

PROUD/FIN/SET-2024/004

November 11, 2024

Subject: Management Discussion and Analysis for the third quarter of 2024 ended September 30, 2024

To: The President of the Stock Exchange of Thailand  
The Stock Exchange of Thailand

Proud Real Estate Public Company Limited hereby provides an analysis and explanation of the changes in the Company's operating performance for the third quarter of 2024, ended September 30, 2024, in comparison to the corresponding period of the previous year, as detailed in the table below.

### Operating Performance for the third quarter of 2024

#### Revenues & Expenses (YoY%)

(Unit: million baht)

	3Q2024	3Q2023	Changes	Changes (%)	9M2024	9M2023	Changes	Changes (%)
Revenues from sale of real estate	195.77	123.34	72.44	59%	1,971.18	1,301.45	669.73	51%
Cost of real estate sold	-155.35	-67.36	-87.98	131%	-	-832.86	-727.98	87%
<b>Gross profit</b>	<b>40.43</b>	<b>55.97</b>	<b>-15.55</b>	<b>-28%</b>	<b>410.35</b>	<b>468.59</b>	<b>-58.25</b>	<b>-12%</b>
Other income	35.94	8.76	27.18	310%	43.65	22.85	20.80	91%
Selling and distribution expenses	-22.30	-19.96	-2.34	12%	-162.05	-147.32	-14.73	10%
Administrative expenses	-40.14	-35.58	-4.56	13%	-164.47	-109.47	-55.00	50%
<b>Operating profit (loss)</b>	<b>13.93</b>	<b>9.19</b>	<b>4.74</b>	<b>52%</b>	<b>127.48</b>	<b>234.66</b>	<b>-107.18</b>	<b>-46%</b>
Finance income	0.03	0.00	0.03	N/A	2.42	0.70	1.72	246%
Finance cost	-0.56	-1.24	0.68	-55%	-23.56	-27.56	3.99	-14%
<b>Profit (loss) before income tax income (expenses)</b>	<b>13.40</b>	<b>7.95</b>	<b>5.45</b>	<b>69%</b>	<b>106.34</b>	<b>207.80</b>	<b>-101.46</b>	<b>-49%</b>
Income tax (expenses) income	-10.54	-6.32	-4.22	67%	-14.66	-59.10	44.44	-75%
<b>Profit (loss) for the period</b>	<b>2.86</b>	<b>1.63</b>	<b>1.23</b>	<b>76%</b>	<b>91.68</b>	<b>148.70</b>	<b>-57.03</b>	<b>-38%</b>

## Revenue from Sales of Real Estate

In the third quarter of 2024, the Company reported revenue from real estate sales amounting to THB 195.77 million, representing an increase of THB 72.44 million, or 59%, compared to the same period of the previous year. For the nine-month period ended September 30, 2024, the Company achieved total revenue from real estate sales of THB 1,971.18 million, reflecting a growth of 51% year-over-year. The increase in revenue is primarily attributable to a significant rise in the transfer of ownership in the 'Nue Cross Khu Khot Station' project.

## Cost of Real Estate Sold

The cost of real estate sold in the third quarter of 2024 amounted to THB 155.35 million, representing an increase of THB 87.98 million, or 131%, compared to the same period of the prior year. For the nine-month period ended September 30, 2024, the cost totaled THB 1,560.83 million, reflecting an increase of 87% year-over-year. This rise in cost was in line with projections, primarily driven by the transfer of ownership predominantly related to the "Nue Cross Khu Khot Station" project, a development acquired from a partner.

## Selling and Distribution Expenses

Selling and distribution expenses for the third quarter of 2024 increased to THB 2.34 million, representing a 12% increase compared to the prior year. For the nine-month period ended September 30, 2024, total expenses amounted to THB 162.05 million, reflecting a 10% increase year-over-year. This rise was in line with the increase in revenue from property transfers, primarily driven by the transfers under the 'Nue Cross Khu Khot Station' project.

## Administrative Expenses

In the third quarter of 2024, administrative expenses increased by THB 4.56 million, primarily due to higher salary expenses and other employee-related costs resulting from an increase in personnel, as well as consulting fees. For the nine-month period ended September 30, 2024, administrative expenses increased by THB 55.19 million, which was driven by salary expenses, bonuses, and other employee-related costs, as well as depreciation of assets, shared service fees for condominium juristic persons, and other operating expenses, such as office rent and consulting fees.

