



February 27, 2023

Re: Clarification of the operating results of company and its subsidiaries for the financial statement yearend as at December 31, 2022

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 2022 as follows:

The operating results of company and its subsidiaries for the period of yearend as at December 31,2022

(Unit: million Baht)

For the year, ended of December 31, 2022

Financial Statement	Consolidate financial statement				% Revenue from sales	
	2022	2021	increase(decrease)		2022	2021
Revenue from sales	198.96	108.03	90.93	84.17%	100.00%	100.00%
Cost of sales	(148.15)	(79.94)	68.21	85.32%	(74.46%)	(74.00%)
Gross Profit	50.81	28.08	22.72	80.91%	25.54%	26.00%
Other income	7.22	28.95	(21.73)	(75.06%)	3.63%	26.80%
Distribution costs	(15.84)	(12.25)	3.59	29.32%	(7.96%)	(11.34%)
Administrative expenses	(106.16)	(87.49)	18.67	21.34%	(53.36%)	(80.99%)
Other expenses						
Liabilities from litigation	(7.91)	-	7.91	-	(3.97%)	-
Reversal of estimated repairing costs of joint venture projects	7.68	-	7.68	-	3.86%	-
Reversal of expected credit losses	3.06	(0.14)	3.20	(2,301.76%)	1.54%	(0.13%)
Reversal of impairment loss on assets	0.92	-	0.92	-	0.46%	-
Reversal of impairment loss on non-current assets classified as held for sale	1.78	0.77	1.01	130.20%	0.89%	0.72%
Finance costs	(30.36)	(31.96)	(1.59)	(4.99%)	(15.26%)	(29.58%)
Tax income (expenses)	-	(1.65)	(1.65)	(100.00%)	-	(1.53%)
Profit (loss) for the period	(88.81)	(75.68)	13.13	17.35%	(44.64%)	(70.05%)
Basis earning per share-Owners of the company	(0.02)	(0.05)	(0.03)	(60.00%)	-	-
Other comprehensive income						
Actuarialgain (Loss) Employee benefit plans						
Total Other Comprehensive income	1.33	1.49	(0.16)	(10.82%)	0.67%	1.38%
Total Other Comprehensive income	(87.5)	(74.19)	13.29	17.91%	(43.97%)	(68.67%)
Attributable to						
Owners of the Company	(87.5)	(74.19)	13.29	17.91%		
Non-controlling interests						

1. Operating revenue

In summary, company and subsidiaries had total revenue for the year period ended of 31 December 2022, and the same period last year Baht 206.18 million, and Baht 136.98 million respectively. The increase of Baht 69.20 million is equivalent to 50.52%, compared to the same period of the year 2021.

1.1 Revenue from sales of land and houses

In the year end of 2022, the sales revenue from land and houses recorded Baht 198.96 million which increase Baht 90.93 million or 84.17 % compared to the same period of the year 2021. Caused by the growth of revenue from sales of new low-rise projects, including K.C. Natural Ville Bangna-Teparak and K.C. Park Ville Bangna-Teparak

1.2 Other revenue

The other revenue of company in the year end of 2022 at Bath 7.22 million, decreasing at Baht 21.73 million or 75.06% compared to the same period of year 2020

1.2.1 The revenue from project management for the year 2022 at Bath 5.31 million , increasing at Bath 0.71 million or 15.43 %

1.2.2 The other revenue in the year end of 2022 at Bath 1.91 million decreasing at Baht 22.44 million or 92.15% . Since 2021, the Company has added additional notes to the debt restructuring contract with a fine of Baht 5.00 million within the March 31, 2021, and upon completion of the debt payment, the remaining penalty is waived. In addition, the total amount of the loan amount and the redemption of all collateral to the Company shall be canceled by the amount of 18.17 million baht in accordance with the contract

Cost of sales

In the year of 2022, the cost of sales at Baht 148.44 million, increase of Baht 68.21 million or 85.32 % compared to the same period of the year 2022, varied to the decreased revenue from sales of land and houses as bellows.

(Unit : Million Baht)

รายการ	Q4/2022	Q4/2021	increase(decrease)	
	Baht	Baht	Baht	%
Revenue from sales	198.96	108.03	90.93	84.17%
Cost of sales	148.15	79.94	68.21	85.32%
Gross Profit	50.81	28.08	22.72	80.91%
% Gross profit	25.54%	26.00%	(0.46%)	

3. Gross profit

In the year of 2022, the gross profit at Baht 50.81 million, increase of Baht 22.72 million or 80.91% compared to the same period of the year 2021, Caused by the growth of revenue from sales of new low-rise projects

Gross profit margin of land and houses in the year of 2021 and the year of 2022 were 25.54% and 26.00% respectively, increase 0.46 %

4. Expenses

4.1 Distribution Costs

In the year of 2022, the distribution costs at Baht 15.84 million, increased Baht 3.59 million or 29.32 % compared to the same period of the year 2021 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 106.16 million, increased Baht 18.67 million or 21.34% compared to the same period of the year 2021 because of increasing of wage, welfare for employees, legal fee and other to comply with the organization management.

