



NO. PROS 2565-010

May 12, 2022

Subject: The Management Discussion and Analysis for the Period Ending March 31, 2022

To: Director and Manager  
The Stock Exchange of Thailand

Prosper Engineering Public Company Limited (“the Company”) and its subsidiaries (“the Group”) provide the Management Discussion and Analysis of changes to our operations for 3 month (1Q2022) period ending March 31, 2022 as follows:

Revenue from construction and services

For the first three-month 2022, the Group had construction and service income of 263.54 million baht, increasing of 18.35 million baht from the same period of 2021 or 7.48 percent increase. The reasons are from recognition of income according to the success stage of construction from the existing backlog (especially customers in the real estate from the ASPIRE ERAWAN project, group of office building/ office buildings from the project construction of the of the Council of Engineers, hospital groups from the renovation project of Nawamintrachinee building and Kakanang building, Chula hospital and other groups from the project, the construction of the SMART PARK Industrial Estate project, the INNSIDE BANGKOK SUKHUMVIT project, other.

Other income

Other income of the Group mainly consists of sales of scrap materials. The Group has other income in three-month 2022 in the amount of 1.21 million baht accounting for 0.46 percent of the total income, respectively.

Cost of construction and gross profit

For the first three-month 2022, the Group has construction and service costs of 271.47 million baht, increasing from the three-month 2021 by 78.18 million baht or equivalent to a rate of 40.45 percent. The gross profit in three-month 2021 -7.94 million baht and three-month 2021 51.90 million baht or -3.01 percent and 21.17 percent respectively. The decrease in gross profit margin was cause by raise the price of material, equipment and labor costs have increased due to labor shortages due to the COVID 19.





### Selling and administrative expenses

Selling and administrative expenses for the first three-month 2022 and the first three-month 2021 amounted to 18.66 million baht and 23.03 million baht, respectively. While considering the proportion of selling and administrative expenses to revenue from construction and service work will find that the proportion will be 7.08 percent and 9.39 percent respectively. When compared with same period of the previous year The Company had selling and administrative expenses decreased by Baht 4.37 million or 18.97 percent, mainly due to employee income and employee welfare. Of the group of companies that have been mainly decreased

### Net profit for the year

For the first three-month 2022, the Group has a net loss of 20.29 million baht, decrease from three-month 2021 by 44.07 million baht or a decrease of 185.31 percent. There are important reasons is the decreased income and Improved gross profit margin has decrease.

### Financial position

As of March 31, 2022, the Group had increase in total assets compared to December 31, 2021 in the amount of 42.25 million baht. The main reason for the decrease was mainly from the investments in mutual funds.

As of March 31, 2022, the Group had total liabilities of 428.73 million baht or 45.59 percent of total liabilities and equity. The substantial liabilities are trade payables and other payables which comprise of material cost payable, accounts payable for performance guarantee and advance received under construction contracts. As of March 31, 2022, the Group has trade and other payables amounting to 225.47 million baht or 23.85 percent of total liabilities and equity.

The equity of the Group as of March 31, 2022 was 516.12 million baht, decrease of 20.29 million baht compared to the equity as of December 31, 2021, which was mainly due to the Group's operating loss of 20.29 million baht.





Liquidity ratio

For the three-month 2022, the liquidity ratio of the Group at 1.89 times, decrease compared to the three-month 2021 with 1.90 times, this was due the company dispose of investments in mutual funds to enhance liquidity.

Please be informed accordingly

Yours sincerely,

(Mr. Pongthep Ratanaseangsuang)

Chief Executive Officer