## Operating Profit (Loss)

Based on the operating results, the Company reported an operating profit of THB 13.93 million for the third quarter of 2024, representing an increase of 52% compared to the same period last year. However, for the nine-month period ended September 30, 2024, the Company recorded a total operating profit of THB 127.48 million, a decrease of 46% year-over-year.

## Net Profit for the Period

The Company recorded a net profit of THB 2.86 million in the third quarter of 2024, representing an increase of 76% compared to the same period of the previous year. However, for the nine-month period ended September 2024, the Company reported a total net profit of THB 91.68 million, a decrease of 38% year-over-year, primarily due to a decline in gross profit.

In the third quarter of 2024, gross profit was THB 40.43 million, representing a gross profit margin of 21%, compared to THB 55.97 million and a gross profit margin of 45% in the third quarter of 2023. For the nine-month period of 2024, gross profit decreased by 12%, from THB 468.60 million in the previous year to THB 410.35 million, with a gross profit margin of 21%, compared to a gross profit margin of 36% in the first nine months of 2023. This decline was mainly due to the lower gross profit recognition from the 'Nue Cross Khu Khot Station' project, which was acquired from a partner. In contrast, during the same period of the previous year, revenue was primarily recognized from the 'InterContinental Residences Hua Hin' project, which was fully developed by the Company.

Despite market conditions, all ongoing projects have received favorable market responses, driven by the Company's development strategy that effectively meets the needs of both Thai and international clients seeking quality residences in prime locations. This gives the Company confidence in maintaining sustainable growth in the future.

As of the end of October 2024, ongoing projects have met booking targets according to plan. Specifically, the 'VEHHA Hua Hin' project has achieved bookings of 65% of the total project value, the 'ROMM Convent' project has reached 62%, the 'VI Ari' project has secured 33%, and the 'Nue District R9' project has attained 97%. Furthermore, the 'VI Ari' project, with a project value of THB 491 million, is expected to begin recognizing revenue in the fourth quarter of 2024. The 'VEHHA Hua Hin' and 'Nue District R9' projects, with a combined value exceeding THB 8,900 million, are anticipated to recognize revenue throughout 2025, while the 'ROMM Convent' project, with a value of THB 4,150 million, is expected to recognize revenue in 2026.

The Company's backlog as of September 30, 2024, totaled THB 10,900 million, which will be recognized as revenue gradually through 2026. This backlog serves as a key factor supporting the Company's confidence in achieving sustainable long-term growth. Additionally, new projects with a combined value of over THB 9,200 million are expected to be launched soon, reflecting the Company's strong and sustained future revenue growth potential.

