

October 3, 2019

Re: Clarification of the operating results of company and its subsidiaries for the six month periods ended June 30, 2018

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 second Quarter of 2018 (Q2/2018) as follows:

(Unit: million Baht)

For 6 months, end of June 30, 2018

Financial Statement	Consolidate financial statement			
	Q2/2018	Q2/2017	Increase (decrease) %	
Revenues from sales				
Revenues from sales	109.90	139.14	(29.24)	(0.21)
Other income	3.20	3.58	(0.38)	(0.11)
Total Revenue	113.10	142.72	(29.62)	(0.21)
Expenses				
Cost of sales	76.18	123.51	(47.33)	(0.38)
Distribution costs	15.40	11.92	3.48	0.29
Administrative expenses	45.78	38.88	6.90	0.18
Loss on cancel of joint venture agreement	-	15.84	(15.84)	(1.00)
Impairment loss of land held for development	-	5.83	(5.83)	(1.00)
Loss from litigation	0.61	-	0.61	N/A
Impairment loss of deposits for land	-	41.30	(41.30)	N/A
(Doubtful accounts) reversal of allowance for doubtful accounts	1.25	0.24	1.01	4.21
Total expenses	139.22	237.52	(98.30)	(0.41)
Profit (loss) before finance cost & income tax expense	(26.12)	(94.80)	68.68	0.72
finance cost	36.12	22.30	13.82	0.62
Profit (loss) before income tax expense	(62.24)	(117.10)	54.86	0.47
Tax income (expense)	-	-	-	N/A
Profit (loss) for the period	(62.24)	(117.10)	54.86	0.47
% Profit (loss) for the period	(55.03%)	(82.05%)		

1. Operating revenue

In summary, company and subsidiaries had total revenue for Q2/ 2018 and Q2/ 2017 at Baht 113.1 million, and Baht 142.72 million respectively. The decrease of Baht 29.62 million is equivalent to 20.75%, compared to Q 2/2017.

1.1 Revenue from sales of land and houses

In Q2 /2018, the sales revenue from land and houses recorded Baht 109.90 million which decrease Baht 29.24 million or 21.01% compared to Q2/2017. The details are as follows.

In Q2/2018 the sales revenue for 6 months Baht 109.9 million generated from sales of house and land. In Q2/2017 the revenue from sales of land and houses in 2017 was Baht 139.14 million. Sales revenue of year Q2/2018 decrease Baht 29.24 million, compared to Q2/ 2017.

1.2 Other revenue

The other revenue of company in Q2/ 2018 at Bath 3.20 million, decreasing at Baht 0.38 million or 10.61% compared to Q2/ 2017.

2. Cost of sales

In Q2/2018, the cost of sales at Baht 76.18 million, decrease of Baht 47.33 million or 38.32% compared to Q2/ 2017, varied to the decreased revenue from sales of land and houses as bellows.

List	Q2/2018	Q2/2017	increase(decrease)	
	Baht	Baht	Baht	%
Revenue from home and land sales	109.9	139.14	(29.24)	(21.01%)
Cost of home and land sales	76.18	123.51	(47.33)	(38.32%)
GROSS PROFIT	33.72	15.63	18.09	115.74%
% GROSS PROFIT	30.68%	11.23%	19.45%	

3. Gross profit

In Q2/2018, the gross profit at Baht 33.72 million, increase of Baht 18.09 million or 115.74% compared to Q2/ 2017, varied to the decreasing of revenue from sales of land and houses , details as presented in operating revenue table.

Gross profit margin for the six month as at June 2018 and as at June 2018 as 33.72%, 15.63 % increase 19.45%.

4. Expenses

4.1 Distribution cost

In Q2/2018, the distribution cost at Baht 15.4 million, increased Baht 3.48 million or 29.19% compared to Q2/2017 because company and subsidiaries had paid commission to agent for sale house according to condition.

4.2 Administrative expenses

In Q2/2018, the administrative expenses at Baht 45.78 million, increased Baht 6.90 million or 17.75% compared to Q2/2017 because of increasing of wage, welfare for employees etc.

4.3 Other expenses

4.3.1 In Q2/2018, the doubtful account of company at Baht 1.25 million, increased Baht 1.01 million, increased 420.83%, compared to Q2/2017, which charged fee from joint venture agreement project.

4.3.2 Loss from litigation at Baht 0.61 million

5. Financial expenses

Financial expenses consisted of interest of banks and interest of hire purchase in Q2/2018 at Baht 36.12 million, increased Baht 13.82 million or 61.97% compared to Q2/2017 because company and subsidiaries had defaulted loan.

6. Profit for the period

Company and subsidiaries had profit (loss) in Q2/2018 at (Baht 62.24 million), compared to Q2/2017 that was profit (loss) at Baht (117.10 million).

Statement of Financial Position

(Unit : Million Baht)

STATEMENT OF FINANCIAL POSITION	Q2/2018	Q2/2017	increase (decrease)	
Consolidate financial statement				
TOTAL ASSET	1,185.22	1,214.62	(29.4)	(2.42%)
TOTAL LIABILITY	701.72	668.88	32.8	4.91%
TOTAL SHAREHOLDERS' EQUITY	483.50	545.74	(62.2)	(11.40%)

STATEMENT OF FINANCIAL POSITION	Q2/2018	Q2/2017	increase (decrease)	
Separate financial statement				
TOTAL ASSET	1,192.34	1,221.65	(29.3)	(2.40%)
TOTAL LIABILITY	754.88	721.36	33.5	4.65%
TOTAL SHAREHOLDERS' EQUITY	437.46	500.29	(62.8)	(12.56%)

At the second Quarter of 2018, company and subsidiaries had less total assets than last year 2017 at Baht 29.40 million or 2.42%, more total liabilities at Baht 32.80 million or 4.91%, less total equity Baht 62.20 million or 11.40%.