

August 28, 2017

Re: Clarification on the Financial Performance of the Company and its subsidiaries as of Year 2016
(amendment)

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, 2016 as follows:

Particulars	Year 2016		Year 2015		increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue						
Revenue from immovable property sales	708.62	89.23%	919.19	98.12%	-210.57	-22.91%
Other income	85.57	10.77%	17.60	1.88%	67.98	386.33%
Total Income	794.19	100.00%	936.78	100.0%	-142.60	-15.22%
Expense						
Cost of sales	597.99	75.30%	746.55	79.69%	-148.55	-19.90%
Selling expenses	35.11	4.42%	51.52	5.50%	-16.41	-31.86%
Administrative expenses	84.66	10.66%	111.24	11.87%	-26.59	-23.90%
Doubtful debts	-62.94	-7.93%	394.21	42.08%	-457.16	-115.97%
Loss from impairment of property investment	5.69	0.72%	-	-	5.69	100.00%
Total Expense	660.50	83.17%	1,303.52	139.15%	-643.02	-49.33%
Profit before finance costs and income tax expense	133.69	16.83%	-366.74	-39.15%	500.42	-136.45%
Finance costs	36.13	4.55%	45.56	4.86%	-9.43	-20.69%
Profit before income tax expense	97.55	12.28%	-412.30	-44.01%	509.85	-123.66%
Income tax expense	9.44	1.19%	-0.57	-0.06%	10.00	-1768.27%
Profit for the period	88.12	11.10%	-411.73	-43.95%	-323.62	78.60%

1. Revenue from performance

The Company and its subsidiaries have the total revenue for the year 2016 and year 2015 in the amount of Baht 794.19 Million and Baht 936.78 Million, respectively, decreased by Baht -142.60 Million or -15.22 percent compared to the year 2015 as follows:

1.1 Revenue from immovable property sales

For year 2015, the revenue from immovable property sales in the amount of Baht 708.62 Million was decreased by Baht 210.57 Million or 22.91 percent compared to the year 2015 comprising of:-

The revenue from immovable property sales from sale of all projects, e.g., K.C. Plus City Plus, Suwinthawong Project, Land for Campus City Rangsit Project, 4 Construction Project (K.C. Natural Park Rom Klao, K.C. Garden Home 18 Project, K.C. Green Ville and K.C. Park Ville 3 Project) were Baht 431.10 Million.

The revenue from immovable property sales from all projects of the Company for year 2016 in the amount of Baht 277.52 Million compared to year 2015 in Baht 400.67 Million decreased by Baht 123.15 Million or 30.74 percent.

1.2 Other incomes

For year 2016, the other incomes were increased by Baht 67.97 Million or 386.19 percent compared to year 2015, due to the Company had gain on disposal of Land held for development in the amount of Baht 69.82 Million and profit from sale of investment properties in the amount of Baht 0.58 Million.

2. Cost of sales

For year 2016, cost of sales was decreased by Baht 148.55 Million or 19.90 percent compared to year 2015 and vary from the decreased of revenue from immovable property sales as detailed shown in the below table of revenue from business operation performance.

Particulars	Year 2016	Year 2015	increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from immovable property sales	708.62	919.19	-210.57	-22.91%
Cost of Sales	597.99	746.55	-148.56	-19.90%
Gross profit	110.63	172.64	-62.01	-35.92%

Particulars	Year 2016	Year 2015	increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
% Gross Profit	15.61%	18.78%	-3.17%	

3. Gross profit

For year 2016, gross profit was decreased by Baht 62.01 Million or 35.92 percent compared to year 2015 and vary from the decreased of revenue from immovable property sales as detailed shown in the below table of revenue from business operation performance.

The Company sale 4 construction projects in year 2016. The cost of sales were different as follows:

Cost of sales for construction projects in the amount of Baht 363.81 Million having gross profit in the amount of Baht 67.29 Million or 15.61 percent

Cost of sales of the Projects in the amount of Baht the amount of Baht 234.18 Million having gross profit in the amount of Baht 43.34 Million or 15.62 percent

The gross profit ratio of sale of properties of the Company for year 2016 and year 2015 were 15.61 percent and 18.78 percent, respectively, and this ratio for year 2016 was increased by 3.17 percent, due to the Company had sold lots of projects in year 2015 more than year 2016. The gross profit ratio of the Company's project was 15.62 percent in year 2016 and 30.40 percent in year 2015. The gross profit ratio in year 2015 lower than year 2016 due to usage of construction cost of sales based on progressive work.

