

Proud Real Estate Public Company Limited and its subsidiaries
Condensed notes to interim financial statements
For the three-month and six-month periods ended 30 June 2025

1. General information

1.1 Corporate information

Proud Real Estate Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in real estate development. The registered office of the Company is at 548 One City Centre, 19th Floor, Unit No. 1902 - 1903, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company presenting condensed interim financial statements. The Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements and has presented notes to the interim financial statements on a condensed basis.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.3 Basis of consolidation

The interim financial statements include the financial statements of Proud Real Estate Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2024, with no change in shareholding structure of subsidiaries during the current period.

1.4 Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2024.

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Related party transactions can be summarised as follows:

	(Unit: Million Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Transactions with subsidiary companies				
(eliminated from the consolidated financial statements)				
Management fee income	-	-	39	-
Dividend income	-	-	-	60
Interest income	-	-	27	23
Interest expense	-	-	15	14
Transactions with related companies				
Rental fee	2	1	-	-
Other expenses	2	-	-	-

	(Unit: Million Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Transactions with subsidiary companies				
(eliminated from the consolidated financial statements)				
Management fee income	-	-	79	37
Dividend income	-	-	156	60
Interest income	-	-	53	47
Interest expense	-	-	36	30
Transactions with related companies				
Rental fee	3	2	-	-
Other expenses	2	1	-	-

The balances of the accounts as at 30 June 2025 and 31 December 2024 between the Group and those related parties were as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Other current receivables and advance to related parties				
Subsidiaries	-	-	709,306	393,375
Total other current receivables and advance to related parties	-	-	709,306	393,375
Interest receivables - related parties				
Subsidiaries	-	-	222,277	170,096
Total interest receivables - related parties	-	-	222,277	170,096
Prepaid expenses - related parties				
Related companies	9,569	8,756	-	-
Total prepaid expenses - related parties	9,569	8,756	-	-
Other payables and advance receive from related parties				
Subsidiaries	-	-	42,115	115,748
Related companies	4,661	1,480	195	265
Total other payables and advance receive from related parties	4,661	1,480	42,310	116,013
Interest payable - related party				
Subsidiary	-	-	105,738	79,824
Total interest payable - related party	-	-	105,738	79,824
Redeemable preference shares - related persons				
Related persons	8,220	7,908	-	-
Total redeemable preference shares - related persons	8,220	7,908	-	-

Loans to subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiaries	Separate financial statements			30 June 2025	Effective interest rate (percent per annum)
	31 December 2024	Increase	Decrease		
Phraram 9 Alliance Co., Ltd.	601,277	180,000	-	781,277	MLR - 1.25
Convent Beta Co., Ltd.	369,942	254,000	(254,000)	369,942	MLR - 0.50
The Estate 345 Co., Ltd.	191,826	-	-	191,826	7
Hua Hin Sky Living Co., Ltd.	134,670	40,000	-	174,670	Average MLR, MLR - 0.50
Proud Horseshoe Co., Ltd.	64,288	155,000	(155,000)	64,288	MLR - 0.50
Hua Hin Alpha 71 Co., Ltd.	-	40,000	(31,000)	9,000	12
Total	1,362,003	669,000	(440,000)	1,591,003	

Short-term loans to subsidiaries are due at call.

(Unit: Thousand Baht)

Long-term loan to subsidiary company	Separate financial statements		
	31 December 2024	During the period	30 June 2025
Hua Hin Sky Living Co., Ltd.	100,000	-	100,000
Total	100,000		100,000
Less: Current portion	(100,000)		(100,000)
Long-term loan to related party, net of current portion	-		-

Long-term loan to subsidiary company bears interest at the rate of MLR-0.5% per annum. On 1 January 2024, the Company and its subsidiary have made an addendum to the agreement to extend the repayment due for the principal and accrued interest to be due within 31 December 2025.

