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Ref. No. U.SET 019/2021

27 August 2021

Subject: Disposal of Ordinary Shares in Associated Companies and Entering into the Heads of Term for the Sale and Purchase Agreement in relation to Partial Shares of Vienna House Group Hotel Business

To: The President
The Stock Exchange of Thailand

U City Public Company Limited (the “**Company**”) would like to inform you that the Board of Directors’ Meeting No. 7/2021 held on Thursday 26 August 2021 has resolved to approve the disposal of a) 1,000,000 ordinary shares in Absolute Hotel Services Company Limited (“**AHS**”) (an associated company of the Company which carries out hotel management business) which is equivalent to 40 percent of total registered capital of AHS, and b) 680,000 ordinary shares in Absolute Hotel Services Hong Kong Limited (“**AHSHK**”) (an associated company of the Company which carries out hotel management business) which is equivalent to 9.81 percent of total paid-up capital of AHSHK, to HRG München Holdings GmbH (“**HRG**”) or any authorized person of HRG (“**HRG Group**”) with the total purchase price of EUR 6,000,000 (or equivalent to Baht 233,580,000)¹ (“**Ordinary Shares Disposal Transaction**”). It is expected that the transaction will be completed within 31 October 2021. After the completion of Ordinary Shares Disposal Transaction, the Company’s shareholding proportion in AHS shall be 250,000 shares or equivalent to 10 percent and shareholding proportion in AHSHK shall be 170,000 shares or equivalent to 2.45 percent. AHS and AHSHK then cease to be associated companies of the Company with details as follows:

No.	Company	Registered Capital (Baht)	Number of Shares (Share)	Par Value (Baht/Share)	Expected Share Transfer Completion Date
1	Absolute Hotel Services Company Limited	25,000,000	2,500,000	10	31 October 2021
2	Absolute Hotel Services Hong Kong Limited	HKD 6,930,687	6,930,687	HKD 1	31 October 2021

In accordance with the Company’s latest consolidated financial statement ended 30 June 2021, the total size of disposal of ordinary shares in AHS and AHSHK transaction (based on the total value of consideration

¹ calculated based on the exchange rate of EUR to Baht currency announced by the Bank of Thailand on 26 August 2021, of which EUR 1 equivalent to Baht 38.93.

paid criteria, which gives the highest value) is equivalent to 0.40 percent, which does not fall within criteria under 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 does not fall within the disclosure requirement under 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, B.E. 2547 (as amended) (“**Acquisition and Disposal Notification**”). Further, during the past 6 months, the Company and its subsidiaries have disposed of other assets in the amount representing the total transaction size of 12.93 percent (calculated based on the total value of consideration paid criteria). The total size of such transactions together with this disposal transaction is equivalent to 13.33 percent.

In this regard, HRG Group 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 (as amended) (“**Connected Transaction Notification**”).

Furthermore, the Company would like to inform you that, on 20 August 2021, the Company, Vienna House Capital GmbH (“**VHC**”) (a subsidiary of the Company) and Lombard Estate Holdings Limited (“**LEH**”) (a subsidiary of the Company), together hereinafter referred to as the “**Sellers**”, have entered into the Heads of Terms, which does not have legal binding effect, (for the sale of Vienna House group hotel business) with HRG München Holdings GmbH, HRG Sechste Hotel Management GmbH and HRG Potsdam Holdings GmbH (neither of which are considered a connected person of the Company pursuant to the Connected Transaction Notification), together hereinafter referred to as the “**Purchasers**”, to dispose of (1) 89.8 percent of the total ordinary shares in Vienna International Asset GmbH (“**VIA**”) held by the Company, (2) 100 percent of total ordinary shares in Vienna House Hotelmanagement GmbH (“**VHHM**”) held by VHC; and (3) 100 percent of total ordinary shares in Vienna House Real Estate GmbH (“**VHRE**”) held by LEH, together hereinafter referred to as the “**Disposed Companies**”. The total amount of outstanding debt under the shareholder loan payable by the Disposed Companies and subsidiary of the Disposed Companies shall be disposed to the Purchasers and/or any entity authorized by the Purchasers with the preliminary purchase price of approximately EUR 136,490,000 (or equivalent to Baht 5,366,786,800)² under the conditions of purchase price adjustment as shall be further agreed between the parties (“**Disposal of Ordinary Shares in European Subsidiaries Transaction**”).

² calculated based on the exchange rate of EUR to Baht currency announced by the Bank of Thailand on 20 August 2021, of which EUR 1 equivalent to Baht 39.32.

Due to the uncertain conditions in respect of the Disposal of Ordinary Shares in European Subsidiaries Transaction, after the Sellers and Purchasers enter into the sale and purchase agreement in relation to the shares and liabilities, the Company shall proceed in accordance with the rules set forth in the Acquisition and Disposal Notification thereafter.

Please be informed accordingly.

Sincerely yours,
U City Public Company Limited

(Ms. Soraya Satiangoset)
Director