

PROUD/FIN/SET-2024/002

14 May 2024

Subject: Management's Discussion and Analysis for the three-month period ended 31 March 2024

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 of 31 March 2024 which has changed from the same period of prior year as follows:

Financial Performance as of 31 March 2024

For the three-month period ended of 31 March 2024, total revenue was recorded at 1,069.74 Million Baht, increased by 18% from 902.82 Million Baht in Q1/2023. This contributed to the number of transferred units of Nue Cross KhuKhot Station project which has started transfer since December 2023. However, the net profit of Q1/2024 was 44% lower than Q1/2023 at 77.23 Million Baht from 137.92 Million Baht due to the recognition of premium fee from acquisition of Nue Cross Khukhot station project.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Change Increase/(Decrease)	
	2024	2023	Baht	%
Profit or loss:				
Revenues from sale of real estate	1,069,739	902,823	166,916	18%
Cost of real estate sold	(842,123)	(584,479)	257,644	-44%
Gross profit	227,616	318,344	(90,728)	100%
Other income	863	1,352	(489)	-36%
Selling and distribution expenses	(80,697)	(92,297)	(11,600)	-13%
Administrative expenses	(64,206)	(31,140)	33,066	106%
Operating profit (loss)	83,576	196,259	(112,683)	57%
Finance income	45	-	45	-
Finance cost	(16,688)	(16,931)	(243)	-1%
Profit (loss) before income tax income (expenses)	66,933	179,328	(112,395)	63%
Income tax (expenses) income	10,301	(41,406)	51,707	-125%
Profit (loss) for the year	77,234	137,922	(60,688)	44%
Total comprehensive income for the year	77,234	137,922	(60,688)	44%
Earnings per share				
Basic profit (loss) per share				
Profit (loss) (Bath/Share)	0.079	0.215		
Weighted average number of ordinary shares (shares)	974,014	641,469		

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1. Revenues and cost of real estate sold

For the three-month period ended of 31 March 2024, the company reported revenues from sale of real estate of 1,069.74 Million Baht, higher than 902.82 Million Baht in Q1/2023. The main revenue was generated from the Nue Cross KhuKhot Station project which already has 51% transferred of total project, while cost of real estate sold was recorded at 842.12 Million Baht, higher than 584.48 Million Baht in Q1/2023. The gross profit margin was recorded at 21%

2. Gross profit

For the three-month period ended of 31 March 2024, the company recorded gross profit of 227.62 Million Baht, lower than 318.34 Million Baht from Q1/2023. This was resulting from the recognition of premium fee from acquisition of Nue Cross Khukhot station project.

3. Other income

For the three-month period ended of 31 March 2024, the company reported other income of 0.86 Million Baht, which is lower than 1.35 Million Baht in Q1/2023. Since there was no income from seizing the reservations and deposits in this quarter. Whereas there is an income from common fee and juristic related expenses.

4. Selling and distribution expenses

For the three-month period ended of 31 March 2024, the company reported lower selling and distribution expenses at 80.70 Million Baht, lower from 92.30 Million Baht in Q1/2023. The reason was from the InterContinental Residences Hua-hin project which is branded project and has higher selling and distribution expenses in comparison to Q1/2024 which mainly from Nue Cross Khukhot station project.

5. Administrative expenses

For the three-month period ended of 31 March 2024, the company reported administrative expenses of 64.21 Million Baht, higher than 31.14 Million Baht in Q1/2023, caused by an increase in depreciation of new projects sales gallery (Romm Convent project and Nue District R9 Project), increased in numbers of employee and common fee expense.

6. Financial Cost

For the three-month period ended of 31 March 2024, the company reported financial cost of 16.69 Million Baht, decreased from 16.93 Million Baht in Q1/2023.

7. Net Profit

For the three-month period ended of 31 March 2024, the company reported net profit of 77.23 Million Baht, decreased from 137.92 Million Baht in Q1/2023. The net profit margin was at 7% of total revenue.

Financial Position as of 31 March 2024

Total Assets

(Unit: Thousand Baht)

	Consolidated financial statements		Change	
	2024	2023	Baht	%
Assets				
Current assets				
Cash and cash equivalents	508,520	867,468	(358,948)	-41%
Trade and other receivables	5,454	4,965	489	10%
Real estate development costs	7,694,435	7,949,769	(255,334)	-3%
Current tax assets	56,248	12,995	43,253	333%
Other current assets	848,820	846,315	2,505	0%
Total current assets	9,113,477	9,681,512	(568,035)	-6%
Non-current assets				
Restricted bank deposits	194	194	-	0%
Equipment	45,396	54,169	(8,773)	-16%
Right-of-use assets	13,826	15,502	(1,676)	-11%
Intangible assets	4,066	4,236	(170)	-4%
Deferred tax assets	250,494	237,894	12,600	5%
Other non-current financial assets	4,484	5,408	(924)	-17%
Total non-current assets	318,460	317,403	1,057	0%
Total assets	9,431,937	9,998,915	(566,978)	-6%