Loans from subsidiary companies

(Unit: Thousand Baht)

Short-term loans from subsidiaries	Separate financial statements			30 June 2025	Effective interest rate (percent per annum)
	31 December 2024	Increase	Decrease		
Hua Hin Alpha 71 Co., Ltd.	624,700	-	-	624,700	MLR - 0.50
Khu Khot Station Alliance Co., Ltd.	196,497	180,000	-	376,497	MLR - 1.00
Convent Beta Co., Ltd.	246,000	-	(246,000)	-	12
Proud Horseshoe Co., Ltd.	-	155,000	(155,000)	-	12
Total	1,067,197	335,000	(401,000)	1,001,197	

Short-term loans from subsidiaries are due at call.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2025 and 2024, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2025	2024	2025	2024
Short-term employee benefits	15,061	11,443	26,488	22,830
Post-employment benefits	403	291	745	582
Total	15,464	11,734	27,233	23,412

3. Real estate development costs

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2025	31 December 2024
Land	4,729,872	4,518,047
Construction in progress and design expenses	1,801,878	3,376,964
Capitalised borrowing costs	606,121	651,767
Deferred development project expenses	261,939	498,358
Total	7,399,810	9,045,136

During the three-month and six-month periods ended 30 June 2025 and 2024, the subsidiaries capitalised borrowing costs to be included in the cost of land and construction in progress which were calculated from capitalisation rate from weighted average rate of loans as follows:

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Borrowing costs included in the cost of land				
and construction in progress (Million Baht)	29	68	117	136
Capitalisation rate (%)	5.40 - 8.81	4.44 - 8.81	5.40 - 8.81	4.42 - 8.81

As at 30 June 2025 and 31 December 2024, the subsidiaries have pledged some land and construction thereon as collateral for credit facilities of the subsidiaries which have net book value as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>30 June 2025</u>	<u>31 December 2024</u>
Net book value of land and construction that has been		
pledged as collateral	7,400	9,045

4. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received for the six-month period ended	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024	2025	2024
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>Ordinary shares</u>								
Hua Hin Alpha 71 Co., Ltd.	200,000	200,000	99.99	99.99	200,000	200,000	156,000	60,000
Hua Hin Sky Living Co., Ltd.	50,000	50,000	99.99	99.99	50,000	50,000	-	-
Proud Horseshoe Co., Ltd.	20,000	20,000	99.99	99.99	20,000	20,000	-	-
Convent Beta Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Prompt Solution Management Co., Ltd.	500	500	99.94	99.94	500	500	-	-
The Estate 345 Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Khu Khot Station Alliance Co., Ltd.	300,000	300,000	99.99	99.99	269,384	269,384	-	-
Phraram 9 Alliance Co., Ltd.	768,000	768,000	99.99	99.99	422,818	422,818	-	-
Kamala Ascend Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
<u>Preference shares</u>								
Hua Hin Alpha 71 Co., Ltd.	600,000	600,000	100.00	100.00	600,000	600,000	-	-
Total investments in subsidiaries					1,565,702	1,565,702	156,000	60,000

5. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2025	2024	2025	2024
Long-term loans	2,390,042	4,336,252	450,000	450,000
Less: Deferred front end fee	(17,313)	(20,934)	(765)	(1,145)
Add: Finance cost - Interest expenses on borrowings	-	63,664	-	-
Net	2,372,729	4,378,982	449,235	448,855
Less: Current portion	(773,017)	(518,777)	(449,235)	(448,855)
Long-term loans, net of current portion	1,599,712	3,860,205	-	-

Movements in the long-term loans account for the six-month period ended 30 June 2025 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2025	4,378,982	448,855
Add: Additional borrowings	857,561	-
Amortisation of front end fee	7,338	380
Less: Repayment	(2,803,771)	-
Front end fee	(3,717)	-
Finance cost - Interest expenses on borrowings	(63,664)	-
Balance as at 30 June 2025	2,372,729	449,235

Under loan agreements, the Group must comply with the conditions stipulated in the agreements such as the maintenance of net debt to equity ratio.

As at 30 June 2025, the loan facilities of the Group which have not yet been drawn down amounted to Baht 4,287 million (31 December 2024: Baht 3,798 million).

