

**Notification of the Allocation of Newly Issued Preferred Shares and
Warrants to Purchase the Ordinary Shares of U City Public Company Limited No. 4 (U-W4)**

Part 1
Information regarding the Allocation of Newly Issued Preferred Shares

1. Name and address of the Company

U City Public Company Limited (the “Company”)
 TST Tower 21 Soi Choei Phuang
 Viphavadi-Rangsit Road, Chompon
 Chatuchak, Bangkok 10900
 Telephone No. : +66 (0) 2273-8838
 Facsimile No. : +66 (0) 2273-8858
 Company’s Website: <http://www.ucity.co.th/>

2. Date and number of the board of directors’ meeting and the shareholders’ meeting of the Company which approved the allocation of newly issued preferred shares and warrants

The Board of Directors’ Meeting No. 10/2017 : On October 30, 2017

The Board of Directors’ Meeting No. 12/2017 : On December 4, 2017 (approving the amendment of the share offering price and other related matters)

Extraordinary General Meeting of Shareholders No. 1/2018 : On January 4, 2018

3. Details of the allocation of newly issued preferred shares

The Extraordinary General Meeting of Shareholders No. 1/2018, held on January 4, 2018, passed the resolution to approve the issuance and offering of 470,197,192,120 newly issued preferred shares, at the par value of Baht 1 per share, to the existing shareholders of the Company via a rights offering at the offering ratio of every 5 existing ordinary and/or preferred shares for 4 newly issued preferred shares (any fractions of shares would be discarded), at the offering price of Baht 0.031 per share, totaling Baht 14,576,112,955.72, together with the issuance and allocation of up to 235,098,596,060 units of the warrants to purchase the ordinary shares of U City Public Company Limited No.4 (U-W4) (the “**U-W4 Warrants**”) at no cost, to the existing shareholders who have subscribed for the newly issued preferred shares, as sweetener, at the allocation ratio of every 2 newly issued preferred shares for 1 unit of the U-W4 Warrants (any fraction of warrants would be discarded), having details as follows:

3.1 Newly issued preferred shares

Type of shares : Preferred shares

Paid-up capital before the capital increase : Baht 587,755,887,152

Capital to be paid for the allocation of newly issued preferred shares to existing : Baht 470,197,192,120

shareholders via the rights offering

Paid-up capital after the allocation of newly issued preferred shares to existing shareholders via the rights offering (if fully subscribed) : Baht 1,057,953,079,272

Number of shares to be allocated : 470,197,192,120 shares with a par value of Baht 1.00 each

Subscription ratio : Every 5 existing shares (ordinary and/or preferred shares) for 4 newly issued preferred shares

The subscribers must subscribe for the newly issued preferred shares at least 100 shares and integral multiple of 100 shares

Offering price : Baht 0.031 per share

- Allocation method** :
- (1) The Company will allocate the newly issued preferred shares to the existing shareholders of the Company via a rights offering, at the offering ratio of every 5 existing ordinary and/or preferred shares for 4 newly issued preferred shares (any fraction of shares would be discarded).
 - (2) In case the shareholders subscribe for the newly issued preferred shares according to their entitlements or less, they will be allocated with the full number of shares for which they subscribed.
 - (3) In allocating the newly issued preferred shares to the existing shareholders via the rights offering, the shareholders shall be entitled to oversubscribe for the newly issued preferred shares more than their entitlements. In the event that there are any newly issued preferred shares remaining after the first round of allocation to the shareholders who have subscribed in accordance with their entitlements, the Company will allocate those remaining newly issued preferred shares to the shareholders who have stated their intention to oversubscribe, pro rata to their respective shareholding in the Company, until no more newly issued preferred shares are available for the allocation or it is no longer able to allocate because of fractions of the shares or no more shareholders wish to oversubscribe.
 - (4) In case of oversubscription, the shareholders must state their intention to oversubscribe for the newly issued preferred shares in the Subscription Form when they subscribe for the newly issued preferred shares according to their entitlements and pay the subscription price for the shares oversubscribed in full.

- (5) In case there are the newly issued preferred shares remaining (after the first round of allocation to the shareholders who have subscribed in accordance with their entitlements) more than the number of shares that the shareholders wish to oversubscribe, the Company will allocate such remaining newly issued preferred shares to the shareholders who have stated their intention to oversubscribe in accordance with their intention, provided that the subscription payment for all shares oversubscribed must be paid in full.
- (6) In case there are the newly issued preferred shares remaining less than the number of shares that the shareholders wish to oversubscribe, the existing shareholder who have oversubscribed shall be allocated with the remaining shares pro rata to their existing shareholding for the oversubscription portion (any fractions of the newly issued preferred shares from such calculations would be discarded) until no more newly issued preferred shares are available for the allocation or it is no longer able to allocate because of fractions of the shares. In this regard, the number of shares to be allocated shall not exceed the number of newly issued preferred shares that each existing shareholder has subscribed, and the subscription price has been paid.

The allocation of oversubscription as detailed above, shall not cause any existing shareholders violating the foreign shareholding restriction as prescribed in the Company's Articles of Association. At present, the foreign shareholding limit of the Company is fixed at not exceeding 49 percent of the Company's total issued.

- (7) In case there are the newly issued preferred shares remaining after the oversubscription allocation, the Company will propose to a shareholders' meeting to consider and approve the capital reduction by cancelling such remaining shares.
- (8) Any shareholders failing to exercise their subscription entitlements or to exercise or to make the subscription payment within the subscription period, or the subscription price cannot be collected by the Company within the subscription period, the Company shall deem that such shareholders waive their rights to subscribe for the newly issued preferred shares.

Rights attached to preferred shares

- : (1) During January 1, 2018 and December 31, 2022, rights attached to the preferred shares shall be as follows.
- (a) In case the Company pays dividends, the holders of preferred shares shall be entitled to receive cumulative dividends prior the holders of ordinary shares in each calendar year at the rate of Baht 0.002 per preferred share. In distributing dividends to the holders of preferred shares, if the total amount of dividends entitled to receive by any the holder of preferred shares

is less than 1 Satang, such dividend amount shall be discarded.

- (b) In case the Company pays no dividends or pays dividends less than the rate specified in (a) during any calendar year, the holders of preferred shares shall be entitled to receive cumulative dividends as follows:
- at the rate of Baht 0.0022 per preferred share per calendar year; in case the Company pays no dividends in such calendar year; or
 - at the rate equivalent to the difference between the dividend amount actually paid in that calendar year and the rate specified in (a); in case the Company pays dividends less than the rate specified in (a).

The right of the holders of preferred shares to receive accumulated dividends in each calendar year during January 1, 2018 and December 31, 2022 as specified in (b) shall remain in full force until the accumulated dividends are fully paid to all holders of preferred shares, regardless whether such accumulated dividend is paid within December 31, 2022.

- (c) In case the Company pays dividends, in any calendar year, more than the rate specified in (a) or the accumulated dividends as specified in (b) (if any), the holder of preferred shares and ordinary shares shall be equally entitled to receive such excess dividends per share at the same rate.
- (d) In declaring each dividend payment, the Company shall pay the accumulated dividends as specified in (b) to the holders of preferred shares first and then pay the dividends as specified in (a) to the holders of preferred shares.
- (e) Once the Company has fully paid the dividends as specified in (a), the Company can then pay dividends to the holders of preferred and ordinary shares as specified in (c).
- (f) The voting rights attached to the preferred shares is the same as to the voting rights attached to the ordinary shares.
- (2) After December 31, 2022, the rights attached to the preferred shares shall be as follows:
- (a) The holders of preferred shares shall have the right to receive dividends at the same rate as the holders of ordinary shares, unless there are the accumulated dividends as specified in (1)(a) that have not been paid by the Company. In such case, the Company must pay

the accumulated dividends as specified in (1) (b) in full first.

- (b) During the period when the Company has not paid the accumulated dividends as specified in (1)(b) in full, the voting rights attached to preferred shares shall be 1 share for 1 vote.
 - (c) Once the Company has fully paid the accumulated dividends as specified in (1)(b), the voting rights attached to the preferred shares shall be 10 shares for 1 vote, with any fractions of shares would be discarded.
 - (d) After December 31, 2027, regardless whether the Company has paid the accumulated dividends as specified in (1)(b) in full, the voting rights attached to the preferred shares shall be 10 shares for 1 vote, with any fraction of shares would be discarded.
- (3) In case of any change in the par value as a result of a share split or a reverse share split, the voting rights attached to preferred shares shall be adjusted according to the applicable ratio of such share split or reverse share split (as the case may be).
- (4) After December 31, 2022, the holders of preferred shares shall be eligible to convert such preferred shares into ordinary shares at a conversion ratio of 1 preferred share into 1 ordinary share. In this regard, the holder of preferred shares shall submit a notice of conversion in the form specified by the Company and return a share certificate to the Company within 7 business days before the last day of March, June, September and December of each year.
- (5) In case of conversion of the preferred shares into the ordinary shares, the rights to receive the accumulated dividends as specified in (1)(b) of the preferred shares which have been converted into the ordinary shares shall be terminated.

3.2 Warrants

Name of warrants	: Warrants to purchase the ordinary shares of U City Public Company Limited No.4 (U-W4)
Type of securities	: Warrants to purchase the ordinary shares
Number of warrants to be allocated	: Up to 235,098,596,060 units
Number of ordinary shares reserved for warrants exercise	: 235,098,596,060 shares, at the par value of Baht 1.00 per share
Type of warrants	: Named certificate and transferable

Term of warrants	: 5 years from the date of issuance
Offering price	: Baht 0 per unit
Exercise price	: Baht 0.06 per share (unless it is adjusted otherwise according to the conditions concerning the rights adjustment)
Allocation ratio	: Every 2 newly issued preferred shares for 1 unit of U-W4 Warrants, any fraction of warrants shall be disregarded.
Allocation method	: The Company will allocate the U-W4 Warrants to the existing shareholders who have subscribed for and been allocated with the newly issued preferred shares, at no cost, according to the allocation ratio set forth.
Exercise ratio	: 1 unit of U-W4 Warrants to 1 ordinary share (unless it is adjusted otherwise according to the conditions concerning the rights adjustment)
Exercise period	: The warrant holders shall be eligible to exercise their rights to purchase the Company's ordinary shares in unlimited number on every last business day of each quarter in each calendar year (i.e. the last business day of March, June, September and December) after the first anniversary of the warrant issue date, and the last exercise date will be on the date falling the fifth anniversary of the warrant issue date. In case the last exercise date is not a business day, the last exercise date shall be postponed to the next business day.
Exercise date	: On the last business day of the first quarter after the first anniversary of the warrant issue date
Last exercise date	: On the date falling the fifth anniversary of the warrant issue date
Secondary market of the warrants	: Stock Exchange of Thailand (“SET”)
Secondary market of the ordinary shares issued on the exercise of the warrants	: SET

4. Record date to determine the list of shareholders who are eligible to subscribe for the newly issued preferred shares

The Extraordinary General Meeting of Shareholders of the Company No. 1/2018 held on January 4, 2018 passed a resolution to approve the date for determining the list of shareholders who would be eligible to subscribe for the newly issued preferred shares via the rights offering (Record Date) on January 26, 2018.