4. Gains from sales of immovable property

4.1 Gains on sale of land held for development

For year 2016, the Company and its subsidiaries had gain from sales of land held for development in the total of Baht 69.82 Million, i.e., from sales of 2 plots of land held for development on April 27, 2016 with land title deeds, No. 4064 and No. 4065, located in Tambol Klong Nueng, Amphur Klong Luang, Prathumtani Province. This plot of land had contract value of Baht 5.00 Million so the gain from sales of land held for development was in the amount of Baht 0.76 Million comparing to contract value. On August 24, 2017, the Company sold the plot of land with land title deeds No. 281085 and No. 281088 located in Tambol Praeksa, Amphur Muang, Samutprakan Province. Those plots of land had the contractual value of Baht 100.00 Million so the Company had gain on sales of those plots of Land held for development in the amount of Baht 69.06 Million after deduction of costs of sale and selling expenses.

4.2 Gain on sales of investment properties

For year 2016, the Company and its subsidiaries had gain on sales of investment properties with land title deed No. 1641 located in Tambol Bueng Kham Proy (Klong Sam Wah Sai Lang Tai), Amphur Lamluka, Prathumtani Province in the amount of Baht 0.58 Million.

5. Expense

5.1 Selling expenses

For year 2016, the selling expenses was decreased by Baht 16.41 Million or 31.86 percent compared to year 2015, due to the Company and its subsidiaries had the advertising expenses and sale promotions decreased compared to year 2015. The specific business tax and transfer fees are in line with the income derived.

5.2 Administrative expenses

For year 2016, the administrative expenses was decreased by Baht 26.59 Million or 23.90 percent compared to year 2015, due to decrease of salary, employment benefit, doubtful accounts, fees and other administrative expenses which are in line with the Company's organizational management as aforementioned details. The doubtful debts in year 2016 was reversed in the amount of Baht 62.94 Million compared to year 2015 which had the same in the amount of Baht 394.21 Million, decreased by Baht 457.15 Million.

6. Reversed doubtful debts

For year 2016, the doubtful debts were reversed in the amount of Baht 62.94 Million due to the Company issued short-term bills of exchange to the financial institute (Solaris Fund) as of December 31, 2015 in the amount of Baht 400.00 Million without accounting record. Thereafter, on the 2nd quarter of year 2016, the Company redeemed the short-term bills of exchange from the financial institute (Solaris Fund) in the amount of Baht 50.00 Million. Therefore, the Company had a balance of short-term bills of exchange with Solaris Fund as of December 31, 2016 in the amount of Baht 350 Million. However, two Executive Directors at that time (already resigned) with another third party had improperly used the money received from issuance of bills of exchange. The Securities and Exchange Commission (SEC) has ordered to revise the year 2015 financial statements and the 3rd quarter of year 2016 financial statements. In this case, the Company has record the doubtful debts for the revised year 2015 financial statements. As a result of redeeming of the bills of exchange from Solaris Fund in the amount of Baht 50.00 Million in the 2nd quarter of year 2016, there were the doubtful debts in the amount of Baht 64.98 Million reversed during year 2016. However, the Company had recorded the additional doubtful debts in relation to

expenses from purchase of land located in Tambol Bueng Kham Proy, Amphur Lamluka, Pratumthani Province, in the amount of Baht 0.64 Million and advance payment which has not been returned from a resigned Executive Director in the amount of Baht 1.40 Million, totaling to Baht 2.04 Million. The reversed doubtful debts were Baht 62.94 Million.

7. Finance costs

Finance costs were comprising of an interest paid to banks and interests paid in accordance with hire-purchase agreements for year 2016. Finance costs were decreased by Baht 9.43 Million or 20.7 percent compared to year 2015, due to the Company and its subsidiaries had the amount of loan recognition in year 2015 more than those of year 2016.

8. Income Tax Expense

For year 2016, income tax expenses were increased from Baht 9.44 Million to Baht 10.00 Million or 1768.27 percent compared to year 2015 and vary from the increase of revenue as mentioned above.

9. Profit for the period

The Company and its subsidiaries had profits for year 2016 in the amount of Baht 88.12 Million compared to the loss for year 2015 in the amount of Baht -411.73 Million due to:-

1. Gains from sales of immovable property in total amount of Baht 70.40 Million; and
2. Reverse of doubtful debts in the amount of Baht 62.94 Million.

If the aforementioned special items are excluded, the Company will loss on operating in the amount of Baht 45.22 Million.

10. Financial position

Particulars	Dec 31, 2016	Dec 31, 2015	YoY	%
Assets (Million Baht)	1,544.93	2,060.09	-515.15	-25.01%
Total Liabilities (Million Baht)	644.40	1,255.62	-611.22	-48.68%
Total Shareholders' Equity (Million Baht)	900.53	804.46	96.07	11.94%

As at December 31, 2016, the Company and its subsidiaries had the total assets decreased in year 2015 by Baht 515.15 Million or 25.01 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 611.22 Million or 48.68 percent compared to year 2015, 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, 2016, the Company and its subsidiaries had the total shareholders' equity increased from year 2015 by Baht 96.07 Million or 11.94 percent compared to year 2015.

Sincerely,

- *Signature* -

(Mr. Kitisan Mookdee)

Director and Managing Director