



Ref. No.U.SET 020/2018

20 April 2018

Subject : Investment in hotel business in Bratislava Slovakia

To : The President
The Stock Exchange of Thailand

Whereas the Meeting of the Board of Directors of U City Public Company Limited (the "Company") No. 1/2561 held on February 14, 2018 has approved that VHE Bratislava Real Estate s.r.o. ("VBRE") (the Company's newly established subsidiary in which the Company indirectly holds 100% of the total issued shares through Lombard Estate Holdings Limited, the Company's subsidiary in which the Company directly holds 100% of total issued shares) to be the acquisition vehicle and own lands with hotel building known as Vienna House Easy Chopin Bratislava ("Vienna House Easy Bratislava").

The Company would like to inform that on 19 April 2018, VBRE has registered the transfer of hotel ownership in Vienna House Easy Bratislava which is one of the conditions precedent as a result of the entry into Real Estate Purchase Agreement with Hotel AVION s.r.o. ("Seller"). As a result, VBRE acquired a 6-storey hotel building with 176 rooms at purchase price of EUR 8,888,605.60 (or approximately Baht 346,566,732.34¹) ("Transaction"). The size of the Transaction calculated based on the total value of consideration paid criteria, which gives the highest value, is equivalent to 0.87 per cent which is lower than 15 per cent. As the size of this transaction is lower than 15 per cent, it falls under the approval authority of the Board of Directors of the Company and the Company is neither required to prepare and disclose the information memorandum to the Stock Exchange of Thailand nor to obtain an approval from its shareholders in accordance with the Notification of the Capital Market Supervisory Board No. ThorChor. 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

¹ Based on the exchange rate of the EUR to THB currency exchange rate as announced by the Bank of Thailand on 19 April 2018, of EUR 1 per Baht 38.99).

Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets B.E. 2547 (2004).²

However, the meeting of the Board of Directors deemed it appropriate to set out below material details with regard to the Transaction as follows:

1) **Transaction Date**

April 19, 2018 (the "Legal Transfer Date")

2) **Related parties and relationships with the Company**

Buyer : VHE Bratislava Real Estate s.r.o. ("VBRE") (as details in 3)

Seller : Hotel AVION s.r.o.³

Relationship with the Company : The Seller 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**

Property Details

Building : Vienna House Easy Chopin Bratislava Hotel

Building location : ● Close to Bratislava International Airport which takes approximately 15 minutes to reach downtown Bratislava.

² Over the past 6 months, the Company and its subsidiaries have acquired other assets in the amount of Baht 1,373,050, representing the total transaction size of 0.003 per cent of the total transaction size, as disclosed to the Stock Exchange of Thailand on January 8, 2018.

³ Hotel AVION s.r.o. is a 100% owned by Strabag Real Estate GmbH, a limited company incorporated under Austrian law, which is 94.8% directly owned by STRABAG SE AG and 5.2% indirectly owned by STRABAG SE AG through DCI Immo GmbH. STRABAG SE AG is a public company incorporated under Austrian law. The company is listed on the Austrian Stock Exchange.

- Approximately 200 Kilometers from Budapest, Hungary.
- Approximately 320 Kilometers from Prague, Czech Republic.

Number of rooms	:	176 rooms
Area	:	8,210 Sqm.
Ownership	:	VHE Bratislava Real Estate s.r.o. ("VBRE")
Property Management	:	VBRE will enter into a lease agreement with VHE Bratislava s.r.o. ("Tenant") who will engage Vienna International Hotelmanagement AG to be the manager of the Hotel

Agreement on hotel building trading

Trading price	:	EUR 8,888,605.60 (approximately Baht 346,566,732.34), which is the price agreed between the parties based on the estimated revenue and market price.
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Details of subsidiaries established to purchase assets

Company name	:	VHE Bratislava Real Estate s.r.o
Office location	:	Galvaniho 28, 821 04 Bratislava
Established under the law.	:	Slovak Republic
Business type	:	Invest in property
Registered capital	:	EUR 5,000 (or approximately Baht 196,900)
Total number of shares	:	2 Shares
Par value	:	-
Paid-up capital	:	EUR 5,000 (or approximately Baht 196,900)
Shareholding Structure	:	The newly established company is 99% owned by Vienna House Real Estate GmbH ("VHR") and 1% owned by Vienna House Capital GmbH ("VHC"). The Company holds indirectly 100% of total issued shares in VHR and VHC through Lombard Estate Holdings Limited, the Company's subsidiary in which the Company directly holds 100% of total issued shares.

Board of Directors : 1. Ms. Johanna Weichselbaumer
2. Mr. Manuel Simon

Connected transaction : This transaction is not a connected transaction according to the Notification of the Capital Market Supervisory Board No. ThorJor.

4) Expected benefits to the company

The company intends to make a long-term investment in real estate, benefiting from its location close to Bratislava International Airport. Moreover, the city of Bratislava is centrally located between Hungary, Austria, Czech Republic, and Poland. The hotel is located only 200 Kilometers from Budapest, Hungary and 320 Kilometers from Prague, Czech Republic. Therefore, the hotel is considered in a good location. The Company will also benefit from income diversification into new geographic territories. The Board of Director has considered and viewed that this transaction was appropriate, reasonable and beneficial to the Company and its shareholders in the long run.

Please be informed accordingly.

Sincerely yours,
U City Public Company Limited

(Miss Piyaporn Phanachet)
Chief Executive Officer