

รพ RP-AC 003/2016

10th August 2016

Subject Clarification of 2Q16 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-months and six-month period ended 30th June 2016 as follows:

Comparison profit and loss between three-month periods ended June 2016 and June 2015

Unit: Million Baht

Profit and Loss Statement	30 JUNE 2016		30 JUNE 2015		In(De)crease	%
	million baht	%	million baht	%		
Revenue from sale of real estate	169.60	97.98	110.74	99.70	58.86	53.15
Other income	3.49	2.02	0.33	0.30	3.16	957.58
Total income	173.09	100.00	111.07	100.00	62.02	55.84
Cost of real estate sales	103.69	61.14	71.38	64.46	32.31	45.26
Gross profit	69.40	40.09	39.69	35.73	29.71	74.86
Selling and Administrative expenses	44.94	25.96	28.60	25.75	16.34	57.13
Selling expenses	36.31	20.98	19.26	17.34	17.05	88.53
Administrative expenses	8.63	4.99	9.34	8.41	(0.71)	(7.60)
Profit before finance costs and income tax expense	24.46	14.13	11.10	9.99	13.36	120.36
Finance costs	2.87	1.66	1.44	1.30	1.43	99.31
Profit before income tax expense	21.59	12.47	9.66	8.70	11.93	123.50
Income tax expense	8.00	4.62	2.42	2.18	5.58	230.58
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	13.59	7.85	7.24	6.52	6.35	87.71

Comparison of profit and loss between six-month periods ended June 2016 and June 2015

Unit: Million Baht

Profit and Loss Statement	30 JUNE 2016		30 JUNE 2015		In(De)crease	%
	million baht	%	million baht	%		
Revenue from sale of real estate	355.56	98.49	223.00	98.95	132.56	59.44
Other income	5.44	1.51	2.36	1.05	3.08	130.73
Total income	361.00	100.00	225.36	100.00	135.64	60.19
Cost of real estate sales	232.17	65.30	150.56	67.52	81.61	54.20
Gross profit	128.83	35.69	74.79	33.19	54.04	72.25
Selling and Administrative expenses	78.81	21.83	56.74	25.18	22.07	38.91
Selling expenses	62.01	17.18	39.39	17.48	22.62	57.43
Administrative expenses	16.80	4.65	17.35	7.70	(0.55)	(3.17)
Profit before financing costs and income tax expense	50.02	13.86	18.06	8.01	31.96	177.01
Financing costs	5.41	1.50	3.97	1.76	1.44	36.21
Profit before income tax expense	44.61	12.36	14.08	6.25	30.52	216.75
Income tax expense	14.22	3.94	4.21	1.87	10.01	237.96
Profit for the year	30.38	8.42	9.87	4.38	20.51	207.70

Remarks: The ratio of earnings are expressed as percentages of the total revenue, excluding the Cost of real estate sales that is presented in a percentage of real estate sales.

Total Revenue

In 2Q16, the company generated the revenue of 173.09 Million Baht, which increased by 62.01 Million Baht or increased by 55.83% compare to the same quarter last year. This is due to an increase in real estate sales revenue by 58.86 million baht, or increased by 53.15% compare to same period last year.

For the first six months of the fiscal year 2016, the company generated the revenue of 361.00 Million Baht, increased by 135.64 Million Baht or equivalent to 60.19% compared to the same period last year. The main factor is due to an increase in real estate sales by 132.56 Million Baht, or increased by 59.44% compare to the same quarter last year.