5. Subscription and payment procedure of newly issued preferred shares

5.1 Subscription and payment period of the newly issued preferred shares

During March 5-9, 2018 (5 business days) from 9:00 a.m. to 4:00 p.m.

5.2 Venue for subscription and payment of the newly issued preferred shares

The shareholders can subscribe for the newly issued preferred shares at the venue stated below:

Yuanta Securities (Thailand) Company Limited
127 Gaysorn Tower 15th floor
Ratchadamri Road, Lumpini
Pathumwan, Bangkok 10330
Tel: +66 2009 8261-4
Fax: +66 2253 8525

For shareholders whose shares are deposited in the scripless system, please contact the securities company with which the shareholders have securities trading account and have the Company's ordinary shares deposited, so that such securities company can collect the relevant documents and submit them to Yuanta Securities (Thailand) Co., Ltd. who is the subscription agent for the newly issued preferred shares at the the subscription venue mentioned above.

In this regard, the Company, by the subscription agent, will not accept the subscription for the newly issued preferred shares via postal service or facsimile.

5.3 Documents required for the subscription of newly issued preferred shares

In subscribing for the newly issued preferred shares, the subscribers will be required to submit the supporting documents as follows:

- (1) Subscription Form (Enclosure 2) duly filled with full, accurate and complete details, which shall include the number of shares for which the subscriber wishes to subscribe, based on his/her subscription entitlements as indicated in the Certificate of Subscription Entitlement issued by Thailand Securities Depository Co., Ltd. (Enclosure 3), and the number of shares for which the subscribers wish to oversubscribe and shall be duly signed by the subscriber. In case the subscriber is a legal entity; the Subscription Form must be signed by the authorized signatory(ies) of such legal entity with a company seal affixed (if any). Each shareholder shall be eligible to submit one Subscription Form per one Certificate of Subscription Entitlement only.
- (2) Proof of payment
 - (a) In case the payment made by personal cheque, cashier's cheque or bank draft (which must be collectible through the clearing house in Bangkok within 1 business day only), the subscribers shall specify their first name, last name, national identification card number or passport number (as the case may be) and contact number on its back; or
 - (b) In case the payment made by wire transfer, the subscribers shall make the payment by using the Bill Payment Form (Enclosure 4) which shall specify their first name, last name, national identification card number or passport number (any one of them only) (REF:1) and the shareholder registration number (REF: 2), which can be found in the Certificate of Subscription

Entitlement (Enclosure 3) or by making an enquiry at Call Center of Thailand Securities Depository Co., Ltd. (“TSD”) at +66 2009 9999.

- (3) Certificate of Subscription Entitlement (Enclosure 3) issued by TSD as the Company’s securities registrar and sent via registered mail to the shareholders, which is enclosed with this notification letter.
- (4) A Power of Attorney (Enclosure 6) with Baht 30 stamp duty duly affixed (in the case of the subscription is made by proxy), enclosed with a certified true copy of identification documents of the subscriber and the attorney-in-fact as detailed in (6).
- (5) For the shareholders who made oversubscription of the newly issued preferred shares, but has not been allocated with the oversubscribed portion, the Company shall refund the subscription payment for the oversubscription portion via cheque which shall be sent via registered mail to the address of the subscribers as appeared in the shareholders register as of January 26, 2018 only. In addition, the subscribers who are customers of Yuanta Securities (Thailand) Co., Ltd. can be refunded via automatic transfer system (ATS) or deposit into the credit balance account.
- (6) Identification documents
 - (a) In case the subscribers are Thai individuals:
 - A certified true copy of national identification card or a certified true copy of any other official document issued by a governmental agency (in case the national identification card is not available); and
 - A certified true copy of the household registration bearing the national identification number.

Remark:

- *In cases the subscriber is a minor, a certified true copy of the national identification card of his/her guardian (father / mother or legal representative) and a certified true copy of the minor’s household registration.*
 - *In cases of changing first/last name which render the subscriber’s first/last name different from the information appeared in the shareholders register as of January 26, 2018 (Record Date) or on the Certificate of Subscription Entitlement, please enclose a certified true copy of an official document issued by a governmental agency such as marriage certificate, divorce certificate, name/surname change certificate.*
- (b) In case the subscriber is a foreign individual
 - A certified true copy of the alien card or passport
 - (c) In case the subscriber is a legal entity incorporated in Thailand
 - A copy of the company’s affidavit issued by the Ministry of Commerce (within 6 months), certified as a true copy by an authorized signatory(ies) of such legal entity with a company’s seal affixed (if any); and

- A specimen signature(s) of the authorized signatory(ies) of such legal entity together with a certified true copy of identification card, alien card or passport of the authorized signatory(ies) (as the case may be).
- (d) In case the subscriber is a legal entity incorporated in overseas
- A copy of certificate of incorporation, memorandum of association, articles of association and the latest affidavit (or any other document of the same nature issued under the jurisdiction of incorporation) of such legal entity issued by a competent authority of such jurisdiction within 12 months prior to the subscription period, certified as true copy by an authorized signatory(ies) with a company's seal affixed (if any). In this regard, the said documents must present the name of such legal entity, authorized signatory(ies), address of head office and conditions of authorized signatory of such legal entity; and
 - A specimen signature(s) of the authorized signatory(ies) of such legal entity and a certified true copy of passport of the authorized signatory(ies).

Remark: All certified true copies of the documents required for the subscription of a legal entity incorporated in overseas must be notarized by a notary public and then be legalized by a competent official of the Thai Embassy or of the Thai Consulate in the country where the documents are prepared or authenticated. Such notarized and legalized process must be made within 12 months prior to the subscription period.

The signatures on every identification document must be the same as the signature on the documents required for the subscription of the newly issued preferred shares.

5.4 Procedures and methods for subscription and payment for the newly issued preferred shares

The shareholders who intend to subscribe for the newly issued preferred shares must submit the documents required for the subscription as set out in 5.3 above at the subscription venue (the details of which are set out in 5.2) and make a full payment of the subscription price, both for their subscription entitlement and oversubscription portions, within the subscription and payment period.

The subscribers of the newly issued preferred shares must pay the subscription price in full and in a single bullet via any one of the following methods:

- 1) Payment by personal cheques, cashier's cheques or bank drafts

The payment made by personal cheques, cashier's cheques or bank drafts shall be crossed "**Yuanta Securities (Thailand) Co., Ltd. for Share Subscription**" and the Company must be able to collect such payment from the same clearing house on the next business day only. In this regard, the payment must be made by a single personal cheque, cashier's cheque or bank draft shall be per one Subscription Form only and the Company will not accept the payment made by cheque, cashier's cheque or bank draft via postal service.

The subscription and payment period for the subscription payment made by personal cheque, cashier's cheque or bank draft will be during March 5-6, 2018 from 9:00 a.m.

to 4:00 p.m., provided that those personal cheques, cashier's cheques or bank drafts must be dated no later than March 6, 2018. Please also specify the first/last name, national identification card number or passport number (any one of them) and contact number of the subscriber on its back.

- 2) Payment by wire transfer using the Bill Payment Form (Enclosure 4)

To make the payment by wire transfer, the subscription price must be transferred to the Company's bank account detailed as follows:

Bank Name : Siam Commercial Bank Public Company Limited
Branch : Ploenchit
Account name : Yuanta Securities (Thailand) Co., Ltd.
Type of account : Current account
Account number : 059-305-972-0

The subscription and payment period for the subscription payment made by wire transfer will be during March 5-9, 2018 from 9:00 a.m. to 4:00 p.m. Please also specify REF:1 national identification number or passport number (any one of them only) and REF:2 the shareholder registration number, which can be found in the Certificate of Subscription Entitlement (Enclosure 3) or by making an enquiry at Call Center of TSD at +66 2009 9999.

Any fees applicable to the wire transfer will be borne by the Company (if any) which shall be treated separately from the subscription price of the newly issued preferred shares.

- 3) Payment by BAHTNET transfer (available for the subscribers who are legal entities only)

The subscribers for the newly issued preferred shares who are legal entities can make the subscription payment via BAHTNET to the following bank account:

Bank Name : Siam Commercial Bank Public Company Limited
Branch : Ploenchit
Account name : Yuanta Securities (Thailand) Co., Ltd. for Share Subscription
Type of account : Current account
Account number : 059-305-972-0

The subscription and payment period for the subscription payment made via BAHTNET can be made during the period when BAHTNET system is made available for transfer by each commercial bank during March 5-9, 2018 from 9:00 a.m. to 4:00 p.m.

Any fees applicable to BAHTNET transfer will be borne by the Company on behalf of the subscribers.

- 4) Payment by wire transfer by the subscribers having residential address, as specified in the shareholder register as at the record date, in overseas only

The subscribers of the newly issued preferred shares who have residential address, as specified in the shareholder register as at the record date on January 26, 2018,

in overseas may make a subscription payment by wire transfer, during March 5-9, 2018 from 9:00 a.m. to 4:00 p.m., (Thailand time) in Thai Baht currency, specifying Non-resident Baht Account for Securities (NRBS) to the following bank account:

Bank Name : Standard Chartered Bank (Thai) Public Company Limited
Branch : Headquarters
Account name : Yuanta Securities (Thailand) Co., Ltd.
Type of account : Current account
Account number : 001-008-701-7

- 5) Payment by automatic transfer system (ATS) or withdrawal from the credit balance account

The subscription payment by automatic transfer system (ATS) or withdrawal from the credit balance account is available to customers of Yuanta (Thailand) Securities Co., Ltd. who have expressed their intentions to pay obligations by automatic transfer system and such automatic transfer system is in force during the subscription period only. In addition, the subscription agent may specify procedures or conditions in further details which shall be applicable to its customers only.

The Company, by the subscription agent, reserves all rights to switch the subscription and payment method by other means, as deemed appropriate, if any of which creates problem, difficulties or restrictions in practice, to facilitate all subscribers fairly and to maximize the success of the offering of the newly issued preferred shares.

In case any shareholder receives the Certificate of Subscription Entitlement for Newly Issued Preferred Shares for more than one shareholder registration numbers, such shareholder must prepare the documents required for the subscription in accordance with the number of the shareholder registration numbers that he/she receives the Certificate. That is, one set of the documents required for the subscription for each shareholder registration number only. If the shareholder uses a single shareholder registration number for the subscription but combines the subscription entitlements of more than one shareholder registration numbers or uses a single set of the documents required for the subscription for the subscription entitlements of more than one shareholder registration numbers, the subscriber may not be fully allocated with the newly issued preferred shares he/she subscribed for, and the Company reserves all rights to allocate the newly issued preferred shares as it deems appropriate, or not to allocate the newly issued preferred shares, to such subscribers.

