



November,13 2023

Re: Clarification of the operating results of company and its subsidiaries for the financial statement quarter 3/2023

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 quarter 3/2023 ended September 30, 2023 as follows:-

The operating results of company and its subsidiaries for the three-month period of quarter 3/2023

(Unit: million Baht)

Statements of Comprehensive Income	Consolidated financial statements for the three month periods ended Sep 30, 2023				% Revenue from sales	
	2023	2022	increase(decrease)		2023	2022
Revenue from sales	52.24	53.09	(0.85)	(1.60%)	100.00%	100.00%
Cost of sales	(41.20)	(39.50)	(1.70)	(4.30%)	(78.87%)	(74.40%)
<b>Gross Profit</b>	<b>11.04</b>	<b>13.59</b>	<b>(2.55)</b>	<b>(18.76%)</b>	<b>21.13%</b>	<b>25.60%</b>
Other income	2.03	1.27	0.76	59.84%	3.89%	2.39%
Distribution costs	(4.19)	(4.39)	0.20	4.56%	(8.02%)	(8.27%)
Administrative expenses	(20.41)	(20.36)	(0.05)	(0.25%)	(39.07%)	(38.35%)
Other expenses						
Liabilities from litigation		(7.91)	7.91	(100.00%)	0.00%	(14.90%)
Reverse loss on impairment of assets						
Doubful accounts		0.50	(0.50)	(100.00%)	0.00%	0.94%
Finance costs						
Tax income (expenses)	0.45		0.45	100.00%	0.86%	0.00%
Finance costs	(7.50)	(7.62)	0.12	1.57%	(14.36%)	(14.35%)
Tax income (expenses)						
<b>Profit (loss) for the period</b>	<b>(18.58)</b>	<b>(24.92)</b>	<b>6.34</b>	<b>25.44%</b>	<b>(35.57%)</b>	<b>(46.94%)</b>
Other comprehensive income						
<b>Total Other Comprehensive income</b>	<b>(18.58)</b>	<b>(24.92)</b>	<b>6.34</b>	<b>25.44%</b>	<b>(35.57%)</b>	<b>(46.94%)</b>
Attributable to						
Owners of the Company	<b>(18.58)</b>	<b>(24.92)</b>	<b>6.34</b>	<b>25.44%</b>		
Non-controlling interests						
<b>Basis earning per share-Owners of the company</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.0)</b>		-	-

### 1. Operating revenue

In summary, company and subsidiaries had total revenue for three month as September 30, 2023 and the same period of the year 2022 Baht 52.24 million, and Baht 53.09 million respectively. The Operating revenue decrease of Baht 0.85 million is equivalent to 1.60%, compared to the same period of the last year.

The selling price of each project has been reduced due to the need for cash flow in the business. Because in the three month period ended September 30, 2023, the Company and its subsidiaries have promotional to accelerate project closures and cash flow needs in the business. As a result, sales income decreased.

### 2. Cost of sales

In summary, company and subsidiaries had total revenue for three month as at September 30, 2023 and the same period last year, the cost of sales at Baht 41.20 million and Bath 39.50 million respectively, Cost of Sales increase of Baht 1.70 million or 4.30 % compared to the same period of the last year. Due to in the three - month period ended September 30, 2023, there was an increase in estimated cost estimates for some projects. As a result, the cost of sales in the three-month period as at September 30, 2023, increased compared to the same period of the last year as bellows.

(Unit: Million Baht)

Transaction	July - September		Increase (Decrease)	
	2023	2022	MB	%
Revenue from sales	52.24	53.09	(0.85)	(1.60%)
Cost of sales	41.20	39.50	1.70	4.30%
Gross Profit	11.04	13.59	(2.55)	(18.76%)
% Gross Profit	21.13%	25.60%		

### 3. Gross profit

In summary, company and subsidiaries had total revenue for three month as at September 30, 2023 and the same period last year, the gross profit at Baht 11.04 million and Bath 13.59 million respectively, decrease of Baht 2.55 million or 18.76% compared to the same period of the year 2022. Due to The Company and its subsidiaries have promotional to accelerate project closures and cash flow needs in the business. As a result, sales income decreased. Meanwile the cost estimates for some projects have been increased. When combined with both the decrease in sales revenue and the increase in cost of sales, The Company and its subsidiaries have lower gross profits.

