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No. KC 019/2562

4 September 2019

Subject: Notification on the resolution of the Board of Director Meeting Re: The land disposal of K.C. Park Ville (Zone B)

To: President
The Stock Exchange of Thailand (SET)

K.C. Property Public Company Limited (“the Company”) would like to inform the resolution of the Board of Director meeting No. 11/2019 held on 4 September 2019 at 2 p.m. (“the Meeting”). The Meeting has approved the significant resolution as follow;

The Meeting has approved the Company dispose the land of K.C. Park Ville (Zone B) total of 5 title deeds with total area 24 Rai 3 Ngan 33.9 Square two-meters which are located on Phraekkasa Mai Sub-District, Muang Samut Prakarn District, Samut Prakarn Province to Mrs. Pakporn Lohavibulkij with the price 146,000,000 Baht (“the Transaction”). The Transaction is the Asset Disposal Transaction (A&D) following to the notification of the Capital Market Supervisory Board No. TorChor. 20/2008 Re: Rules on entering into material transaction deemed as acquisition or disposal of assets, and the notification of the Board of Governor of the Stock Exchange of Thailand Re: Disclosure of information and other acts of listed companies concerning the acquisition and disposal of assets yearly 2004 (“the Law and Regulation”), which the highest value of the Transaction is 12.02% calculating from the Regulation of Total Value Repayment.

The details of the Transaction are as follow;

1. Type of the transaction

The Transaction is the Asset Disposal Transaction (A&D) following to the Law and Regulation

2. Date, month and year of the transaction

The Company will carry out the transaction after having the resolution of the Meeting about this transaction.

3. Related party and their relationship with the Company

3.1 Seller

K.C. Property Public Company Limited, the listed company with paid capital 875,000,000 Baht

3.2 Purchaser

Mrs. Pakporn Lohavibulkij, the person

3.3 Relationship between Seller and Purchaser

From checking on the general database, Mrs. Pakporn Lohavibulkij doesn't have any relation or connection to each other, and isn't also a Related Party Transaction person together with the Company and the subsidiary.

4. Feature of the Transaction

4.1 General feature of the Transaction

The Company will dispose the land of K.C. Park Ville (Zone B) ("Park Ville, Zone B") total of 5 title deeds with total area 24 Rai 3 Ngan 33.9 Square two-meters which are located on Phraekkasa Mai Sub-District, Muang Samut Prakarn District, Samut Prakarn Province without any constructions. The Company is the ownership of the Title Deed No. 6813, Parcel No. 291, Sub-District No. 6594 and the Title Deed No. 258536, Parcel No. 239, Sub-District No. 6596. Modern Street Company Limited ("Modern Street"), the subsidiary of the Company with 99.99% of the Company's shares, is the ownership of the Title Deed No. 348823, Parcel No. 282, Sub-District No. 27167, the Title Deed No. 348451, Parcel No. 281, Sub-District No. 27141 and some part of the Title Deed No. 67753, Parcel No. 278, Sub-District No. 27167. The details of land assessment as follow;

Land Assessor	Date	Price/Sq.wa	Total Price
Official Assessment	2016-2019	26,000	252,740,800
Sasipakdi Co., Ltd.	23/07/18	15,894.31	149,755,000
Advanced Appraisal Co., Ltd.	09/09/18	15,948.64	150,300,000
Sims Property Consultant Co., Ltd.	04/03/19	15,999.58	150,780,000

The Company had sold Park Ville, Zone B by bidding since 14 September 2018 to 12 November 2018 with the minimum price 160,393,200 baht, approved by the Board of Director Meeting No. 17/2018 which considered by official assessment and third parties. The final date of bidding, there was nobody offering the price.

Then, on 26 August 2019, Mrs. Pakporn Lohavibulkij had offered the price 146,000,000 baht which was under the minimum price, but the Company needed the money using for the internal operation, furthermore, there were a lot of debts. So the Meeting had finally approved the Transaction to Mrs. Pakporn Lohavibulkij together with the condition of taking the public-road servitude which Modern Street belongs to 2 title deeds, No. 348823 and No. 348451. So the prior-rights person or the villager still has the same rights as before.

