht 400 million. As of 31 December 2023, the total investment in preference shares amounts to Baht 600 million.

Dividend income from subsidiary

During the year ended 31 December 2023 and 2022, the Company recognised dividend income from the following subsidiary:

	(Unit: Baht)	
	<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Hua Hin Alpha 71 Co., Ltd.	119,561,602	-

13. Building and equipment

Movements of equipment for the years ended 31 December 2023 and 2022 were summarised below.

(Unit: Baht)

	Consolidated financial statements				
	Building and building improvement	Furniture and office equipment	Vehicles	Assets during construction	Total
Cost					
1 January 2022	4,223,303	10,300,559	822,431	-	15,346,293
Additions	6,148,912	7,816,923	-	27,146,680	41,112,515
Disposals/write-off	-	(59,132)	-	-	(59,132)
31 December 2022	10,372,215	18,058,350	822,431	27,146,680	56,399,676
Additions	9,859,620	2,231,940	-	21,943,899	34,035,459
Increase from acquisition of subsidiaries	29,695,354	-	-	-	29,695,354
Disposals/write-off	-	(424,856)	-	-	(424,856)
Transfer in (out)	48,859,917	-	-	(48,859,917)	-
31 December 2023	98,787,106	19,865,434	822,431	230,662	119,705,633
Accumulated depreciation					
1 January 2022	2,402,073	2,958,960	156,237	-	5,517,270
Depreciation for the year	3,372,759	4,908,492	150,486	-	8,431,737
Accumulated depreciation on disposals/ write-off	-	(34,048)	-	-	(34,048)
31 December 2022	5,774,832	7,833,404	306,723	-	13,914,959
Depreciation for the year	18,410,552	7,328,254	150,486	-	25,889,292
Increase from acquisition of subsidiaries	10,972,915	-	-	-	10,972,915
Accumulated depreciation on disposals/write-off	-	(281,848)	-	-	(281,848)
31 December 2023	35,158,299	14,879,810	457,209	-	50,495,318
Allowance of impairment					
31 December 2022	-	-	-	-	-
Increase during the year	14,794,260	246,675	-	-	15,040,935
31 December 2023	14,794,260	246,675	-	-	15,040,935
Net book value					
31 December 2022	4,597,383	10,238,856	501,798	27,146,680	42,484,717
31 December 2023	48,834,547	4,738,949	365,222	230,662	54,169,380
Depreciation for the year					
2022 (included in the administrative expenses)					8,431,737
2023 (included in the administrative expenses)					25,889,292

(Unit: Baht)

Separate financial statements

	Building and improvement	Furniture and office equipment	Assets under construction	Vehicles	Total
Cost					
1 January 2022	3,475,640	3,801,429	822,431	-	8,099,500
Additions	-	512,055	-	-	512,055
Disposals	-	(53,162)	-	-	(53,162)
31 December 2022	3,475,640	4,260,322	822,431	-	8,558,393
Additions	-	1,224,213	-	8,631,708	9,855,921
Disposals	-	(160,426)	-	-	(160,426)
Transfer in (out)	8,396,814	-	-	(8,396,814)	-
31 December 2023	11,872,454	5,324,109	822,431	234,894	18,253,888
Accumulated depreciation					
1 January 2022	2,328,763	1,536,299	156,237	-	4,021,299
Depreciation for the year	1,100,104	819,126	150,486	-	2,069,716
Accumulated depreciation on disposals	-	(34,051)	-	-	(34,051)
31 December 2022	3,428,867	2,321,374	306,723	-	6,056,964
Depreciation for the year	1,117,479	885,995	150,486	-	2,153,960
Accumulated depreciation on disposals	-	(124,549)	-	-	(124,549)
31 December 2023	4,546,346	3,082,820	457,209	-	8,086,375
Allowance of impairment					
31 December 2022	-	-	-	-	-
Increase during the year	-	9,747	-	-	9,747
31 December 2023	-	9,747	-	-	9,747
Net book value					
31 December 2022	46,773	1,938,948	515,708	-	2,501,429
31 December 2023	7,326,108	2,231,542	365,222	234,894	10,157,766
Depreciation for the year					
2022 (included in the administrative expenses)					2,069,716
2023 (included in the administrative expenses)					2,153,690

14. Intangible assets

The net book value of intangible assets representing computer software, as at 31 December 2023 and 2022 was presented below.

	(Unit: Baht)
	Consolidated/ Separate financial statements
Cost	
1 January 2022	7,051,870
Additions	848,920
31 December 2022	7,900,790
Additions	130,000
31 December 2023	8,030,790
Accumulated amortisation	
1 January 2022	2,447,849
Amortisation for the year	676,944
31 December 2022	3,124,793
Amortisation for the year	670,203
31 December 2023	3,794,996
Net book value	
31 December 2022	4,775,997
31 December 2023	4,235,794
Amortisation for the year	
2022 (included in the administrative expenses)	676,944
2023 (included in the administrative expenses)	670,203

15. Bank overdrafts and short-term loans from financial institutions

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.

Bank overdrafts of the subsidiaries are subject to interest at the highest rate for normal loans. The bank overdrafts of the subsidiaries are guaranteed by the Company.

