

- Translation -

PROUD/FIN/SET-2022/004

10 November 2022

Subject: Management's Discussion and Analysis for the three-month period ended 30 September 2022

To: The President
The Stock Exchange of Thailand

Proud Real Estate Public Company Limited would like to explain operating results for the three-month period ended 30 September 2022 which has changed from the same period of prior year as follows:

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

(Unit: Thousand Baht)

	Consolidated Financial Statements		Change Increase/(Decrease)	
	2022	2021	Thousand Baht	%
Profit or loss:				
Revenues from sale of real estate	882,579	-	882,579	100%
Cost of real estate sold	(565,336)	-	565,336	100%
Gross profit	317,243	-	317,243	100%
Other income	1,047	1,579	(532)	-34%
Selling and distribution expenses	(63,280)	(20)	63,260	316300%
Administrative expenses	(77,293)	(25,848)	51,445	199%
Operating profit (loss)	177,717	(24,289)	202,006	832%
Finance income	-	70	(70)	-100%
Finance cost	(23,069)	(3,316)	19,753	596%
Profit (loss) before income tax income (expenses)	154,648	(27,535)	182,183	662%
Income tax income (expenses)	(35,694)	4,946	(40,640)	-822%
Profit (loss) for the period	118,954	(22,589)	141,543	627%
Other comprehensive income:				
Other comprehensive income for the period	-	-	-	
Total comprehensive income for the period	118,954	(22,589)	141,543	627%
Earnings per share				
Basic profit (loss) per share				
Profit (loss) (Bath/Share)	0.185	(0.035)		
Weighted average number of ordinary shares (Thousand shares)	641,469	641,469		

The Company's operating result for the three-month period ended 30 September 2022 resulted in a net profit of Baht 118.95 million in the consolidated financial statements, which increased by Baht 141.54 million or 627% from the same period of prior year, net loss of Baht 22.59 million.

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1. Revenues and cost from sale of real estate

The Company have revenues amount Baht 873.99 million from ownership transferred at the "InterContinental Residence Hua Hin". Cost of real estate sold is Baht 561.55 million and gross profit margin is 36%. While in Q3/2021, the Company did not have revenues and cost form sale of real estate because the projects are under construction.

2. Selling and distribution expenses

The Company's selling and distribution expenses was Baht 63.28 million, which increased by Baht 63.26 million as compared to Q3/2021. The significant increase was due to sales and promotion expenses for support sales of project the "InterContinental Residence Hua Hin".

3. Administrative expenses

The Company's administrative expenses was Baht 77.29 million, which increased by Baht 51.45 million or 199% as compare to Q3/2021, which was Baht 25.85 million. Main increase was due to staff costs increased by Baht 15.54 million according to increasing in staffs number for support the Group's operation, specific business tax increased by Baht 26.70 million from ownership transferred at the "InterContinental Residence Hua Hin", and management fee of condominium juristic person increased by Baht 5.71 million.

4. Finance Cost

The Company's finance cost was Baht 23.07 million, which increased by Baht 19.75 million or 596% as compare to Q3/2021, which was Baht 3.32 million. Main increase was due to recognition of the return on cumulative and redeemable preference shares amount Baht 10.05 million according to adoption of TFRS 9: Financial Instruments. Moreover, interest expenses of loans from financial institutions increased by Baht 9.38 million.

5. Income tax income (expenses)

The Company's income tax expenses was Baht 35.69 million, which increased by Baht 40.64 million or 822% as compare to Q3/2021, which income tax income was Baht 4.95 million. The increment of tax expenses was due to interim income tax charge amount Baht 13.36 million and the adjustments of deferred tax assets of a subsidiary approximately to Baht 22 million by reversed the deficit according to profit from sale of real estate.

Please be informed accordingly and please disseminated the above information.

Yours sincerely



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