



October 11, 2019

Re: Clarification of the operating results of company and its subsidiaries for the year ended as at December 31, 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 year of 2018 as follows:-

For 12 months, end of December 31, 2018

(Unit: million Baht)

Financial Statement	Consolidate financial statement				% revenue from sales	
	2018	2017	increase(decrease)		2018	2017
Revenues from sales	175.66	295.89	(120.23)	(40.63%)	100.00%	100.00%
Cost of sales	(127.43)	(290.46)	163.03	(56.13%)	(72.54%)	(98.16%)
<b>Gross Profit</b>	<b>48.23</b>	<b>5.43</b>	<b>42.80</b>	<b>788.21%</b>	27.46%	1.84%
Other income	8.49	10.19	(1.70)	(16.68%)	4.83%	3.44%
Gain on disposal of investment property	12.21	0.00	12.21	N/A	6.95%	0.00%
Revenues from reduction of defaulted interest under the Court's order	16.66	0.00	16.66	N/A	9.48%	0.00%
Distribution costs	(24.14)	(26.13)	(1.99)	7.62%	(13.74%)	(8.83%)
Administrative expenses	(94.34)	(95.86)	(1.52)	1.59%	(53.71%)	(32.40%)
Other Expenses						
Loss on cancel of joint venture agreement	-	(25.50)	25.50	(100.00%)	0.00%	(8.62%)
Impairment loss of land held for development	-	(47.13)	47.13	100.00%	0.00%	(15.93%)
Loss from litigation	(0.61)	(15.86)	15.25	96.15%	(0.35%)	(5.36%)
Doubtful accounts	(1.63)	(2.39)	0.76	31.80%	(0.93%)	(0.81%)
Finance costs	(50.61)	(62.30)	(11.69)	18.76%	(28.81%)	(21.06%)
Tax income (expense)	(2.69)	(0.26)	2.43	(934.62%)	(1.53%)	(0.09%)
<b>Profit (loss) for the period</b>	<b>(88.43)</b>	<b>(259.81)</b>	<b>171.38</b>	<b>65.96%</b>	<b>(50.34%)</b>	<b>(87.81%)</b>
<b>Other Comprehensive income</b>					0.00%	0.00%
Actuarial gain (Loss) Employee benefit plans	0.77	-	0.77	N/A	0.44%	0.00%
<b>Total Other Comprehensive income</b>	<b>0.77</b>	<b>-</b>	<b>0.77</b>	<b>N/A</b>	0.44%	0.00%
<b>Total comprehensive income (expense) for the period</b>	<b>(87.66)</b>	<b>(259.81)</b>	<b>172.15</b>	<b>66.26%</b>	<b>(49.90%)</b>	<b>(87.81%)</b>
Basic earnings per share-Owners of the Company	(0.10)	(0.30)	0.20	65.96%	(0.06%)	(0.10%)
Attributable to						
Owners of the Company	(88.43)	(259.81)	171.38	65.96%		
Non-controlling interests	-	-	-	-		
Total comprehensive income attributable to						
Owners of the Company	(87.66)	(259.81)	172.15	66.26%		
Non-controlling interests	-	-	-	-		



## 1. Operating revenue

In summary, company and subsidiaries had total revenue for the year 2018 and the last year at Baht 213.02 million, and Baht 306.08 million respectively. The decrease of Baht 93.06 million is equivalent to 30.40%, compared to the last year.

### 1.1 Revenue from sales of land and houses

In the year 2018, the revenue from sales land and house had decrease Baht 120.23 million or 40.63% compared to year 2017. The details are as follows.

In the year 2018 the revenue from sales amount Baht 175.66 million. [Compare to last year was Baht 295.89 million.](#) decrease Baht 120.23 million.

### 1.2 Other revenue

The other revenue of company in the year 2018 at Bath 37.36 million, increasing at Baht 27.17 million or 266.63 % compared to the year 2017.

1.2.1 Gain on disposal of investment property amount of 12.21 Baht million , the subsidiary has sold a plot of land of title deed No. 1641 which located at Bueng Kamproy Sub-district (The south Khlong Hok Wha Canal), Lum Lukka District (Minburi), Patum Tani Province in the price of Baht 35 million (at the cost of Baht 20.31 million) for the area of 10 Rais 0 Ngan and 62 Square Wah and had the related expenses such as transferring fee, specific business tax, and commission total amount of Baht 2.48 million, remains profit on sale of investment property amount of Baht 12.21 million .