16. Trade and other payables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - unrelated parties	259,357,875	20,750,311	2,017,262	1,026,400
Other payables and advance from related parties (Note 6)	4,982,567	929,016	322,814,816	24,882,797
Other payables - unrelated parties	108,162,472	26,159,707	4,417,241	1,309,865
Interest payable - related party (Note 6)	207,123	-	40,891,662	131,291
Accrued cost of land	442,162,365	-	-	-
Accrued expenses	52,787,907	39,662,261	23,781,165	19,611,860
Total	<u>867,660,309</u>	<u>87,501,295</u>	<u>393,922,146</u>	<u>46,962,213</u>

17. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2023 and 2022 were summarised below.

No.	Credit facilities (Thousand Baht)	Significant terms and conditions of loan agreements	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
				2023	2022	2023	2022
		Repayment term					
		Collateral					
(Unit: Baht)							
<u>The Company</u>							
1.	2,900	The principal is to be repaid in 12 monthly installments. The first installment will be paid in the 13th month from the loan receipt date.	2%	-	1,206,000	-	1,206,000
2.	450,000	The principal is to be repaid monthly. The first installment will be paid from October 2025 onwards.	MLR-1.35	450,000,000	-	450,000,000	-
		The mortgage of land and construction of Vehha project and land and construction at Klong Nueng Sub-district					
<u>Subsidiaries</u>							
Hua Hin Sky Living Co., Ltd.							
3.	870,000	Repayment of principal upon redemption of residential condominium unit sold at the rate of 70% of the selling price or not less than amount as calculated by the selling price at Baht 89,420 per square meter	Year 1: MLR-2.00 and thereafter MLR-1.50	110,000,000	110,000,000	-	-

No.	Credit facilities (Thousand Baht)	Significant terms and conditions of loan agreements		Interest rate (percent per annum)	Consolidated financial statements		(Unit: Baht) Separate financial statements	
		Repayment term	Collateral		2023	2022	2023	2022
Khu Khot Station Alliance Co., Ltd.								
7.	1,661,000	Repayment of principal upon redemption of land and construction at the rate of 73% of the selling price and not less than amount as stated in the agreement and within 2026	The mortgage of land and construction thereon and guaranteed by Proud Real Estate Plc. and Phraram 9 Alliance Co., Ltd.	MLR-1	1,347,637,000	-	-	-
Phraram 9 Alliance Co., Ltd.								
8.	2,569,000	Repayment of principal upon redemption of land and construction at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 2026	The mortgage of land and construction thereon	Year 1 - Year 6 MLR-2.00 and thereafter MLR-1.25	1,444,133,000	-	-	-
Total					4,663,429,714	999,990,739	450,000,000	1,206,000
Less: Deferred front end fee					(30,686,146)	(7,393,864)	(2,108,219)	-
Add: Finance cost - Interest expenses on borrowings					34,354,731	-	-	-
Net					4,667,098,299	992,596,875	447,891,781	1,206,000
Less: Current portion					(120,363,725)	(1,206,000)	-	(1,206,000)
Long-term loans - net of current portion					4,546,734,574	991,390,875	447,891,781	-

Movements of the long-term loans account during the years ended 31 December 2023 and 2022 were summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	992,596,875	1,360,846,144	1,206,000	2,900,000
Increase from acquisition of subsidiaries during the year	1,560,236,777	-	-	-
Additional borrowings	2,135,134,975	958,658,313	450,000,000	-
Amortisation of front end fee	(4,665,990)	2,865,405	141,781	-
Finance cost - Interest expenses on borrowings	34,354,732	(2,157,968)	-	-
Repayments	(35,339,000)	(1,320,993,923)	(1,206,000)	(1,694,000)
Front end fee	(15,220,070)	(6,621,096)	(2,250,000)	-
Ending balance	<u>4,667,098,299</u>	<u>992,596,875</u>	<u>447,891,781</u>	<u>1,206,000</u>

Under loan agreements, the Group must comply with the conditions stipulated in the agreements such as the maintenance of net debt to equity ratio.

As at 31 December 2023, the loan facilities of the subsidiaries which have not yet been drawn down amounted to Baht 4,395 million (2022: Baht 1,724 million).

18. 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 years ended 31 December 2023 and 2022 are summarised below:

(Unit: Baht)

	Consolidated financial statements			
	Land	Buildings	Motor vehicles	Total
1 January 2022	-	10,013,319	1,098,702	11,112,021
Additions	7,709,155	-	-	7,709,155
Depreciation for the year	(1,713,145)	(6,237,578)	(612,824)	(8,563,547)
31 December 2022	5,996,010	3,775,741	485,878	10,257,629
Additions	-	10,226,531	3,685,478	13,912,009
Depreciation for the year	(2,569,718)	(5,420,834)	(677,514)	(8,668,066)
31 December 2023	<u>3,426,292</u>	<u>8,581,438</u>	<u>3,493,842</u>	<u>15,501,572</u>

(Unit: Baht)

	Separate financial statements		
	Buildings	Motor vehicles	Total
1 January 2022	2,412,192	1,098,702	3,510,894
Depreciation for the year	(2,412,189)	(612,824)	(3,025,013)
31 December 2022	3	485,878	485,881
Addition	10,226,531	3,685,478	13,912,009
Depreciation for the year	(1,645,095)	(677,514)	(2,322,609)
31 December 2023	8,581,439	3,493,842	12,075,281

b) Lease liabilities

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease payments	15,477,119	10,094,729	11,561,150	512,100
Less: Deferred interest expenses	(1,099,207)	(421,905)	(979,616)	(11,747)
Total	14,377,912	9,672,824	10,581,534	500,353
Less: Portion due within one year	(6,288,568)	(6,112,415)	(3,403,259)	(500,353)
Lease liabilities - net of current portion	8,089,344	3,560,409	7,178,275	-