The reason why the official assessment higher than the third parties

The Transaction approved by the Meeting at the price 146,000,000 baht is near to the third parties' price, however quite below the official assessment yearly 2559-2562. There are 2 reasons as follow;

- 1) The price of official assessment yearly 2016-2019 is assessed from land allocation request with the name of City Plus Tepharak Project ("City Plus") known as K.C. Park Ville Bangna-Tepharak in the present, No. 15/2014 on 13 June 2014. Then, on 24 October 2018, the Company had cancelled land allocation request. Yearly 2019, the Treasury considered that City Plus would be developed to the village as soon, so assessed the price of this land to 26,000 baht per square two-meters. Certainly, City Plus was assessed from complete public utilities. However, they don't exist, now just has only a land without construction. The official assessed price is higher than the third party price about 10,105.69-10,000.42 baht per square two-meters or the rate 63%.
- 2) The official assessed price is the capital assessment in order to register the rights and legal transaction determined by the Treasury for calculating property tax, registered fee and stamp tax but for real there are different status and limit to each land, so the official assessment is unlike to the third party assessment. The procession of third party assessment comes from Market Approach which compares offering price and purchasing price of the same property in the same time.

4.2 Type and size of the Transaction

The Transaction is the Asset Disposal Transaction (A&D) which the highest value of the Transaction is 12.02% calculating from the Regulation of Total Value Repayment.

As the above, the Transaction is considered in the small size of transaction ($X < 15$). So the Company doesn't need to ELCID to SET and the operator can accomplish the Transaction suddenly.

4.3 Calculation of the Transaction value

The Transaction is calculated by the Regulation of Total Value Repayment. It bases on consolidated financial statement yearly 2017 equals to 1,214,621,392 baht which is the last financial statement. The details are as follow;

- Real price case

$$\frac{146,000,000 \times 100}{1,214,621,392} = 12.02\%$$

- Book value case

$$\frac{83,214,615.93 \times 100}{1,214,621,392} = 6.85\%$$

From the 2 cases above, the highest value is 12.02% which refers to the real price case.

5. Regulation of considering the repayment

The former, the Company set the minimum price at 160,393,200 baht, but finally nobody offered the price by bidding. Then, there was 1 person who offered the price but under the minimum price. However, the Company needed the money using for the internal operation and also had a lot of debts so the Transaction finally was offered to the Meeting. The Meeting had considered together with integrity, reason and the financial statement status. For all the reasons, the Meeting decided to approve the Transaction at the price 146,000,000 baht.

The reasons of the Meeting are as follow;

- 1) If the Company successes this Transaction and after deducting all expenses, will have some money paying for some part of debts of Krung Thai Bank Public Company Limited ("Krung Thai") equal to 103,420,000 baht from the total debt 137,492,733.11 baht base on 26 August 2019. The capital is 103,400,000 baht, the paused interest is 10,918,935.48 baht and the default interest is 23,173,797.63 baht.

It can reduce some part of debt from the present paying 550,000 baht per month or 6,600,000 baht per year.

- 2) It can limit the risk if the Company is forced to sell by an auction because of default paying. The force-sell price may be only 90,000,000 baht (assessed by third parties).
- 3) After paying some part of debts, the Company still has some money left to use for internal operation.
- 4) After paying for all debts, Krung Thai will return another security, the land of K.C. Green Cannel. The Company has more opportunity to develop it in the future.
- 5) The general financial statement status will be better.

6. Benefit from the Transaction

According to lacking of working capital and also having a lot of debts, the money from the Transaction will help the Company's financial status better.

7. Plan of using the money

After the Company receiving the money from the Transaction and minus all expenses, will pay for debts according to Reorganized Krung Thai's contract as follow;

- The Company will pay the money back equal to 103,420,000 baht which Krung Thai will cut some debts off as follow;
 - 1) The paused interest equals to 10,918,935.48 baht
 - 2) The running interest base on 11 September 2019 equals to 248,868.22 baht
 - 3) The capital equals to 92,252,196.30 baht

By the way, the rest capital equals to 11,147,803.70 baht
- The Company will pay the rest capital monthly equals to 11,147,803.70 baht accompany with the interest 6.275% (MLR) within 12 month since from signing the Reorganized Krung Thai's contract.

8. Comment or opinion of the Board of Director

The Board of Director had considered with high carefulness, the Transaction will have more advantage to the Company than disadvantage comparing to the present financial status including seeing the opportunity of developing new project in the future.

9. Different Comment or opinion of the Audit Committee and/or other directors

No.

For your acknowledgement

Yours sincerely,

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Mr. Santi Piyatat

Managing Director

K.C. Property Public Company Limited