6. Refund of subscription payment for unallocated newly issued preferred shares

In case any subscriber is not allocated with the newly issued preferred shares or is allocated less than the number of shares for which they have subscribed or oversubscribed, the Company will refund the subscription payment of unallocated newly issued preferred shares without interests or any other compensation to such subscriber within 10 days from the last date of the subscription and payment period by any one of the following methods:

- a) Crossed cheque payable to the subscriber only

The Company will delivery the cheque via registered mail to the address of the subscribers as appeared on the shareholder register on January 26, 2018 only.

- b) Automatic transfer system (ATS) or deposit into cash balance account

It is only available to subscribers who are customers of Yuanta (Thailand) Securities Co., Ltd. who have expressed their intentions to pay obligations by automatic transfer system and such automatic transfer system is in force during the subscription period only. In addition, the subscription agent may specify procedures or conditions in further details which shall be applicable to its customers.

Remark: The subscribers will be responsible for any fee applicable to the refund of the subscription payment for unallocated newly issued preferred shares.

In any event, if the Company has delivered the cheque for the refunded subscription payment to the subscribers via registered mail to the address appeared in shareholder register as of January 26, 2018, it shall be deemed that such subscribers have duly received the refund of subscription payment for unallocated newly issued preferred shares and such subscribers shall have no rights to claim any interest and/or compensation from the Company.

In cases of errors, losses or mistakes in delivering the cheques via delivery method that the Company, by the subscription agent, deems it appropriate and such errors, losses or mistakes do not result from the Company's or the subscription agent's fault, e.g. name or address of the subscriber in the Subscription Form is unclear or incomplete, the Company shall hold no responsibilities for those errors, losses or mistakes.

The Company and the subscription agent reserve all rights to change the details regarding the refund of subscription payment for the newly issued preferred shares if there are problems, difficulties or restrictions in practice to facilitate all subscribers fairly and to maximize the success of the offering of the newly issued preferred shares.

7. Securities delivery methods

The subscribers can instruct the Company to proceed with any one of the following methods:

- (1) In case the subscribers wish to obtain the share certificates issued in their name, TSD, as the Company's registrar, shall deliver a share certificate representing the number of allocated shares, to the respective subscribers via registered mail to the addresses appeared in the shareholder register within 15 business days from the end of the subscription period. In such case, the subscribers will not be able to sell the allocated newly issued preferred shares until they have received the share certificates, which may be after the newly issued preferred shares of the Company are approved for trading on the SET.
- (2) In case the subscribers wish to deposit the newly issued preferred shares into an account of a securities companies with which the subscribers have a securities trading account, the Company will deposit the allocated newly issued preferred shares into "Thailand Securities Depository Co., Ltd. for Depositors" where TSD and the respective securities company will record the number of the newly issued preferred shares that the subscribers have deposited and then issue the evidence of such deposit to the subscribers within 7 business days from the end of the subscription period. In such case, the subscribers will be able to sell the allocated newly issued preferred shares on the SET immediately when the newly issued preferred shares are approved for trading on the SET. Provided that, the name of the subscriber must be the same as the holder of the securities trading account to which the subscriber wishes to deposit his/her newly issued preferred shares, otherwise, the Company reserves all rights to issue the share certificates to the subscriber according to Clause 7(1) instead.

- (3) In case the subscribers wish to deposit their newly issued preferred shares into the issuer's account No. 600, the Company will deposit the allocated shares with TSD where the subscribers must fill out and sign on the Additional Subscription Documents for the Subscribers who wish to Deposit the Securities into the Issuer Account Only (Enclosure 5) and the Foreign Account Tax Compliance Act (FATCA) Entity Questionnaire (Enclosure 7) and deliver the said documents to the subscription agent. TSD will then record the number of the newly issued preferred shares deposited into such account in the name of the subscribers and issue an evidence of such deposit to the subscribers within 7 business days from the end of the subscription period. In this case, the subscribers will be able to sell the allocated newly issued preferred shares immediately when the newly issued preferred shares are approved for trading on the SET. If the subscribers would like to withdraw such securities, they shall contact TSD while any withdrawal will be subject to withdrawal fee prescribed by TSD.

In case any subscribers fill out information that is unclear or did not specify how their securities should be delivered, in the Subscription Form, the Company reserves all rights to issue the share certificates to the subscriber according to Clause 7(1) instead. As a result, such shareholders may be unable to immediately sell their shares on the SET when the newly issued preferred shares are approved for trading on the SET.

8. Other material information relating to the subscription of the newly issued preferred shares

- (1) The subscribers have to subscribe for at least 100 shares and integral multiple of 100 shares.
- (2) The subscription for the newly issued preferred shares cannot be canceled or revoked once the subscription price has been paid.
- (3) The shareholders who subscribe for the shares will receive a proof of receipt of the subscription document signed by the respective officer. The subscription shall be complete only when the payment of the subscription price is fully collected by the Company.
- (4) In case the number of the newly issued preferred shares to be subscribed by any shareholder as specified in the Subscription Form does not correspond to the subscription payment collected by the Company, whether in full or part, within the subscription and payment period, such shareholders will be deemed to waive his/her right to subscribe for the newly issued preferred shares and the Company reserves all rights not to allocate the shares to such shareholders.

In making the subscription payment, the shareholders should study the payment procedures thoroughly and strictly comply with such procedures and specific conditions. Otherwise, if the Company is unable to collect the subscription payment within the subscription and payment period because the shareholders do not comply with the payment procedures and conditions, the Company reserves all rights not to allocate the newly issued preferred shares to such shareholders.

- (5) In case any shareholder fails to submit all of the documents required for the subscription within the subscription period resulting in the Company being unable to identify the subscriber, the Company will deem that such shareholder waives his/her right to subscribe for the newly issued preferred shares and the Company reserves all rights not to allocate the newly issued preferred shares to such shareholder.

- (6) The Company reserves all rights to alter any subscription conditions, subscription payment methods and/or any other information relating to the subscription procedures as deemed appropriate if there are problems, difficulties or restrictions in practice to facilitate all subscribers fairly and to maximize the success of the offering of the newly issued preferred shares.

9. Objectives of the capital increase and utilization plans of the proceeds derived from the capital increase

- (1) The Company plans to utilize the proceeds derived from the rights offering for repayment the loan that will be novated from Unicorn Enterprise Company Limited (“UE”) to the Company (the “Novated Debt”), as part of the entire business transfer transaction as approved by the Extraordinary General Meeting of Shareholders No. 1/2018 held on January 4, 2018.
- (2) If there are proceeds derived from the rights offering remaining after being utilized as detailed in (1) above, the Company plans to utilize such proceeds together with the fund derived from the exercise of U-W4 Warrants as the working capital in business operation and the real property development of the Company and/or its subsidiaries or affiliates, in the future.

10. Expected benefits to the Company from the capital increase/allocation of the newly issued preferred shares

This capital increase will benefit the Company and shareholders as a source of funding to pay a consideration for the entire business transfer from UE, to service the Novated Debt and to support the Company’s working capital for real property development in the future.

11. Dividend policy and the right to receive the dividend of the shares issued from capital increase

11.1 Dividend policy

The Company has a policy to pay out dividend to the holders of ordinary shares in each year at the rate of not less than 30 percent of the Company’s net profit (based on the separated financial statement of the Company), after deduction of all kinds of reserves as prescribed in the Company’s Articles of Association and applicable law. In paying out dividend, several factors will be taken into account, e.g. operating result, financial status, liquidity, business expansion and any other factors relating to the Company’s management. Any dividend payment shall be approved by the board of directors’ and the shareholders’ meetings.

11.2 Right to receive dividends attached to the newly issued preferred shares

The Company will pay dividends to the holders of preferred shares according to the dividend rights prescribed in Clause 3.1. The subscriber of the newly issued preferred shares shall be entitled to receive such dividends once they are duly registered as shareholders of the Company.

12. Other material information that may affect the decision making to invest in the Company’s newly issued preferred shares

12.1 Trading price of the newly issued preferred shares on the SET

Since the Company has determined the offering price of the Company’s newly issued preferred shares at Baht 0.031 per share (the “Preferred Shares Offering Price”) which is less than Satang figure. However, since the SET’s trading system, requires that the minimum bid and

offer prices must not be less than a Satang figure. The trading system of the main board of the SET only allows the trading price in a Satang figure (i.e. 2 decimals) at least, while the trading system of the big lot board allows the trading price lower than a Satang figure (i.e. up to 4 decimals). Therefore, when the newly issued preferred shares of the Company are traded on the SET, the SET's main board trading system may disregard any amount that is less than a Satang figure making the trading price of the Company's newly issued preferred shares lower or higher than the newly issued preferred shares' offering price where it may be equal Baht 0.03 or Baht 0.04, depending on the demand and supply of the shareholders and investors in the SET. In case that the offering price of the newly issued preferred shares of the Company is equal to Baht 0.03 per share, unrealized loss of Baht 0.001 per share will immediately incur to the holder of such share.

12.2 Excercise price of the warrants to purchase ordinary shares of U City public company limited No.3 (U-W3) is lower than excersice price of the warrants to purchase ordinary shares of U City Public Company Limited No.4 (U-W4)

The exercise price of the warrants to purchase the ordinary shares of U City Public Company Limited No.3 (U-W3) (the "U-W3 Warrants") is lower than the exercise price of U-W4 Warrants. In case the Company's ordinary share price traded on the SET during the exercise periods of such warrants are higher than the U-W3 Warrants' exercise price, but not higher than the U-W4 Warrants', the U-W3 Warrant holders may exercise their rights to purchase the newly issued ordinary shares of the Company whereas the U-W4 Warrant holders will not exercise their rights to purchase the newly issued ordinary shares of the Company, which may have a control dilution effect to other shareholders of the Company.

Part 2

Preliminary Information of U City Public Company Limited

1. Name and Address of Listed Company

Name : U City Public Company Limited
Ticker Symbol : U
Address : 21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok, 10900

2. Nature of Business and Current Main Business Operation

2.1. Nature of Business Operation

The Company currently develops and invests in various types of real estate, which can be categorized as follows:

- 1) Real estate development for rent, service and hotel business; and
- 2) Real estate development for sale business.

2.2. Nature of Products and Services

(1) Real Estate Development for Rent, Service and Hotel Business

1.1) Current Projects

The real estate development for rent, service and hotel business, which is the main business of the Company, consists of:

(a) Domestic Hotel Business

The Company, through its wholly owned subsidiaries, has invested in 3 hotels in Thailand. These hotels, the Company's main source of income, consist of:

- (1) Avani Khon Kaen Hotel and Convention Center;
- (2) Anantara Chiang Mai Resort and Spa; and
- (3) Eastin Grand Sathorn Bangkok.

