

รพ RP-AC 004/2015

11th November 2015

Subject Clarification of 3Q15 Operating Results

To Directors and Managers of The Stock Exchange of Thailand

Richy Place 2002 Public Company Limited (RICHY) would like to clarify the company operating results for three-month and nine-month period ended 30th September 2015 as follows:

Comparison of profit and loss between three-month periods ended September 2015 and September 2014

Unit : million baht

Profit and Loss Statement	30 th September 2015		30 th September 2014		In(De)crease	%
	million baht	%	million baht	%		
Revenue from sale of real estate	107.45	99.11	240.12	99.05	(132.67)	(55.25)
Other income	0.97	0.89	2.30	0.95	(1.34)	(58.05)
Total income	108.42	100.00	242.42	100.00	(134.00)	(55.28)
Cost of real estate sales	70.73	65.83	155.36	64.70	(84.63)	(54.47)
Gross profit	37.69	34.76	87.06	35.91	(49.37)	(56.71)
Selling and Administrative expenses	23.72	21.88	34.67	14.30	(10.95)	(31.58)
Selling expenses	16.22	14.96	22.31	9.20	(6.09)	(27.31)
Administrative expenses	7.50	6.92	12.35	5.10	(4.85)	(39.27)
Profit before finance costs and income tax expense	13.96	12.88	52.39	21.61	(38.42)	(73.34)
Finance costs	0.85	0.78	1.37	0.57	(0.53)	(38.30)
Profit before income tax expense	13.12	12.10	51.02	21.04	(37.90)	(74.29)
Income tax expense	2.51	2.32	12.99	5.36	(10.48)	(80.67)
Profit for the year	10.61	9.78	38.03	15.69	(27.42)	(72.11)

Comparison profit and loss between nine-month periods ended September 2015 and September 2014

Unit : million baht

Profit and Loss Statement	30 th September 2015		30 th September 2014		In(De)crease	%
	million baht	%	million baht	%		
Revenue from sale of real estate	330.45	99.01	440.07	98.21	(109.62)	(24.91)
Other income	3.31	0.99	8.04	1.79	(4.72)	(58.80)
Total income	333.76	100.00	448.11	100.00	(114.34)	(25.52)
Cost of real estate sales	221.29	66.30	283.54	63.27	(62.25)	(21.95)
Gross profit	112.47	33.70	164.57	36.73	(52.10)	(31.66)
Selling and Administrative expenses	80.44	24.10	87.13	19.44	(6.69)	(7.68)
Selling expenses	55.59	16.66	55.12	12.30	0.47	0.86
Administrative expenses	24.85	7.45	32.01	7.14	(7.16)	(22.37)
Profit before finance costs and income tax expense	32.03	9.60	77.44	17.28	(45.41)	(58.64)
Finance costs	4.82	1.44	5.17	1.15	(0.35)	(6.69)
Profit before income tax expense	27.21	8.15	72.27	16.13	(45.06)	(62.35)
Income tax expense	6.72	2.01	17.40	3.88	(10.68)	(61.37)
Profit for the year	20.49	6.14	54.87	12.25	(34.39)	(62.67)

Remark: Proportions of profit and loss statement are presented in percentages to total revenues, excluding Cost of real estate sales that is presented in a percentage to Revenue from sale of real estate.

Total Revenue

For 3Q15, the company generated revenue of 107.45 million baht, decreased by 132.67 million baht or decreased by 55.25% compared to the same quarter last year. This was due to the completion of the Rich Park@Taopoon Interchange project in last year, which had enabled the company to earn higher revenue recognition than in 3Q14.

For the first nine months of the fiscal year 2015, the company generated revenue of 330.45 million baht, decreased by 109.62 million baht or decreased by 24.91% compared to the same quarter last year. The main factor was because of the transfer of condominium ownership in Rich Park @ Taopoon interchange project after its completion, which caused the revenue to be higher than in this fiscal year.

