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No. KC 072/2018

16 October 2018

Subject Notification on the resolutions of the Board of Directors Meeting regarding to the appointment of Acting Deputy Managing Director of Accounting and Finance, and the disposition of land of the Company's subsidiary ([Amendment](#))

To President
The Stock Exchange of Thailand

K.C. Property Public Company Limited (the "Company") would like to information the resolutions of the Board of Directors Meeting No. 18/2018 held on 15 October 2018 at 11.00 hrs. The Meeting approved the following key resolutions:

1. The Meeting approved the appointment of Miss Atipa Thanajirawat , Director of Accounting and Finance to serve as Acting Deputy Managing Director of Accounting and Finance, two positions at once, effective from 15 October 2018 onwards.
2. The Meeting approved that Modern Street Company Limited, a subsidiary of which the Company holds 99.99 percent of total shares sold, shall sell the land, title deed number 1641, land number 16, located at Tambon Bueng Kham Proi (Klong 6 Wa Sai Lang) Ampur Lam Luk Ka, Pathum Thani, with the area of 10 rai 0 ngan 62 square wa, to Lertsamartyotha Company Limited. The total price of land is THB 35,000,000. (thirty five million baht). The transaction is considered as the disposal of assets transaction of subsidiary of listed company according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the "Notifications on Acquisition or Disposal of Assets Transaction"). [The transaction value is at up to 2.45 percent of total assets of the Company and its subsidiaries. Calculated by applying the Total Value of Consideration Basis based on the three Consolidated Financial Statements that are the 6-month financial statement ending 30 June 2016 which has been reviewed and audited by a certified public accountant, the 9-month financial statement ending 30 September 2016](#)



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which has been reviewed and audited by a certified public accountant, and 6-month internal financial statement ending 30 June 2018.

The details of the transaction are as follows:

1) Type of the transaction

The disposal of land located at Bueng Kham Proi is considered as the disposal of assets transaction according to the Notifications on Acquisition or Disposal of Assets Transaction

2) Date, month and year of the transaction

The Company will enter into the transaction after the Board of Directors Meeting No. 18/2018 held on 15 October 2018 approves the transaction.

3) Related parties and their relationships with the Company

3.1) Seller

Modern Street Company Limited, the Company's subsidiary of which the Company holds 99.99 percent of total shares sold ("Modern Street")

3.2) Purchaser

Lertsamartyotha Company Limited ("Lertsamartyotha") by Mrs. Naparat Khamngoen is the sole director of the Company. The details of the shareholders as at 30 April 2018 are as follows:

| | <u>Name</u> | <u>Number of shares held in Lertsamartyotha</u> | <u>Percentage of total issued shares</u> |
|----|----------------------------------|---|--|
| 1. | <u>Mrs. Naparat Khamngoen</u> | <u>499,500</u> | <u>99.90</u> |
| 2. | <u>Ms. Jeerapa Khosu</u> | <u>100</u> | <u>0.02</u> |
| 3. | <u>Mr. Thirathej Lertsamart</u> | <u>100</u> | <u>0.02</u> |
| 4. | <u>Mr. Thayut Lertsamart</u> | <u>100</u> | <u>0.02</u> |
| 5. | <u>Ms. Nongnuch Lertsamart</u> | <u>100</u> | <u>0.02</u> |
| 6. | <u>Ms. Winyada Itthipunyakul</u> | <u>100</u> | <u>0.02</u> |
| | <u>Total</u> | <u>500,000</u> | <u>100.00</u> |

3.3) Relationship between Seller and Buyer

From the audit of the list of directors and shareholders of Lertsamartyotha from the accessible database, it was found that: Lertsamartyotha does not



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have any relationship with the Company and Modern Street and is not connected person of the Company and Modern Street

4) Characteristic of the transaction

4.1) General Characteristic of the Transaction

Modern Street will sell the land, title deed number 1641, land number 16, located at Tambon Bueng Kham Proi (Khlung 6 Wa Sai Lang) Ampur Lam Luk Ka, Pathum Thani, with the area of 10 rai 0 ngan 62 square wa, or equivalent to 4,062 square wa, without building (“Land at Bueng Kham Proi”) [The details of the Land Appraisal Value.](#)

| Appraisal Company | Appraisal Date | Value per Square Wah | Total Value |
|--|--------------------------------|--------------------------------------|-----------------------------|
| Government Appraisal Value | 2016-2019 | 3,350 | 13,607,700 |
| Sasipakdi Co., Ltd. | 28/8/2018 | 6,400 | 26,000,000 |
| World Evolution Co., Ltd | 28/8/2018 | 5,000 | 20,310,000 |