Details are as follows:

(1) Avani Khon Kaen Hotel and Convention Center¹

Location	999 Moo 4 Prachasamosorn Road, (Route 209), Tambon Nai Mueang, Amphoe Mueang, Khon Kaen 40000
Project Area	12-1-36.9 rai
Hotel Details	A 4-star hotel with a large meeting room that can accommodate up to 4,000 seats, located in downtown Khon Kean
Owner	Khon Kean Buri Company Limited
Management	Minor Hotel Group
No. of Keys	196 keys

(2) Anantara Chiang Mai Resort and Spa²

Location	123 Charoen Prathet Road, Tambon Chang Khlan, Amphoe Mueang Chiang Mai, Chiang Mai 50100
Project Area	7-0-91 rai
Hotel Details	A resort and spa style hotel surrounded by a lawn and garden facing the Ping River
Owner	Pacific Hotel Chiang Mai Company Limited
Management	Minor Hotel Group
No. of Keys	84 keys

(3) Eastin Grand Sathorn Bangkok

Location	33/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Project Area	2-1-57 rai
Hotel Details	A 5-star 33-storey city hotel
Owner	BTS Assets Company Limited
Management	Absolute Hotel Services
No. of Keys	392 keys

(b) Overseas Hotel Business

In 2017, the Company has expanded its hotel business by making overseas investments, including (1) 24 hotels located in Europe, which are owned by the subsidiaries/affiliates of Vienna House Capital GmbH (“VHC”) (VHC is a wholly owned subsidiary of the Company) and (2) 12 hotels located in Europe, which are managed by Vienna International Hotel Management AG (“VIHM”) (VIHM is a wholly owned subsidiary of the Company). Details are as follows:

¹ The Extraordinary General Meeting of Shareholders No. 1/2018 held on January 4, 2018, approved the sale of all ordinary shares of Khon Kean Buri Company Limited, which is the owner of Avani Khon Kaen Hotel and Convention Center. The Company is currently negotiating with the buyer on the sale of such assets as approved by the shareholders’ meeting.

² The Extraordinary General Meeting of Shareholders No. 1/2018 held on January 4, 2018, approved the sale of (a) all ordinary shares of Boonbaramee Metta Property Company Limited or (b) all ordinary shares of Pacific Chiangmai Company Limited and Pacific Hotel Chiangmai Company Limited, which are the owners of Anantara Chiang Mai Resort and Spa. The Company is currently negotiating with the buyer on the sale of such assets as approved by the shareholders’ meeting.

(1) Hotels under VHC:

No.	Hotel Name	Location	Brand	No. of Keys
1	Vienna House Diplomat Hotel Prague	Prague, the Czech Republic	Vienna House	398
2	angelo by VH Hotel Pilsen	Pilsen, the Czech Republic	Angelo by VH Hotel	144
3	angelo by VH Hotel Katowice	Katowice, Poland	Angelo by VH Hotel	203
4	angelo by VH Airporthotel Bucharest	Bucharest, Romania	Angelo by VH Hotel	176
5	Vienna House Easy Amberg	Amberg, Germany	Vienna House Easy	110
6	Vienna House Easy Bad Oeynhausen	Bad Oeynhausen, Germany	Vienna House Easy	143
7	Vienna House Easy Braunschweig	Braunschweig, Germany	Vienna House Easy	176
8	Vienna House Easy Castrop-Rauxel	Castrop-Rauxel, Germany	Vienna House Easy	68
9	Vienna House Easy Coburg	Coburg, Germany	Vienna House Easy	123
10	Vienna House Easy Gunzburg	Gunzburg, Germany	Vienna House Easy	100
11	Vienna House Amber Baltic Miedzzydroje	Miedzzydroje, Poland	Vienna House	191
12	VH Easy Chopin Hotel Cracow	Cracow, Poland	VH Easy Chopin Hotel	220
13	andel's by Vienna House Lodz	Lodz, Poland	Andel's by Vienna House	227
14	Vienna House Easy Landsberg	Landsberg, Germany	Vienna House Easy	103
15	Vienna House Easy Limburg	Limburg, Germany	Vienna House Easy	191
16	Vienna House Easy Neckarsulm	Neckarsulm, Germany	Vienna House Easy	94
17	Vienna House Easy Trier	Trier, Germany	Vienna House Easy	105
18	Vienna House Easy Wuppertal	Wuppertal, Germany	Vienna House Easy	130
19	andel's by VH Hotel Krakow	Cracow, Poland	Andel's by Vienna House	159
20	andel's by Vienna House Hotel Berlin	Berlin, Germany	Andel's by Vienna House	557
21	Vienna House Easy Berlin	Berlin, Germany	Vienna House Easy	152

No.	Hotel Name	Location	Brand	No. of Keys
22	Vienna House QF Dresden	Dresden, Germany	Vienna House	95
23	Vienna House Kronberg	Kronberg, Germany	Vienna House	96
24	Vienna House Easy Leipzig	Leipzig, Germany	Vienna House Easy	199

(2) Hotels managed by VIHM:

No.	Hotel Name	Location	No. of Keys
1	Vienna House Martinspark Dornbirn	Dornbirn, Austria	99
2	angelo by VH Hotel Prague	Prague, the Czech Republic	168
3	andel's by Vienna House Hotel Prague	Prague, the Czech Republic	290
4	Vienna House Dvorak Hotel Karlovy Vary	Karlovy Vary, the Czech Republic	126
5	Vienna House Dream Castle Hotel	Paris, France	397
6	Vienna House Magic Circus Hotel	Paris, France	396
7	angelo by Vienna House Munich Leuchtenbergring	Munich, Germany	146
8	andel's Vienna House Hotel Munich Westpark	Munich, Germany	207
9	angelo by Vienna House Airporthotel Ekaterinburg	Ekaterinburg, Russia	211
10	Liner Airporthotel Ekaterinburg	Ekaterinburg, Russia	152
11	Vienna House Easy Chopin Hotel Bratislava	Bratislava, Slovakia	166
12	Marriott Minsk	Minsk, Belarus	217

(c) Office Building Rental Business

In 2016, the Company expanded its investment in the office building rental business in order to diversify its sources of income and mitigate risks by investing in office buildings in London, the United Kingdom. Details are as follows:

(1) Office Building at 33 Gracechurch Street

Address	33 Gracechurch Street, City of London, the United Kingdom
Total Floor Area	The total floor area is 13,083.5 sq.m. and the net leasable area is 9,701.4 sq.m., divided into: <ul style="list-style-type: none"> • Office area 7,124.6 sq.m.; • Retail area 1,798.7 sq.m.; and • Storage area 778.1 sq.m.
Building Details	A 6-storey grade A office building with 1 basement
Project Owner	Thirty Three Gracechurch 1 Limited and Thirty Three Gracechurch 2 Limited through Lombard Estate Holdings Limited
Lease Period	Approximately 145 years

(2) Office Building at Underwood Street

Address	6-14 Underwood Street, City of London, United Kingdom
Total Floor Area	The total usable area is 2,378.7 sq.m.
Building Details	A 4-storey building with 1 basement
Project Owner	Underwood Street Limited
Lease Period	Approximately 38 years

1.2) Future Projects

(a) Phaya Thai Project

Project Location	At the intersection of two mass transit systems, i.e. the BTS system and the Airport Link system and adjacent to Phaya Thai Road and BTS Phaya Thai Station
Project Area	6-2-31.4 rai
Project Details	The project will be a 52-storey mixed-use complex building with 52,000 sq.m. total usable area <u>comprising:</u> <ul style="list-style-type: none"> • retail space for rent; • grade A office space for rent; • a 4-5 star hotel; and • parking space.
Construction Area	Around 120,000 sq.m.
Project Value	Around THB 9,500 mn
Project Status	The project was EIA approved in December 2016.
Project Schedule	The construction period is expected to last around 48 months where construction was started in 2017.

(b) Mo Chit Project

Project Location	The project is adjacent to a mass transit system, i.e. the Green Line northern extension of the BTS system, and Phahonyothin Road and also connects to BTS Mo Chit Station.
Project Area	11-0-44.8 rai

Project Details	It is expected that the project will be developed into 2 34-storey mixed-use complex buildings with 72,000 sq.m. total usable area <u>comprising:</u> <ul style="list-style-type: none"> • retail space for rent; • grade A office space for rent; and • parking space.
Construction Area	Around 150,000 sq.m.
Project Value	Around THB 9,000 mn
Project Status	Pending project design and EIA submission
Project Schedule	The construction period is expected to last around 48 months.

(c) Roi Chak Sam Bangkok Project

Project Location	The project is adjacent to the Chao Phaya River and opposite The Icon Siam Project and it can be accessed via Soi Charoen Krung ³⁶ , Bang Rak, Bangkok.
Project Area	5-0-60 rai
Project Details	It is expected that the project will be developed into a 5-star boutique hotel, whose design has been made under a heritage development concept focusing on the harmony between the Neoclassical preserved building (Rong Phasi Roi Chak Sam), which has a long history of more than 100 years, and the new buildings that will be constructed. The design was intended to create additional usable area and adjust the area within the preserved building to meet the needs of the hotel without destroying the beauty of the historic building.
Usable Area	Around 5,700 sq.m.
Project Value	Around THB 2,000-2,500 mn
Project Status	The project is pending reconciliation by the Administrative Court. The Company has submitted a proposal and a new development model to the Treasury Department in the fourth quarter of 2016 and is awaiting the conclusion and handover of the leased area from the Treasury Department.
Project Schedule	The construction period is expected to last around 36 months.

(2) Real Estate Development for Sale Business

The Company has started developing residential projects for sale since 2013 under the “PARK” brand. The developed projects are located both in urban and rural areas as follows:

(a) PARK Ramindra Project³

Project Location	Ram Inthra Road, Soi 47, Tha Raeng, Bang Khen, Bangkok
Project Area	2-1-14.2 rai
Project Type	A low-rise 8-storey condominium with 206 units and parking space for 86 vehicles, accounting for 41percent of the total units
Room Type	1-bedroom and 1-bathroom studios whose usable area is around 29.45-36.50 sq.m per unit
Project Value	Around THB 400 mn

³ The Extraordinary General Meeting of Shareholders No. 1/2018 held on January 4, 2018, approved the sale of the PARK Ramindra project. The Company is currently negotiating with the buyer on the sale of such asset as approved by the shareholders' meeting.

Project Status	Pending registration of the condominium juristic person with the Land Office
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(b) PARK Aran Boulevard Project⁴

Project Location	Moo 7, Sri Phen Road, Tambon Pa Rai, Amphoe Aranyaprathet, Sa Kaeo
Project Area	5-0-17.75 Rai
Project Type	3-and-a-half-storey commercial buildings
Room Type	62 units of commercial buildings whose usable area is 163 sq.m. per unit and located on a plot of 16 sq.wa. per unit and parking space for 62 vehicles, accounting for 100 percent of the units
Project Value	THB 60 mn
Project Status	17 units are still available for sale

2.3. Market Overview and Competition**1) Real Estate Development for Rent, Service and Hotel Business****1.1. Domestic Hotel Business****(a) Overview of the Tourism and Hotel Business in 2017**

The inbound tourism market trend in Thailand in 2017 was positive despite certain events that could possibly affect tourism traffic, such as the flood crisis in the southern provinces and the decrease of Chinese tourist inflow as a result of the rearrangement of tour business. However, these events are only short-term events. In 2017 the government had a plan to push Thailand to become the center of ASEAN tourism and promote new activities and tourist attractions that would help distribute revenue to other business sectors apart from the business directly related to tourism.

