

- Translation -

PROUD/FIN/SET-2022/003

8 August 2022

Subject: Management's Discussion and Analysis for the three-month period ended 30 June 2022

To: The President
The Stock Exchange of Thailand

Proud Real Estate Public Company Limited would like to explain operating results for the three-month period ended 30 June 2022 which has changed from the same period of prior year as follows:

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2022**

(Unit: Thousand Baht)

	Consolidated Financial Statements		Change Increase/(Decrease)	
	2022	2021	Thousand Baht	%
Profit or loss:				
Revenues from sale of real estate	109,858	-	109,858	100%
Cost of real estate sold	(68,415)	-	68,415	100%
Gross profit	41,443	-	41,443	100%
Other income	20	916	(896)	-98%
Selling and distribution expenses	(4,923)	(129)	4,794	3716%
Administrative expenses	(41,724)	(22,819)	18,905	83%
Operating loss	(5,184)	(22,032)	(16,848)	-76%
Finance income	148	104	44	42%
Finance cost	(13,700)	(351)	13,349	3803%
Loss before income tax income (expenses)	(18,736)	(22,279)	(3,543)	-16%
Income tax income (expenses)	(1,170)	3,570	(4,740)	-133%
Loss for the period	(19,906)	(18,709)	1,197	6%
Other comprehensive income:				
Other comprehensive income for the period	-	-	-	
Total comprehensive income for the period	(19,906)	(18,709)	1,197	6%
Earnings per share				
Basic profit (loss) per share				
Loss (Bath/Share)	(0.031)	(0.029)		
Weighted average number of ordinary shares (Thousand shares)	641,469	641,469		

The Company's operating result for the three-month period ended 30 June 2022 resulted in a net loss of Baht 19.91 million in the consolidated financial statements, which increased by Baht 1.20 million or 6% from the same period of prior year.

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1. Revenues and cost from sale of real estate

The Company have revenues amount Baht 109.86 million from 8 units ownership transferred at the "InterContinental Residence Hua Hin". Cost of real estate sold is Baht 68.42 million and gross profit margin is 38%. While in Q2/2021, the Company did not have revenues and cost from sale of real estate because the projects are under construction.

2. Selling and distribution expenses

The Company's selling and distribution expenses was Baht 4.92 million, which increased by Baht 4.79 million or 3,716% as compared to Q2/2021. The significant increase was due to sales and promotion expenses for support sales of project the "InterContinental Residence Hua Hin".

3. Administrative expenses

The Company's administrative expenses was Baht 41.72 million, which increased by Baht 18.90 million or 83% as compare to Q2/2021, which was Baht 22.82 million. Main increase was due to staff costs increased by Baht 4.98 million according to increasing in staffs number for support the Group's operation, specific business tax increased by Baht 3.34 million from ownership transferred at the "InterContinental Residence Hua Hin", management fee of condominium juristic person increased by Baht 2.75 million and depreciation increased by Baht 1.72 million.

4. Finance Cost

The Company's finance cost was Baht 13.70 million, which increased by Baht 13.35 million or 3,803% as compare to the same period of prior year, which was Baht 0.35 million. Main increase was due to recognition of the return on cumulative and redeemable preference shares amount Baht 12.18 million according to adoption of TFRS 9: Financial Instruments.

5. Income tax income (expenses)

The Company's income tax expenses was Baht 1.17 million, which increased by Baht 4.74 million or 133% as compare to Q2/2021, which income tax income was Baht 3.57 million. The increment of tax expenses was due to adjustments of deferred tax assets of a subsidiary according to decreasing in deficit from revenues from sale of real estate.

Please be informed accordingly and please disseminated the above information.

Yours sincerely



(Ms. Naruedee Koslathip)

Senior Vice President

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