Modern Street will sell land through auction process and has started the auction process since 14 September 2018. The period for auction process has been scheduled during 14 September 2018 to 13 October 2018, and Modern Street determined the minimum price of land at THB 32,000,000 (thirty two million baht) which is [The Company's Board of Director's meeting No. 17/2561 passed the resolution to determine a selling price boundary to be no less than 32,000,000 baht, considering both government and independent appraisal values.](#) In this regard, on 14 October 2018 which was the last auction day, at the completion of the auction it was appeared that Lertsamartyotha, which is not the Company's connected person, was an only company who joined the auction and proposed to purchase the Land at Bueng Kham Proi at THB 35,000,000 (thirty five million baht) which was higher than THB 32,000,000 (thirty two million baht), the minimum price for the auction.

In this regard, the Board of Directors Meeting No. 18/2018 held on 15 October 2018 approved that Modern Street, the Company's subsidiary, shall enter



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into the disposal of Land at Bueng Kham Proi Transaction with Lertsamartyotha, the winner of the auction.

The disposal of Land at Bueng Kham Proi is considered as the disposal of assets transaction of subsidiary of listed company according to the Notifications on Acquisition or Disposal of Assets Transaction. The transaction value is equivalent to 2.45 percent of total assets of the Company and its subsidiaries, calculated by applying the Total Value of Consideration Basis based on the Consolidated Financial Statement ending 30 September 2016 which has been reviewed and audited by a certified public accountant, which is the basis that results in the highest transaction value. Calculated by applying the Total Value of Consideration Basis based on the three Consolidated Financial Statements that are the 6-month financial statement ending 30 June 2016 which has been reviewed and audited by a certified public accountant, the 9-month financial statement ending 30 September 2016 which has been reviewed and audited by a certified public accountant, and 6-month internal financial statement ending 30 June 2018.

4.2) Type and size of the Transaction

The summary of financial information of the Company and value of the transaction calculated from the basis specified in the Notification on Acquisition or Disposal of Assets Transaction Calculated by applying the Total Value of Consideration Basis based on the three Consolidated Financial Statements that are the 6-month financial statement ending 30 June 2016 which has been reviewed and audited by a certified public accountant, the 9-month financial statement ending 30 September 2016 which has been reviewed and audited by a certified public accountant, and 6-month internal financial statement ending 30 June 2018 is as follows:



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| | Reviewed | Reviewed | In-House |
|-------------|---------------|---------------|---------------|
| | 30 June 2016 | 30 Sep 2016 | 30 June 2018 |
| | Unit: Baht | Unit: Baht | Unit: Baht |
| Total Asset | 1,672,189,000 | 1,615,547,000 | 1,429,142,401 |

| | Reviewed | Reviewed | In-House |
|--|--------------|-------------|--------------|
| Calculation of the transaction size | 30 June 2016 | 30 Sep 2016 | 30 June 2018 |
| 1. Value of net tangible assets | N/A | N/A | N/A |
| 2. Net operating profits | N/A | N/A | N/A |
| 3. Total value of consideration paid or received | 2.09% | 2.17% | 2.45% |
| 4. Value of equity shares issued for the payment of assets | N/A | N/A | N/A |

4.3) Calculation of Transaction value

The disposal of Land at Bueng Kham Proi is considered as the disposal of assets transaction of subsidiary of listed company according to the Notifications on Acquisition or Disposal of Assets Transaction. The maximum transaction value is 2.45 percent of total assets of the Company and its subsidiaries, the Company does not have duty to disclose information to the Stock Exchange of Thailand according to the Notification on Acquisition and Disposal of Assets Transaction. Calculated by applying the Total Value of Consideration Basis based on the three Consolidated Financial Statements that are the 6-month financial statement ending 30 June 2016 which has been reviewed and audited by a certified public accountant, the 9-month financial statement ending 30 September 2016 which has been reviewed and audited by a certified public accountant, and 6-month internal financial statement ending 30 June 2018. which is the basis that results in the highest transaction value. Due to the transaction value is below 15 percent, the Company does not have duty to disclose information to the Stock Exchange of Thailand according to the Notification on Acquisition and Disposal of Assets Transaction.