Apart from the marketing campaigns of both the public and private sectors, another contributing factor that boosted tourism was the continuing interests of various international airlines in expanding their aviation routes and increasing the number of flights to Thailand where the number of international flights to Thailand in 2016 increased by 10.2 percent from 2015 (according to AOT's report). Moreover, since many international low-cost airlines have recently expanded more routes to Thailand, cheaper travels has helped foreign tourist arrivals to grow.

The inbound tourism market had a tendency to grow further—from the ASEAN tourist market, which resulted from the ASEAN tourism strategic plan among the ASEAN countries, to the European tourist market, which showed a promising outlook, especially the main tourist markets from England, Germany and France, while the Russian tourist market also had a brief recovery in the past year. Furthermore, the Middle East tourist market should also grow well since the Middle East tourist arrivals in 2016 grew by around 13.2 percent from 2015, which was higher than the overall market growth rate.

On account of the foregoing, it was estimated that the number of foreign tourist arrivals in 2017 would reach approximately 33.50–34.15 million tourists or grow by approximately 2.8-4.8 percent. In terms of the foreign tourism revenue in 2017, it was estimated that tourism related business would generate approximately THB 1.76-1.79 trillion in revenue from foreign tourists, accounting for 7.3-9.1 percent growth.

The Chinese tourist arrivals trend in 2017 was estimated to possibly grow by 5.0-7.5 percent given the domestic and international factors contributing to tourism where such growth should become apparent

⁴ The Extraordinary General Meeting of Shareholders No. 1/2018 held on January 4, 2018, approved the sale of the PARK Aran Boulevard project. The Company is negotiating with the buyer on the sale of such asset as approved by the shareholders' meeting.

in the second half of the year during the tourist season of Chinese tourists. However, the Chinese tourist market will be more challenging going forward, both from the high level of competition in the international tourism sectors and the shifting travel behavior of Chinese tourists. Nonetheless, the revenue from Chinese tourists was estimated to be approximately THB 470,000-480,075 million, accounting for 7.0-9.4 percent growth.

Moreover, the domestic tourism trend in 2017 was optimistic with the supports of marketing campaigns from operators engaging directly in the tourism business such as hospitality and aviation as well as marketing campaigns that stimulate tourism activities all year round by operators engaging indirectly in the tourism business. Another driving force was the promotion of new tourist attractions through online network channels by the relevant agencies and private sectors. All these factors affect the decision making of tourists.

At the same time, the development of tourism products and the advent of new activities that were targeted for specific groups to cater to their behavior and lifestyle helped create new tourism trends, such as the Thai League Football competitions, marathons, cycling competitions in various provinces, and local festivals, and boosted the domestic tourism growth. Apart from the expansion of the main routes from Bangkok to other regions and the operation of Pattaya-Hua Hin ferry services facilitated travels to various provinces by the Thai tourists, which allowed tourism dispersal and benefited the hospitality business.

Given the circumstantial factors concerning the domestic tourism market and the situation in Thailand, i.e. the constant economic recovery and domestic peace, it was expected that the domestic tourism revenue generated by Thai tourists would be approximately THB 9.30-9.38 hundred billion or grow by 7.0-8.0 percent where the number of Thai tourists traveling domestically/domestic travels by Thai tourists was estimated to be approximately 158.2-159.7 million tourists/times, accounting for 6.2-7.2 percent growth.

However, the growth of the foreign tourism market in 2018 will still face risks from the fluctuations in economic trends and currencies of the main tourist markets, policies to attract tourists of each ASEAN country, marketing competition in the tourism business that will affect foreign tourist destinations and the change in behavior of tourists.

While domestic tourism saw constant growth, fierce competition in the tourism business remained as a result of new businesses sprouting in each area and tourism dispersal to new destinations. As such, both tourism and hospitality business operators must adapt to the shifting business environment, such as incorporating technology as a marketing tool.

Source: Kasikorn Research Center

(b) Overview of the Company's Hotel Business

The Company's hotel business overview in 2017 saw a continuous up trend from 2016. Despite more intense competition in terms of new hotel investments as well as mergers or acquisitions of hotels in the market, most new operators focused on developing 3-star hotels by purchasing existing hotels to remodel and rebrand the same to attract more tourists. Moreover, the recovery of event hosting market such as meetings, seminars, weddings and events should help generate income for venue service providers, allowing the hotel business to grow by 3.7-5.5 percent, a slight decrease from 2016's growth at 6 percent (*Source: Kasikorn Research Center*).

However, the Company's hotel business comprises mostly 4-5-star hotels, which had lower competition level. As a result, the operating results of Company's hotel business grew at a rate of 4-16 percent, which is higher than the estimated market average. At present, the Company invests in 3 domestic hotels comprising:

(1) Avani Khon Kaen Hotel and Convention Center

Target Customer

Khon Kaen is the center of trade and education of the northeastern region of Thailand as well as a top destination for tourists who wish to experience traditional custom and way of life. Moreover, it is the center point of the “Economics Corridor Development Plan” operation and connects Thailand, Myanmar and Vietnam together. Moreover, it is the center of trade and transportation as well as the gate to Indo-china and south China, making Khon Kaen one of the leading MICE (Meetings, Incentives, Conventions, and Events) cities in Thailand. Therefore, the hotel’s target customers are tourists as well as private and public sectors seeking seminar venues as the hotel has the biggest venue in the province catering to a variety of activities. Thai tourists made up most of the hotel’s customer group, accounting for 87 percent of the total visitors. However, British and American tourist arrivals were estimated to be higher than the past year.

The occupancy rate for 2017 was approximately 69 percent.

Distribution Channels

The hotel was originally managed by the Central Group under the “Centara” brand. However, the hotel later changed its brand to “Avani” under the management of the Minor Hotel Group, which is a well-known brand extensively recognized by Thai and international tourists for its room and service standards. It utilizes both online and offline distribution channels, which are geared towards reaching a wider range of customers and offering greater efficiency, where the percentage of the reservation made through key reservation channels are as follows:

Reservation Channels	Percentage
1. Discount sale channel	26
2. Government sale channel	18
3. Corporate sale channel	17
4. Others	39

(2) Anantara Chiang Mai Resort and Spa

Target Customer

Chiang Mai is one of the most popular tourist destinations as it is ideal for traveling all seasons of the year especially during winter and holiday seasons, such as Songkran, Loi Krathong and New Year. With its mountainous landscape and location in the north of Thailand, the weather is relatively cool all year round. Moreover, there are also unique cultural attractions. As a result, Chiang Mai is one of the top tourism spots in the country for both Thai and foreign tourists. Anantara Chiang Mai Resort and Spa focuses on upscale Thai and foreign tourists who prefer exclusive privacy in 5-star hotels. This group of customers have higher purchasing power and are less sensitive to economic uncertainties, as a result, the hotel was ranked second among other hotels in the same area in terms of RevPAR. Most of the guests were Chinese and American tourists, making up 37 percent and 12 percent of the total number of visitors, respectively.

The occupancy rate for 2017 was approximately 74 percent.

Distribution Channels

The Minor Hotel Group is a hotel manager who has worldwide sales network, especially in the Asia-Pacific region, under the “Anantara”, “Four Seasons”, “JW Marriot”, “The St. Regis” and “Avani” brands, which can reach various group of customers. Hotels under the

“Anantara” hotel chain are located in most regions of Thailand. It utilizes both online and offline distribution channels, which are geared towards reaching a wider range of customers and offering greater efficiency, where the percentage of the reservation made through key reservation channels are as follows:

Distribution Channels	Percentage
1. Discount sale channel	33
2. Wholesale channel	28
3. Retail channel	13
4. Others	26

(3) Eastin Grand Sathorn Bangkok

Target Customer

The hotel is a city hotel located in central Bangkok. It offers 5-star accommodation that meets the needs of all sorts of city dwellers. The hotel is located in a central business district with convenient transportation via expressways and public transports. It is also connected to a BTS sky train station for the guest’s convenience. In addition, the hotel is located near the Chao Phraya River and its attractions, so the hotel focuses on both Thai and foreign clients as well as business travellers who come to Bangkok. Given its convenient location, the hotel was ranked third among hotels in the area in terms of RevPAR. Most of the guests were Korean and Chinese tourists, accounting for 32 percent and 10 percent of the total guests, respectively. The hotel market in Bangkok, especially the hotels in central business districts such as Eastin Grand Sathorn Bangkok, continues to generate revenue and the main customers are still Korean and Chinese tourists.

The occupancy rate for 2017 was approximately 87 percent.

Distribution Channels

Absolute Hotel Services is the hotel manager of various hotels under the “Eastin Grand”, “Eastin Hotel”, “Eastin Easy” and “U Hotel” brands, and has a network in countries such as Vietnam, Indonesia, India and Oman where business is growing. The “Eastin” brand is well-known among both foreign and Thai customers. It utilizes both online and offline distribution channels, which are geared towards reaching a wider range of customers and offering greater efficiency, where the percentage of the reservation made through key reservation channels are as follows:

Reservation Channels	Percentage
1. Online travel agent (OTA) sale channel	40
2. Wholesale channel	28
3. Corporate sale channel	11
4. Others	22

1.2. Overseas Hotel Business

The hotel and tourism business in Europe was affected by the political instability and safety concerns, which are the main factors that tourists consider when deciding on a destination. Destinations that have no political instability or safety concerns are more interesting and attract more tourists. However, the profits of hotel operators in Europe were also affected by an increase in operating cost, especially in personnel and commissions paid to online distribution channels. Moreover, new innovations and technologies were implemented to facilitate and improve efficiency of services, such as hotel booking and checking in via an application or using portable devices as room keys to reduce staff work, as well as increasing experience of the guests at the same time. Nevertheless, some hotel brands were becoming

more strategic by cooperating with successful F&B operators or businesses around the area, as well as providing health-related services and gyms in order to attract more guests. This strategy proved to be extremely successful in city areas as it helped operators to increase their room sales and the guests were also able to have access to other facilities around the hotels.

In addition to the tourists' view affecting travelling to a European destination and the various factors that can attract tourists and stayers, according to PWC Global's report on the hotel industry in Europe titled "Standing out from the crowd, European Cities hotels forecast for 2017 and 2018" published in March 2017, it was reported that the European hotel industry saw an increase of RevPAR by 2.1 percent at an average of EUR 78.64 per night in 2016. The report also estimated that the number of tourists in the EU in 2016 reached 2,800 million room, which grew by 2.0 percent in comparison to 2015. One of the factors that affected the RevPAR growth was on account of the relatively low number of new hotels or hotels introduced to the hotel industry. As for the average occupancy rate, it increased by 0.6 percent in comparison to 2015, which resulted in the occupancy rate of 70.4 percent for 2016, while the occupancy rate in 2015 increased by 1.5 percent at an average of EUR 111.77 per night and the RevPAR increased by 2.1 percent in comparison to the previous year, which was in the average of EUR 78.64 per night.

