

May 14, 2020

Re: Clarification of the operating results of company and its subsidiaries for the three months period end March 31, 2020

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 three month period end March 31, 2020 as follows: -

(Unit: million Baht)

For 3 months, end of March 31, 2020

Financial Statement	Consolidate financial statement				% Revenue from sales	
	Q1/2020	Q1/2019	Increase (decrease)		Q1/2020	Q1/2019
Revenue from sales	45.46	67.47	(22.01 )	(32.62%)	100.00%	148.40%
Cost of sales	(34.89 )	(48.06 )	13.17	(27.41%)	(76.73%)	(105.71%)
<b>Gross Profit</b>	<b>10.58</b>	<b>19.41</b>	<b>(8.83 )</b>	<b>(45.50%)</b>	<b>23.27%</b>	<b>28.77%</b>
Other income	3.02	2.78	0.24	8.53%	6.64%	4.12%
Distribution costs	(11.60 )	(6.03 )	5.57	(92.39%)	(25.52%)	(8.94%)
Administrative expenses	(24.94 )	(23.09 )	1.85	(7.99%)	(54.85%)	(34.22%)
Other expenses						
Doubtful accounts	0.86	(0.57 )	1.43	(250.53%)	1.89%	(0.84%)
Finance costs	(8.48 )	(13.07 )	(4.59 )	35.15%	(18.64%)	(19.37%)
Tax income (expenses)	(0.76)	(2.64)	(1.88 )	71.06%	(1.68%)	(3.91%)
<b>Profit (loss) for the period</b>	<b>(31.32)</b>	<b>(23.21)</b>	<b>(8.11)</b>	<b>(34.96%)</b>	<b>(68.90%)</b>	<b>(34.40%)</b>
<b>Basis earning per share-Owners of the company</b>	<b>(0.04)</b>	<b>(0.03)</b>	<b>(0.062)</b>	<b>(76.62%)</b>	-	-
<b>Other comprehensive income</b>						
Actuarial gain (Loss) Employee benefit plans						
Total Other Comprehensive income	(0.30)	-	(0.30)	n/a	(0.66%)	0.00%
<b>Total Other Comprehensive income</b>	<b>(0.30)</b>	<b>-</b>	<b>(0.30)</b>	<b>n/a</b>	<b>(0.66%)</b>	<b>0.00%</b>
Attributable to						
Owners of the Company	(31.62)	(23.21)	8.41	(36.25)		
Non-controlling interests	-					

## 1. Operating revenue

In summary, company and subsidiaries had total revenue for year ended 2020, and the same period last year Baht 48.48 million, and Baht 70.25 million respectively. The decrease of Baht 21.77 million is equivalent to 30.99%, compared to the same period last year 2019.

### 1.1 Revenue from sales of land and houses

In first three months of 2020, the sales revenue from land and houses recorded Baht 45.46 million which decrease Baht 22.01 million or 32.62 % compared to the same period of year 2019.

### 1.2 Other revenue

The other revenue of company in first month of 2020 at Bath 3.02 million, increasing at Baht 0.24 million or 8.53 % compared to the same period of year 2019.

## 2. Cost of sales

The first quarter 2019, the cost of sales at Baht 45.46 million, decrease of Baht 22.01 million or 32.62% compared to the same period of year 2019, varied to the decreased revenue from sales of land and houses as bellows.

(Unit : Million Baht)

รายการ	Q1/2020	Q1/2019	increase(decrease)	
	Baht	Baht	Baht	%
Revenue from sales	45.46	67.47	(22.01 )	(32.62%)
Cost of sales	34.89	48.06	(13.17 )	(27.40%)
Gross Profit	10.58	19.41	(8.83 )	(45.49%)
% Gross profit	23.27%	28.77%	(0.05 )	

## 3. Gross profit

The first quarter 2020, the gross profit at Baht 10.58 million, decrease of Baht 8.83 million or 45.49% compared to the same period of year 2019, 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 quarter 2020 and 2019 were 23.27% and 28.77% respectively, decreased 0.05%.

#### 4. Expenses

##### 4.1 Selling expenses

In the first quarter 2020, the selling expenses at Baht 11.60 million, increased Baht 5.57 million or 92.39% compared to the same period of year 2019 because company and subsidiaries had increased advertisement and promoting expenses. Specific business tax and transfer fee were in accordance to revenue.

##### 4.2 Administrative expenses

In the first quarter 2020, the administrative expenses at Baht 24.94 million, increased Baht 1.85 million or 7.99% compared to the same period of 2019 because of increasing of wage, welfare for employees etc.

#### 5. Other expenses

##### 5.1 Doubtful account

In the first quarter 2020, company and subsidiaries had reverse the doubtful account amount Baht 0.85 million.

#### 6. Financial expenses

Financial expenses consisted of interest of banks and interest of hire purchase in the first quarter 2020 at Baht 8.48 million, decreased Baht 4.59 million or 35.15% compared to the same period of 2019 because company and subsidiaries had paid some principal and Interest expense as interest on default debt.

#### 7. Profit for the fiscal period

Company and subsidiaries had profit (loss) in the first quarter of 2019 at (Baht 31.32 million), because of loss of operating and reduced sales increase on selling expenses financial expenses and doubtful account.

### Statement of Financial Position

(Unit : Million Baht)

STATEMENT OF FINANCIAL POSITION	Q1/2020	Q1/2019	increase (decrease)	
Consolidate financial statement				
TOTAL SASSET	899.31	1,155.84	(256.53)	(22.19%)
TOTAL LIABILITIES	629.52	720.97	(91.45)	(12.68%)
TOTAL SHAREHOLDERS' EQUITY	269.79	434.87	(165.08)	(37.96%)

As the March 31, 2020, company and subsidiaries had less total assets than the period March 31, 2020 at Baht 256.53 million or 22.19%, 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 decrease Baht 91.45 million or 12.68%, 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 project 5 projects. Shareholder equity less total Baht 165.08 million or 37.96%.

Please be informed accordingly

Yours sincerely,

( Mr. Santi Piyatat )

Managing Director

K.C. Property Public Company Limited