6. Deferred revenue from sale of real estate

Deferred revenue from sale of real estate comprises cash received in advance from customers which can be classified by entity as follows:

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		30 June 2025	31 December 2024
Phraram 9 Alliance Co., Ltd.		811,790	1,444,973
Convent Beta Co., Ltd.		515,848	406,415
Hua Hin Sky Living Co., Ltd.		253,975	333,482
Proud Horseshoes Co., Ltd.		-	28,245
Khu Khot Station Alliance Co., Ltd.		122	1,252
Hua Hin Alpha 71 Co., Ltd.		658	658
Total		1,582,393	2,215,025

7. Long-term loans from unrelated party and person

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2025	2024	2025	2024
Long-term loans		200,000	447,000	200,000	200,000
Less: Deferred front end fee		-	(1,262)	-	-
Long-term loans, net of current portion		200,000	445,738	200,000	200,000

Movements in the long-term loans account for the six-month period ended 30 June 2025 were summarised below.

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
Balance as at 1 January 2025		445,738	200,000
Add: Additional borrowings		155,000	-
Amortisation of front end fee		1,262	-
Less: Repayment		(402,000)	-
Balance as at 30 June 2025		200,000	200,000

As at 30 June 2025, the Company had unsecure long-term loan from other person. The carrying interest is at 7 percent per annum and due for repayment within January 2027.

8. Debentures

					Consolidated/Separate financial statements			
					Number of debentures (Units)		Amount (Thousand Baht)	
No.	Interest rate per annum	Age	Repayment	Maturity	30 June 2025	31 December 2024	30 June 2025	31 December 2024
1	Fixed rate 7.5%	2 Years	Maturity	5 March 2027	550,000	-	550,000	-
Total debentures at face value							550,000	-
Less: Unamortised portion of deferred transaction costs							(5,020)	-
Debentures - due over one year							544,980	-

Movements in the debentures account for the six-month period ended 30 June 2025 were summarised below.

		(Unit: Thousand Baht)
		Consolidated/Separate financial statements
Balance as at 1 January 2025		-
Add: Issuance		550,000
Amortisation of deferred transaction cost		893
Less: Transaction costs related to debenture issuance		(5,913)
Balance as at 30 June 2025		544,980

On 5 March 2025, the Company offered to sell 550,000 debentures with a par value of Baht 1,000 per unit, at a selling price of Baht 1,000 per unit, totaling Baht 550 million (31 December 2024: Nil).

The debentures are registered, non-subordinated, and unsecured, with a bondholder representative. The issuer has the right to redeem the debentures in whole or in part before the maturity date, starting from (and including) the one-year anniversary of the debenture issuance date, which is 5 March 2026.

The terms governing the rights and obligations of the debenture issuer specify certain practices and restrictions, such as maintaining a net debt to equity ratio in the consolidated financial statements as of the end of each fiscal year throughout the life of the debentures not exceeding 4:1.

9. Cumulative and redeemable preference shares

On 19 July 2023, the Company and investors entered into an agreement of the shareholders in Phraram 9 Alliance Company Limited, which is a subsidiary. The subsidiary agrees to offer 7.5 million newly issued preference shares at the price of Baht 100 per share, totaling Baht 750 million.

The subsidiary presents the preference shares as a financial liability component in "Cumulative and redeemable preference shares" account at amortised cost until maturity in the consolidated statement of financial position.

Movements in cumulative and redeemable preference shares net from the transaction cost for issuance of the cumulative and redeemable preference shares for the six-month period ended 30 June 2025 were summarised below.

	(Unit: Thousand Baht) Consolidated financial statements
Balance as at 1 January 2025	833,254
Add: Financial cost - Return on cumulative and redeemable preference shares	37,066
Balance as at 30 June 2025	870,320

10. Share capital

Registered share capital

Movements in the registered share capital account for the six-month period ended 30 June 2025 were summarised below.

	Number of ordinary shares (Thousand shares)	Registered share capital (Thousand Baht)
1 January 2025	997,841	997,841
Decrease in registered share capital	(23,827)	(23,827)
Increase in registered share capital	243,504	243,504
30 June 2025	1,217,518	1,217,518

On 23 April 2025, the Annual General Meeting of Shareholders of the Company passed the following resolutions.

