

- Translation -

PROUD/FIN/SET-2022/001

23 February 2022

Subject: Management's Discussion and Analysis for the year ended 31 December 2021

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 2021 which has changed from the prior year as follows:

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Unit: Baht)

	Consolidated Financial Statements		Change Increase/(Decrease)	
	2021	2020	Baht	%
<b>Profit or loss:</b>				
Revenues	-	181,654,644	(181,654,644)	-100%
Cost	-	(146,288,545)	(146,288,545)	-100%
<b>Gross profit</b>	<b>-</b>	<b>35,366,099</b>	<b>(35,366,099)</b>	<b>-100%</b>
Other income	3,146,720	16,175,992	(13,029,272)	-81%
Selling and distribution expenses	(287,850)	(15,317,804)	(15,029,954)	-98%
Administrative expenses	(101,685,542)	(93,020,671)	8,664,871	9%
<b>Loss from operating activities</b>	<b>(98,826,672)</b>	<b>(56,796,384)</b>	<b>(42,030,288)</b>	<b>-74%</b>
Finance income	471,137	373,301	97,836	26%
Finance cost	(17,154,169)	(4,042,711)	13,111,458	324%
<b>Loss before income tax expenses</b>	<b>(115,509,704)</b>	<b>(60,465,794)</b>	<b>(55,043,910)</b>	<b>-91%</b>
Income tax (expenses) income	18,272,490	15,648,118	2,624,372	17%
<b>Loss for the year</b>	<b>(97,237,214)</b>	<b>(44,817,676)</b>	<b>(52,419,538)</b>	<b>-117%</b>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>				
Actuarial gain (loss)	(257,291)	213,443	(470,734)	-221%
Income tax effect	51,458	(42,689)	94,147	221%
<b>Other comprehensive income for the year</b>	<b>(205,833)</b>	<b>170,754</b>	<b>(376,587)</b>	<b>-221%</b>
<b>Total comprehensive income for the year</b>	<b>(97,443,047)</b>	<b>(44,646,922)</b>	<b>(52,796,125)</b>	<b>-118%</b>
<b>Earnings per share</b>				
Basic profit (loss) per share				
Loss	<b>(0.152)</b>	<b>(0.070)</b>		
Weighted average number of ordinary shares (shares)	641,469,040	641,468,993		

Page 2

PROUD/FIN/SET-2022/001

23 February 2022

The Company's operating result for the year ended 31 December 2021 resulted in a net loss of Baht 97.24 million in the consolidated financial statements, which increased by Baht 52.42 million or 117% from the prior year.

**1. Revenue and cost**

In this year, the Company did not have the revenue from property development business. At present, the new projects are under the construction. While in 2020, the Company has the revenue from property development business Baht 181.65 million from 32 units ownership transferred at the "Focus Ploenchit" condominium and the cost of sales was Baht 146.29 million.

**2. Other income**

The Company has other income Baht 3.15 million, which decreased by Baht 13.03 million or 81% as compare to the prior year, which was Baht 16.18 million. The significant decrease was due to the reversal of estimated cost for rectification and maintenance expense decreased by Baht 7.23 million, gain on compensation received from insurance decreased by Baht 2.25 million and revenue from "111 Social Club" decreased by Baht 2.04 million.

**3. Selling and distribution expenses**

The Company's selling and distribution expenses was Baht 0.29 million, which decreased by Baht 15.03 million or 98% as compared to the prior year, which was Baht 15.32 million. The significant decrease was due to the decreasing in selling expenses (main expenses was ownership transfer fee) and also decreasing in sales and promotion expenses for support sales of project the "Focus Ploenchit" condominium which was sold out.

**4. Administrative expenses**

The Company's administrative expenses was Baht 101.69 million, which increased by Baht 8.66 million or 9% as compare to the prior year, which was Baht 93.02 million. Main increase was due to depreciation and amortization expenses increased by Baht 4.28 million, staff costs increased by Baht 2.89 million, the specific business tax increased by Baht 2.34 million, computer system support expenses increased by Baht 1.84 million, rental expenses of sales gallery increased by Baht 1.35 million, and research expenses increased by Baht 1.02 million. While bank charges decreased by Baht 3.75 million and cost of sales at "111 Social Club" decreased by Baht 1.53 million.

Page 3

PROUD/FIN/SET-2022/001

23 February 2022

**5. Finance Income**

The Company's finance income was Baht 0.47 million, which increased by Baht 0.10 million or 26% as compare to the prior year, which was Baht 0.37 million. Main increase was due to interest income from savings which increased.

**6. Finance Cost**

The Company's finance cost was Baht 17.15 million, which increased by Baht 13.11 million or 324% as compare to the prior year, which was Baht 4.04 million. Main increase was due to recognition of the return on cumulative and redeemable preference shares amount Baht 15.26 million according to adoption of TFRS 9: Financial Instruments. While interest of loan from financial institution decreased by Baht 2.22 million due to repayment of entire loan.

**7. Income tax (expenses) income**

The Company has income tax income for the year Baht 18.27 million, which increased by Baht 2.62 million or 17% as compare to the prior year, which was Baht 15.65 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