February 24, 2022

Re: Clarification of the operating results of company and its subsidiaries for the financial statement yearend as at December 31, 2021

To: President

The Stock Exchange of Thailand

K.C. Property Public Company Limited and its subsidiaries ("company and subsidiaries) would like to clarify our operating results for the financial statement the yearend of 2021 as follows:

The operating results of company and its subsidiaries for the period of yearend as at December 31,2021

(Unit: million Baht) For 12 months, ended of December 31, 2021

| Financial Statement | Consolidate financial statement | | | | % Revenue from sales | |
|---|---|---|---|---|---|---|
| | Q4/2021 | Q4/2020 | increase(decrease) | | Q3/2021 | Q3/2020 |
| Revenue from sales | 108.03 | 148.85 | (40.82) | (27.42%) | 100.00% | 100.00% |
| Cost of sales | (79.94) | (110.51) | 30.57 | (27.66%) | (74.00%) | (74.24%) |
| Gross Profit | 28.09 | 38.34 | (10.25) | (26.73%) | 26.00% | 25.76% |
| Other income | 30.11 | 13.31 | 16.80 | 126.22% | 27.87% | 8.94% |
| Distribution costs | (12.25) | (25.19) | (12.94) | (51.37%) | (11.34%) | (16.92%) |
| Administrative expenses | (87.88) | (96.20) | (8.32) | (8.65%) | (81.35%) | (64.63%) |
| Other expenses | | | | | | |
| Doubful accounts | (0.14) | 0.80 | (0.94) | (117.50%) | (0.13%) | 0.54% |
| Finance costs | (31.96) | (33.30) | (1.34) | (4.02%) | (29.58%) | (22.37%) |
| Tax income (expenses) | (1.65) | (0.87) | (0.78) | 89.66% | (1.53%) | (0.58%) |
| Profit (loss) for the period | (75.68) | (103.11) | (27.43) | (26.60%) | (70.05%) | (69.27%) |
| Basis earning per share-Owners of the company | (0.03) | (0.12) | | | | |
| Other comprehensive income | | | | | | |
| Actuarialgain (Loss) Employee benefit plans | | | | | | |
| Total Other Comprehensive income | 1.49 | (0.30) | 1.79 | (596.67%) | 1.38% | (0.20%) |
| Total Other Comprehensive income | (74.19) | (103.41) | (29.22) | (28.26%) | (68.68%) | (69.47%) |
| Attributable to | | | | | | |
| Owners of the Company | (74.19) | (103.41) | (29.22) | (28.26%) | | |
| Non-controlling interests | | | | | | |

## 1. Operating revenue

In summary, company and subsidiaries had total revenue for the year period ended of 31 December 2021 , and the same period last year Baht 138.14 million, and Baht 162.16 million respectively. The decrease of Baht 24.02 million is equivalent to 14.81%, compared to the same period of the year 2020.

### 1.1 Revenue from sales of land and houses

In the year end of 2021 , the sales revenue from land and houses recorded Baht 108.03 million which decrease Baht 40.82 million or 27.42 % compared to the same period of the year 2020. Cause by the economic slowdown, Covid-19 epidemic situation causing a delay in visit project, and delaying bank credit affecting lone applicant late.

### 1.2 Other revenue

The other revenue of company in the year end of 2021 at Bath 30.11 million, increasing at Baht 16.80 million or 126.22% compared to the same period of year 2020

#### 1.2.1 Gain on disposal of land held for development

The Company had sold 2 plots of land in the price of Baht 7.00 million and had the expenses such as transferring fee, specific business tax, and commission total amount of baht 0.49 million, remains profit on sale of land held for development amount of Baht 1.31 million

#### 1.2.2 Gain on debt restructuring

There is entering into memorandum attached with the debt restructuring agreement, by paying the fines amount of Baht 5 million within March 31, 2021 and where the debts have been completely settled, the bank will waive for the remaining fines as well as cancel the borrowing line and proceed the redemption of all collateral to the company, the remaining debts were waived when the compliance with the agreement is met amount Baht18.17 million

#### 1.2.3 Other income

Other income total amount Baht 8.15 million

2. Cost of sales

In the year of 2021, the cost of sales at Baht 79.94 million, decrease of Baht 30.57 million or 27.66 % compared to the same period of the year 2020, varied to the decreased revenue from sales of land and houses as bellows.

