



NO. PROS 2565-012

August 11, 2022

Subject: The Management Discussion and Analysis for the Period Ending June 30, 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 6 month (2Q2022) period ending June 30, 2022 as follows:

Revenue from construction and services

For the six-month 2022, the Group had construction and service income of 514.69 million baht, decrease close to the same period of 2021, which had construction and service income of 523.98 million baht, with the construction and service 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 six-month 2022 in the amount of 2.23 million baht accounting for 0.43 percent of the total income, respectively.

Cost of construction and gross profit

For the six-month 2022, the Group has construction and service costs of 599.91 million baht, increasing from the six-month 2021 by 169.93 million baht or equivalent to a rate of 39.52 percent. The gross profit in six-month 2021 -85.22 million baht and six-month 2021 94.00 million baht or -16.56 percent and 17.94 percent respectively. The decrease in gross profit margin was cause by raise the price of material, equipment and labor costs increased due to labor shortages.



บริษัท พรอสเพอร์ เอ็นจิเนียริ่ง จำกัด (มหาชน)

11 ซอยนาคนิวาส 20 ถนนนาคนิวาส ลาดพร้าว กรุงเทพฯ 10230

11 Soi Nakniwat 20, Nakniwat Rd., Ladphrao, Bangkok 10230

www.prosperengineering.co.th

โทร. +66 2514 3113 แฟกซ์. +66 2514 3553

Tel. +66 2514 3113 Fax. +66 2514 3553



Selling and administrative expenses

Selling and administrative expenses for the six-month 2022 and six-month 2021 amounted to 42.42 million baht and 49.55 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 8.24 percent and 9.46 percent respectively. When compared with same period of the previous year The Company had selling and administrative expenses decreased by Baht 7.13 million or 14.38 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 six-month 2022, the Group has a net loss of 100.17 million baht, decrease from six-month 2021 by 137.42 million baht or a decrease of 368.93 percent. There are important reasons is the decreased income and Improved gross profit margin has decrease.

Financial position

As of June 30, 2022, the Group had decrease in total assets compared to December 31, 2021 in the amount of 53.49 million baht. The main reason for the decrease was mainly from the Cash and cash equivalents.

As of June 30, 2022, the Group had total liabilities of 515.53 million baht or 55.23 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. As of June 30, 2022, the Group has trade and other payables amounting to 258.18 million baht or 27.65 percent of total liabilities and equity.

The equity of the Group as of June 30, 2022 was 418.08 million baht, decrease of 116.54 million baht compared to the equity as of December 31, 2021, which was mainly due to the Group's operating loss of 100.17 million baht.

Liquidity ratio

For the six-month 2022, the liquidity ratio of the Group at 1.51 times, decrease compared to the three-month 2021 with 1.90 times, this was due to decrease in cash and cash equivalents.

Please be informed accordingly

Yours sincerely,

(Mr. Pongthep Ratanaseangsuang)

Chief Executive Officer

