

- Translation -

PROUD/FIN/SET-2019/004

13 November 2019

Subject: Management's Discussion and Analysis for Quarter 3/2019  
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 3rd quarter of 2019 which has changed from the same period of previous year as follow;

STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 (Thousands Baht)					
	Consolidated Financial Statements	Separate Financial Statements		Change Increase/(Decrease)	
	2019	2019	2018	Thousands Baht	%
Revenue from sales and services	20,533	20,533	24,387	(3,854)	-16%
Cost of sales and services	(9,077)	(9,077)	(24,047)	(14,970)	-62%
<b>Gross profit</b>	<b>11,456</b>	<b>11,456</b>	<b>340</b>	<b>11,116</b>	<b>3269%</b>
Other income	21,715	31,978	1,919	30,059	1566%
Distribution costs	(3,572)	(3,416)	(38)	3,378	8889%
Administrative expenses	(13,896)	(13,674)	(11,698)	1,976	17%
Finance cost	(1,198)	(1,198)	(909)	289	32%
Share of loss from investment in joint venture	(824)	(824)	(3,220)	(2,396)	-74%
<b>Profit (loss) before income tax</b>	<b>13,681</b>	<b>24,322</b>	<b>(13,606)</b>	<b>37,928</b>	<b>279%</b>
Income tax expense	101	101	-	101	100%
<b>Profit (loss) for the period</b>	<b>13,580</b>	<b>24,221</b>	<b>(13,606)</b>	<b>37,827</b>	<b>278%</b>
<b>Other comprehensive income (expense) :</b>					
Items that will not be reclassified to profit or loss					
Defind benefit plan actuarial gain (loss)	-	-	-	-	0%
Income tax relating to defined benefit plan actuarial gain	-	-	-	-	0%
Other comprehensive income (expense) for the period, net of tax	-	-	-	-	0%
<b>Total comprehensive income (expense) for the period</b>	<b>13,580</b>	<b>24,221</b>	<b>(13,606)</b>	<b>37,827</b>	<b>278%</b>
<b>Profit (loss) per share (Baht)</b>					
Basic profit (loss) per share					
Basic profit (loss) per share (Baht per share)	0.02	0.04	(0.07)		
Weighted average number of ordinary shares (Thousand shares)	641,469	641,469	190,080		

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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 period.

The Company's operating result for the three-month period ended September 30, 2019 resulted in a net profit of Baht 24.22 million, which increase by Baht 37.83 million or 278% from the same period of previous year net loss of Baht 13.61 million. The result could be explained by the followings:

**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 100% from the same period of previous year, which was Baht 24.35 million. Cost of construction has also decreased according to the decrease in revenue from construction.

**2. Revenue and cost of sales from property development business**

Revenue from property development business increased by Baht 20.49 million comparing to the same period of previous year, from ownership transferred at the "Focus Ploenchit" condominium. Cost of sales for the period was Baht 9.08 million or 44% of revenue. Selling expense was Baht 3.42 million, which increase by Baht 3.38 million as compare to the same period of previous year.

**3. Other income**

In the separate financial statements, The Company has other income Baht 31.98 million, which increase by Baht 30.06 million or 1,566% as compare to the same period of previous year, which was Baht 1.92 million. Main increase was due to gain on sales of investment in joint venture Baht 20.41 million and interest income from loans to subsidiaries Baht 10.26 million.

**4. Administrative expenses**

The Company's administrative expense was Baht 13.67 million, which increase by Baht 1.98 million or 17% as compare to the same period of previous year, which was Baht 11.70 million. Main increase was due to expenses for facilities renovation of "Focus Ploenchit" condominium and employee expenses.

**5. Finance Cost**

The Company's finance cost was Baht 1.20 million, which increase by Baht 0.29 million as compare to the same period of previous years, which was Baht 0.91 million. Interest expense increase was due to increase in loan from financial institution for property business.



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**6. 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 period, The Company entered into a sale transaction to sell this entity and has recorded share of loss from investment in joint venture for this period Baht 0.82 million untill selling date.

Please be informed accordingly and please disseminated the above information.

Yours sincerely



(Ms. Budsabong Pansawadi)  
Acting Assistant Managing Director