

Subject Management Discussion and Analysis for the three-month period ended 31 March 2024

To President  
The Stock Exchange of Thailand

K.C. Property Public Company Limited (“The Company and its subsidiaries”) would like to report the operating results for the three-month period ended 31 March 2024 as follows:

(Unit: million Baht)

For 3 months, ended of March 31, 2024

Statements of Comprehensive Income	Consolidated financial statements				% Revenue from sales	
	Q1/2024	Q1/2023	Increase / Decrease		Q1/2024	Q1/2023
Revenue from sales	20.30	45.72	(25.42)	(55.60%)	100.00%	100.00%
Cost of sales	(13.28)	(30.60)	17.32	(56.60%)	(65.42%)	(66.93%)
<b>Gross Profit</b>	<b>7.02</b>	<b>15.12</b>	<b>(8.10)</b>	<b>(53.57%)</b>	<b>34.58%</b>	<b>33.07%</b>
Other income	2.24	1.95	0.29	14.87%	11.03%	4.27%
Distribution costs	(2.03)	(3.06)	1.03	33.66%	(10.00%)	(6.69%)
Administrative expenses	(19.48)	(17.61)	(1.87)	(10.62%)	(95.96%)	(38.52%)
Other expenses						
Reversal of allowance for impairment of assets non-current assets classified as held for sales		1.38	(1.38)	(100.00%)		3.02%
Loss from litigation	(30.00)		(30.00)	(100.00%)	(147.78%)	
Finance costs	(7.39)	(7.34)	(0.05)	(0.68%)	(36.40%)	(16.05%)
Tax income (expense)						
<b>Profit (loss) for the period</b>	<b>(49.64)</b>	<b>(9.56)</b>	<b>(40.08)</b>	<b>(419.25%)</b>	<b>(244.53%)</b>	<b>(20.91%)</b>
Basis earning per share-Owners of the company	(0.01)	(0.00)	(0.01)	0.00%		
Other comprehensive income						
<b>Total Other Comprehensive income</b>	<b>(49.64)</b>	<b>(9.56)</b>	<b>(40.08)</b>	<b>(419.25%)</b>	<b>(244.53%)</b>	<b>(20.91%)</b>
Attributable to						
Owners of the Company	<b>(49.64)</b>	<b>(9.56)</b>	<b>(40.08)</b>	<b>(419.25%)</b>		
Non-controlling interests						

## 1. Revenues income

The Company and its subsidiaries have total income for three-month periods ended March 31, 2024 and the same period of the previous year in the amount of 22.54 million baht and 47.67 million baht, respectively. Total income decreased by 25.13 million baht, a decrease of 52.72 percent when compared to the same period of the previous year. The details are as follows:

### 1.1 Revenues from sales

The Company and its subsidiaries, there is income from real estate sales for the three-month periods ended March 31, 2024 and the same period of the previous year, amounting to 20.30 million baht and 45.72 million baht, respectively. Revenue from real estate sales decreased by 25.42 million baht, representing a decrease of 55.60 percent when compared to the same period of the previous year. Income from real estate sales comes from the sale of houses in the company's low-rise projects.

### 1.2 Other income

The Company and its subsidiaries had other income for the three-month periods ended March 31, 2024 and the same period of the previous year in the amount of 2.24 million baht and 1.95 million baht, respectively. Other income increased in the amount of 0.29 million baht, an increase of 14.87 percent when compared to the same period of the previous year. A large amount of other income is income from project utility services.

## 2. Cost of sales

The Company and its subsidiaries had costs from sales of real estate for the three-month periods ended March 31, 2024 and the same period of the previous year, amounting to 13.28 million baht and 30.60 million baht, respectively. Cost of real estate sales decreased by 17.32 million baht, a decrease of 56.60 percent when compared to the same period of the previous year. which varies according to the amount of income from real estate sales that decreases as in the table below

(Unit: Million Baht)

รายการ	for 3 months ended		In(De)crease	
	31 Mar 24	31 Mar 23	MB	%
Revenue from sales	20.30	45.72	(25.42)	(55.60%)
Cost of sales	13.28	30.60	(17.32)	(56.60%)
Gross Profit	7.02	15.12	(8.10)	(53.57%)
% Gross Profit	34.58%	33.07%	1.51%	

### **3. Gross profit**

The Company and its subsidiaries have gross profit for the three-month periods ended March 31, 2024 and the same period of the previous year, amounting to 7.02 million baht and amounting to 15.12 million baht, respectively. Gross profit decreased by 8.10 million baht, representing a decrease of 53.57 percent when compared to the same period of the previous year. The decrease in gross profit fluctuates according to the decrease in real estate sales revenue. However, in the first quarter of 2024, there was a higher gross profit margin. The same period last year was 34.58% and 33.07% respectively.

### **4. Expenses**

#### **4.1 Distribution costs**

The Company and its subsidiaries had distribution costs for the three-month periods ended March 31, 2024 and the same period of the previous year, amounting to 2.03 million baht and amounting to 3.06 million baht, respectively. Distribution costs decreased by 1.03 million baht, representing a decrease of 33.66 percent when compared to the same period of the previous year. Distribution costs vary as the amount of real estate sales revenue decreases.