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	9,672,824	9,263,424	500,353	2,776,394
Additions	12,164,052	7,709,155	12,164,052	-
Accretion of interest	528,026	443,764	237,459	80,543
Repayment	(7,986,990)	(7,743,519)	(2,320,330)	(2,356,584)
Balance at end of year	14,377,912	9,672,824	10,581,534	500,353

A maturity analysis of lease payments is disclosed in Note 34.1 under the liquidity risk.

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	8,668,066	8,563,547	2,322,609	3,025,013
Interest expense on lease liabilities	528,026	443,764	237,459	80,543
Expense relating to short-term leases	5,687,176	2,938,898	3,770,425	2,117,831
Expense relating to leases of low-value assets	617,825	284,793	468,426	174,077

d) **Others**

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 16 million (2022: Baht 11 million) (Separate financial statements: Baht 7 million (2022: Baht 5 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.

19. **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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Hua Hin Alpha 71 Co., Ltd.	25,910,000	345,682,361	-	-
Hua Hin Sky Living Co., Ltd.	201,793,063	54,284,455	-	-
Convent Beta Co., Ltd.	118,921,578	-	-	-
Phraram 9 Alliance Co., Ltd.	1,195,163,428	-	-	-
Khu Khot Station Alliance Co., Ltd.	221,770,371	-	-	-
Total	<u>1,763,558,440</u>	<u>399,966,816</u>	<u>-</u>	<u>-</u>

20. **Cumulative and redeemable preference shares**

On 25 July 2023, the Company, Phraram 9 Alliance Company Limited, which is a subsidiary, and investors entered into an agreement of the shareholders of Phraram 9 Alliance Company Limited. The subsidiary agrees to offer 7.5 million newly issued preference shares to the Company at the price of Baht 100 per share, totaling Baht 750 million.

The rights attached to the preference shares shall be as follows:

Voting right	50 shares per 1 vote
Right to receive dividends	<p>Preference shares are entitled to a dividend of 7.00%, 9.00% and 9.75% per annum of the par value of the preference shares.</p> <p>Preference shareholders have the right to accumulate accrued dividends of the preference shares.</p> <p>Preference shares are not entitled to receive dividends other than dividends at the rates as specified above.</p>
The right to receive a return of capital	<p>In the event of company dissolution and liquidation, preference shareholders have the right to receive capital return of preference shares and accrued dividend payable of preference shares (if any) at their residual value prior to liquidation before ordinary shareholders.</p>
Redemption of preference shares	<p><u>Redemption of preference shares after the maturity of 1 year but less than 3 years 6 month</u></p> <p>(a) In case Phraram 9 Alliance Company Limited has sufficient retained earnings.</p> <p>(1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to investors (net of withholding tax).</p> <p>(2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.</p> <p>(b) In case Phraram 9 Alliance Company Limited has insufficient retained earnings</p> <p>(1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to the investors in the amount that can be afforded (net of withholding tax).</p> <p>(2) Then on the same day, the Company will exercises its right to purchase, either partially or entirely, the preference shares from investors in the same proportions at the price equal to the sum of (1) the par value of the shares (2) the legal reserve (3) the amount of unpaid dividends and accumulated accrued dividends of preference shares and (4) the net of the capital gains tax minus withholding tax at the rate of 10%, as the investors are obligated on tax payable for the accumulated dividend of the preference shares or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.</p>

Redemption of preference shares at maturity of 3 years 6 month

The investors have the put option to request the Company to purchase entirely preference shares from the investors. The Company guarantees to act according to the rights of the investors as follows:

- (a) In case Phraram 9 Alliance Company Limited has sufficient retained earnings.
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to investors (net of withholding tax).
 - (2) Then on the same day, the Company will exercise its right to purchase, either partially or entirely, the preference shares from investors at a price equal to the par value of the shares plus a portion of the legal reserve or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.
- (b) In case Phraram 9 Alliance Company Limited has insufficient retained earnings
 - (1) Phraram 9 Alliance Company Limited will pay dividends and accumulated accrued dividends of preference shares (if any) to the investors in the amount that can be afforded (net of withholding tax).
 - (2) Then on the same day, the Company will exercises its right to purchase, either partially or entirely, the preference shares from investors in the same proportions at the price equal to the sum of (1) the par value of the shares (2) the legal reserve (3) the amount of unpaid dividends and accumulated accrued dividends of preference shares and (4) the net of the capital gains tax minus withholding tax at the rate of 10% , as the investors are obligated on tax payable for the accumulated dividend of the preference shares or arrange for Phraram 9 Alliance Company Limited to reduce the issued preferred shares at par value.

The subsidiary presents the preference shares as a financial liability component in "Cumulative and redeemable preference shares" account at amortised cost until maturity in the consolidated statement of financial position. The Company is confident that preference shares will be redeemed.

Movements of cumulative and redeemable preference shares net from the transaction cost for issuance of the cumulative and redeemable preference shares for the nine-month period ended 31 December 2023 were summarised below.