The said report also stated that the growth would continue in 2017 and 2018, which would result in certain cities outshining other cities in terms of operating results and further result in ranking adjustments. In this regard, the main factors that contributed to such growth were:

- (1) The European zone was a key destination for tourists, especially tourists from the U.S. and London due to the weakening of the US dollar and the British pound against the euro.
- (2) Many cities in Europe, such as Frankfurt, remained international business centers.
- (3) Various trade exhibitions in cities, such as the GSMA Mobile World Congress in Barcelona, attracted over 10,000 tourists and business travelers in 2016. Other factors that affected such growth included more convenient access to cities thanks to the improvement of flights routes and better airport services.

As such, the tourism and hotel business in 2018 is inclined to continuously grow and maintain its potential in favor of the hotel business operators in Europe who will be able to meet the accommodation needs of tourists by making adjustments to be in line with shifting consumer behavior through utilization of new innovations and technologies and by incorporating other hotel-related services to facilitate and create value for the guests efficiently, such as F&B and venue for organizing various events.

Source: CBRE

PWC Global

1.3. Office Building for Rent Business

Overview of the Office Building for Rent Business in London, the United Kingdom in 2017

London still remained the most popular real estate investment market in the world chosen by international investors despite Brexit. The number of investors from China and Hong Kong accounted for one-third of the total commercial real estate investors in London and was the highest. The cost of office space in London was lower than its counterpart in Hong Kong, Tokyo, New York and San Francisco. However, the cost was still higher than other business-centric cities in the world.

The real estate market in London continued to be interesting. Chinese investors, especially from Hong Kong, had invested in famous office buildings in London, such as The Cheesegrater and The Walkie Talkie. In the second half of 2017, Chinese investors spent approximately GBP 3.96 billion or THB

175,982 million in the commercial real estate business in comparison to GBP 2.69 billion or THB 118,540 million in 2016, where 92 percent of the total investments came from Hong Kong. In the previous year, Lee Kum Kee, a Hong Kong-based food company, had invested GBP 1.28 billion in The Walkie Talkie, a 34-floor office building located in Fenchurch Street, London.

Brexit affected some financial businesses in London who might have relocated their offices to other European countries or Ireland to continue serving customers in the EU. This negative factor could be mitigated by the decrease of the British pound, which resulted in cheaper property prices for international investors. Moreover, the buildings could be sold together with remaining tenancy of 10-15 years.

After the United Kingdom leaves the EU in 2019, the office building market in London is projected to experience an increase of available office space. Owners of the buildings may give special offers to the tenants, such as longer rent-free periods or early occupancy, in order to maintain the tenants.

Reference: CBRE

2) Real Estate Development for Sale Business

Overview of the Domestic Residential Real Estate Market in 2017

2017 was a highly competitive year for the residential condominium market in Bangkok. The number of new launched condominium units offered by major and minor operators was 62,700 units from 128 projects, which was higher than the average number of new launched condominium units over the past 5 years by 15 percent (The average number of new launched condominium units from 2013-2017 was 53,600 units per year.). The increased number of new launched condominium units and the expansion of projects around the central areas resulted from the continuous project development by major and new operators, resulting in 550,000 condominium units in the market.

The condominium market in the provinces in the vicinity of Bangkok, especially in Nonthaburi and Samut Prakan, would also benefit from the rapid transit extensions and new lines. Therefore, the number of new launched condominium in such provinces was higher than other provinces. The sale rate for units in Nonthaburi was approximately 71 percent with around ten thousand unsold units while the Samut Prakan counterpart was approximately 66 percent with around 3,000-4,000 unsold units.

As for the horizontal housing market, the provinces in the vicinity of Bangkok saw a high number of new launched housing estates, especially in Nonthaburi, Pathum Thani, Nakhon Pathom, Samut Sakhon and Samut Prakan, and its sale rate was gradual.

The prime areas that are suitable for project development must be located near the rapid transit lines, commercial areas as designated in the town planning, areas around Kanjanaphisek Outer Ring Road and areas not far from the expressway entrances and exits. The following are changes that may occur in the future, i.e. the provinces in the vicinity of Bangkok will continue to expand, town planning will still be the key factor for development, the housing estate market will continue to grow, residences that cost less than THB 3 million will still be in demand and condominiums in certain areas will still be interesting.

Reference: Compiled from the research of Nexus Property Marketing Co., Ltd.

2.4. Material Assets of the Company and Subsidiaries

1) Fixed Assets of the Company and Subsidiaries

Details of the investment properties and fixed assets of the Company and subsidiaries as at September 30, 2017 are as follows:

Item	Ownership	Net Book Value (THB million)	Encumbrance
<u>Real estate projects under development</u>			
PARK Aran Boulevard Project	Company	113.44	None
PARK Ramindra Project	Company	305.24	None
PARK Charan Project	Company	506.38	Mortgaged to secure financial institution loan(s)
Korat Project	Subsidiary(ies)	690.00	Mortgaged to secure financial institution loan(s)
		1,615.06	
<u>Land and projects awaiting development</u>			
Suk Sawat Project	Company	934.27	Mortgaged to secure financial institution loan(s)
Chon Buri Project	Company	2.51	None
Khu Khot Project	Subsidiary(ies)	1,111.14	Mortgaged to secure financial institution loan(s)
		2,047.92	
<u>Investment properties</u>			
Phaya Thai Project	Subsidiary(ies)	2,996.13	Mortgaged to secure financial institution loan(s)
Chatuchak Project	Subsidiary(ies)	2,876.96	Mortgaged to secure financial institution loan(s)
Bang Kachao Project	Company	157.28	None
33 Gracechurch Street Project	Subsidiary(ies)	1,532.21	None
		7,526.58	
<u>Property, plant and equipment</u>			
Avani Khon Kaen Hotel and Convention Center	Subsidiary(ies)	840.30	None
Anantara Chiang Mai Resort and Spa	Subsidiary(ies)	1,294.27	Mortgaged to secure financial institution loan(s)
Eastin Grand Sathorn Bangkok	Subsidiary(ies)	3,703.21	Mortgaged to secure financial institution loan(s)
Roi Chak Sam Bangkok Project	Joint-venture	89.26	None
Hotels under VHC	Subsidiary(ies)	12,725.89	Mortgaged to secure financial institution loan(s)
Furniture and office equipment	Company and subsidiary(ies)	25.14	None
		6,864.96	

Item	Ownership	Net Book Value (THB million)	Encumbrance
<u>Leasehold rights</u>			
Roi Chak Sam Bangkok Project	Joint-venture	73.35	None
33 Gracechurch Street Project	Subsidiary(ies)	1,600.96	None
6-14 Underwood Street Project	Subsidiary(ies)	353.46	Mortgaged to secure financial institution loan(s)
		2,027.77	
Total		31,931.40	

2) Lease Agreement for the Ratchaphatsadu Land at Rong Pasee Roi Chak Sam with the Treasury Department, Ministry of Finance

A joint-venture between the Company, Amanresorts Services Limited and Silverlink Holdings Limited (the “JV”) entered into a lease agreement in relation to the Ratchaphatsadu land at Rong Pasee Roi Chak Sam and a joint-venture agreement in relation to the development and management of the Ratchaphatsadu Land at Rong Pasee Roi Chak Sam Development Project located at Bang Rak, Bangkok with the Treasury Department, Ministry of Finance. The JV has agreed to develop the land and construct a hotel and other buildings on such land and transfer the ownership over the same to the government. The JV will also have the right to manage the constructed hotel for 30 years from the date of the agreement whereas the JV already paid an exploitation fee of THB 125 million to the Treasury Department on the execution date of the agreement. The JV is also required to pay yearly rent under the lease agreement.

Details of the lease agreement in relation to the Ratchaphatsadu land at Rong Pasee Roi Chak Sam

Location	Ratchaphatsadu land No. KorTor. 043314 (Rong Pasee Roi Chak Sam), Title Deed Nos. 2317, 3618 and 3257, Silom, Bangrak, Bangkok
Lease Period	30 years
Date of Agreement	10 May 2005
Expiry Date	9 May 2035
Area	5 rai 60 sq.wa
Rent	Payable upon the execution of the agreement Years 1 – 11 THB 3.30 million per year Years 12 –16 THB 30 million per year Years 17 – 20 THB 40 million per year Years 21 – 30 THB 100 million per year
Utilization	For the Ratchaphatsadu Land at Rong Pasee Roi Chak Sam Development Project
Encumbrance	None

The JV has complied with the terms of the agreement with the Treasury Department, Ministry of Finance, in relation to the Ratchaphatsadu Land at Rong Pasee Roi Chak Sam Development Project. However, there were obstacles in the commencement of the hotel construction on the site where the Rong Pasee Roi Chak Sam is located since the Treasury Department was unable to hand over such site to the JV.

The JV sent notices to the Treasury Department accordingly and requested in writing that the Treasury Department consider stopping counting the “project management period” and “lease period” under the development and management agreement dated May 10, 2005 from May 10, 2005 until the Treasury Department can hand over such site to the JV to continue with the construction works thereon.

On December 18, 2015, the JV filed a lawsuit against the Treasury Department and the Supervising Committee for the Ratchaphatsadu Land at Rong Pasee Roi Chak Sam Development Project with the Central Administrative Court. On July 13, 2017, the Central Administrative Court ordered that the two defendants extend the utilization period for the land in dispute for 30 years from the date on which the site is handed over or from the date on which the legal action is final, as the case may be. Thereafter, on August 15, 2017, the JV filed an appeal with the Supreme Administrative Court and the legal action is now pending.