Comparison of six months operating income ended June 30th, 2016 and 2015

Unit: Million Baht

Project	Revenue		Increase (Decrease)	%
	30-Jun-16	30-Jun-15		
Revenue from sale of real estate	355.55	223.00	132.55	59.44
■ Condominium	293.41	196.77	96.64	49.11
- LE RICH @Rama 3	3.10	5.76	(2.66)	(46.18)
- Rich Park @Bangson Station	4.47	29.03	(24.56)	(84.60)
- RICH PARK2 @Taopoon Interchange	43.80	161.98	(118.18)	(72.96)
-RICH PARK3 @CHAOPHRAYA	242.04	-	242.04	100.00
■ Townhomes	62.14	26.23	35.91	136.90
- The Rich Biz Home @Sukhumvit 105	19.81	26.23	(6.42)	(24.48)
- The Rich Vill @Ratchapruk	42.33	-	42.33	100.00

Remarks: The ratio of earnings are expressed as percentages of the total revenue, excluding the Cost of real estate sales that is presented in a percentage of real estate sales.

During the first six months of the 2016 fiscal year, the revenue from condominium selling was 293.41 increased by 96.64 Million Baht or increased by 49.11%. This was due to the completion of the Rich Park @ Chaophraya project which enable the company to recognize its revenue in the period.

The sales of Town Homes was 62.14 Million Baht, increased by 35.91 Million Baht , or increase by 136.90% as a result of the Rich Ville@Ratchpruk project completion and its revenue recognition in the year 2016. An increase of 100 percent

Cost of real estate sales

During 2Q16, the cost of real estate sales was 103.69 Million Baht or 61.14% of the sale of real estate. Whereas it was 71.38 Million Baht or 64.45% of sales in the same period last year.

For the period of six months, the cost of sales was 232.17 million baht or 65.30% of the sale of real estate. While the cost of real estate sales last year was 150.56 million baht or 66.81% of the sale of real estate.

Selling & Administrative expenses

For 2Q16, the Company's selling and administrative expenses were 44.94 Million Baht, increase by 16.34 Million Baht from the previous year, or up by 57.13%. Considering the selling cost solely, the cost increased by from last year by 17.05 Million Baht or increase by 88.54%. This is because the company is emphasizing to raise branding awareness by allocating 7.15 Million Baht more expense on advertising than last year. As well as 2.50 Million Baht more on advertising, 1.70 Million Baht more on advertising signage production than the previous year.

On the other hand the Administrative expenses in the second quarter of 2016 decreased by 0.71 million baht or 7.59% lower than last year.³¹⁰

For a period of six months, the Company's selling and administrative costs were 78.81 Million Baht, which increased by 22.07 Million Baht or up by 38.90 % from last year. To this, the selling cost was up by 22.62 Million Baht or an increase of 57.43% more than the previous year. This result was mainly due to an increase of 11.04 Million Baht on raising more brand awareness and advertising, 3.33 Million Baht more advertising campaigns and 2.46 Million Baht more on advertising signage than last year. However, the administrative expenses for the six month period was 16.80 Million Baht, decreased by 0.55 Million Baht or down by 3.17 % compare to the same period last year.

Financing Cost

For 2Q16, financial cost was 2.87 Million Baht or 1.66% of the total revenue, increased by 1.43 Million Baht or equivalent to an increase of 99.31% from same quarter last year.

For the period of six months of the fiscal year 2016, the financial cost was 5.41 Million Baht or 1.50% of the total revenue, increased by 1.44 Million Baht or 36.27% from the previous year.

Net Profit

In 2Q16, the net profit was 13.59 Million Baht or 7.85% of the total revenue, increased by 6.35 Million Baht or 87.71% from the same quarter last year. The affecting factor was due to an increase in real estate sales by 53.15% as well as more effective cost control. As a result, cost of sales for Q2 2016 was decreased, and the profit was subsequently increased from the same period last year.

In the first six months of the fiscal year 2016, the net profit was 30.83 Million Baht or 8.42% of the total revenue, increased by 20.51 Million Baht or increased by 207.70% from the previous year. This was a result of a 59.44% revenue increase, 130.73% increase in other income and more stringent cost control. These factors ultimately contribute to more net profit than last year.

Please be informed accordingly.

Sincerely yours,

(Mrs. Kantalak Chantipdisya)

Chief Financial Officer