	(Unit: Baht)	
	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	663,739,726	611,404,406
Add: Issuing during the year	733,374,799	-
Amortisation of transaction cost for issuance of cumulative and redeemable preference shares	-	2,650,389
Financial cost - Return on cumulative and redeemable preference shares	29,868,237	49,684,931
Less: Repayment	(600,000,000)	
Transaction cost for issuance of cumulative and redeemable preference shares	(63,739,726)	-
Balance at end of year	<u>763,243,036</u>	<u>663,739,726</u>

21. Long-term loan from other person

As at 31 December 2023, the Company had unsecured long-term loan from other person of Baht 90 million (2022: Nil). The carrying interest is at 7 percent per annum and due for repayment within January 2027.

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)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Provision for long-term employee benefits at beginning of year	3,381,735	2,051,392
Included in profit or loss:		
Current service cost	789,767	1,284,802
Interest cost	45,146	45,541
Provision for long-term employee benefits at end of year	<u>4,216,648</u>	<u>3,381,735</u>

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2022: 12 years) (Separate financial statements: 12 years (2022: 12 years)).

Significant actuarial assumptions are summarised as follows:

	(Unit: % per annum)	
	Consolidated/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Discount rate	2.22	2.22
Salary increase rate	5.00	5.00
Staff turnover rate	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 2023 and 2022 are summarised below.

	(Unit: Baht)			
	Consolidated/Separate financial statements			
	2023		2022	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(163,000)	172,321	(129,971)	138,182
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Salary increase rate	424,276	(381,222)	298,617	(268,108)
	Increase 20.0%	Decrease 20.0%	Increase 20.0%	Decrease 20.0%
Staff turnover rate	(625,408)	816,551	(442,166)	579,418

23. 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.

24. Revenue from contracts with customers

24.1 Revenue recognised to relation to contract balances

During the year 2023, the subsidiary company recognised the items that were included in advance received from customers at the beginning of the year of Baht 1,508 million as the revenue in the statement of comprehensive income (2022: Baht 414 million).

24.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, 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)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Nature of business:				
Real estate development	11,178,473,737	1,390,880,635	-	-

The Group expects to satisfy the performance obligations within 3 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.

25. Finance cost

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest expenses on borrowings	27,965,939	15,780,364	56,064,016	4,911,877
Interest expenses on lease liabilities	528,026	443,764	237,459	80,543
Return on cumulative and redeemable preference shares	-	52,335,320	-	-
Others	635,596	214,207	36,621	114,971
Total	<u>29,129,561</u>	<u>68,773,655</u>	<u>56,338,096</u>	<u>5,107,391</u>

26. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Construction infrastructure and design expenses	567,012,156	747,527,235	-	2,141,146
Land cost	416,343,969	627,806,010	-	1,641,624
Salaries, wages and other employee benefits	92,035,878	82,320,663	92,035,878	82,320,663
Transfer and commission fee	30,491,306	40,218,345	-	1,434,588
Promotion and advertising expenses	62,835,158	88,297,738	3,282,400	5,475,868
Rental and service expenses	6,155,602	3,112,975	4,238,851	2,291,908
Depreciation and amortisation expenses	23,658,756	17,672,228	5,146,772	5,771,673

27. Share capital

On 29 June 2023, the Extraordinary General Meeting of Shareholders of the Company passed the resolution to approve the following matters.

- 27.1** The meeting approved a capital reduction of Baht 31,679,911 from the Company's current registered capital of Baht 673,148,951, resulting in a new registered capital of Baht 641,469,040. This reduction will be accomplished by canceling 31,679,911 ordinary shares that have not yet been issued, with a par value of Baht 1 per share. In addition, the meeting has approved an amendment to the memorandum of association to align with the proposed capital reduction. The Company registered the decrease in share capital with the Ministry of Commerce on 10 July 2023.
- 27.2** The meeting approved an increase of Baht 356,371,689 in the registered capital of the Company, bringing the current registered capital of Baht 641,469,040 to a new registered capital of Baht 997,840,729, by issuing additional ordinary shares, not exceeding 356,371,689 shares, with a par value of Baht 1 per share. These new shares will be allocated to the existing shareholders of the Company in proportion to their current shareholding, without allotment to shareholders that would result in the Company having any obligations under foreign laws (Preferential Public Offering: PPO), at a price of Baht 1.75 per share. The offering will be made at a ratio of 1.8 new shares for every 1 existing shares. In addition, the meeting approved an amendment to the memorandum of association to align with the aforementioned capital increase. The Company registered the increase in share capital with the Ministry of Commerce on 11 July 2023. On 20 July 2023, the Company received a total of Baht 581,953,698 from the newly issued and paid-up ordinary shares in the amount of 332,544,970 shares of Baht 1.75 each. The Company registered the increase in its paid-up share capital with the Ministry of Commerce on the same date.

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2023, the Company had set aside the statutory reserve of Baht 419,113 from its net profit for the year 2023.

29. Income tax

Income tax expenses (income) for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax				
Current income tax charge	65,451,363	57,605,105	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	<u>(6,170,225)</u>	<u>18,115,942</u>	<u>272,441</u>	<u>(507,120)</u>
Income tax expenses (income) reported in profit or loss	<u>59,281,138</u>	<u>75,721,047</u>	<u>272,441</u>	<u>(507,120)</u>

The reconciliation between accounting profit (loss) and income tax expenses (income) was shown below.