3) Intangible Assets of the Company and Subsidiaries

As at September 30, 2017, the intangible assets of the Company and subsidiaries used in their operation consisted of copyrights and computer software with a net book value of THB 901.63 million. The Company has also filed for recordation of certain house blueprints to be used for construction, whose significant details are as follows:

Name of Work	Natural Home wide frontage house
Category of Work	Artistic work
Nature of Work	Architecture
Nature of Creation	Self-creation
Date of Creation	1996
Duration of Copyright	50 years from the date of creation

3. List of the Board of Directors, Executives and Top 10 Shareholders

1) List of the Board of Directors as at January 26, 2018 - there were 10 directors as follows:

No.	Name	Position
1.	Mr. Keeree Kanjanapas	Chairman of the Board of Directors
2.	Mr. Kavin Kanjanapas	Director
3.	Mr. Kong Chi Keung	Director
4.	Mr. Burin Pusiri	Director and Executive Director
5.	Mr. Weerawat Wattanatchariya	Director and Executive Director
6.	Mr. Voraphot Chanyakomol	Director and Executive Director
7.	Mr. Rungson Sriworasat	Independent Director, Chairman of the Audit Committee and member of the Nomination and Remuneration Committee
8.	Mr. Chaiwat Atsawintarangkun	Independent Director, member of the Audit Committee and Chairman of the Nomination and Remuneration Committee
9.	Mr. Surajit Gongvatana	Independent Director, member of the Audit Committee and member of the Nomination and Remuneration Committee
10.	Mr. Plakorn Wanglee	Independent Director, member of the Audit Committee and member of the Nomination and Remuneration Committee

- 2) List of the executives as at January 26, 2018:

No.	Name	Position
1.	Ms. Piyaporn Phanachet	Chief Executive Officer
2.	Mr. Voraphot Chanyakomol	Chief Financial Officer
3.	Mr. Veerapong Rodjanawarodom	Chief Operation Officer
4.	Mr. Sayam Siwarapornskul	Chief Legal Officer and Company Secretary
5.	Ms. Nuttapun Giramethakul	Vice President, Accounting Department

- 3) List of the top 10 shareholders as at November 15, 2017 (the latest book closing date of the Company):

No.	Name	No. of Shares (Share)	Percentage
1.	BTS Group Holdings Public Company Limited	200,086,877,212	35.64
2.	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	62,511,634,965	11.14
3.	Mr. Wanchai Panwichien	9,620,000,000	1.71
4.	Mrs. Sukalaya Thongphun	9,151,375,650	1.63
5.	Mr. Komol Jungrungreangkit	7,829,542,672	1.39
6.	Thai NVDR Co., Ltd.	7,823,086,471	1.39
7.	Mr. Vichit Chinwongvorakul	7,043,900,000	1.25
8.	Mr. Somkiet Chatsakulwilai	5,879,591,572	1.05
9.	Mr. Chaiyan Chakarakul	4,900,489,608	0.87
10.	Mr. Thongplew Siripornpitak	4,595,854,122	0.82

4. History of Capital Increase and Dividend Payment in the Past 3 Years

Year 2015

Capital Increase: The Extraordinary General Meeting of Shareholders No. 2/2014 held on December 29, 2014, approved the increase of the registered capital of the Company from THB 541,913,132,646 to THB 861,413,132,646 by issuing 319,500,000,000 newly issued ordinary shares with a par value of THB 1 per shares and allocating not exceeding 213,000,000,000 newly issued ordinary shares to BTS Group Holding Public Company Limited and not exceeding 106,500,000,000 newly issued ordinary shares to accommodate the exercise of the warrants to purchase ordinary shares of the Company No. 2 (U-W2).

Dividend Payment: None

Year 2016

Capital Increase: None

Dividend Payment: None

Year 2017

Capital Increase: None

Dividend Payment: None

5. Details of Subsidiaries and Associated Companies

1) Real Estate Development for Rent, Service and Hotel Business (Domestic)

Real Estate Development for Rent, Service and Hotel Business (Domestic)							
No.	Company	Address	Shareholding of the Company (%)	Paid-up Capital (THB)	Registered Capital (THB)	Issued Shares (Shares)	Par Value (THB)
1	Kamkoong Property Company Limited (KKP) <i>Real estate development business</i>	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	1,100,000,000	1,100,000,000	11,000,000	100
2	BTS Assets Company Limited (B TSA) <i>Hotel and real estate development business</i>	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	2,955,000,000	2,955,000,000	29,550,000	100
3	Khon Kean Buri Company Limited (KK) <i>Hotel business</i>	999 Moo 4 Prachasamosorn Road, Tambon Nai Mueang, Amphoe Mueang Khon Kean, Khon Kean Tel. 043-209-888 Fax. 043-209-889	100.00	800,000,000	800,000,000	8,000,000	100
4	Boonbaramee Metta Property Company Limited (BMP) <i>Investment in hotel and real estate development business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	700,000,000	700,000,000	7,000,000	100
5	Pacific Chiangmai Company Limited (PC) <i>Leasing land and buildings to Pacific Hotel Chiangmai Company Limited</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00 (held by BMP)	200,000,000	200,000,000	2,000,000	100
6	Pacific Hotel Chiangmai Company Limited (PHC) <i>Hotel business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00 (held by BMP)	600,000,000	600,000,000	6,000,000	100

2) Real Estate Development for Rent, Service and Hotel Business (Overseas)

(a) Subsidiaries Engaging in the Real Estate Development for Rent, Service and Hotel Business (Overseas)

Real Estate Development for Rent, Service and Hotel Business (Overseas)							
No.	Company	Address	Shareholding of the Company (%)	Paid-up Capital	Registered Capital	Issued Shares (Shares)	Par Value
1	Lombard Estate Holdings Limited (LEH) <i>Property investment business</i>	Room 501, The Lucky Building, 39, Wellington Street, Central, Hong Kong	100.00	GBP 76,500,001 EUR 27,400,000	GBP 76,500,001 EUR 27,400,000	103,900,001	GBP/ EUR 1
2	Thirty Three Gracechurch 1 Limited (TTG 1) <i>Investment in LH Unit Trust</i>	26 New Street, St. Helier, Jersey, JE2 3RA Tel. +44 (0) 1534 507000 Fax. +44 (0) 1534 507001	100.00 (held by LEH)	GBP 15,140,001	GBP 15,150,000	15,140,001	GBP 1
3	Thirty Three Gracechurch 2 Limited (TTG 2) <i>Investment in LH Unit Trust</i>	26 New Street, St. Helier, Jersey, JE2 3RA Tel. +44 (0) 1534 507000 Fax. +44 (0) 1534 507001	100.00 (held by LEH)	GBP 154,001	GBP 164,000	154,001	GBP 1
4	LH Unit Trust (LHUT) <i>Investment in long-term leasehold right of an office building in the United Kingdom</i>	-	100.00 (held by TTG1 and TTG2)	GBP 4,924,000	-	49,294	GBP 1,000
5	Vienna House Capital (VHC) <i>Operating 32 hotels in Europe</i>	Dresdner Straße 87, 1200 Vienna Tel. +43 1 333 73 73-0 Fax. +43 1 333 73 73-13	100.00 (held by LEH)	EUR 35,000	EUR 35,000	1	EUR 35,000
6	Underwood Street Limited (USL) <i>Investment in long-term leasehold right of an office building in the United Kingdom</i>	26 New Street, St. Helier, Jersey, JE2 3RA Tel. +44 (0) 1534 507000 Fax. +44 (0) 1534 507001	100.00 (held by LEH)	GBP 3,300,001	GBP 3,300,001	3,300,001	GBP 1

(b) Subsidiaries Engaging in the Hotel Business (Overseas) under VHC

No.	Company	Business	Country of Incorporation	Investment (Currency of the Country of Incorporation)	Shareholding Percentage (%)
1	Vienna International Hotel Management AG	Hotel management service	Austria	EUR 3,375,000	100.0
2	Vienna International Asset GmbH	Hotel	Germany	EUR 25,000	94.9
3	Vienna International Deutschland GmbH	Hotel management service	Germany	EUR 25,000	100.0
4	Andel's Berlin Hotelbetriebs GmbH	Hotel	Germany	EUR 25,000	100.0
5	VHE Berlin Hotelbetriebs GmbH	Hotel	Germany	EUR 25,000	100.0
6	VH Dresden Hotelbetriebs GmbH	Hotel	Germany	EUR 25,000	100.0
7	VHE Leipzig Hotelbetriebs GmbH	Hotel	Germany	EUR 25,000	100.0
8	VH Kronberg Hotelbetriebs GmbH	Hotel	Germany	EUR 25,000	100.0
9	VHE Darmstadt Hotelbetriebs GmbH	Hotel	Germany	EUR 25,000	100.0
10	KDAG Data GmbH	Dormant	Austria	EUR 3,140,000	33.3
11	VI Europäische Franchise GmbH	Hotel management service	Austria	EUR 80,000	33.3
12	Vienna House Cluster Sp. z o.o.	Hotel management service	Poland	PLN 40,000	100.0

Enclosure 1

No.	Company	Business	Country of Incorporation	Investment	Shareholding Percentage
				<i>(Currency of the Country of Incorporation)</i>	<i>(%)</i>
13	Vienna International Bratislava s.r.o.	Hotel management service	Slovakia	EUR 6,639	100.0
14	VI Travel Management s.r.o.	Hotel management service	The Czech Republic	CZK 200,000	100.0
15	OOO Employ Management RUS	Hotel management service	Russia	RUB 231,948	100.0
18	Calvus GmbH & Co. Vermietungs KG	Hotel	Germany	EUR 5,000	94.0
19	Enigma GmbH & Co. Objekt Wuppertal KG	Hotel	Germany	EUR 5,000	94.0
20	Fabella GmbH & Co. Vermietungs KG	Hotel	Germany	EUR 5,000	94.0
21	Fabio GmbH & Co. Vermietungs KG	Hotel	Germany	EUR 5,000	94.0
22	Fiora GmbH & Co. Vermietungs KG	Hotel	Germany	EUR 5,000	94.0
23	Recoop Tour a.s.	Hotel	The Czech Republic	CZK 24,000,000	100.0
24	UBX Plzen s.r.o.	Hotel	The Czech Republic	CZK 200,000	100.0
25	UBX Plzen Real Estate s.r.o.	Hotel	The Czech Republic	CZK 200,000	100.0
26	Amber Baltic Sp. z o.o.	Hotel	Poland	PLN 38,325,000	100.0
27	VHE Cracow sp. z o.o.	Hotel	Poland	PLN 5,000	100.0
28	WX Krakow Sp. z o.o. SKA	Hotel	Poland	PLN 11,206,950	99.99
29	Andels Lodz Sp. z o.o.	Hotel	Poland	PLN 5,208,000	100.0
30	UBX Katowice Sp. z o.o.	Hotel	Poland	PLN 50,000	100.0
31	Hotel Management Angelo Katowice Sp. z o.o.	Hotel	Poland	PLN 50,000	100.0
32	Comtel Focus S.A.	Hotel	Romania	RON 42,703,016	100.0
33	UBX Krakow Sp. z o.o.	Hotel	Poland	PLN 50,000	100.0
34	VH Warsaw Hotel Sp. z o.o.	Hotel	Poland	PLN 5,000	100.0
35	Vienna House Real Estate GmbH	Hotel	Austria	EUR 35,000	100.0

3) Real Estate Development for Sale Business

Real Estate Development for Sale Business							
No.	Company	Address	Shareholding of the Company (%)	Paid-up Capital (THB)	Registered Capital (THB)	Issued Shares (Shares)	Par Value (THB)
1	NPARK Global Holding Company Limited (NHC) <i>Real estate development business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	1,000,000	1,000,000	10,000	100
2	Project Green Company Limited (P-Green) <i>Real estate development business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	100,000,000	100,000,000	1,000,000	100
3	Prime Area 38 Company Limited (Prime-A) <i>Hotel and real estate development business</i>	475, Siripinyo Building, 8/F, Si Ayutthaya Road, Thanon Phaya Thai, Ratchathewi, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	50.00	10,000,000	10,000,000	100,000	100

