

PROUD/FIN/SET-2025/001

February 24, 2025

Subject: Management Discussion and Analysis for the year ended 31 December 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 year of 2024 ended on December 31, 2024, in comparison to the corresponding period of the previous year, as detailed in the table below.

Operating Performance as of 2024

(Unit: Baht)

	Consolidated Financial Statements		Change Increase/(Decrease)	
	2024	2023	Baht	%
Profit or loss:				
Revenues from sale of real estate	2,221,250,319	1,508,168,622	713,081,697	47%
Cost of real estate sold	(1,756,985,728)	(983,356,125)	773,629,603	-79%
Gross profit	464,264,591	524,812,497	(60,547,906)	-12%
Other income	46,567,760	25,805,094	20,762,666	80%
Selling and distribution expenses	(202,168,761)	(209,960,703)	(7,791,942)	4%
Administrative expenses	(211,760,929)	(152,356,345)	59,404,584	-39%
Operating profit (loss)	96,902,661	188,300,543	(91,397,882)	-49%
Finance income	4,268,078	2,365,988	1,902,090	80%
Finance cost	(32,709,876)	(29,129,561)	3,580,315	-12%
Profit (loss) before income tax income (expenses)	68,460,863	161,536,970	(93,076,107)	-58%
Income tax (expenses) income	(11,840,836)	(59,281,138)	(47,440,302)	80%
Profit (loss) for the year	56,620,027	102,255,832	(45,635,805)	-45%
Total comprehensive income for the year	56,620,027	102,255,832	(45,635,805)	45%
Earnings per share				
Basic profit (loss) per share				
Profit (loss) (Bath/Share)	0.06	0.12		
Weighted average number of ordinary shares (shares)	974,014,010	834,691,063		

Revenue from Sales of Real Estate

For the year 2024, the company generated revenue from real estate sales totaling 2,221 million baht, an increase of 713 million baht, or 47% compared to the previous year.

This increase in revenue was driven by the transfer of ownership from the "Nue Cross Khu Khot Station" project, which began ownership transfers in December 2023 and continued until 95% of the project's value had been transferred by the end of 2024.

Meanwhile, the InterContinental Residences Hua Hin project had already transferred 97% of its total project value by the end of 2024.

Cost of Real Estate Sold

The cost of real estate sales in 2024 amounted to 1,757 million baht, representing an increase of 774 million baht, or 79% compared to the same period of the previous year.

This increase in costs was in line with expectations, as 88% of the ownership transfers in 2024 came from the "Nue Cross Khu Khot Station" project, which was acquired from a business partner.

Selling and Distribution Expenses

The selling and distribution expenses in 2024 amounted to 202 million baht, accounting for 9% of total revenue. This represents a decrease from the previous year, as selling and distribution expenses in 2023 were 209 million baht, or 14% of total revenue for that year.

Administrative Expenses

The administrative expenses in 2024 increased by 59 million baht, primarily due to the higher depreciation costs from an increased number of sales offices at the end of 2023, an increase in employee expenses following workforce changes and expansion, as well as common area and condominium juristic person fees, and other operational costs such as office rent and consulting fees.

Net Profit for the Period

Based on the company's performance in 2024, the company reported a net profit of 57 million baht, a 45% decrease compared to the previous year. The primary reason for this decline was a 15% drop in gross profit, from 524 million baht in 2023 to 464 million baht in 2024. The gross profit margin stood at 21% this year, compared to 36% in 2023. This decrease resulted from the recognition of lower gross profit from the "Nue Cross Khu Khot Station" project, which was acquired from a business partner, as anticipated. In contrast, the previous year's revenue was primarily driven by the InterContinental Residences Hua Hin project, which was developed by the company itself.

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 high-quality residences in prime locations. This gives the Company confidence in maintaining sustainable growth in the future.

As of the end of 2024, the ongoing projects have achieved successful pre-sales, aligning with the Company's targets. Specifically, the 'VEHHA Hua Hin' project has achieved bookings of 68% of the total project value, the 'ROMM Convent' project has reached 67%, the 'VI Ari' project has secured 33%, and the 'Nue District R9' project has attained 97% where revenue recognition from ownership transfers are planned to begin in Q1 2025

In 2025, the VEHHA Hua Hin and Nue District R9 projects, with a combined project value of 8,900 million baht, are expected to generate revenue throughout the year. Meanwhile, the ROMM Convent project, valued at 4,150 million baht, is anticipated to start revenue recognition in 2026.

As of December 31, 2024, the company's backlog totaled 10,935 million baht, which will be gradually recognized as revenue until 2026. This backlog serves as a key driver for the company's long-term growth. Additionally, the company has upcoming project launches worth over 9,200 million baht, reflecting strong and sustainable future revenue growth.