4.3 Other Expenses

In the year 2021, The other expenses consisting of :

- The company was sued by residents of 2 housing estate projects arranging for the maintenance of central public utilities and the establishment of a village juristic person, amounting to 2 cases , At present, there is 1 case which the Civil court Instance dismissed the case and one more cases for the plaintiff and the company can be settled by the Court on August 24, 2022, from both cases. The Company will have to spend an additional central public utilities repair fee of Baht 7.91 million.
- The reversal of transfer back list estimation of joint venture project's repair costs at Bath 7.68 million From a memorandum of agreement on March 10, 2022 indicates that there is no debt to pay and both parties do not have any duties or obligations to each other according to the joint venture agreement of K.C. Ram Inthra 5 project (PRAM 5), K.C. Ram Inthra 6 project (PRAM 6) and K.C. Ram Inthra 7 project (PRAM 7).And the transfer back (Expected Credit Losses) at Baht 3.06 million. And the transfer back (Allowance for Impairment Losses) at Baht 0.92 million. From the memorandum of agreement states that agreed to exchange land of the K.C. Suwinthawong 2 projects (PSW 2) with obligations from LG's guarantees that joint venture company outstanding

with theour company. Transfer back the allowance for impairment of land which is a collateral for default debt. In the auction, 2 bidders have paid the price and transferred ownership in 2022. So transfer back the allowance at Bath 1.78 million .

5. Financial expenses

Financial expenses consisted of fund expenditure, BE and interest of hire purchase in the year of 2022 at Baht 30.36 million, decreased Baht 1.59 million or 4.99 % compared to the same period of 2021 because company and subsidiaries had paid some principal and Interest expense as interest on default debt.

6. Profit (Loss) for the year

Company and subsidiaries had profit (loss) in the year of 2022 at Baht (88.81) million compared to the same period of the year 2022 had profit loss Baht (88.81) million decrease 17.35 % because of loss of operating and reduced sales increase on selling expenses and financial expenses.

Statement of Financial Position

(Unit : Million Baht)

STATEMENT OF FINANCIAL POSITION		Dec 31, 2022	Dec31, 2021	increase (decrease)	
Consolidate financial statemen					
TOTAL ASSET		969.48	1,009.51	(40.03)	(3.96%)
TOTAL LIABILITIES		654.29	606.83	47.45	7.82%
TOTAL SHAREHOLDERS' EQUITY		315.19	402.67	(87.48)	(21.72%)

As the year ended as at December 2022, company and subsidiaries had less total assets than the same period last year at Baht 40.03 million or 3.96 %, because of decrease on the Cash and cash equivalents, the cost of real estate development projects for sales, Land held for development, Leasehold improvement and equipment because of the company entered into a land and building lease agreement to improve the company's office in October 2022. Currently, the building is being renovated.

And total liabilities decrease Baht 47.45 million or 7.82 %, compared to the same period as at December 31, 2021 because of company had paid liability under debts restricting agreement and increased on defaulted liabilities which increase more default interest, decrease account payable because the debt has

been fully paid Liabilities under finance lease agreements increased from the Company. entered into a land and building lease agreement for the company's office in October 2022

Company received paid – up capital amount total Baht 315.19 million which compare to the period as at December 31,2021 decrease total Baht 87.48 million or 21.72%.

Process of the lawsuit

On October 19, 2022, the Company has filed a civil lawsuit. Black Case No. 5232/2022 against a financial institution and 24 persons jointly committed a violation to the Securities and Exchange Act, by using fraudulent tactics to issue bills of exchange without authority and unlawful, use of fraudulent tactics to take the Company's assets to mortgage unlawfully, and issue letters of debt acceptance even though the debts are unfounded, which is an infringement against the Company. As a result, the Company suffered damages, became debtor in accordance with the judgment of the Civil Court and had to lose property from enforce the mortgage all the defendants were required to jointly pay indemnity to the Company, total Baht 1,431.65 million. Currently, the case is pending in the Court of First Instance, where 7 of 24 above-mentioned defendants, former executives and related persons, are in the process of the Company's lodging a complaint with the Director-General of the Department of Special Investigation, to proceed the criminal prosecution for participation in defraud, fraudulent understandings from the sale of bills of exchange, and consent to record the account incorrectly

Please to be informed.

Yours sincerely,

- Amornsak wisitwuttipong -

(Mr.Amornsak Wisitwuttipong)

Director and Deputy Managing Director