

(Translation)

No. MD119/2560

August 29, 2017

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

Particulars	Year 2015		Year 2014		increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue						
Revenue from immovable property sales	919.19	98.12%	509.24	94.7%	409.95	80.50%
Other income	17.60	1.88%	28.28	5.26%	-10.68	-37.78%
Total Income	936.78	100.00%	537.52	100.00%	399.26	74.28%
Expense						
Cost of sales	746.55	79.69%	326.94	60.82%	419.61	128.34%
Selling expenses	51.52	5.50%	57.61	10.72%	-6.09	-10.57%
Administrative expenses	111.24	11.87%	112.11	20.86%	-0.87	-0.78%
Doubtful debts	394.21	42.08%	--	-	394.21	100.00%
Loss from impairment of property investment	-	-	-	-	-	-
Total Expense	1,303.52	139.15%	496.67	92.40%	806.86	162.45%
Profit before finance costs and income tax expense	-366.74	-39.15%	40.85	7.60%	- 407.59	-997.74%
Finance costs	45.56	4.86%	42.13	7.84%	3.43	8.15%
Profit before income tax expense	-412.30	-44.01%	-1.28	-0.24%	- 411.02	32216.29%
Income tax expense	0.57	0.06%	-9.18	-1.71%	9.75	-106.16%
Profit for the period	-411.73	-43.95%	-10.46	-1.95%	-401.27	3836.88%

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 immovable property sales

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

Sales of 2 large plots of land of the Company's Project, i.e., K.C. Garden 1 Land Project and Land on Sukhumvit 66 in total Baht 148.60 Million.

Sales for 3 additional immovable properties of the Company's projects comprising of K.C. Natural City Ramkhamhaeng Project, K.C. Ram-Indra Project – Phase II and K.C. Natural Park-Rom Klao Project – Phase II with value of Baht 369.92 Million, total sales of projects value was Baht 518.52 Million. Therefore, if sales of the aforementioned projects are excluded, the Company will earn the revenue from immovable property sales for year 2015 in the amount of Baht 400.67 Million.

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, due to decrease of incomes derived from utilities, management services, and profits from mathematics calculation.

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 immovable property sales as detailed shown in the below table of revenue from business operations performance.

Particulars	Year 2015	Year 2014	increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from immovable 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 immovable property sales as detailed shown in the below table of revenue from business operation performance as follows:

Due to the Company sales of five projects for plots of land and properties, there were different costs of sales for each sale as follows:

Two land sales projects had cost of sales in the amount of Baht 108.93 Million and gross profit in the amount of Baht 39.67 Million.

Costs of sales for other 3 projects had in the amount of Baht 358.75 Million and gross profit in the amount of Baht 11.17 Million.

Costs of sales of the Company's immovable property projects for year 2015 were Baht 278.87 Million, gross profit in the amount of Baht 121.80 Million and gross profit ratio was 30.40 percent.

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 sales of lots of entire projects as mentioned above.

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 decreased by Baht 0.87 Million or 0.78 percent compared to year 2014, due to decrease of salary, employment benefit, Doubtful debts, fees and other administrative expenses which are in line with the Company's organizational management as aforementioned details.

4.3 Doubtful debts

For year 2015, the Company had the doubtful debts from misuse of income derived from bills of exchange issuance by the resigned Executive Directors. The Company sued the 2 aforementioned Executive Directors and another third party in the amount of Baht 394.21 Million.

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 loss for year 2015 in the amount of Baht 411.73 Million due to doubtful accounts in the amount of Baht 394.21 Million as the loss for year 2014 was Baht 10.46 Million.

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 Mookdee)

Director and Managing Director