



February 28,2020

Re: Clarification of the operating results of company and its subsidiaries for the year ended as at December 31, 2019

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 year of 2019 as follows:-

(Unit: million Baht)

For 12 months, end of December 31, 2019

Financial Statement	Consolidate financial statement				% revenue from sales	
	Q4/2019	Q4/2018	increase(decrease)		Q4/2019	Q4/2018
Revenues from sales	218.50	175.66	42.84	24.39%	100.00%	100.00%
Cost of sales	(161.82)	(127.43)	(34.39)	26.99%	(74.06%)	(72.54%)
Gross Profit	56.68	48.23	8.45	17.52%	25.94%	27.46%
Other income	11.28	8.49	2.79	32.86%	5.16%	4.83%
Gain on disposal of investment property	40.54	12.21	28.33	232.02%	18.55%	6.95%
Revenues from reduction of defaulted interest under the Court's order	0.00	16.66	(16.66)	(100.00%)	0.00%	9.48%
Gain on disposal of land held for development	1.27	0.00	1.27	N/A	0.58%	0.00%
Distribution costs	(41.75)	(24.14)	(17.61)	72.95%	(19.11%)	(13.74%)
Administrative expenses	(95.74)	(94.34)	(1.40)	1.48%	(43.82%)	(53.71%)
Other Expenses						
Impairment loss of other non-current asset held for sale	(90.73)	-	(90.73)	N/A	(41.52%)	0.00%
Impairment loss of land held for development	(0.75)	-	(0.75)	N/A	(0.34%)	0.00%
(Reverse) Loss from litigation	16.56	(0.61)	17.17	(2,814.75%)	7.58%	(0.35%)
Doubtful accounts	(0.08)	(1.63)	1.55	(95.09%)	(0.04%)	(0.93%)
Finance costs	(46.63)	(50.61)	3.98	(7.86%)	(21.34%)	(28.81%)
Tax income (expense)	(6.35)	(2.69)	(3.66)	136.06%	(2.91%)	(1.53%)
Profit (loss) for the period	(155.70)	(88.43)	(67.27)	76.07%	(71.26%)	(50.34%)
Other Comprehensive income					0.00%	0.00%
Actuarial gain (Loss) Employee benefit plans	(0.96)	0.77	(1.73)	(224.68%)	(0.44%)	0.44%
Total Other Comprehensive income	(0.96)	0.77	(1.73)	(224.68%)	(0.44%)	0.44%
Total comprehensive income (expense) for the period	(156.66)	(87.66)	(69.00)	(78.71%)	(71.70%)	(49.90%)
Basic earnings per share-Owners of the Company	(0.18)	(0.10)	(0.08)	(76.07%)	(0.08%)	(0.06%)
Attributable to						
Owners of the Company	(155.70)	(88.43)	(67.27)	(76.07%)		
Non-controlling interests	-	-	-	-		



Total comprehensive income attributable to						
Owners of the Company	(156.66)	(87.66)	(69.00)	(78.71%)		
Non-controlling interests	-	-	-	-		

1. Operating revenue

In summary, company and subsidiaries had total revenue for the year 2019 and the last year at Baht 271.60 million, and Baht 213.02 million respectively. The increase of Baht 58.58 million is equivalent to 27.50%, compared to the last year.

1.1 Revenue from sales of land and houses

In the year 2019, the revenue from sales land and house had increase Baht 42.84 million or 24.39% compared to year 2018. The details are as follows.

In the year 2018 the revenue from sales amount Baht 218.50 million. Compare to last year was Baht 175.66 million. increase Baht 42.84 million.

1.2 Other revenue

The other revenue of company in the year 2019 at Bath 53.10 million, increasing at Baht 15.74 million or 29.64% compared to the year 2018.

1.2.1 Gain on disposal of investment property amount of 40.54 Baht million, In 2019, the Company and its subsidiary has sold 4 plots of land which located at Praksa Mai Sub-district, Muang, Samutprakan Province for the area of 24 Rais 2 Ngan and 97.9 Square Wah in the price of Baht 145 million (Separate : Baht 138.06 million) and had the related expenses such as transferring fee, specific business tax, and commission total amount of Baht 21.25 million, remains profit on sale of investment property amount of Baht 40.54 million (Separate : Baht 34.82 million).

1.2.2 Gain on disposal of land held for development amount of 1.27 Baht million.

2. Cost of sales

In the year 2019, the cost of sales amount Baht 161.82 million, increase of Baht 34.39 million or 26.99% compared to the last year, varied to the increased revenue from sales of land and houses as bellows:



	Q4/2019	Q4/2018	increase(decrease)	
	million Baht	million Baht	million Baht	%
Revenues from sales	218.50	175.66	42.84	24.39%
Cost of sales	161.82	127.43	34.39	26.99%
Gross Profit	56.68	48.23	8.45	17.52%
% Gross Profit	25.94%	27.46%	-1.52%	

3. Gross profit

In the year 2019, the gross profit at Baht 56.68 million, increase of Baht 8.45 million or 17.52% compared to the year 2018, varied to the increasing of revenue from sales of land and houses, details as presented in operating revenue table.