#### **4.2 Administrative expenses**

The Company and its subsidiaries had administrative expenses for the three-month periods ended March 31, 2024 and the same period of the previous year, amounting to 19.48 million baht and 17.61 million baht, respectively. Administrative expenses increased by 1.87 million baht, an increase of 10.62 percent when compared to the same period of the previous year. The increase in administrative expenses in the first quarter of 2024 was due to the Company and its subsidiaries paying severance pay in the amount of 3.81 million baht.

#### **4.3 Other expenses**

4.3.1 The Company and its subsidiaries had other expenses for the three-month periods ended March 31, 2024 was sued by residents of a housing estate projects. Sued for compensation for not providing of public utilities according to the purchase and sale agreement, totaling 2 cases. The Company and its subsidiaries recorded loss from litigation and recorded the estimates for contingent liabilities totaling 30 million baht. The first case is in the process of the Supreme Court. Recording a loss from litigation in the amount of 15.00 million baht, the company and its subsidiaries have taken bank deposits in the amount of 15.36 million baht and placed as case security in the court. Another case is under the process of the Appeal

court. The Company and its subsidiaries have extended the Appeal period to 29 May 2024. The Company and its subsidiaries have recorded loss from litigation in the amount of 15.00 million baht.

4.3.2 The Company and its subsidiaries had other expenses for the three-month periods ended March 31, 2023, the amount was 1.38 million baht, a total decrease of 9.98 million baht. Other expenses were the recording of the reversal of allowance for impairment of non-current assets held for sale in the amount of 1.38 million baht, resulting from the auction of collateral on the stock exchange. Debts in default There have been bidders for 3 plots, the price has been paid and ownership has been transferred in the first quarter of 2023.

## 5. Finance costs

The Company and its subsidiaries have finance costs - interest expense for the three-month periods ended March 31, 2024 and the same period of the previous year in the amount of 7.39 million baht and 7.34 million baht, respectively, an increase of 0.05 million baht, an increase of 0.68 percent when compared to the same period of the previous year. In this regard, financial costs - a large amount of interest expense is interest on defaulted debt.

## 6. Profit (loss) for the period

The Company and its subsidiaries had profit (loss) for the three-month period ended March 31, 2024 and the same period of the previous year in the amount of (49.64) million baht and (9.56) million baht, respectively. Profit (loss) for the period increased. The amount (40.08) million baht increased by 419.25 percent when compared to the same period of the previous year.

## Statements of financial position

(Unit : Million Baht)

STATEMENTS OF FINANCIAL POSITION	31 Mar 2024	31 Dec 2023	increase (decrease)	
Consolidated financial statements				
TOTAL CURRNT ASSET	520.51	561.17	(40.66)	(7.25%)
TOTAL ASSET	1,035.36	1,049.70	(14.34)	(1.37%)
TOTA CURRNT LIABILITIES	608.12	602.59	5.53	0.92%
TOTAL LIABILITIES	723.45	688.16	35.29	5.13%
TOTAL SHAREHOLDERS' EQUITY	311.91	361.54	(49.63)	(13.73%)

As of March 31, 2024 and December 31, 2023, the Company and its subsidiaries had total assets decreased by 14.34 million baht, a decrease equivalent to 1.37 percent, a decrease due to the company and its subsidiaries are in the process of developing Right-of-use assets and use of working capital in the business.

As of March 31, 2024 and December 31, 2023, the Company and its subsidiaries had increased current liabilities of 5.53 million baht, an increase of 0.92 percent, caused by an increase in interest from defaulted liabilities of 7.40 million baht. Total liabilities increased by 35.29 million baht, an increase of 5.13 percent from an increase in estimated liabilities from lawsuits in the amount of 30.00 million baht as mentioned in Section 4.3.1.

As of March 31, 2024, total shareholder equity decreased by 49.63 million baht, a decrease equivalent to 13.73 percent compared to total shareholder equity as of December 31, 2023, due to the three-month period ended March 31, 2024, there was a net operating loss of 49.63 million baht.

#### **Progress in litigation**

On October 19, 2022, the Company filed a civil lawsuit. Black case number P.5232/2565 involves a financial institution together with 24 people working together to violate the Securities and Exchange Act. Using fraud to issue bills of exchange without authority and illegally. Using fraud to mortgage company assets illegally and issuing debt acknowledgment letters even though there is no debt. which is a violation of the company. As a result, the company was damaged and had to become a debtor according to the judgment of the civil court. and had to lose assets from foreclosure and foreclosure All defendants must jointly compensate the company for damages totaling 1,431.65 million baht. Currently, the case is under consideration by the Court of First Instance. Seven of the 24 defendants mentioned above are former executives and related persons who are currently being prosecuted by the company to file a complaint with the Director-General of the Department of Special Investigation. Criminal proceedings will be initiated in cases of joint wrongdoing. Corruption, embezzlement of money from the sale of bills of exchange and agreeing to have the account recorded incorrectly. The court has scheduled a hearing for witnesses in June 2024.