

FOCUS/FIN/SET-2019/002

10 May 2019

Subject: Management's Discussion and Analysis for Q1/2019
To: The President
The Stock Exchange of Thailand

Focus Development and Construction Public Company Limited would like to explain operating results for the 1st quarter of 2019 which has changed in excess of 20% compare to the same period of previous year.

The company's operating result for the three month period ended March 31, 2019 resulted in a net profit of Baht 0.10 million, which has increased from previous year net loss of Baht 13.97 million. The increase was more than 20% and could be explained by the followings:

1. Revenue from construction

Revenue from construction was THB 31.29 million, which increased by THB 25.68 million or 457.75% from same period of previous year, which was THB 5.61 million. Main increased was due to recognize revenue from construction completed and hand over to owner, which is the Government Sector.

2. Cost of construction

Cost of construction has decreased from a ratio of 104.10% to 73.95% of revenue. The company has adjusted the estimated cost of construction to reflect actual costs for completed projects.

3. Revenue and cost of sales

Revenue from property development decreased with ownership transferred to buyers at the "Focus Ploenchit" condominium. Revenue for the Q1/2019 was THB 25.64 million, which increased of 100% as compare to the same period of previous year. The cost of sales and selling expense were THB 21.45 million or 83.66% of revenue.

4. Administrative expenses

The company's administrative expense was THB 11 million, which decreased by THB 2.99 million as compare to the same period of previous year, which was THB 13.99 million, due to decreased in the staff and other administration expenses.

5. Finance Cost

The company's finance cost was THB 1.27 million, which decreased by THB 0.53 million as compare to the same period of previous years, which equaled THB 0.74 million. Interest expense decreased due to repayment of short-term loan from related person and long-term loan from financial institution for property business.

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6. Share of loss from investments 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. The company has recorded share of loss from investments in joint venture at THB 1.85 million.

Please be informed accordingly and please disseminated the above information.

Yours sincerely

Signed “Nontawat Thongmee”

(Nontawat Thongmee)
Managing Director