Financial Positions

(Unit: Baht)

	Consolidated financial statements		Change	
	2024	2023	Baht	%
Assets				
Current assets				
Cash and cash equivalents	484,901,884	867,468,190	(382,566,306)	-44%
Trade and other receivables	42,169,674	4,965,474	37,204,200	749%
Real estate development costs	9,045,136,333	7,961,797,828	1,083,338,505	14%
Current tax assets	4,382,011	966,125	3,415,886	354%
Other current assets	713,536,698	809,102,451	(95,565,753)	-12%
Total current assets	10,290,126,600	9,644,300,068	645,826,532	7%
Non-current assets				
Restricted bank deposits	-	193,806	(193,806)	-100%
Investments in subsidiaries	-	-	-	-
Equipment	23,103,571	54,169,380	(31,065,809)	-57%
Right-of-use assets	8,778,484	15,501,572	(6,723,088)	-43%
Intangible assets	4,542,321	4,235,794	306,527	7%
Deferred tax assets	270,246,901	237,893,468	32,353,433	14%
Other non-current financial assets	4,025,504	5,407,491	(1,381,987)	-26%
Other non-current assets	55,723,714	37,212,489	18,511,225	50%
Total non-current assets	366,420,495	354,614,000	11,806,495	3%
Total assets	10,656,547,095	9,998,914,068	657,633,027	7%

As of December 31, 2024, the company had total assets of 10,657 million baht, an increase of 658 million baht compared to the end of 2023. This increase was primarily due to:

- An increase in real estate development costs, which rose to 9,045 million baht, up by 1,083 million baht or 14%. This was driven by the construction of ongoing real estate projects that will generate revenue in 2025 and 2026, mainly from the Nue District R9 and VEHHA Hua Hin projects, which are set to begin ownership transfers and revenue recognition from Q1 2025.
- A decrease in cash and cash equivalents, which declined to 485 million baht, a decrease of 383 million baht or 44%. This was mainly due to the loan repayments for the Nue Cross Khu Khot Station and VI Ari projects.

(Unit: Baht)

	Consolidated financial statements		Change	
	2024	2023	Baht	%
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts	14,841,744	40,139,688	(25,297,944)	-63%
Trade and other payables	923,062,902	867,680,309	55,402,593	6%
Current portion of long-term loans from financial institutions	518,776,718	120,363,725	398,412,993	331%
Current portion of lease liabilities	4,740,781	6,288,568	(1,547,787)	-25%
Deferred revenue from sale of real estate	2,215,024,779	1,763,558,440	451,466,339	26%
Accrued expenses related to the projects	88,614,389	107,143,077	(20,528,708)	-19%
Retention payable - current	7,945,195	16,646,902	(8,701,707)	-52%
Income tax payable	19,491,787	33,414,020	(13,922,233)	-42%
Other current liabilities	11,380,702	12,116,390	(735,688)	-6%
Total current liabilities	3,801,878,977	2,967,331,119	834,547,858	28%
Non-current liabilities				
Long-term loans from financial institutions, net of current portion	3,860,204,766	4,546,734,574	(686,529,808)	-15%
Long-term loans from unrelated party and person	445,737,935	90,000,000	355,737,935	395%
Lease liabilities, net of current portion	3,839,237	8,089,344	(4,250,107)	-53%
Cumulative and redeemable of preference shares - net of current portion	833,254,300	763,243,036	70,011,264	9%
Provision for long-term employee benefits	5,605,047	4,216,648	1,388,399	33%
Provision for decommissioning costs	6,851,658	6,784,578	67,080	1%
Retention payable - non-current	133,911,001	103,870,622	30,040,379	29%
Total non-current liabilities	5,289,403,944	5,522,938,802	(233,534,858)	-4%
Total liabilities	9,091,282,921	8,490,269,921	601,013,000	7%

As of December 31, 2024, the company had total liabilities of 9,091 million baht, an increase of 601 million baht or 7% compared to the end of 2023. This increase was primarily due to:

- A decrease in long-term loans from financial institutions, which declined to 3,860 million baht, a decrease of 687 million baht. The main reason for this reduction was the repayment of bank loans for the Nue Cross Khu Khot Station project, which had transferred 95% of its total project value

Offsetting by:

- Unearned revenue from real estate sales increased to 2,215 million baht, an increase of 451 million baht, mainly due to pre-sales from the Nue District R9, ROMM Convent and VEHA Hua Hin projects. This reflects future revenue recognition, with the VEHA Hua Hin and Nue District R9 projects (total project value of 8,906 million baht) expected to generate revenue in 2025, while the ROMM Convent project (4,150 million baht) is expected to recognize revenue in 2026.
- Trade and other payables increased to 923 million baht, an increase of 55 million baht, due to construction progress on the Nue District R9 and VEHA Hua Hin projects, which are scheduled to begin ownership transfers from Q1 2025 onward.
- Loans from other parties increased to 446 million baht, an increase of 355 million baht from the end of 2023. The loan will be used for future investment and project development where the company has upcoming project launches worth over 9,200 million baht, reflecting strong future revenue growth.

Additionally, the interest-bearing debt-to-equity ratio (IBD/E) decreased to 3.6 times, down from 3.7 times at the end of 2023.

As of December 31, 2024, the company had total shareholders' equity of 1,565 million baht, an increase of 57 million baht from the previous year, driven by higher retained earnings.

Please be informed accordingly.

Yours sincerely,



(Ms. Naruedee Kosalthip)
Chief Financial Officer