



23 February 2024

Re: Management Discussion and Analysis (MD&A) for the Period Ending December 31, 2023

To: President  
The Stock Exchange of Thailand

Prosper Engineering Public Company Limited "PROS" view the overall business in 2024 that expected to improve from the previous year. According to the government economic stimulus measures for Infrastructure investment will stimulate the overall economy and domestic investment which the private sector has gradually started to launch more new projects. We believe that it will be a positive factor for the Company's operations

The business plan of PROS in 2024, we will move forward with caution and prudence, expand cooperation with our partners and expand new opportunities in business. Currently, the company has expanded into 4 engineering-related businesses as follows.

1. **Construction business**, which is the core business Including Electrical & Mechanical engineering system contractor, structural and architectural work operated by PROS and the subsidiaries named *Prosper Titan*.
2. **High voltage substation & renewable energy business**, such as the construction of substations and solar roof systems, operated by the subsidiaries named *Prosnex*.
3. **New Technology & Trading Business**, Energy saving technology for electrical and air conditioning systems in buildings , as well as investing in Power Wissen Co.,Ltd. "*PowerWissen*" to distribute engineering system equipment.
4. **Healthcare Business** such as investment in a specialized hospital business with advanced medical technology. Currently, the construction work progress is more than 99% and expected to be operational by early 2024

As per the aforesaid business plan, the management expects that it will result in the Company have the ability to take on more works and recognize revenue and profits better for good returns in the long run.

Prosper Engineering Public Company Limited ("the Company") and its subsidiaries ("the Group") provide the Management Discussion and Analysis (MD&A) of changes to our operations for the Period Ending December 31, 2023 as follows:



**Revenue from construction and services**

For the period 2023, the group had construction and service income of Baht 839.93 million, decreasing of Baht 509.29 million from the year 2022 or 37.70 percent decrease. The major reasons are the company the new projects with careful, not focus on the amount of project. Focus on the project that can generate income and profits quickly. To control risk management costs

However, the group can recognition income according to the success state of construction from the Lak Chai Muang Yang power station construction project, the Girder factory construction project for double track railway, and the Smart Park Industrial Estate construction project, Project to renovate the Nawamintrachini Building and the Kakhanang Building, Chulalongkorn Hospital. In the year 2023, the group of companies have new projects for example the QuinTara Ratchada 12 , NEO EXPANSION 1, MOCHIT COMPLEX etc.

**Other income**

Other income of the group mainly consists of sales of scraps and selling electrical energy system equipment from solar energy. The group has other income in the year 2023 in the amount of Baht 6.81 million or 0.80 percent of the total income.

**Cost of construction and gross loss**

For the period 2023, the group has construction and service costs of Baht 956.42 million, decreasing from the year 2022 by Baht 483.54 million, equivalent to 33.60 percent decrease. The gross loss in the year 2023 Baht 116.50 million and in the year 2022 Baht 90.75 million or -13.90 percent and -6.70 percent respectively. The increase in the gross loss rate was due to the increase in the price of materials and equipment and the increase in labor costs.

**Selling and administrative expenses**

Selling and administrative expenses for the year 2023 and 2022 amounted to Baht 82.84 million and Baht 82.25 million, respectively. The proportion of selling and administrative expenses to total revenue from construction and services are 9.86 percent and 6.10 percent respectively. Comparing to same period of the previous year, the group had selling and administrative expenses increased by Baht 0.59 million or 0.72 percent, mainly caused by expenses for group of companies that have been mainly increased





**Net Loss**

For the period 2023, the group has a net loss of Baht 201.27 million, increase from the year 2022 by Baht 68.79 million or increase of 51.90 percent. There are major reasons is from the increased of cost of construction and cost of services.

**Financial position**

As of 31 December 2023, the group had decreased in total assets compared to total assets as of 31 December 2022 in the amount of Baht 236.52 million. The major reason for the decrease was from the contract assets.

As of 31 December 2023, the group had total liabilities of Baht 689.54 million or 77.26 percent of total liabilities and shareholders' equity. The major liability is from trade and other creditors of Baht 277.92 million or 31.14 percent of the total liabilities and shareholders' equity.

The shareholders' equity of the group as of 31 December 2023 amounted to Baht 202.92 million. Comparing to the shareholders' equity as of 31 December 2022 that increased in the amount of Bath 185.81 million, mainly due to the loss from operations of the group.

**Liquidity ratio**

For the period 2023, the liquidity ratio of the group is at 0.94 times, compared to the liquidity ratio as of 31 December 2022 at 1.25 times. It's caused from the decrease of contract assets.

Please be informed accordingly

Your sincerely,

(Mr. Pongthep Ratanaseangsuang)  
Chief Executive Officer

W. Pongthep