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit before tax	<u>161,536,970</u>	<u>304,241,719</u>	<u>103,650,689</u>	<u>18,934,696</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	32,307,394	60,848,344	20,730,138	3,786,939
Effects of:				
Non-deductible expenses	6,671,960	15,877,206	(85,939)	3,195,329
Non-taxable dividend income	-	-	(22,399,992)	
Deferred tax assets not recognised increased (decreased)	(346,990)	(161,636)	2,148	(161,636)
Decrease in recognition of deferred tax assets	4,679,379	-	566,716	-
Unused tax loss increased (decreased)	<u>15,969,395</u>	<u>(842,867)</u>	<u>1,459,370</u>	<u>(7,327,752)</u>
Income tax expenses (income) reported in profit or loss	<u>59,281,138</u>	<u>75,721,047</u>	<u>272,441</u>	<u>(507,120)</u>

The components of deferred tax assets and liabilities are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets				
Allowance for expected credit losses - retention	1,641,329	1,596,929	1,596,929	1,596,929
Allowance for asset impairment	2,958,852	-	-	-
Accumulated depreciation - building and equipment	1,463,422	-	-	-
The difference between book and tax accounting net revenue	-	169,102	-	(34,726)
Provision for long-term employee benefits	954,026	676,347	954,026	676,347
Provision for decommissioning costs	1,146,866	1,326,917	72,849	657,695
Real estate development costs	75,883,976	-	-	-
Unused tax loss	202,529,347	7,711,564	-	-
Interest on loan from parent company capitalised as project costs	18,457,992	15,605,291	-	-
Total deferred tax assets	<u>305,035,810</u>	<u>27,086,150</u>	<u>2,623,804</u>	<u>2,896,245</u>
Deferred tax liabilities				
Deferred sales and marketing expenses	67,142,342	-	-	-
Total deferred tax liabilities	<u>67,142,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets - net	<u>237,893,468</u>	<u>27,086,150</u>	<u>2,623,804</u>	<u>2,896,245</u>

As at 31 December 2023, the Group has deductible temporary differences Baht 19 million (2022: Baht 1 million) (Separate financial statements: Nil (2022: Baht 1 million)) and unused tax losses which will expire in 2024 - 2028 totaling Baht 373 million (2022: Baht 35 million) (Separate financial statements: Baht 22 million (2022: Baht 6 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.

30. Earnings per share

Basic earnings per share is calculated by dividing profit 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.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the year (Thousand Baht)	102,256	228,521	103,378	19,442
Weighted average number of ordinary shares (Thousand Baht)	834,691	641,469	834,691	641,469
Basic earnings per share (Baht)	0.12	0.36	0.12	0.03

31. 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.

The Group is principally engaged in the development of real estate segment. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

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.

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 years 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

32. 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 2023 amounting to approximately Baht 2 million (2022: Baht 1 million) were recognised as expenses.

33. Commitments and contingent liabilities

33.1 As at 31 December 2023, 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 15 million (2022: Baht 21 million) (Separate financial statements: Baht 14 million (2022: Baht 19 million)).

33.2 Commitments with respect to project development and related services

The Group had commitments in respect of property development cost and related services totaling Baht 2,094 million (2022: Baht 257 million) (Separate financial statements: Nil (2022: Nil)).

33.3 Guarantees

- (1) As at 31 December 2023, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 4,928 million (2022: Baht 2,823 million).
- (2) As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 0.3 million (2022: Baht 0.3 million) issued by banks on behalf of the Company to guarantee contractual performance.

33.4 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.

34. Financial instruments

34.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, trade payables, loans, short-term borrowings, cumulative and redeemable preference shares 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 trade receivables, 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.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large number of customers.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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 deposits with banks, overdrafts, short-term loans, loans and borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, 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.

(Unit: Baht)

Consolidated financial statements						
31 December 2023						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	782,693,963	84,774,287	867,468,250	0.15 to 1.10
Trade and other receivables	-	-	-	4,965,474	4,965,474	-
Restricted bank deposits	-	-	193,806	-	193,806	0.50 to 1.10
Other financial assets	-	-	-	5,407,491	5,407,491	-
	-	-	782,887,769	95,147,252	878,035,021	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	40,139,688	-	40,139,688	MOR
Trade and other payables	-	-	-	867,660,309	867,660,309	-
Long-term loans from other person	-	90,000,000	-	-	90,000,000	7
Long-term loans from financial institution	-	-	4,667,098,299	-	4,667,098,299	MLR-1.00 to MLR-2.00
Cumulative and redeemable preference shares	-	763,243,036	-	-	763,243,036	9
Retention payable	-	-	-	120,517,524	120,517,524	-
	-	853,243,036	4,707,237,987	988,177,833	6,548,658,856	

(Unit: Baht)

Consolidated financial statements						
31 December 2022						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	198,861,038	361,921	199,222,959	0.20 to 0.55
Trade and other receivables	-	-	-	106,070,004	106,070,004	-
Restricted bank deposits	-	-	192,366	-	192,366	0.20 to 0.55
Other financial assets	-	-	-	2,412,912	2,412,912	-
	-	-	199,053,404	108,844,837	307,898,241	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	85,116,053	-	85,116,053	MOR and 11.5
Trade and other payables	-	-	-	87,501,295	87,501,295	-
Long-term loans	1,206,000	-	991,390,875	-	992,596,875	2 and MLR-2.00 to MLR-1.50
Cumulative and redeemable preference shares	663,739,726	-	-	-	663,739,726	10
Retention payable	-	-	-	58,539,790	58,539,790	-
	664,945,726	-	1,076,506,928	146,041,085	1,887,493,739	

