

- Translation -

PROUD/FIN/SET-2020/002

11 May 2020

Subject: Management's Discussion and Analysis for the three-month period ended 31 March 2020  
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 three-month period ended 31 March 2020 which has changed from the same period of prior year as follow;

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

(Thousands Baht)

	Consolidated Financial Statements	Separate Financial Statements		Change Increase/(Decrease)	
		2020	2020	2019	Thousands Baht
Revenue from sales and services	6,490	6,490	56,358	(49,868)	-88%
Cost of sales and services	(3,983)	(3,983)	(34,204)	(30,221)	-88%
<b>Gross profit</b>	<b>2,507</b>	<b>2,507</b>	<b>22,154</b>	<b>(19,647)</b>	<b>-89%</b>
Other income	715	8,853	1,433	7,420	518%
Selling and distribution expenses	(3,440)	(3,440)	(5,186)	(1,746)	-34%
Administrative expenses	(18,773)	(15,251)	(15,620)	(369)	-2%
Share of loss from investment in joint venture	-	-	(1,854)	(1,854)	-100%
<b>Profit (loss) before finance cost and income tax expenses</b>	<b>(18,991)</b>	<b>(7,331)</b>	<b>927</b>	<b>(8,258)</b>	<b>-891%</b>
Finance income	69	9,453	449	9,004	2005%
Finance cost	(1,514)	(1,399)	(1,271)	128	10%
<b>Profit (loss) before income tax expenses</b>	<b>(20,436)</b>	<b>723</b>	<b>105</b>	<b>618</b>	<b>589%</b>
Income tax (expense) income	2,751	2,741	-	2,741	100%
<b>Profit (loss) for the period</b>	<b>(17,685)</b>	<b>3,464</b>	<b>105</b>	<b>3,359</b>	<b>3199%</b>
Other comprehensive income (expense) :					
Other comprehensive income (expense) for the period	-	-	-	-	-
<b>Total comprehensive income (expense) for the period</b>	<b>(17,685)</b>	<b>3,464</b>	<b>105</b>	<b>3,359</b>	<b>3199%</b>
<b>Profit (loss) per share (Baht)</b>					
Basic profit (loss) per share					
Basic profit (loss) per share (Baht per share)	(0.028)	0.005	0.001		
Weighted average number of ordinary shares (Thousand shares)	641,469	641,469	190,080		

The Company has invested in subsidiaries and 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 31 March 2020 resulted in a net profit of Baht 3.46 million, which increased by Baht 3.36 million or 3,199% from the same period of prior year net profit of Baht 0.10 million. The result could be explained by the followings:

Description	Separate Financial Statements					
	2020		2019		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Construction</b>						
Revenue	-	-	31.30	100 %	(31.30)	(100) %
Cost	-	-	(23.14)	(74) %	(23.14)	(100) %
Gross Profit	-	-	54.44	174 %	(54.44)	(100) %
<b>Property Development</b>						
Revenue	6.49	100 %	25.06	100 %	(18.57)	(74) %
Cost	(3.98)	(61) %	(11.06)	(44) %	(7.08)	(64) %
Gross Profit	10.47	161 %	36.12	144 %	(25.65)	(71) %

### 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 31.30 million from the same period of prior year. Cost of construction has decreased by Baht 23.14 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 6.49 million, which decreased by Baht 18.57 million or 74% as compare to the same period of prior year, from decreasing of ownership transferred at the "Focus Ploenchit" condominium. Cost of sales for the period was Baht 3.98 million or 61% of revenue and gross profit margin was 39%.

### 3. Other income

In the separate financial statements, The Company has other income Baht 8.85 million, which increased by Baht 7.42 million or 518% as compare to the same period of prior year, which was Baht 1.43 million. The main increasing was due to management income from its subsidiary Baht 8.44 million. However, other income from construction business decreased by Baht 0.64 million and other income decreased by Baht 0.38 million.

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**4. Selling and distribution expenses**

The Company's selling and distribution expenses was Baht 3.44 million, which decreased by Baht 1.75 million or 34% as compare to the same period of prior year. The significant decrease was due to fees and taxes of ownership transfer for project the "Focus Ploenchit" condominium.

**5. Administrative expenses**

The Company's administrative expenses was Baht 15.25 million, which decreased by Baht 0.37 million or 2% as compare to the same period of prior year, which was Baht 15.62 million. The decreasing of administrative expenses was insignificant change.

**6. Share of loss from investment in joint venture**

The Company use to invested in a joint venture and the joint venture holds ordinary shares in a subsidiary. It operates in the investment of waste management business. However, during the year 2019, the Company entered into a sale transaction to sell this entity. Hence, the Company did not have such share of loss from investment in joint venture for this period.

**7. Finance Income**

The Company's finance income was Baht 9.45 million, which increased by Baht 9.00 million as compare to the same period of prior year, which was Baht 0.45 million. Main finance income was interest income from loans to subsidiaries.

**8. Finance Cost**

The Company's finance cost was Baht 1.40 million, which increased by Baht 0.13 million or 10% as compare to the same period of prior year, which was Baht 1.27 million. The increasing of finance cost was insignificant change.

**9. Income tax income**

The Company has income tax income for the period Baht 2.74 million, which was from increasing of deferred tax assets. It is expected that future profits will be sufficient to utilize that deferred tax.

Please be informed accordingly and please disseminated the above information.

Yours sincerely

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