

Subject: Management's Discussion and Analysis for Quarter 2/2019
 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 2nd 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 JUNE 30, 2019					
(Thousands Baht)					
	Consolidated	Separate Financial Statements		Change	
	Financial			Increase/(Decrease)	
	2019	2019	2018	Thousands Baht	%
Revenue from sales and services	260	260	23,652	(23,392)	-99%
Cost of sales and services	490	490	(16,049)	(16,539)	-103%
Gross profit (loss)	750	750	7,603	(6,853)	-90%
Other income	1,177	6,588	2,461	4,127	168%
Distribution costs	(40)	(40)	(602)	(562)	-93%
Administrative expenses	(37,802)	(37,711)	(12,876)	24,835	193%
Finance cost	(1,584)	(1,584)	(829)	755	91%
Share of loss from investment in joint venture	(2,758)	(2,758)	(1,796)	962	54%
Profit (loss) before income tax	(40,257)	(34,755)	(6,039)	28,716	476%
Tax expense (income)	207	207	25	182	728%
Profit (loss) for the period	(40,464)	(34,962)	(6,064)	28,898	477%
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Defind benefit plan actuarial gain (loss)	8,192	8,192	(652)	8,844	1356%
Income tax relating to defined benefit plan actuarial gain	(1,638)	(1,638)	-	(1,638)	-100%
Other comprehensive income (expense) for the period, net of tax	6,554	6,554	(652)	7,206	1105%
Total comprehensive income (expense) for the period	(33,910)	(28,408)	(6,716)	21,692	323%
Loss per share (Baht)					
Basic loss per share					
Basic loss per share (Baht per share)	(0.09)	(0.08)	(0.03)		
Weighted average number of ordinary shares (Thousand shares)	433,136	433,136	190,080		

.../ During the period,

During the period, The Company has invested in subsidiaries. Therefore, the Company includes the financial statements of such companies in the consolidated 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 June 30, 2019 resulted in a net loss of Baht 34.96 million, which increased by Baht 28.90 million or 477% from the same period of previous year net loss of Baht 6.06 million. The result could be explained by the followings:

1. Revenue from construction

Revenue from construction was Baht 0.26 million, which decreased by Baht 14.36 million or 99% from the same period of previous year, which was Baht 14.62 million. Main decrease was due to the Company has recognized almost revenue from construction completed and hand over to owner since past period. The Company has no construction project at present.

2. Cost of construction

Cost of construction has decreased by 105% from the same period of previous year, according to the decrease in revenue from construction.

3. Revenue and cost of sales from property development

Revenue from property development decreased by Baht 9.03 million or 100% from the same period of previous year, which was Baht 9.03 million, due to there is no ownership transferred to buyers at the "Focus Ploenchit" condominium in this period. Cost of sales and selling expense for the period was Baht 0.04 million, which decreased of 93% as compare to the same period of previous year, which were Baht 5.32 million or 59% of revenue.

4. Other income

In the separate financial statements, The Company has other income Baht 6.59 million, which increase by Baht 4.13 million or 168% as compare to the same period of previous year, which was Baht 2.46 million. Main increase was due to interest income from loans to subsidiaries.

5. Administrative expenses

The Company's administrative expense was Baht 37.71 million, which increased by Baht 24.83 million as compare to the same period of previous year, which was Baht 12.88 million. Main increase was due to severance pay amount Baht 21.65 million.

6. Finance Cost

The Company's finance cost was Baht 1.58 million, which increased by Baht 0.76 million as compare to the same period of previous years, which was Baht 0.83 million. Interest expense increased due to increase in short-term loan from related person and long-term loan from financial institution for property business.

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7. 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 Baht 2.76 million, which increase by Baht 0.96 million or 54% as compare to the same period of previous year, which was Baht 1.80 million.

Please be informed accordingly and please disseminated the above information.

Yours sincerely

(Mrs. Wilaiporn Siripoorikan)
Assistant Managing Director