



Ref. No. U.SET 022/2017

November 16, 2017

Subject : Disposal of shares in a subsidiary and assignment of claim on its promissory notes

To : The President

The Stock Exchange of Thailand

U City Public Company Limited (the “**Company**”) hereby would like to inform you that the Company has disposed shares in Prime Area 38 Company Limited (which is a subsidiary in which the Company holds 100 percent of its total registered capital) (“**Prime-A**”) amounted to 50,000 shares at the par value of Baht 100 per share, which is equivalent to 50 percent of the total shares in Prime-A; and assigned the claim on the promissory notes issued by Prime A in the amount of Baht 801,024,781.10 (the debt value with interest as of the date on which the sale and purchase of shares completed: Completion Date), which is a 50 percent of Prime-A’s total obligation pursuant to the promissory notes, to Sansiri Public Company Limited (“**SIRI**”). Thereby enabling the status of Prime-A to transform from the Company’s subsidiary to an associate company. The details of which are as follows:

1) Transaction Date

November 15, 2017

2) Contractual Parties and Relationship with the Company

Seller : U City Public Company Limited

Purchaser : Sansiri Public Company Limited

Relationship with the Company : The purchaser does not have any relationship with the Company. The transaction, therefore, is not considered a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions 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 Connected Transactions B.E. 2546 (2003).

3) General Characteristics of the Transaction

The Company has disposed shares in Prime-A amounted to 50,000 shares at the par value of Baht 100 per share, or equivalent to 50 percent of the total shares in Prime-A, to SIRI. Moreover, since the Company had provided loan for Prime-A by means of promissory notes issued by Prime A,

totaling 11 notes in the aggregate amount of Baht 1,602,049,562.19 (principal with interest as of Completion Date) to the Company, the Company has assigned the claim on the promissory notes amounted to Baht 801,024,781.10 (the debt value with interest as of Completion Date), which is a 50 percent of Prime-A's total obligation pursuant to the promissory notes, to SIRI. (disposal of shares and assignment of claim collectively referred to as "**Sale and Purchase of Shares Transaction**"). Hence, the total consideration of the Sale and Purchase of Shares Transaction is Baht 836,975,472.74 divided into sale and purchase price of shares amounted to Baht 35,950,691.64 and value of assignment of claim on the promissory notes amounted to Baht 801,024,781.10. The consideration value is a jointly determined price between the Company and SIRI (In this regard, book value of Prime-A as appeared in the Company's consolidated financial statement ended September 30, 2017 is Baht 1,533,455,244

Thus, after the completion of the Sale and Purchase of Shares Transaction on November 15, 2017 the shareholding structure and directors of Prime-A shall be as follows:

Shareholding Structure of Prime-A	: (1) U City Public Company Limited hold shares amounted to 50,000 shares or equivalent to 50 percent (2) Sansiri Public Company Limited hold shares amounted to 50,000 shares or equivalent to 50 percent
Directors	: Group A., namely (1) Mr. Voraphot Chanyakomol and (2) Ms. Piyaporn Phanachet Group B., namely (1) Mr. Uthai Uthaisangsuk and (2) Mr. Nopporn Boonthanom
Power of the Directors	: A director of Group A and a director of Group B, jointly sign together with the Company's seal affixed.

4) **Size Calculation**

The Sale and Purchase of Shares Transaction is a transaction deemed as disposal of assets pursuant 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 Disposal of Assets, 2004 (as amended) (together referred to as "**Acquisition and Disposal Notifications**"). According to the Company's latest reviewed consolidated financial statement ended September 30, 2017, size of the Sale and Purchase of Shares Transaction calculated based on the total value of consideration paid criteria, which gives the highest value, is equivalent to 2.05 percent of the Company's assets. In this regard, the Company and its subsidiaries have not disposed any assets of the Company and its subsidiaries for the last 6 months.

5) The subsidiary's assets and nature of business

Prime-A owned a plot of land on Soi Sukhumvit 38, Prakhanong sub-district, Klongteoi district, Bangkok with a total area of 2 rai 36 sq. wah and does not operate any other business. The value of such land as appraised on May 15, 2017 by T.A. Management Corporation (1999) Co., Ltd., independent appraiser under the Securities and Exchange Commission approved list, is amounted to approximately Baht 1,500 million.

6) The subsidiary's debts and other obligations

Prior to the Sale and Purchase of Shares Transaction, Prime-A had an outstanding debt by means of loan from the Company amounted to approximately Baht 1,602 million. After the Sale and Purchase of Shares Transaction, Prime-A would have remained outstanding debt on the loan from the Company amounted to approximately Baht 801 million.

7) Background and rationale to dispose the subsidiary, and benefits of the consideration from the disposal

The Company has a policy to develop the land owned by Prime-A as a premium standard condominium project, since the location of the project is within close proximity to Thonglor BTS station. The Company, therefore, deemed that if a high potential and experienced business partner as SIRI has jointly developed the aforesaid project, it would be even more successfully developed; since SIRI has an effective marketing team and proficiency in real estate development market which is suitable with the format of the project. Hence, the consideration from the disposal of shares would be funds for Prime-A development project and the Company's revolving funds afterwards.

Please be informed accordingly.

Sincerely yours,

U City Public Company Limited

(Ms. Piyaporn Phanachet)
Chief Executive Officer