(Unit : Million Baht)

| รายการ | Q4/2021 | Q4/2020 | increase(decrease) | |
|---|---|---|---|---|
| | Baht | Baht | Baht | % |
| Revenue from sales | 108.03 | 148.85 | (40.82) | (27.42%) |
| Cost of sales | (79.94) | (110.51) | 30.57 | (27.66%) |
| **Gross Profit** | **28.09** | **38.34** | **(10.25)** | **(26.73%)** |
| **% Gross profit** | **26.00%** | **25.76%** | **0.24%** | |

3. Gross profit

In the year of 2021, the gross profit at Baht 28.09 million, decrease of Baht 10.25 million or 26.73% compared to the same period of the year 2020, varied to the decreasing of revenue from sales of land and houses, details as presented in operating revenue table.

- Selling the house as-is with low margin Since it was a long-established house, the company sold it at a lower price than the normal price.
- Because of this quarter company had sold large single house which under construction. There for, Sale slowdown that resulting in lower project sales

Gross profit margin of land and houses in the year of 2021 and the year of 2020 were 26.00% and 25.76% respectively, increase 0.24 %

4. Expenses

4.1 Distribution Costs

In the year of 2021, the distribution costs at Baht 12.25 million, decreased Baht 12.94 million or 51.37 % compared to the same period of the year 2020 because company and subsidiaries had less advertisement, promoting expenses, commission, Specific business tax and transfer fee were in accordance to revenue.

4.2 Administrative expenses

In the year 2021, the administrative expenses at Baht 87.88 million, decreased Baht 8.32 million or 8.65% compared to the same period of the year 2020 because of increasing of wage, welfare for employees and other to comply with the organization management.

5. Financial expenses

Financial expenses consisted of interest of banks, BE and interest of hire purchase in the year of 2021 at Baht 31.96 million, decreased Baht 1.34 million or 4.02 % compared to the same period of 2020 because company and subsidiaries had paid some principal and Interest expense as interest on default debt.

6. Profit (Loss) for the period

Company and subsidiaries had profit (loss) in the year of 2021 at Baht (75.68) million, because of loss of operating and reduced sales increase on selling expenses and financial expenses.

<u>Statement of Financial Position</u>

(Unit : Million Baht)

| STATEMENT OF FINANCIAL POSITION<br>Consolidate financial statemen | Dec 31, 2021 | Dec31, 2020 | increase (decrease) | |
|---|---|---|---|---|
| TOTAL ASSET | 1,009.51 | 838.08 | 171.43 | 20.46% |
| TOTAL LIABILITIES | 606.83 | 640.07 | (33.24) | (5.19%) |
| TOTAL SHAREHOLDERS' EQUITY | 402.67 | 198.00 | 204.67 | 103.37% |

As the year ended as at December 2021, company and subsidiaries had more total assets than the same period last year at Baht 171.43 million or 20.46 %, because of increase on the Cash and cash equivalents, the cost of real estate development projects for sales, Land held for development, Leasehold improvement and equipment. And total liabilities decrease Baht 33.24 million or 5.19 %, compared to the same period as at December 31, 2020 because of company had paid liability under debts restricting agreement and increased on defaulted liabilities which increase more default interest, decrease account payable, other payable, which for working capital and project, Decrease on Deposit receives and other. And now company has 6 development projects. In the year of 2021 Total Shareholder equity Baht 402.67 million, Company received paid – up capital amount total Baht 273.85 million which compare to the period as at December 31,2020 increase total Baht 204.67 million or 103.37%.

Please to be informed.

Yours sincerely,

*-Santi Piyatat-*

(Mr. Santi Piyatat)

Managing Director

K.C. Property Public Company Limited