

- Translation -

PROUD/FIN/SET-2021/001

22 February 2021

Subject: Management's Discussion and Analysis for the year ended 31 December 2020

To: The President
The Stock Exchange of Thailand

Proud Real Estate Public Company Limited would like to explain operating results for the year ended 31 December 2020 which has changed from the prior year as follows:

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

(Unit: Baht)

	Consolidated Financial Statements		Change Increase/(Decrease)	
	2020	2019	Baht	%
Profit or loss:				
Revenues	181,654,644	85,250,529	96,404,115	113%
Cost	(146,288,545)	(52,516,577)	93,771,968	179%
Gross profit	35,366,099	32,733,952	2,632,147	8%
Other income	16,175,992	24,463,747	(8,287,755)	-34%
Selling and distribution expenses	(15,317,804)	(10,046,286)	5,271,518	52%
Administrative expenses	(93,020,671)	(79,058,138)	13,962,533	18%
Loss from operating activities	(56,796,384)	(31,906,725)	(24,889,659)	-78%
Share of loss from investment in joint venture	-	(5,436,392)	(5,436,392)	-100%
Finance income	373,301	1,260,900	(887,599)	-70%
Finance cost	(4,042,711)	(5,518,156)	(1,475,445)	-27%
Loss before income tax expenses	(60,465,794)	(41,600,373)	(18,865,421)	-45%
Income tax (expenses) income	15,648,118	1,513,865	14,134,253	934%
Loss for the year	(44,817,676)	(40,086,508)	(4,731,168)	-12%
Other comprehensive income:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>				
Actuarial gain	213,443	8,191,798	(7,978,355)	-97%
Income tax effect	(42,689)	(1,638,360)	(1,595,671)	-97%
Other comprehensive income for the year	170,754.00	6,553,438	(6,382,684)	-97%
Total comprehensive income for the year	(44,646,922)	(33,533,070)	(11,113,852)	-33%
Earnings per share (Baht)				
Basic earnings (loss) per share				
Profit (loss)	(0.070)	(0.084)		
Weighted average number of ordinary shares (shares)	641,468,993	478,226,943		

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The Company's operating result for the year ended 31 December 2020 resulted in a net loss of Baht 44.82 million in the consolidated financial statements, which decreased by Baht 4.73 million or 12% from the prior year.

Consolidated Financial Statements

(Unit: Million Baht)

	Construction			Property Development			Total		
	2020	2019	increase (decrease)	2020	2019	increase (decrease)	2020	2019	increase (decrease)
Revenue	-	31.43	(31.43)	181.66	53.82	127.84	181.66	85.25	96.41
Cost	-	(22.65)	(22.65)	(146.29)	(29.87)	116.42	(146.29)	(52.52)	93.77
Gross Profit	-	8.78	(8.78)	35.37	23.95	11.42	35.37	32.73	2.64
<i>Gross profit margin</i>	-	28%	-28%	19%	45%	-25%	19%	38%	-19%

1. Revenue and cost of construction

The Company has finished all construction projects and focuses on only property development business. Therefore, it did not have revenue and cost from construction in the year 2020.

2. Revenue and cost of sales from property development business

The Company has revenue from property development business Baht 181.66 million from 32 units ownership transferred at the "Focus Ploenchit" condominium. Its cost of sales was Baht 146.29 million and gross profit margin was 19%. While there were 7 units ownership transferred in the prior year and the gross profit margin was 45%. The significant decrease in gross profit margin was due to sales promotions such as decreasing sales price and premium.

3. Other income

The Company has other income Baht 16.17 million, which decreased by Baht 8.29 million or 34% as compare to the prior year, which was Baht 24.46 million. The main decreasing was due to gain on disposal of investment in joint venture decreased by Baht 20.41 million and other income from construction decreased by Baht 1.20 million. While there were other incomes from reversal of estimated cost for maintenance expense Baht 7.86 million, gain on compensation received from insurance Baht 2.25 million and revenue from "111 Social Club" Baht 3.70 million.

4. Selling and distribution expenses

The Company's selling and distribution expenses was Baht 15.32 million, which increased by Baht 5.27 million or 52% as compare to the prior year. The significant increase was due to sales and promotion expenses increased by Baht 5.05 million, from public relations of project the "Focus Ploenchit" condominium.

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5. Administrative expenses

The Company's administrative expenses was Baht 93.02 million, which increased by Baht 13.96 million or 18% as compare to the prior year, which was Baht 79.06 million. Main increase was due to staff costs and management's benefits increased by Baht 12.06 million, depreciation and amortization expenses increased by Baht 10.13 million, bank charges increased by Baht 7.37 million, operating expenses at "111 Social Club" and sales gallery increased by Baht 5.43 million. While severance pay decreased by Baht 21.65 million (there was organization restructure in 2019).

6. Share of loss from investment in joint venture

The Company use to invested in a joint venture that held ordinary shares in a subsidiary. It operates in the investment of waste management business. However, during the year 2019, the Company sold this entity. Hence, the Company did not have such share of loss from investment in joint venture for this year.

7. Finance Income

The Company's finance income was Baht 0.37 million, which decreased by Baht 0.89 million or 70% as compare to the prior year, which was Baht 1.26 million. Main decrease was due to interest income from loan to a joint venture.

8. Finance Cost


The Company's finance cost was Baht 4.04 million, which decreased by Baht 1.48 million or 27% as compare to the prior year, which was Baht 5.52 million. Main decrease was due to repayment of loans from financial institution according to ownership transferred at the "Focus Ploenchit" condominium during the year.

9. Income tax (expenses) income

The Company has income tax income for the year Baht 15.65 million, which increased by Baht 14.14 million or 934% as compare to the prior year, which was Baht 1.51 million. The increment was due to adjustments of deferred tax assets of a subsidiary according to increasing in deficit.

Please be informed accordingly and please disseminated the above information.

Yours sincerely



(Ms. Budsabong Pansawadi)

Senior Vice President

Accounting and Financial Division