(Unit: Baht)

Separate financial statements						
31 December 2023						
Fixed interest rate		Floating	Non-interest	Total	Effective	interest rate
Within 1 year	1 - 5 years	interest rate	bearing			
(% per annum)						
Financial assets						
Cash and cash equivalents	-	-	4,241,755	3,128,389	7,370,144	0.50 to 1.10
Other receivables	-	-	-	582,058,896	582,058,896	-
Short-term loans to related parties	-	-	1,430,900,235	-	1,430,900,235	MLR-0.50
Long-term loans to related parties	-	-	100,000,000	-	100,000,000	MLR-0.50
Restricted bank deposits	-	-	193,806	-	193,806	0.50 to 1.10
Other financial assets	-	-	-	2,766,171	2,766,171	-
	-	-	1,535,335,796	587,953,456	2,123,289,252	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	14,348,325	-	14,348,325	MOR
Trade and other payables	-	-	-	393,922,146	393,922,146	-
Short-term loans to related parties	-	-	1,170,000,000	-	1,170,000,000	MLR-0.50 to MLR-1.10
Long-term loans from other person	-	90,000,000	-	-	90,000,000	7
Cumulative and redeemable preference shares	-	-	447,891,781	-	447,891,781	MLR-1.35
Retention payable	-	-	-	14,261,024	14,261,024	-
	-	90,000,000	1,632,240,106	408,183,170	2,130,423,276	

(Unit: Baht)

Separate financial statements						
31 December 2022						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	4,098,211	98,879	4,197,090	0.20 to 0.55
Other receivables	-	-	-	86,854,615	86,854,615	-
Short-term loans to related company	-	-	468,900,400	-	468,900,400	MLR-0.50
Long-term loans to related company	-	-	100,000,000	-	100,000,000	MLR-0.50
Restricted bank deposits	-	-	192,366	-	192,366	0.20 to 0.75
Other financial assets	-	-	-	1,706,192	1,706,192	-
	-	-	573,190,977	88,659,686	661,850,663	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	71,323,566	-	71,323,566	MOR and 11.5
Trade and other payables	-	-	-	46,962,213	46,962,213	-
Long-term loans	-	-	1,206,000	-	1,206,000	MLR-1.35
Retention payable	-	-	-	13,933,921	13,933,921	-
	-	-	72,529,566	60,896,134	133,425,700	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in interest rates on that portion of Bank overdrafts and short-term loans from financial institutions and long-term loans affected as at 31 December 2023 and 2022.

Currency	2023		2022	
	Effect to profit before		Effect to loss before	
	Increase (decrease)	tax increase (decrease)	Increase (decrease)	tax (increase) decrease
	(%)	(Baht)	(%)	(Baht)
Baht	0.5	(23,536,190)	0.5	(5,382,535)
	(0.5)	23,536,190	(0.5)	5,382,535

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 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Baht)

	Consolidated financial statements			
	31 December 2023			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans				
from financial institutions	40,139,688	-	-	40,139,688
Trade and other payables	-	867,660,309	-	867,660,309
Lease liabilities	-	6,892,429	8,584,90	15,477,119
Long-term loans	-	110,000,000	4,553,429,714	4,663,429,714
Cumulative and redeemable preference shares	-	-	909,687,500	909,687,500
Retention payable	-	16,646,902	103,870,622	120,517,524
Total non-derivatives	40,139,688	1,001,199,640	5,575,572,526	6,616,911,854

(Unit: Baht)

	Consolidated financial statements			
	31 December 2022			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans				
from financial institutions	85,116,053	-	-	85,116,053
Trade and other payables	-	87,501,295	-	87,501,295
Lease liabilities	-	6,414,729	3,680,000	10,094,729
Long-term loans	-	1,206,000	998,784,739	999,990,739
Cumulative and redeemable preference shares	-	680,744,562	-	680,744,562
Retention payable	-	16,319,799	42,219,991	58,539,790
Total non-derivatives	85,116,053	792,186,385	1,044,684,730	1,921,987,168

(Unit: Baht)

	Separate financial statements			
	31 December 2023			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans				
from financial institutions	14,348,325	-	-	14,348,325
Trade and other payables	-	393,922,146	-	393,922,146
Lease liabilities	-	3,896,460	7,664,690	11,561,150
Long-term loan	-	-	450,000,000	450,000,000
Retention payable	-	14,261,024	-	14,261,024
Total non-derivatives	14,348,325	412,079,630	457,664,690	884,092,645

(Unit: Baht)

	Separate financial statements			
	31 December 2022			
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdrafts and short-term loans				
from financial institutions	71,323,566	-	-	71,323,566
Trade and other payables	-	46,962,213	-	46,962,213
Lease liabilities	-	512,100	-	512,100
Long-term loan	-	1,206,000	-	1,206,000
Retention payable	-	13,933,921	-	13,933,921
Total non-derivatives	71,323,566	62,614,234	-	133,937,800

34.2 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.