1. Approved the reduction in the Company's registered capital of Baht 23.8 million, from the registered capital of Baht 997.8 million to Baht 974.0 million, by cancelling 23.8 million ordinary shares that had not yet been issued. These shares represented the remaining portion from the allocation of the Company's ordinary shares to existing shareholders on a pro rata basis, excluding those shareholders who may cause the Company to have legal obligations under foreign laws (Preferential Public Offering or PPO). The meeting also approved the amendment to the Company's Memorandum of Association to reflect such reduction in the registered capital. On 8 May 2025, the Company registered the decrease in its share capital with the Ministry of Commerce.
2. Approved the increase in the Company's registered capital by Baht 243.5 million, from the registered capital of Baht 974.0 million to Baht 1,217.5 million, by issuing 243.5 million new ordinary shares with a par value of Baht 1 per share. The capital increase is to accommodate the exercise of the warrants to purchase ordinary shares of the Company, tranche no. 3 (PROUD-W3), in an amount not exceeding 243.5 million shares. The meeting also approved the amendment to the Company's Memorandum of Association to reflect such capital increase. On 16 May 2025, the Company registered the increase in its share capital with the Ministry of Commerce.

Warrants to purchase ordinary shares

On 23 April 2025, the Annual General Meeting of Shareholders of the Company approved the issuance and allocation of the warrants to purchase ordinary shares of the Company, tranche no. 3 ("PROUD-W3"), in an amount not exceeding 243,503,502 units. The warrants were allocated to existing shareholders on a pro rata basis (Rights Offering), at a ratio of 4 existing ordinary shares to 1 warrant unit (with any fractional entitlements being disregarded), at no cost. Each warrant entitles the holder to purchase 1 ordinary share at the exercise price of Baht 2 per share. The issuance date of the warrants is 14 May 2025. The warrants have a term of 3 years from the issuance date and can be exercised on the last business day of each calendar quarter. The first exercise date is 30 June 2026, and the last exercise date is 13 May 2028.

Warrants	Exercise price (Baht per unit)	Exercise ratio (Warrants: ordinary shares)	Warrants issued and allocated (Units)	Exercised or cancelled (Units)	Warrants as at 30 June 2025 (Units)
PROUD-W3	2	1:1	243,502,408	-	243,502,408

11. Income tax

Interim corporate income tax was calculated on profit (loss) before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses (income) for the three-month and six-month periods ended 30 June 2025 and 2024 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current tax				
Interim corporate income tax charge	1,817	23,704	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	94,669	(9,283)	(535)	(131)
Income tax expenses (income) reported in profit or loss	<u>96,486</u>	<u>14,421</u>	<u>(535)</u>	<u>(131)</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current tax				
Interim corporate income tax charge	3,664	26,003	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	88,227	(21,883)	(556)	240
Income tax expenses (income) reported in profit or loss	<u>91,891</u>	<u>4,120</u>	<u>(556)</u>	<u>240</u>

12. Basic earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued according to the portion of exercise.

For the period ended 30 June 2025, the warrants are excluded in the calculation of potential ordinary shares since their exercise price exceeds the fair value of the ordinary shares.

13. Segment information

The Group is principally engaged in the real estate development. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profit or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

14. Commitments and contingent liabilities

14.1 As at 30 June 2025, the Group had commitments in respect of service agreements payable in the future, which the terms of the agreements are generally between 1 and 4 years, of approximately Baht 5.5 million (31 December 2024: Baht 0.5 million) (Separate financial statements: Baht 0.2 million (31 December 2024: Baht 0.3 million)).

14.2 Commitments with respect to project development and related services

The subsidiary companies had commitments in respect of property development cost and related services totaling Baht 984 million (31 December 2024: Baht 2,524 million).

14.3 Bank guarantees

- 1) As at 30 June 2025, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 10,825 million (31 December 2024: Baht 8,946 million).
- 2) As at 30 June 2025, there were outstanding bank guarantees of approximately Baht 0.3 million (31 December 2024: Baht 0.3 million) issued by banks on behalf of the Company to guarantee contractual performance.

14.4 Other commitment

On 22 November 2019, a subsidiary company entered into a sales and marketing license agreement with Intercontinental Hotel Group (Asia Pacific) Pte. Ltd. The subsidiary company is obligated to comply with the conditions stipulated in the agreement whereby it shall pay 3% of revenue generated by sales of condominium units.

15. Financial instrument

Fair value of financial instrument

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, its fair value is not expected to be materially different from the amounts presented in the statement of financial position.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 August 2025.