



November 14, 2019

Re: Clarification of the operating results of company and its subsidiaries for the six months period end of June 30, 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 six months period end of June 30, 2019 as follows:-

(Unit: million Baht)

For 6 months, end of June 31, 2019

Financial Statement	Consolidate financial statement				% revenue from sales	
	Q2/2019	Q2/2018	increase(decrease)		Q2/2019	Q2/2018
Revenues from sales	121.53	109.90	11.63	10.58%	100.00%	100.00%
Cost of sales	(90.36)	(76.18)	(14.18)	18.61%	(74.35%)	(69.32%)
<b>Gross Profit</b>	<b>31.17</b>	<b>33.72</b>	<b>(2.55)</b>	<b>(7.56%)</b>	25.65%	30.68%
Other income	4.87	3.20	1.67	52.19%	4.01%	2.91%
Distribution costs	(13.55)	(15.40)	(1.85)	12.01%	(11.15%)	(14.01%)
Administrative expenses	(46.28)	(45.78)	0.50	(1.09%)	(38.08%)	(41.66%)
Other Expenses					0.00%	0.00%
Doubtful accounts	(0.86)	(1.25)	0.39	31.20%	(0.71%)	(1.14%)
Loss from litigation		(0.61)	0.61	N/A	0.00%	(0.56%)
Finance costs	(26.13)	(36.12)	(9.99)	27.66%	(21.50%)	(32.87%)
Tax income (expense)	(3.16)	0.00	3.16	N/A	(2.60%)	0.00%
<b>Profit (loss) for the period</b>	<b>(53.94)</b>	<b>(62.24)</b>	<b>8.30</b>	<b>13.34%</b>	<b>(44.38%)</b>	<b>(56.63%)</b>
Basic earnings per share-Owners of the Company	<b>(0.06)</b>	<b>(0.07)</b>				
Attributable to						
Owners of the Company	(53.94)	(62.24)	8.30	13.34%		
Non-controlling interests	-	-	-	-		



## 1. Operating revenue

In summary, company and subsidiaries had total revenue for the second quarter of 2019, and the same period last year Baht 126.4 million, and Baht 113.10 million respectively. The increase of Baht 13.30 million is equivalent to 11.76%, compared to the same period last year 2018.

### 1.1 Revenue from sales of land and houses

In the second quarter period of 2019, the sales revenue from land and houses recorded Baht 121.53 million and Baht 109.90 million, which increase Baht 11.63 million or 10.58% compared to the same period of 2018.

### 1.2 Other revenue

The other revenue of company in six months period of 2019 at Baht 4.87 million and compared to the same period 2018, amount Baht 109.90 million increasing at Baht 11.63 million or 10.58%.

## 2. Cost of sales

In the six months period of year 2019, the cost of sales at Baht 90.36 million, increase of Baht 14.18 million or 0.19% compared to the same period 2018, varied to the decreased revenue from sales of land and houses as bellows.

Description	Q2/2019	Q2/2018	increase(decrease)	
	million Baht	million Baht	million Baht	%
Revenues from sales	121.53	109.9	11.63	10.58%
Cost of sales	90.36	76.18	14.18	18.61%
<b>Gross Profit</b>	<b>31.17</b>	<b>33.72</b>	<b>(2.55)</b>	<b>(7.56%)</b>
<b>% Gross Profit</b>	<b>25.65%</b>	<b>30.68%</b>	<b>(0.05)</b>	

## 3. Gross profit

For the six months period of 2019, the gross profit at Baht 31.17million, increase of Baht 2.55 million or 7.56% compared to the same period of year 2018, varied to the decreasing of revenue from sales of land and houses, details as presented in operating revenue table.

Gross profit margin of land and houses in the first six months of 2019 and 2018 were 31.17% and 33.72% respectively, decreased 7.56 %.



#### 4. Expenses

##### 4.1 Selling expenses

For the first six months 2019, the selling expenses at Baht 13.55 million, decreased Baht 1.85 million or 12.01% compared to the same period of 2018 because company and subsidiaries had less advertisement and promoting expenses. Specific business tax and transfer fee were in accordance to revenue.

##### 4.2 Administrative expenses

In the first six months 2019, the administrative expenses at Baht 46.28 million, increased Baht 0.50 million or 1.09% compared to the same period of 2018 because of increasing of wage, welfare for employees etc.

#### 5. Other expenses

##### 5.1 Doubtful account

In the first six months of 2019, the doubtful account of company at Baht 0.86 million, decreased Baht 0.39 million, or 31.20%, setting allowance for fees from joint ventures.

#### 6. Financial expenses

Financial expenses consisted of interest of banks and interest of hire purchase in the first six months of 2019 at Baht 26.13 million, decreased Baht 9.99 million or 27.66% compared to the same period of 2018 because company and subsidiaries had defaulted loan.

#### 7. Profit for the period

Company and subsidiaries had profit (loss) in the first six months of 2019 at (Baht 53.94 million), because of loss of operating and reduced sales increase on selling expenses administrative expenses financial expenses and doubtful account Baht 0.86 million.

#### Statement of Financial Position

(Unit: million Baht)

Financial Statement	Q2/2019	Q2/2018	Increase (decrease)	
Consolidate financial statement				
TOTAL ASSET	1,130.64	1,185.22	(54.58)	(4.61%)
TOTAL LIABILITIES	726.51	701.72	24.79	3.53%
TOTAL SHAREHOLDER EQUITY	404.14	483.50	(79.36)	(16.41%)



As at June 30, 2019, company and subsidiaries had less total assets than the period June 30, 2018 at Baht 54.58 million or 4.61%, because of the Cost of real estate development projects for sales, deposit for land, Land held for development, Leasehold improvement and equipment, Cash and Bank. And total liabilities at Baht increase Baht 24.79 million or 3.53%, cause of company had defaulted debt so have increase more interest rate default, account payable, other payable, which for working capital and project, Decrease on Deposit receives and other. And now company has the development projects 10 projects. Shareholder equity less total Baht 79.36 million or 16.41%.

Yours sincerely

( Mr. Santi Piyatat )

Managing Director

K.C. Property Public Company Limited