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No. MD119/2560

August 29, 2017

Re: Clarification on the Financial Performance of the Company and its subsidiaries as of Year 2015

Attn: President

The Stock Exchange of Thailand

We, K. C. Property Public Company Limited and the subsidiaries (“the Company and its subsidiaries”) would like to clarify on the financial performance for the year ending December 31, 2015 as follows:

Particulars	Year 2015		Year 2014		increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue						
Revenue from property sales	919.19	98.12%	509.24	94.7%	409.95	80.50%
Other income	7.60	1.88%	28.28	5.3%	-10.68	-37.78%
Total Income	936.78	100.00%	537.52	100.0%	399.26	74.28%
Expense						
Cost of sales	746.55	79.69%	326.94	60.8%	419.61	128.34%
Selling expenses	51.52	5.50%	57.61	10.7%	-6.09	-10.57%
Administrative expenses	505.45	53.96%	112.11	20.9%	393.34	350.84%
Loss from impairment of property investment	-	-	-	-	-	-
Total Expense	1,303.52	139.15%	496.67	92.4%	806.86	162.45%
Profit before finance costs and income tax expense	-366.74	-39.15%	40.85	7.6%	- 407.59	-997.74%
Finance costs	45.56	4.86%	42.13	7.8%	3.43	8.15%
Profit before income tax expense	-412.30	-44.01%	-1.28	-0.2%	- 411.02	32216.29%
Income tax expense	0.57	0.06%	-9.18	-1.7%	9.75	-106.16%
Profit for the period	-411.73	-43.95%	-10.46	-1.9%	-401.27	3836.88%

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1. Revenue from performance

The Company and its subsidiaries have the total revenue for the year 2015 and year 2014 in the amount of Baht 936.78 Million and Baht 537.52 Million, respectively, increased by Baht 399.26 Million or 74.28 percent compared to the year 2014 as follows:

1.1 Revenue from real estate sales

For year 2015, the revenue from real estate sales were increased by Baht 409.95 Million or 80.50 percent compared to year 2014.

1.2 Other incomes

For year 2015, the other incomes were decreased by Baht 10.68 Million or 37.78 percent compared to year 2014.

2. Cost of Sales

For year 2015, cost of sales was increased by Baht 419.61 Million or 128.34 percent compared to year 2014 and vary from the increased of revenue from property sales as detailed shown in the below table of revenue from business operations performance.

Particulars	Year	Year	increase (decrease)	
	2015	2014	Million	%
	Million	Million	Million	%
	Baht	Baht	Baht	
Revenue from property sales	919.19	509.24	409.95	80.50%
Cost of Sales	746.55	326.94	419.61	128.34%
Gross Profit	172.64	182.30	-9.66	-5.30%
% Gross Profit	18.78%	35.80%	-17.02%	

3. Gross Profit

For year 2015, gross profit was decreased by Baht 9.66 Million or 5.30 percent compared to year 2014 and vary from the increased of revenue from property sales as detailed shown in the below table of revenue from business operation performance.

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The gross profit ratio for year 2015 and year 2014 were 18.78 percent and 35.80 percent, respectively, and this ratio for year 2015 was decreased by 17.02 percent due to the Company had higher cost of construction.

4. Expense

4.1 Selling Expenses

For year 2015, the selling expenses was decreased by Baht 6.09 Million or 10.57 percent compared to year 2014, due to the Company and its subsidiaries had the advertising expenses and sale promotions decreased comparing to year 2014. The specific business tax and transfer fees are in line with the income derived.

4.2 Administrative Expenses

For year 2015, the administrative expenses was increased by Baht 393.34 Million or 350.84 percent compared to year 2014, due to increase of salary, employment benefit, doubtful accounts, fees and other administrative expenses which are in line with the Company's organizational management as aforementioned details.

5. Finance Costs

Finance costs were comprising of an interest paid to banks and interests paid in accordance with hire-purchase agreements for year 2015. Finance costs were increased by Baht 3.43 Million or 8.15 percent compared to year 2014, due to the Company and its subsidiaries had the amount of loan recognition in year 2015 more than those of year 2014.

6. Income Tax Expense

For year 2015, income tax expenses were increased by Baht 9.75 Million or 106.16 percent compared to year 2014 and vary from the increase of revenue as mentioned above.

7. Profit for the period

The Company and its subsidiaries had profits for year 2015 which were decreased by Baht 401.27 Million or 3836.88 percent compared to year 2014, due to the Company and its subsidiaries had gain on disposal of Land held for development and property investment decreased as mentioned above in the amount of Baht 9.66 Million or 17.02 percent compared to year 2015 including the increased income tax

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expense in the amount of Baht 9.75 Million. The total of the aforesaid expenses were more than the revenue. As a result, the profit for the period had increased comparing to year 2014.

8. Financial Position

Particulars	Dec 31, 2015	Dec 31, 2014	YoY	%
Assets (Million Baht)	2,060.09	2,509.36	-449.27	-17.90%
Total Liabilities (Million Baht)	1,255.62	1,275.66	-20.04	-1.57%
Total Shareholders' Equity (Million Baht)	804.46	1,233.70	-429.23	-34.79%

As at December 31, 2015, the Company and its subsidiaries had the total assets decreased in year 2014 by Baht 449.27 Million or 17.90 percent, due to the Company and its subsidiaries mainly had the costs of sales for real estate development projects, deposit for land, land held for development, land building and equipment, cash and cash at bank, temporary investment, prepaid expense-construction fee. The total liabilities was decreased by Baht 20.04 Million or 1.57 percent compared to year 2014, due to the Company and its subsidiaries had debenture stock and bill of exchange, short-term loan and long-term loan borrowing from financial institutions, trade account payable and other account payable for working capital, investment in real estate project, and deposit and advance received from customers. At the present time, there are 14 projects available for reservation.

For shareholders' equity as at December 31, 2015, the Company and its subsidiaries had the total shareholders' equity decreased from year 2014 by Baht 429.23 Million or 34.79 percent compared to year 2014.

Sincerely

- Signature -

(Mr. Kitisan Mukdee)

Director and Managing Director