

- Translation -

PROUD/FIN/SET-2023/001

20 February 2023

Subject: Management's Discussion and Analysis for the year ended 31 December 2022

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 2022 which has changed from the prior year as follows:

(Unit: Baht)

	Consolidated Financial Statements		Change Increase/(Decrease)	
	2022	2021	Baht	%
Profit or loss:				
Revenues from sale of real estate	2,108,367,454	-	2,108,367,454	100%
Cost of real estate sold	(1,340,558,199)	-	1,340,558,199	100%
Gross profit	767,809,255	-	767,809,255	100%
Other income	1,587,402	3,146,720	(1,559,318)	-50%
Selling and distribution expenses	(165,898,412)	(287,850)	165,610,562	57534%
Administrative expenses	(230,818,532)	(101,685,542)	129,132,990	127%
Operating profit (loss)	372,679,713	(98,826,672)	471,506,385	477%
Finance income	335,661	471,137	(135,476)	-29%
Finance cost	(68,773,655)	(17,154,169)	51,619,486	301%
Profit (loss) before income tax income (expenses)	304,241,719	(115,509,704)	419,751,423	363%
Income tax (expenses) income	(75,721,047)	18,272,490	(93,993,537)	-514%
Profit (loss) for the year	228,520,672	(97,237,214)	325,757,886	335%
Other comprehensive income:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>				
Actuarial gain (loss)	-	(257,291)	257,291	100%
Income tax effect	-	51,458	(51,458)	-100%
Other comprehensive income for the year	-	(205,833)	205,833	100%
Total comprehensive income for the year	228,520,672	(97,443,047)	325,963,719	335%
Earnings per share				
Basic profit (loss) per share				
Profit (loss) (Bath/Share)	0.356	(0.152)		
Weighted average number of ordinary shares (shares)	641,469,415	641,469,415		

The Company's operating result for year ended 31 December 2022 resulted in a net profit of Baht 228.52 million in the consolidated financial statements, which increased by Baht 325.76 million or 335% from the prior year, net loss of Baht 97.24 million.

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1. Revenues and cost from sale of real estate

The Company have revenues amount Baht 2,099.78 million from ownership transferred at the "InterContinental Residence Hua Hin". Cost of real estate sold is Baht 1,336.78 million and gross profit margin is 36%. While in 2021, the Company did not have revenues and cost form sale of real estate because the projects are under construction.

2. Selling and distribution expenses

The Company's selling and distribution expenses was Baht 165.90 million, which increased by Baht 165.61 million as compared to 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 230.82 million, which increased by Baht 129.13 million or 127% as compare to 2021, which was Baht 101.69 million. Main increase was due to staff costs increased by Baht 32.51 million according to increasing in staffs number for support the Group's operation, specific business tax increased by Baht 66.86 million from ownership transferred at the "InterContinental Residence Hua Hin", and management fee of condominium juristic person increased by Baht 13.61 million.

4. Finance Cost

The Company's finance cost was Baht 68.77 million, which increased by Baht 51.62 million or 301% as compare to 2021, which was Baht 17.15 million. Main increase was due to recognition of the return on cumulative and redeemable preference shares amount Baht 37.08 million. Finance cost of loans from financial institutions increased by Baht 14.88 million. Moreover, interest of lease liabilities decreased by Baht 0.34 million.

5. Income tax income (expenses)

The Company's income tax expenses was Baht 75.72 million, which increased by Baht 93.99 million or 514% as compare to 2021, which income tax income was Baht 18.27 million. The increment of tax expenses was due to income tax charge amount Baht 57.61 million and the adjustments of deferred tax assets of a subsidiary approximately to Baht 24 million by reversed the deficit according to profit from sale of real estate.

Please be informed accordingly and please disseminated the above information.

Yours sincerely



(Ms. Naruedee Koslathip)

Chief Financial Officer