Gross profit margin for the year 2019 and 2018 as 25.94%, 27.46% decrease 1.52%

4. Expenses

4.1 Distribution cost

In the year 2019, the distribution cost at Baht 41.75 million, increased Baht 17.61 million or 72.95% compared to the year 2018 because company and subsidiaries had paid commission to agent for sale house according to condition. Property tax and transfer fee.

4.2 Administrative expenses

In the year 2019, the administrative expenses at Baht 95.74 million, increased Baht 1.40 million or 1.48% compared to the year 2018 because of increasing of wage, welfare for employees etc.

4.3 Other expenses

4.3.1 In the year 2019, the doubtful account of company at Baht 0.08 million, decreased Baht 1.55 million, decreased 95.09%, compared to the year 2018, Which charged fee from join venture agreement project and claim damages from two former directors.

4.3.2 Reverses and Loss from litigation at Baht 16.56 million, because of Black (Undecided) case no.1008/2547 On January 27, 2020, the Land Official proceed to comply with the Court's judgment by cancelling the said juristic act and has already issued certificate of ownership for two units of condominium to the plaintiff. The Company has recorded the provisions amount of Baht 16.48 million to adjust out of the accounts in full



4.3.3 Impairment loss of non-current assets for sale amount Baht 90.73 million , the Company has reclassified 59 plots of land held for development, as stated in note 12, to non-current assets for sale due to selling such lands by auction by the Legal Execution Department which the Company was unable to repay the principal of the short-term bills of exchange issued by financial institution as stated in note 17. Subsequent in 2020, some plots of land have sold and remaining land title deeds with its construction as collateral against debts for selling by auction. Result from this subsequent event, the Company recorded impairment loss of non-current assets for sale from cost higher than the price under sale by auction in amount of Baht 90.73 million which are recognized in statement of comprehensive income

5. Financial expenses

Financial expenses consisted of interest of banks and interest of hire purchase in the year 2019 at Baht 46.63 million, decreased Baht 3.98 million or 7.86% compared to Q4/2018 because company and subsidiaries had defaulted loan, On September 25, 2019, the Appeal Court has modified decision by ordering the Company to make debt settlement in the form of short-term bills of exchange in the amount of Baht 350.00 million and defaulted interest at the rate of 8.50% per annum.

6. Profit for the period

Company and subsidiaries had profit (loss) in the year 2019 at (Baht 155.70 million), compared to the year 2018 that was profit (loss) at Baht (88.43 million) as:

1. Doubtful accounts amount Baht (0.08) million
2. (Reversed) and Loss from litigation amount Baht 16.56 million
3. Finance costs (defaulted loan) amount Baht (46.63) million
4. Impairment loss of non-current assets for sale amount (90.73) million
5. Gain on disposal of investment property amount Baht 40.54 million
6. Gain on disposal of land held for development amount Baht 1.27 million

Statement of Financial Position

(Unit: million Baht)

Financial Statement	Q4/2019	Q4/2018	Increase (decrease)	
Consolidate financial statement				
TOTAL ASSET	916.45	1,176.17	(259.72)	(22.08%)
TOTAL LIABILITIES	615.04	718.09	(103.05)	(14.35%)
TOTAL SHAREHOLDER EQUITY	301.41	458.08	(156.67)	(34.20%)



(Unit: million Baht)

Financial Statement	Q4/2019	Q4/2018	Increase (decrease)	
Separate financial statement				
TOTAL ASSET	936.21	1,201.80	(265.59)	(22.10%)
TOTAL LIABILITIES	697.19	799.92	(102.73)	(12.84%)
TOTAL SHAREHOLDER EQUITY	239.01	401.89	(162.88)	(40.53%)

At the year ended of 2019, company and subsidiaries had less total assets than last year 2018 at Baht 259.70 million or 22.08%, which consisting of Costs of real estate development projects for sale, deposit for land held for development improvement and equipment, cash and equivalents. More total liabilities which decrease at Baht 103.05 million or 14.35%, defaulted liabilities, trade and other current payable, finance lease liabilities, Trade and other current payable, finance lease liabilities. Now, the company has 6 projects for sale.

As at December 31, 2019, company and subsidiaries had less total equity Baht 156.67 million or 34.20%.

Yours sincerely,

(Mr. Santi Piyatat)

Managing Director

K.C. Property Public Company Limited