35. 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 3.75:1 (2022: 3.25:1).

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 2023 and 2022.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2024.





PART 4

Attachment



Attachment 1	Report on the Performance of Duties of the Audit Committee for the Year 2023	174
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Report on the Performance of Duties of the Audit Committee for the Year 2023

The Audit Committee of the Company consisted of 3 independent committee members with demonstrated independence, knowledge, skills, and experience in financial reporting, internal control systems, auditing, and a comprehensive understanding of organizational business operations. The Committee was also qualified in accordance with the announcements of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding the standards for the qualifications and scope of work of the Audit Committee in 2015. In 2023, the members of the Audit Committee were as follows:

- | | |
|-------------------------------|---------------------------------|
| 1. Mr. Anuwat Maytheewibulwut | Chairman of the Audit Committee |
| 2. Ms. Anchalee Bunsongsikul | Audit Committee |
| 3. Mr. Dan Zonmani | Audit Committee |

In 2023, the Audit Committee held 5 meetings with details of attendance as follows:

- | | |
|-------------------------------|---------------------|
| 1. Mr. Anuwat Methivibulwut | Attended 5 meetings |
| 2. Ms. Anchalee Boonsongsikul | Attended 5 meetings |
| 3. Mr. Dan Zonmani | Attended 5 meetings |

The performance of the Audit Committee can be summarized as follows:

1. Review financial reports

The Audit Committee has thoroughly reviewed the quarterly and annual financial reports of the company, along with the consolidated financial statements. Joint meetings were conducted with the auditors, internal auditors, and management, during which their statements were presented. The Audit Committee concurred with the auditor, confirming that the Company's financial reports adhere to accurate and reliable standards, consistent with generally accepted accounting principles in Thailand. Additionally, the reports were disclosed sufficiently and promptly, offering insightful observations to the Company for the necessary and appropriate disclosure of information.

2. Review the effectiveness of the internal control system

The Audit Committee emphasized the importance of good corporate governance, risk management, and internal controls by fostering a culture of effective internal control within the organization. The Committee thoroughly reviewed the results of effectiveness and efficiency assessments of the internal control system conducted by the auditing department, in compliance with international standards. The assessment was conducted every quarter, focusing on work procedures within the Company's group. The Audit Committee provided additional recommendations to enhance operational efficiency and effectiveness for the Company. The Committee also actively monitored the implementation of the recommendations by the management unit, ensuring continuous operational improvements in alignment with the current business environment.

3. Review Compliance with the Law, and Related Regulations

The Audit Committee conducted a review to assess the Company's compliance with the Securities and Exchange Act, set requirements or laws related to the Company's business operations, as well as the specified systems.

4. Oversee internal audit work

The Audit Committee conducted a review of the annual internal audit plan and the scope of the audit based on the Company's risks and controls, previous audit results, the Company's risk assessment results, and interviews on executives' needs or concerns. The Committee provided recommendations and monitored the implementation of significant issues, ensuring effective supervision and sufficient internal controls.

5. Consider connected transactions or transactions that may have a conflict of interest

The Audit Committee conducted a review of connected transactions or transactions that might have conflicts of interest for the Group to ensure compliance with the laws and regulations of the Stock Exchange of Thailand. The focus was on considering rationality and alignment with the best interests of the Company. The transactions were approved by authorized disinterested personnel, in adherence to the Company's policies on conflicts of interest and the management of subsidiaries.

6. Review the auditor's performance and selection and nomination of auditors

The Audit Committee conducted a review of the requirements for hiring auditors, including selection, nomination, and remuneration for the year 2023. After a thorough evaluation of the auditors' qualifications and confirmation of accuracy and completeness, the Committee passed a resolution to submit it to the Board of Directors for agreement before proposing it for approval at the annual general meeting of shareholders for the year 2023.

The Audit Committee assessed the nature of other services apart from the auditing work provided by the company's internal department or contracted by subsidiaries. The Committee agreed that the services did not affect the independence of the auditors in conducting financial reports for the company.

7. Self-assessment and review of the Audit Committee's charter manual

The Audit Committee assessed the annual performance using self-assessment forms based on principles of good corporate governance, and reported the results to the company's Board of Directors. The self-assessment results met particularly high criteria. Additionally, the Audit Committee reviewed and revised the Charter of the Audit Committee to align with the changing circumstances to ensure that the prior-year tasks were performed thoroughly and complied with the Stock Exchange of Thailand's practice. The Committee also proposed it to the Board of Directors for approval.

The Audit Committee comprehensively performed duties specified in the Audit Committee Charter approved by the Board of Directors, which aligned with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Committee's opinion was consistent with the auditor's opinion that the Company's financial reports were accurate and in accordance with the accepted accounting standards of Thailand. Furthermore, appropriate and effective internal control and internal auditing were actively implemented in compliance with relevant laws, regulations, and directives by the Company throughout 2023. No significant issues or deficiencies were identified during the year, and continuous improvements were ensured, aligning with the current business environment.