Revenue from sale of real estate by project:

Project	Revenue		Increase (Decrease)	%
	30-Sep-15	30-Sep-14		
■ Condominium	272.78	343.68	(70.90)	(20.63)
- LE RICH @Rama 3	5.76	18.80	(13.04)	(69.36)
- LE RICH @Ratchada	-	27.49	(27.49)	(100.00)
- LE RICH @Aree	-	16.14	(16.14)	(100.00)
- Rich Park @Bangson Station	40.90	79.52	(38.62)	(48.57)
- Rich Park @Toupon Station	226.12	201.73	24.39	12.09
■ Townhomes	57.66	96.39	(38.73)	100
- The Rich Biz Home @Sukhumvit 105	50.37	96.39	(46.02)	(47.74)
- The Rich Ville @ Ratchapruet	7.29	-	7.29	100.00
Revenue from sale of real estate	330.44	440.07	(109.63)	(24.91)

In the first nine months of the fiscal year 2015, the condominium selling was 272.78 million baht, which decreased by 70.90 million baht or decreased by 20.63%. This was due to the two projects sold out, namely, Le Rich Ratchada-Sutthisan and Le Rich@ Aree Station. Along with the economic slowdown, which highly affected homebuyer's confidence as well as the company's sales revenue to be lower than the previous year.

Cost of real estate sales

During 3Q15, the cost of real sales was 70.73 million baht or 65.83% of the revenue from real estate sales. While it was 155.36 million baht or 64.70% of the revenue in the same quarter last year.

For the first nine months of the fiscal year 2015, cost of real sales was 221.29 million baht or 66.30% of the revenue from real estate sales. While it was 283.54 million baht or 63.27% of revenue in the same quarter last year, or increased by 3.03%. This is because there were two revenue recognitions from two low-rise projects (Le Rich Ratchada-Sutthisan and Le Rich@ Aree Station) which have low development cost. According to this, it lower the average cost of real estate sales when compare to the current year.

Selling & Administrative expense

During 3Q15, the company incurred selling and administrative expense of 23.72 million baht, decreased by 10.95 million baht or 31.58% from the same quarter last year. The selling expenses was 6.09 million baht, decreased by 27.31% from previous year. The major factor was due to the deduction of specific business tax of 4.30 million baht from the reduction of revenue. The administrative expenses in this quarter was 7.05 million baht, decreased by 4.85 million baht or decreased by 39.27% from the same quarter last year, which resulted from the 1.85 million baht deduction in financial advisory fee.

For the first nine months of the fiscal year 2015, the company incurred selling and administrative expense of 80.44 million baht, decreased by 6.69 million baht or 7.68% from the same quarter last year. The key factor to this was the deduction of the specific business tax by 3.17 million baht as the revenue was reduced. The administrative expenses in this quarter was 7.50 million baht, decreased by 4.85 million baht or decreased by 39.27% from the same quarter last year, due to lower financial advisory fee of 5.81 million baht as well as more stringent cost control by the company.

Financial Cost

During 3Q15, the financial cost was 0.85 million baht or 0.79% of the total revenue, decreased by 0.53 million baht from same quarter last year or equivalent to a decrease of 38.30%. This was mainly because there are ongoing projects that its income still cannot be recognized, its interest expenses would be included in the development cost.

For the first nine months of the fiscal year 2015, financial cost was 4.82 million baht or 1.44% of the total revenue, decreased by 0.35 million baht from the same quarter last year or equivalent to a 6.69% reduction. As the company could issue bonds as well as had paid back project loans. As a result, the average cost of capital became lower.

Net Profit

During 3Q15, the net profit was 10.61 million baht or 9.79% of the total revenue, decreased by 27.42 million baht or 72.10% from the same quarter last year

For the first nine months of the fiscal year 2015, the net profit was 20.48 million baht or 6.14% of the total revenue, decreased by 34.39 million baht or 62.67% from the same quarter last year

Please be informed accordingly.

Sincerely yours,

(Mrs. Kantalak Chantipdisya)
Chief Financial Officer