## Financial Positions

### Assets

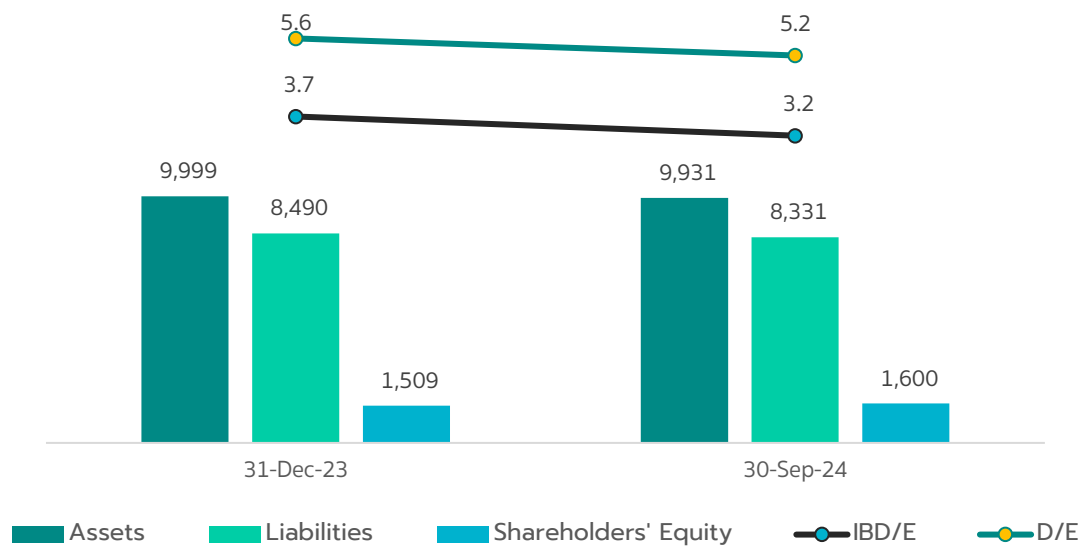
Unit: Million Baht	30 September 2024	31 December 2023	Changes	Changes (%)
<b>Current assets</b>				
Cash and cash equivalents	450.58	867.47	-416.89	-48%
Trade and other receivables	3.72	4.97	-1.25	-25%
Real estate development costs	8,334.57	7,961.80	372.77	5%
Current tax assets	0.76	0.97	-0.20	-21%
Other current assets	823.44	846.32	-22.88	-3%
<b>Total current assets</b>	<b>9,613.06</b>	<b>9,681.51</b>	<b>-68.45</b>	<b>-1%</b>
<b>Non-current assets</b>				
Restricted bank deposits	-	0.19	N/A	N/A
Equipment	30.04	54.17	-24.13	-45%
Right-of-use assets	10.47	15.50	-5.04	-32%
Intangible assets	4.46	4.24	0.22	5%
Deferred tax assets	269.16	237.89	31.27	13%
Other non-current financial assets	4.03	5.41	-1.38	-25%
<b>Total non-current assets</b>	<b>318.16</b>	<b>317.40</b>	<b>0.75</b>	<b>0%</b>
<b>Total assets</b>	<b>9,931.22</b>	<b>9,998.91</b>	<b>-67.70</b>	<b>-1%</b>

As of September 30, 2024, the Company had total assets of THB 9,931.22 million, a decrease of THB 67.70 million compared to the end of 2023. The primary reasons for this decrease include:

- A decrease in cash and cash equivalents to THB 450.58 million, a decline of THB 416.89 million or 48%, primarily due to the repayment of loans.
- An increase in real estates development costs to THB 8,334.57 million, up by THB 372.77 million or 5%, resulting from the construction of real estate projects under development that will generate future revenue. In the third quarter of 2024, this increase was mainly attributable to the construction of the 'Nue District R9' and 'VEHHA Hua Hin' projects, which are expected to begin recognizing revenue from property transfers in 2025.

### Liabilities and Shareholders' Equity

(Unit: million baht)



As of September 30, 2024, the Company had total liabilities of THB 8,330.90 million, a decrease of THB 159.37 million, or 2%, compared to the end of 2023. The primary reasons for this decrease include:

- Long-term loans from financial institutions, net of current portion stood at THB 3,971.57 million, a decrease of THB 575.17 million, mainly due to repayments of bank loans for the 'Nue Cross Khu Khot Station' project, which has been fully constructed and sold, and is currently in the process of transferring ownership.
- Trade and other payables stood at THB 780.51 million, a decrease of THB 87.15 million, primarily due to the reduction in payables for the 'Nue Cross Khu Khot Station' project, which was 88% completed and transferred, as well as for the 'Nue District R9' project, which had achieved 77% completion as of the end of September 2024.

Offset by:

- Deferred revenue from sale of real estate amounted to THB 2,140.50 million, an increase of THB 376.94 million, largely due to pre-sales of the 'Nue District R9,' 'ROMM Convent,' 'VEHHA Hua Hin,' and 'VI Ari' projects, indicating future revenue recognition. The 'VEHHA Hua Hin' and 'Nue District R9' projects, with a total project value of THB 8,906 million, are expected to recognize revenue in 2025, while the 'ROMM Convent' project, with a project value of THB 4,150 million, is expected to recognize revenue in 2026.

- Long-term loans from other person amounted to THB 200 million, an increase of 122% from the end of 2023, used for developing future revenue-generating projects of the Company.

The interest-bearing debt to equity ratio (IBD/E) decreased to 3.2 times, down from 3.7 times at the end of 2023, and the total debt to equity ratio (D/E) decreased to 5.2 times, down from 5.6 times at the end of 2023.

As of September 30, 2024, total shareholders' equity stood at THB 1,600.32 million, an increase of THB 91.68 million compared to the prior year, driven by an increase in retained earnings.

Please be informed accordingly.

Yours sincerely,



( Ms. Naruedee Kosalthip )  
Chief Financial Officer