Mr. Anuwat Maytheewibulwut
Chairman of the Audit Committee

Report on the Performance of Duties of the Nomination and Remuneration Committee for the Year 2023

In 2023, the Company's Nomination and Remuneration Committee consisted of 3 committee members as follows:

- | | |
|-------------------------------|---|
| 1. Mr. Anuwat Maytheewibulwut | Chairman of Nomination and Remuneration Committee |
| 2. Mr. Anucha Sihanatkathakul | Member of the Nomination and Remuneration Committee |
| 3. Mr. Pasu Liptapanlop | Member of the Nomination and Remuneration Committee |

In 2023, 2 meetings were conducted by the Company's Nomination and Remuneration Committee, with attendance of 3 committee members at both sessions. The Committee has completely performed the duties as specified in the Nomination and Remuneration Committee Charter. The meetings were held to review and evaluate matters before they were proposed to the Board of Directors for approval. The essence of the duties was summarized as follows:

1. Recruit qualified individuals in accordance with the criteria and processes established by the Corporate Governance unit, referencing the Board Skill Matrix. The selected persons will be proposed for appointment as directors of the company, either due to retirement by rotation or in other vacant positions. The board of directors will also be selected to serve on sub-committees. These selected individuals will be proposed to the Board of Directors for further consideration.
2. Consider the remuneration of the Company's directors and propose it to the shareholders' meeting for approval. The consideration is conducted by comparing the remuneration with the survey report on directors' remuneration from the Thai Institute of Directors Association (IOD) and similar businesses. The aim is to motivate and retain the Company's high-quality directors.

3. Establish criteria for the Company's performance assessment (Corporate KPIs), monitor and assess performance outcomes (Corporate KPIs), and provide recommendations and guidance for improved and more effective work performance to ensure that outcomes align with the objectives, goals, visions, and the Company's missions. The determined criteria will be proposed to the Board of Directors for approval.

4. Establish criteria for the Chief Executive Officer's performance assessment and propose the results to the Board of Directors for approval. Also, monitor and report the performance based on these criteria to the Board for approval and utilize the data for consideration of wages, compensation, and bonuses.

5. Review and assess criteria for employee wages, compensation, and bonuses within the Company's group to ensure appropriateness, alignment with performance outcomes, and competitiveness. This aims to encourage focused performance for goal achievement, with considerations based on comparisons with affiliated companies that run similar businesses.

6. Review the Charter of the Nomination and Remuneration Committee to ensure it is up to date and aligned with the current situation.

The Nomination and Remuneration Committee fulfilled its duties by considering the benefits of the company and stakeholders, which included assessing the Company's performance to ensure the presence of qualified personnel and fair compensation practices. This process served as motivation to achieve the business goals set by the Board of Directors, contributing to the sustainable growth of the Company.



Mr. Anuwat Maytheewibulwut
Chairman of the Nomination and Remuneration Committee

Report on the Performance of Duties of the Executive Committee

In 2023, the Executive Committee consisted of 4 members as follows:

- | | |
|------------------------------|-------------------------------------|
| 1. Mr. Pitak Pruittisarikorn | Chairman of the Executive Committee |
| 2. Mr. Pasu Liptapanlop | Executive Director |
| 3. Ms. Proudpath Liptapanlop | Executive Director |
| 4. Mr. Pumipat Sinacharoen | Executive Director |

In 2023, the Executive Committee held 15 meetings as follows:

- | | |
|------------------------------|----------------------|
| 1. Mr. Pitak Pruittisarikorn | Attended 10 meetings |
| 2. Mr. Pasu Liptapanlop | Attended 15 meetings |
| 3. Ms. Proudpath Liptapanlop | Attended 15 meetings |
| 4. Mr. Pumipat Sinacharoen | Attended 15 meetings |

In 2023, the Board of Directors reviewed and assessed investment decisions and monitored the progress of important projects to ensure successful outcomes. The Board also recognized the global economic conditions and the impact on the country's economy due to the spread of the COVID-19 virus in 2019, resulting in a slowdown in the real estate business. In 2023, the Board of Directors had significant operational achievements, summarized as follows:

1. Establish policies, objectives, strategies, operational plans, budgets for the fiscal year 2023, and the various management powers of the company to propose to the Board of Directors for approval. In 2023, the Executive Board proposed the procurement of land for the Company's future real estate development project to the Board of Directors for consideration and approval.


2. Control and supervise the Group's business operations to align with policies, objectives, strategies, operational plans, and budgets approved by the Board of Directors effectively and in accordance with the changing business conditions from time to time, as well as providing high-level management consultancy and guidance to senior executives.

3. The Company's Board of Directors had assigned the management committee to oversee the progress of major construction projects, scrutinize investment criteria for clarity, and evaluate the company's overall investment budget, including monitoring the progress of significant investment projects to be in accordance with the assignments by the Board of Directors and ensuring that investments were proceeding as planned.

The Executive Committee comprehensively performed duties specified in the Audit Committee Charter approved by the Board of Directors. The meetings emphasized open questioning, providing opinions, and offering recommendations freely. Duties were performed cautiously, focusing on the company's and shareholders' best interests under good governance principles for stable and sustainable business operations.



Mr. Pitak Pruittisarikorn
Chairman of the Executive Committee

A photograph of a modern, multi-story building with a prominent balcony. The building features large windows with vertical wooden slats that are illuminated from within, creating a warm, golden glow. A woman in a white dress stands on the balcony, which is adorned with lush green plants and a large tree. The balcony has a glass railing. In the background, a dense forest of green trees covers a hillside, and a city skyline with various skyscrapers is visible under a clear sky. The overall scene is set during the day, with soft lighting.

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