As of 31 March 2024, Company recorded total assets of 9,431.94 Million Baht, decreased 566.98 Million Baht from 31 December 2023 by the below changes:

- 1.1. Cash and cash equivalents at 508.52 Million Baht, decreased by 358.95 Million Baht caused by loan repayment to financial institutions.
- 1.2. Real estate development costs at 7,694.44 Million Baht, decreased by 255.33 Million Baht from recognition of Real estate development costs from the units transferred of Nue Cross Khukhot station project and InterContinental Residences Hua-hin project

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1.3. Other current assets at 848.82 Million Baht, increased by 2.51 Million Baht from prepaid expenses and marketing fee.

1.4. Deferred tax assets at 250.49 Million Baht, increased by 12.60 Million Baht from deferred tax relating to origination and reversal of temporary differences from Romm Convent project, Vehha Hua-Hin project and Nue Cross Khukhot station project.

Total Liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Change	
	2024	2023	Baht	%
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	16,326	40,140	(23,814)	-59%
Trade and other payables	748,623	867,660	(119,037)	-14%
Short-term loan from related parties	-	-	-	-
Current portion of long-term loans from financial institutions	120,029	120,364	(335)	0%
Current portion of lease liabilities	6,366	6,289	77	1%
Deferred revenue from sale of real estate	1,830,120	1,763,558	66,562	4%
Accrued expenses related to the projects	108,074	107,143	931	1%
Cumulative and redeemable preference shares	-	-	-	-
Retention payable	16,647	16,647	-	-
Other current liabilities	78,030	45,530	32,500	71%
Total current liabilities	2,924,215	2,967,331	(43,116)	-1%
Non-current liabilities				
Long-term loans from financial institutions, net of current portion	3,807,262	4,546,735	(739,473)	-16%
Long-term loans from other person	200,000	90,000	110,000	100%
Lease liabilities, net of current portion	6,527	8,089	(1,562)	-19%
Cumulative and redeemable of preference shares - net of current portion	780,081	763,243	16,838	100%
Provision for long-term employee benefits	4,564	4,217	347	8%
Provision for decommissioning costs	6,804	6,785	19	0%
Retention payable	116,606	103,871	12,735	12%
Total non-current liabilities	4,921,844	5,522,940	(601,096)	-11%
Total liabilities	7,846,059	8,490,271	(644,212)	-8%

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As of 31 March 2024, Company recorded total liabilities of 7,846.06 Million Baht, decreased 644.21 Million Baht from 31 December 2023 by the below changes:

- 1.1. Current portion of long-term loans from financial institutions at 120.03 Million Baht, decreased by 0.34 Million Baht from Vi Ari project
- 1.2. Long-term loans from financial institutions at 3,807.26 Million Baht, decreased by 739.47 Million Baht from loan repayment of Nue Cross Khukhot Station project.
- 1.3. Trade and other payables at 748.62 Million Baht, decreased by 119.04 Million Baht mainly from decreased in accrued construction costs from Nue District R9 project and Nue Cross KhuKhot Station project.
- 1.4. Advance income from sale of real estate at 1,830.12 Million Baht, increased by 66.56 Million Baht from deposit and advance received from Nue District R9 project, Nue Cross KhuKhot Station project, Vehha Hua-Hin project, Romm Convent project and Vi Ari.
- 1.5. Cumulative and redeemable of preference shares from Phraram 9 Alliance Co., Ltd., on Nue District R9 project at 780.01 Million Baht, increased by 16.84 Million Baht from accrued dividend expense.
- 1.6. Retention payable at 116.61 Million Baht, increased by 12.74 Million Baht from construction retention.

Total Shareholder's Equity

(Unit: Thousand Baht)

	Consolidated financial statements		Change	
	2024	2023	Baht	%
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
997,840,729 ordinary shares of Baht 1 each	997,841	997,841		
Issued and fully paid-up				
974,014,010 ordinary shares of Baht 1 each	974,014	974,014	-	0%
Share premium	513,038	513,038	-	0%
Retained earnings (deficit)				
Appropriated - statutory reserve	426	419	7	100%
Unappropriated	98,400	21,173	77,227	-365%
Total shareholders' equity	1,585,878	1,508,644	77,234	5%
Total liabilities and shareholders' equity	9,431,937	9,998,915	(566,978)	-6%

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As of 31 March 2024, company recorded total equity of 1,585.88 Million Baht, increased by 77.23 Million Baht from 31 December 2023 due to an increase of retained earnings.

Please be informed accordingly and please disseminate the above information.

Yours sincerely



(Ms. Naruedee Koslathip)

Chief Financial Officer