1.2.2 Revenues from reduction of defaulted interest under the Court's order amount 16.66 Baht million. On September 25, 2019, the Appeal Court has modified decision by ordering the Company to make debt settlement in the form of short-term bills of exchange in the amount of Baht 350.00 million and defaulted interest at the rate of 8.50% per annum of the amount on bills of exchange counting from the defaulted date onwards (April 11, 2017) until the payment is completed. The appeal costs had to be bear, other than the modified decision to be conformed to the Court of First Instance's judgment. Moreover, the plaintiff and the Company are currently filing the petition to the Supreme Court. At present, the Company has recorded interest expenses for the year 2018 at the rate of 8.50% per annum and reversed the accrued interest which has been recorded at the default rate of 15%, accumulated from the default date until the beginning of 2018 to be the rate of 8.50% per annum, total amount of Baht 16.66 million as revenues from reduction of defaulted interest under the Appeal Court's order and the case is under the execution to seize such land for sale by auction.



## 2. Cost of sales

In the year 2018, the cost of sales amount Baht 127.43 million, decrease of Baht 163.03 million or 56.13% compared to the last year, varied to the decreased revenue from sales of land and houses as bellows.

Item	2018	2018	increase(decrease)	
	million Baht	million Baht	million Baht	%
Revenues from sales	175.66	295.89	(120.23 )	(40.63%)
Cost of sales	127.43	290.46	(163.03 )	(56.13%)
<b>Gross Profit</b>	<b>48.23</b>	<b>5.43</b>	<b>42.80</b>	<b>788.21%</b>
<b>% Gross Profit</b>	<b>27.46%</b>	<b>1.84%</b>	<b>25.62%</b>	

## 3. Gross profit

In the year 2018, the gross profit at Baht 48.23 million, increase of Baht 42.80 million or 788.21 % compared to the year 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 year 2018 and 2017 as 27.46%, 1.84 % increase 25.62%

## 4. Expenses

### 4.1 Distribution cost

In the year 2018, the distribution cost at Baht 24.14 million, decreased Baht 1.99 million or 7.62 % compared to the year 2017 because company and subsidiaries had paid commission to agent for sale house according to condition .[Property tax and transfer fee.](#)

### 4.2 Administrative expenses

In the year 2018, the administrative expenses at Baht 94.34 million, decreased Baht 1.52 million or 1.59% compared to the year 2017 [because of increasing of wage, welfare for employees etc.](#)

### 4.3 Other expenses

4.3.1 In the year 2018, the doubtful account of company at Baht 1.63 million, decreased Baht 0.76 million, decreased 31.80%, compared to the year 2017 ,Which charged fee from join venture agreement project and claim damages from two former directors.

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 the year 2018 at Baht 50.61 million, decreased Baht 11.69 million or 18.76 % compared to Q4/2017 because company and subsidiaries had defaulted loan , [On September 25, 2019, the Appeal Court has modified decision by ordering the Company to make debt settlement in the form of short-term bills of exchange in the amount of Baht 350.00 million and defaulted interest at the rate of 8.50% per annum .](#)

## 6. Profit for the period

Company and subsidiaries had profit (loss) in the year 2018 at (Baht 88.43 million), compared to the year 2017 that was profit (loss) at Baht (259.81 million) as:

1. Doubtful accounts amount Baht (1.63 )million
2. Loss from litigation amount Baht (0.61) million
3. Finance costs (defaulted loan) amount Baht (50.61) million
4. Gain on disposal of investment property amount Baht 12.21 million
5. Revenues from reduction of defaulted interest under the court order amount Baht 16.66 million.

## Statement of Financial Position

(Unit: million Baht)

Financial Statement	2018	2017	Increase (decrease)	
Consolidate financial statement				
TOTAL ASSET	1,176.17	1,214.62	(38.45)	(3.17%)
TOTAL LIABILITIES	718.09	668.88	49.21	7.36%
TOTAL SHAREHOLDER EQUITY	458.08	545.74	(87.70)	(16.06%)

(Unit: million Baht)

Financial Statement	2018	2017	Increase (decrease)	
Separate financial statement				
TOTAL ASSET	1,201.81	1,221.65	(19.84)	(1.62%)
TOTAL LIABILITIES	799.92	721.36	78.56	10.89%
TOTAL SHAREHOLDER EQUITY	401.89	500.29	(98.40)	(19.67%)



At the year ended of 2018, company and subsidiaries had less total assets than last year 2017 at Baht 38.45 million or 3.17 %, which consisting of Costs of real estate development projects for sale, deposit for land held for development improvement and equipment , cash and equivalents. More total liabilities which increase at Baht 49.21 million or 7.36 %, defaulted liabilities, trade and other current payable, finance lease liabilities. Now, the company has 10 projects for sale.

As at December 31, 2018, company and subsidiaries had less total equity Baht 87.70 million or 16.06%.

Yours sincerely,

( Mr. Santi Piyatat )

Managing Director

K.C. Property Public Company Limited