



No.PROS 2024-011

10 May 2024

Re: Management Discussion and Analysis (MD&A) for the First Quarter of 2024

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, expected to be operational by second quarter 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.



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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 3 month-periods ending March 31, 2024 as follows:

Revenue from construction and services

For the first three-month of 2024, the group had construction and service income of Baht 322.61 million, increasing of Baht 84.66 million from the same period of 2023 or 35.58 percent increasing. 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

The group can recognition income according to the success state of construction from the Lak Chai Muang Yang power station construction project, the Smart Park Industrial Estate construction project, Project to renovate the Nawamintrachini Building and the Kakhanang Building, Chulalongkorn Hospital, QuinTara Ratchada 12, NEO EXPANSION 1, MOCHIT COMPLEX. In the year 2024, the group of companies have new projects for example the Lotus's Energy Y2024 : Chiller Optimization, THE RESIDENCES 38 (BT38) 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 three-month of 2024 in the amount of Baht 0.93 million or 0.3 percent of the total income.

Cost of construction and gross profit

For the first three-month of 2024, the group has construction and service costs of Baht 295.47 million, increase compared to the three-month of 2023 by Baht 73.48 million, equivalent to 33.10 percent increase. The gross profit in three-month of 2024 Baht 27.14 million and three-month of 2023 Baht 15.96 million or 8.41 percent and 6.71 percent respectively. The increase in the gross profit rate was due to using the company's work experience in planning work, controlling costs allocating manpower to make work more efficient.



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Selling and administrative expenses

For the three-month 2024 and 2023 amounted to Baht 16.24 million and Baht 21.86 million, respectively. The proportion of selling and administrative expenses to total revenue from construction and services are 5.03 percent and 9.19 percent respectively. Comparing to same period of the previous year, the group had selling and administrative expenses decrease by Baht 5.62 million or 25.69 percent, caused by expenses that have decreased.

Net profit

For the first three-month of 2024, the group has a net profit of Baht 8.66 million, increase from the same period of 2023 by Baht 15.34 million or increase of 229.77 percent. There are major reasons is from the management of sales and administrative expenses. and using expertise from the company's work to manage and control project costs. As a result, the company's net profit margin increased

Financial position

As of 31 March 2024, the group had increased in total assets compared to total assets as of 31 December 2023 in the amount of Baht 162.07 million. The major reason for the increase was from the trade and other receivables and contract assets.

As of 31 March 2024, the group had total liabilities of Baht 843.10 million or 79.95 percent of total liabilities and shareholders' equity. The major liability is from trade and other payables of Baht 343.35 million or 32.56 percent of the total liabilities and shareholders' equity.

The shareholders' equity of the group as of 31 March 2024 amounted to Baht 211.44 million. Comparing to the shareholders' equity as of 31 December 2023 that increased in the amount of Bath 8.52 million, mainly due to the profit from operations of the group.



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Liquidity ratio

For the three-month 2024, the liquidity ratio of the group is at 0.94 times, compared to the three-month of 2023 at 1.19 times. It's caused from the decrease of Investment in new construction projects.

Please be informed accordingly

Your sincerely,

(Mr. Pongthep Ratanaseangsuang)

Chief Executive Officer



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