#### **4. Other income**

In summary, company and subsidiaries had total revenue for three month as at September 30, 2023 and the same period last year, the other income at Baht 2.03 million and Bath 1.27 million respectively, increase of Baht 0.76 million or 59.84% compared to the same period of the year 2022. The increase in other income was from the collection of utilities

#### **5. Expenses**

##### **5.1 Distribution Costs**

In summary, company and subsidiaries had total revenue for three month as at September 30, 2023 and the same period last year at Baht 4.19 million and Bath 4.39 million, decreased Baht 0.20 million or 4.56 % compared to the same period of the year 2022. because there are some distribution costs that vary according to the amount of income from real estate sales that decreases.

##### **5.2 Administrative expenses**

In summary, company and subsidiaries had total revenue for three month as at September 30, 2023, the administrative expenses at Baht 20.41 million and Baht 20.36 million, decreased Baht 0.05 million or 0.25% compared to the same period of the year 2022. However, considering the proportion of administrative expenses for the three month period ended September 30, 2023 and the same period of the last year compared to the sales income, it was 39.07 %t and 38.35 %, by the three month as at September 30, 2023, The proportion of administrative expenses to sales revenue was higher than the same period of the last year. Caused by decreased sales revenue however, administrative expenses to sales revenue remain in a similar proportion both this period and the same period of the last year.

##### **5.3 Other Expenses**

In summary, company and subsidiaries had total revenue for three month as at September 30, 2023, and the same period last year at Baht (0.45) million and Bath 7.41 million, decreased Baht 7.86 million or 106.07% compared to the same period of the year 2022. by the three month as at September 30, 2023 It is a record of estimated expenses for common repairs according to the judgment on August 24, 2022 in the amount of bath 7.91 million and a transfer of credit losses expected to occur in the amount of bath 0.50 million , while in the three month period ended September 30, 2023, the company Recorded the transfer back of allowance for impairment of non-current assets held for sale in the amount of Bath 0.44 million

## 6. Financial expenses

In summary, company and subsidiaries had total revenue for three month as at September 30, and the same period last year 2022, at Baht 7.50 million and Baht 7.62 million respectively, decreased Baht 0.12 million or 1.57% compared to the same period of the year 2022. Cause by three month as at September 30, 2022 The Company and its subsidiaries have repaid short-term loans from other persons. and interest paid under the hire-purchase contract However, financial costs – a large amount of interest expenses are interest on defaulted liabilities.

## 7. Profit (Loss) for the period

Company and subsidiaries had profit (loss) for three month at September 30, 2023 Baht (18.58) million compared to the same period of the year 2022 had profit loss Baht (24.92) million (loss) decrease Bath 6.34 million or 25.44% .Cause by The three month at September 30, 2023. The Company and its subsidiaries have recording estimated expenses for common repairs according to the judgment in the amount of Bath 7.91 million , as mentioned in Section 5.3, other expenses above.

### Statement of Financial Position

(Unit : Million Baht)

STATEMENTS OF FINANCIAL POSITION Consolidated financial statements	As at Sep	As at Dec	increase (decrease)	
	30,2023	31,2022		
TOTAL CURRENT ASSETS	486.84	636.20	(149.36)	(23.48%)
TOTAL ASSETS	961.47	969.48	(8.01)	(0.83%)
TOTA CURRENT LIABILITIES	599.07	566.46	32.61	5.76%
TOTAL LIABILITIES	686.53	654.29	32.24	4.93%
TOTAL SHAREHOLDERS' EQUITY	274.94	315.19	(40.25)	(12.77%)

As of September 30, 2023 and December 31, 2022, the Company and its subsidiaries had total assets decreased by 8.01 million baht or 0.83% . Because the Company and its subsidiaries are in the process of developing real estate projects for investment. The objective is to be a project that will generate long-term income in the future. Including investment in improving the rental building and equipment for further use as offices of the Company and its subsidiaries. Therefore, it must use cash from operations. without using money from borrowing sources from external financial institutions. As a result, the total assets of the Company and its subsidiaries decreased.

As of September 30, 2023 and December 31, 2022, the Company and its subsidiaries had an increase in current liabilities in the amount of Bath 32.61 million or 5.76%, a significant amount due to an increase in default interest in the amount of Baht 22.25 million, an increase in payment payable. trade and other current payables and an increase in the portion due within one year – lease liabilities amounting to Bath

8.20 million and Baht 1.45 million, respectively, which are transactions arising from the development of real estate projects for investment that the Company and its subsidiaries operate and improvements to rental buildings and equipment.

As of September 30, 2023, total shareholders' equity decreased in the amount of baht 40.25 million, a decrease of 12.77 % compared to December 31, 2022 due to the nine month period. at September 30, 2023 with a net loss

### **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, Deputy Managing Director

and the Chairman of the Executive Committee