



NO. PROS 2023-006

February 23, 2023

Subject: The Management Discussion and Analysis for the Period Ending December 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 the year ended December 31, 2022 as follows:

Revenue from construction and services

For the year 2022, the Group had construction and service income of 1,349.22 million baht, increase from the year 2021 319.53 million baht or 31.03 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 Privacy Chatuchak project, The department stores/retail stores group from the Lotus’s Hypermarket North Ratchaphruek (5K) , 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 the 2022 in the amount of 9.35 million baht accounting for 0.69 percent of the total income, respectively.

Cost of construction and gross profit

In 2022, the Group has construction and service costs of 1,439.97 million baht, increase from the year 2021 by 536.76 million baht or equivalent to a rate of 59.43 percent. The gross profit in the year 2021 (90.75) million baht and the year 2021 126.48 million baht or (6.73) percent and 12.28 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.

Selling and administrative expenses

Selling and administrative expenses for the year 2022 and 2021 amounted to 82.25 million baht and 86.81 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 6.10 percent and 8.43 percent



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PROSPER ENGINEERING PCL.

respectively. When compared with same period of the previous year The Company had selling and administrative expenses decreased by Baht 4.56 million or 5.25 percent, mainly due to employee income and employee welfare. Of the group of companies that have been mainly decreased

Net profit for the year

In the year 2022, the Group has a net loss of (132.48) million baht, decrease from the year 2021 by 169.61 million baht or a decrease of 456.81 percent. There are important reasons is the decreased income and Improved gross profit margin has decrease.

Financial position

As of December 31, 2022, the Group had decrease in total assets compared to December 31, 2021 in the amount of 141.89 million baht. The main reason for the increase was mainly from contract assets

As of December 31, 2022, the Group had total liabilities of 740.26 million baht or 65.57 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 December 31, 2022, the Group has trade and other payables amounting to 310.40 million baht or 27.49 percent of total liabilities and equity.

The equity of the Group as of December 31, 2022 was 388.73 million baht, decrease of 145.89 million baht compared to the equity as of December 31, 2021, which was mainly due to the Group's operating loss of 135.92 million baht.

Liquidity ratio

For the year 2022, the liquidity ratio of the Group at 1.25 times, decrease compared to the December 31, 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



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