

- Translation -

PROUD/FIN/SET-2020/001

26 February 2020

Subject: Management's Discussion and Analysis for the year ended December 31, 2019
To: The President
The Stock Exchange of Thailand

Proud Real Estate Public Company Limited (Formerly, Focus Development and Construction Public Company Limited) would like to explain operating results for the year ended December 31, 2019 which has changed from the previous year as follow;

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

(Thousands Baht)

	Consolidated Financial Statements	Separate Financial Statements		Change Increase/(Decrease)	
	2019	2019	2018	Thousands Baht	%
Revenue from sales and services	89,721	89,721	103,083	(13,362)	-13%
Cost of sales and services	(57,464)	(57,464)	(85,307)	(27,843)	-33%
Gross profit	32,257	32,257	17,776	14,481	81%
Other income	24,934	59,365	11,061	48,304	437%
Distribution costs	(9,969)	(9,729)	(1,138)	8,591	755%
Administrative expenses	(77,869)	(76,208)	(50,509)	25,699	51%
Finance cost	(5,518)	(5,344)	(3,705)	1,639	44%
Share of loss from investment in joint venture	(5,436)	(5,436)	(11,336)	(5,900)	-52%
Loss before income tax	(41,601)	(5,095)	(37,851)	(32,756)	-87%
Tax expense (income)	(1,514)	(1,514)	3,182	(4,696)	-148%
Loss for the year	(40,087)	(3,581)	(41,033)	(37,452)	-91%
Other comprehensive income (expense) :					
Items that will not be reclassified to profit or loss					
Actuarial gain (loss) on defined employee benefit plan, net of tax	6,554	6,554	(652)	7,206	1105%
Other comprehensive income (expense) for the period, net of tax	6,554	6,554	(652)	7,206	1105%
Total comprehensive income (expense) for the year	(33,533)	2,973	(41,685)	44,658	107%
Loss per share (Baht)					
Basic loss per share					
Basic loss per share (Baht per share)	(0.08)	(0.01)	(0.22)		
Weighted average number of ordinary shares (shares)	478,227	478,227	190,080		



The Company has invested in subsidiaries and includes the financial statements of such companies in the consolidate financial statements since quarter 2/2019. However, the Company would like to explain only the separate financial statements due to the subsidiaries has no significant revenue and expense during the year.

The Company's operating result for the year ended December 31, 2019 resulted in a net profit of Baht 2.97 million, which increased by Baht 44.66 million or 107% from the previous year net loss of Baht 41.69 million. The result could be explained by the followings:

Description	Separate Financial Statements					
	2019		2018		Increase (Decrease)	
	million Baht	%	million Baht	%	million Baht	%
Construction						
Revenue	31.43	100 %	87.17	100 %	(55.74)	(64) %
Cost	22.65	72 %	75.99	87 %	(53.34)	(70) %
Gross Profit	8.78	28 %	11.18	13 %	(2.40)	21 %
Property Development						
Revenue	58.29	100 %	15.91	100 %	42.38	266 %
Cost	34.81	60 %	9.31	59 %	25.50	274 %
Gross Profit	23.48	40 %	6.60	41 %	16.88	256 %

1. Revenue and cost of construction

The Company has stopped its construction business and focuses on only property development business. Therefore, revenue from construction decrease by Baht 55.74 million from the previous year. Cost of construction has decreased by Baht 53.34 million according to the decrease in revenue from construction.

2. Revenue and cost of sales from property development business

The Company has revenue from property development business Baht 58.29 million, which increased by Baht 42.38 million or 266% as compare to the previous year, from ownership transferred at the "Focus Ploenchit" condominium. Cost of sales for the year was Baht 34.81 million or 60% of revenue and gross profit margin was 40%.

3. Other income

In the separate financial statements, The Company has other income Baht 59.36 million, which increased by Baht 48.30 million or 437% as compare to the previous year, which was Baht 11.06 million. The main increasing was due to gain on sales of investment in joint venture Baht 20.41 million and interest income from loans to subsidiaries Baht 26.05 million.



4. Distribution costs

The Company's selling expense was Baht 9.73 million, which increased by Baht 8.59 million or 755% as compare to the previous year. The significant increase was due to fees and taxes of ownership transfer for project the "Focus Ploenchit" condominium.

5. Administrative expenses

The Company's administrative expense was Baht 76.21 million, which increased by Baht 25.70 million or 51% as compare to the previous year, which was Baht 50.51 million. Main increase was due to severance pay Baht 21.65 million, consultant fee Baht 2.00 million, and expenses for facilities renovation of "Focus Ploenchit" condominium Baht 1.19 million.

6. Finance Cost

The Company's finance cost was Baht 5.34 million, which increased by Baht 1.64 million as compare to the previous years, which was Baht 3.70 million. Interest expense increase was due to increase in loan for property business.

7. Share of loss from investment in joint venture

The Company has invested in a joint venture and the joint venture holds ordinary shares in a subsidiary. It operates in the investment of waste management business. During this year, the Company entered into a sale transaction to sell this entity and has recorded share of loss from investment in joint venture for this year Baht 5.44 million until selling date.

Please be informed accordingly and please disseminated the above information.

Yours sincerely



(Ms. Budsabong Pansawadi)
Senior Vice President
Accounting and Financial Division