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5) Criteria used in Calculating the Value of Consideration

Modern Street perform to sell the Land at Bueng Kham Proi by applying the auction process and determining the minimum sell price at THB 32,000,000.- (thirty two million baht) which is not lower than the price appraised by the independent appraisal.

6) Expected Benefits of the Transaction

The Company is in need of working capital for its business operation and liquidity supplement, including to resolve the debt problem of the Company. The disposal of Land at Bueng Kham Proi will result that Modern Street will be able to lend money to the Company in order to increase liquidity of the Company.

7) Plan to utilize fund from the disposal

The disposal of Land at Bueng Kham Proi by Modern Street will be able to lend money to the Company. In this regard, the Company will utilize the money as working capital for its business operation and liquidity supplement, including to resolve the debt problem of the Company.

After the disposal of Land at Bueng Kham Proi, Modern Street Company will obtain the fund in amount of THB 35,000,000, and then will lend the Company in amount of THB 32,000,000 with the interests at 3 percent per year. The Company will use such fund for paying the land price in amount of THB 30,000,000 (the land located at On-nut and its title deed no. 17319) ("Land at On-nut"). The total price of land at On-nut is THB 100,000,000 which the Company has paid the deposit in amount of THB 50,000,000 and have outstanding in amount of THB 50,000,000. Under the Land Purchase Contract, there is a condition provided that if the Company pays for additional _____ THB 30,000,000 then the seller will immediately transfer the land ownership to the Company, therefore the Company decides to use the borrowed fund to pay for the Land at On-nut to decrease the risk of delayed payment and the change of no-return deposit amounting to THB 50,000,000, instead of making payment of two promissory notes. In this regard, the due-date payment of 2 promissory notes are 17 November 2018 and 17 December 2018 accordingly.

Moreover, the Company want to use this borrowed money in amount of THB 2,000,000 for revolving fund such as the cost of construction, utilities and others.



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The reason that the Company considered to dispose the Land at Bueng Kham Proi are as follows:

1) At present, there is a dispute regarding the encroachment on the access road leading to the entrance of Hatairat 54 alley which is the location of the land. The dispute is on the stage of verdict of Supreme Court resulting that the Company cannot start developing the land due to the dispute area is the obstacle to the land development. The company will have to wait until the Supreme Court provides the judgement and it is not possible to conclude how long it will take.

2) If the company would like to develop the land, the company must develop a townhome project to maximize benefit from the land development. However, the company has two developed townhome projects in the same location of which are in the process of selling which are (1) K.C. Cluster Nimitmai Project (having outstanding 200 units) and (2) K.C. Cluster Ramintra 7 phase 1 (having outstanding 35 units). As a result, the development of townhome on Bueng Kham Proi Land will result that the company will have townhome project in nearby location. Moreover, the projects will be competitive to each other and the Company will have to wait until the Cluster Ram KC 7 Phase 1 is sold out before developing townhome on Bueng Kham Proi.

3) Project Management Team plans to develop a new project on On-Nut Land to create image for the Company. Currently the plan for new project development is being revised (Revise Project Concept) to find out the best way to maximize profit from the project. Afterward the Project Master Budget will be prepared for the project budget.

In this regard, the Company plans to seek of fund for the development of the new projects from 3 options as follows:

The source of fund using for the new project, the Company has 3 plans as follows:

- _____ Negotiation with international funds
- _____ Negotiation with commercial banks

Because of encountering with the problem of debt restructure with Krung Thai Bank, so the Company is trying to sell the mortgage land with Krung Thai Bank in order to pay for this debt and be free from the credit bureau, and then try to negotiate with other banks to loan the Company.



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• Revising suitable price of 3 existing-old-house projects which totally value about THB 100,000,000 to be able to compete with other competitors in the present market to have enough money to develop the new project.

8) Opinions of the Board of Directors on the entering into of the transaction

The Board of Directors of the Company considered and opined that the transaction will create benefits to the Company by supporting the Company's business operation, increasing working capital for business operation and liquidity supplement, including resolving the debt problem of the Company.

9) Opinions of the Audit Committee and/or directors of the Company which are different from that of the Board of Directors

There is no opinion of Audit Committee or directors of the Company which are different from that of the Board of Directors.

Please be informed accordingly

Sincerely Yours,

(Mr. Santi Piyatat)

Director and Managing Director