4) Details of Joint-ventures, Associated Companies and Inactive Subsidiaries

(a) Joint-ventures

Joint-ventures							
No.	Company	Address	Shareholding of the Company (%)	Paid-up Capital (THB)	Registered Capital (THB)	Issued Shares (Shares)	Par Value (THB)
1	Joint-venture between the Company, Amanresorts Services Limited and Silverlink Holdings Limited (JV) ^{1/}						

Remark: ^{1/} The Ratchapatsadu Land at Rong Pasee Roi Chak Sam Development Project with the Treasury Department, Ministry of Finance

(b) Associated Companies

Associated Companies							
No.	Company	Address	Shareholding of the Company (%)	Paid-up Capital (THB)	Registered Capital (THB)	Issued Shares (Shares)	Par Value (THB)
1	MHG NPARK Development Company Limited (MHGNP) <i>Real estate (residential) development business</i>	99, Berli Jucker House, 16/F, Soi Rubia, Sukhumvit 42 Road, Phra Khanong, Khlong Toei, Bangkok	50.00 (The other 50% held by Hua Hin Resort Limited)	100,000,000	100,000,000	10,000,000	10

(c) Inactive Subsidiaries

Inactive Subsidiaries							
No.	Company	Address	Shareholding of the Company (%)	Paid-up Capital (THB)	Registered Capital (THB)	Issued Shares (Shares)	Par Value (THB)
1	Natural Hotel Panwa Company Limited (NHP) <i>Hotel business</i>	5/3 Moo 8, Ao Yon-Khao Khat Road, Tambon Wichit, Amphoe Mueang Phuket, Phuket Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	143,000,000	143,000,000	1,430,000	100
2	Natural Hotel Sukhumvit Company Limited (NHSK) <i>Hotel business</i>	555/5 Soi Sukhumvit 63 (Ekkamai), Sukhumvit Road, Khlong Ton Nuea, Watthana, Bangkok	71.57	41,352,750	150,000,000	1,500,000	100
3	Natural Park Ville Company Limited (NPV) <i>Management business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	43,000,000	43,000,000	430,000	100
4	Natural Real Estate Company Limited (NRE) <i>Real estate development business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	33,000,000	33,000,000	330,000	100
5	Park Opera Company Limited (PO) <i>Real estate development business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit	100.00	22,555,000	50,000,000	5,000,000	100

Inactive Subsidiaries							
No.	Company	Address	Shareholding of the Company	Paid-up Capital	Registered Capital	Issued Shares	Par Value
		Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858					
6	Richee Property Management Company Limited (RPM) <i>Real estate development business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	99.94	1,000,000	1,000,000	10,000	100
7	Park Gourmet Company Limited (PG) <i>Restaurant business</i>	21, TST Tower, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok Tel. 0-2273-8838 Fax. 0-2273-8858	100.00	25,000,000	50,000,000	500,000	100

6. Revenue Structure

The Company's revenue structure as classified by products is as follows:

Business Type	2014		2015		2016		Q2/2017		Q3/2017	
	Revenue (THB Million)	Percent	Revenue (THB Million)	Percent	Revenue (THB Million)	Percent	Revenue (THB Million)	Percent	Revenue (THB Million)	Percent
Real Estate Development for Rent, Service and Hotel Business										
Real Estate for Rent and Service Business (Total)	-	-	-	-	62.79	5.39	77.76	6.45	118.61	4.27
33 Gracechurch Street	-	-	-	-	62.79	5.39	77.09	6.39	114.07	4.11
6-14 Underwood Street	-	-	-	-	-	-	0.67	0.06	4.54	0.16
Hotel Business (Total)	242.85	71.71	806.44	64.10	1,027.06	88.17	922.03	76.37	2,340.63	84.24
Avani Khon Kaen Hotel and Convention Center – operated by KK	157.55	46.52	157.64	12.53	156.39	13.43	83.16	6.89	135.48	4.88
Anantara Chiang Mai Resort and Spa – operated by PHC	85.30	25.19	271.54	21.58	299.55	25.71	165.41	13.70	234.49	8.44
Eastin Grand Sathorn Bangkok – operated by BTSa	-	-	377.26	29.98	571.12	49.03	281.52	23.32	430.00	15.50
Hotels under VHC	-	-	-	-	-	-	391.94	32.46	1,540.06	55.42
Real Estate Development for Sale Business (Total)	23.06	0.07	158.71	0.13	0.00	0.00	0.00	0.00	0.00	0.00
PARK Aran Boulevard – operated by the Company	23.06	6.81	158.71	12.61	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenues (Total)	72.74	21.47	293.02	23.29	75.04	6.44	207.53	17.18	319.42	11.49
Dividend	0.01	0.00	33.96	2.70	22.19	1.90	5.93	0.49	5.97	0.21
Interest revenue	33.03	9.75	57.98	4.61	6.30	0.54	16.58	1.37	57.11	2.05
Gain on disposal of long-term investments	-	-	-	-	-	-	45.04	3.73	46.43	1.67
Gain on disposal of investment in subsidiaries	-	-	-	-	-	-	114.37	9.47	114.37	4.12
Gain on disposal of assets	23.72	7.00	151.66	12.05	0.45	0.04	0.00	0.00	0.00	0.00
Others	15.98	4.72	49.42	3.93	46.10	3.96	25.61	2.12	95.54	3.44
Total Revenue	338.65	100.00	1258.17	100.00	1,164.89	100.00	1,207.32	100.00	2,778.66	100.00

Part 3**Comparative Financial Information for the Past Three Years****Table 1: Statement of Financial Position – Assets***(Unit: THB million)*

Details	2014	2015	2016	Q2 2017	Q3 2017
Assets					
Current assets					
Cash and cash equivalent	999.31	2,082.15	310.46	959.11	1,113.24
Current investments	3,850.11	1,834.33	309.81	196.52	127.33
Trade and other receivables	64.67	54.48	152.91	602.43	697.88
Current portion of receivables from sales of investments in subsidiaries	-	-	-	270.92	273.92
Inventories	10.00	13.97	12.95	54.61	51.59
Real estate projects under development	680.36	2,387.52	3,938.11	3,154.97	1,615.07
Deposits for land and buildings	1,800.89	275.88	-	-	-
Other current assets	46.55	62.36	60.49	70.89	83.97
Total current assets	7,451.90	6,710.69	4,784.74	5,309.45	5,519.81
Non-current assets					
Restricted deposits	112.54	55.07	55.49	56.25	135.13
Long-term loans and interest receivables	39.69	-	-	63.20	-
Long-term loans to related parties and interest receivables	50.52	50.22	50.42	86.00	152.00
Investments in subsidiaries	-	-	-	-	-
Investments in associates	48.16	45.60	54.86	57.13	58.50
Other long-term investments	240.30	0.22	501.93	225.68	251.01
Receivables from sales of investments in subsidiaries – net of current portion	-	-	-	812.34	820.79
Land and projects awaiting development	951.92	1,299.37	2,657.83	2,047.64	2,047.92
Investment properties	75.62	5,529.05	7,209.17	7,390.72	7,562.57
Property, plant and equipment	3,433.90	7,028.41	6,864.96	15,945.08	18,678.08
Leasehold rights	105.67	80.64	1,658.32	5,725.35	2,027.78
Intangible assets	14.48	13.68	14.33	876.07	901.64
Goodwill	174.02	1,158.19	1,286.85	1,158.19	1,289.05
Estimated excess of cost over value of net assets acquired	-	-	-	1,204.40	1,218.63
Deposits	75.00	12.00	-	-	-
Deferred tax assets	-	-	-	46.41	56.56
Other non-current assets	12.19	12.05	9.63	75.69	85.03
Total non-current assets	5,334.01	15,284.49	20,363.81	35,770.15	35,284.69
Total assets	12,785.91	21,995.19	25,148.55	41,079.61	40,804.50

Source: Form 56-1 and the reviewed consolidated financial statements of the Company for the period ended June 30, 2017 and September 30, 2017

Table 2: Statement of Financial Position – Liabilities and Shareholders' Equity*(Unit: THB million)*

Details	2014	2015	2016	Q2 2017	Q3 2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	3,537.74	3,975.06	3,950.71
Trade and other payables	102.70	144.38	214.37	818.59	990.94
Short-term loans from related parties	25.00	-	-	-	-
Current portion of long-term liabilities under debt restructuring agreements	5.87	10.16	18.93	29.28	31.38
Current portion of liabilities under finance lease agreements	3.75	2.36	0.23	72.46	528.75
Current portion of long-term loans from financial institutions	34.29	-	-	310.72	347.71
Deposits and advances received	108.28	28.55	72.87	83.90	101.31
Estimated interests in the net asset value of subsidiaries over cost	-	-	-	29.87	-
Other current liabilities	50.58	58.37	68.93	99.49	59.00
Liabilities directly associated with assets classified as held for sale	-	-	-	-	23.33
Total current liabilities	330.48	243.81	3,913.07	5,419.37	6,283.14

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Details	2014	2015	2016	Q2 2017	Q3 2017
Non-current liabilities					
Long-term liabilities under debt restructuring agreements – net of current portion	1,199.30	1,186.91	1,167.98	1,152.29	1,144.26
Liabilities under finance lease agreements – net of current portion	2.67	-	-	2,434.82	1,991.54
Long-term loans from financial institutions – net of current portion	870.54	-	-	10,217.88	10,389.55
Provisions for long-term employees benefits	19.91	24.25	30.95	47.60	50.13
Income tax payable	-	3.89	4.55	97.00	96.89
Deferred tax liabilities	131.49	849.82	851.61	2,504.77	2,522.28
Long-term provisions	-	245.00	320.51	302.89	298.91
Financial derivative liabilities	-	-	-	80.22	75.77
Other non-current liabilities	2.40	4.15	4.15	59.61	44.555
Total non-current liabilities	2,226.32	2,314.01	2,379.74	16,897.08	16,613.89
Total liabilities	2,556.79	2,557.82	6,292.81	22,316.45	22,897.02
Shareholders' equity					
Registered					
861,413,132,646 ordinary shares of THB 1 each	-	861,413.13	861,413.13	861,413.13	861,413.13
541,913,132,642 ordinary shares of THB 1 each	541,913.13	-	-	-	-
180,637,710,882 ordinary shares of THB 1 each	-	-	-	-	-
Issued and fully paid-up					
561,362,298,976 ordinary shares of THB 1 each	-	561,362.30	561,362.30	561,362.30	561,362.30
361,275,421,764 ordinary shares of THB 1 each	361,275.42	-	-	-	-
180,637,710,882 ordinary shares of THB 1 each	-	-	-	-	-
Share discount	(342,783.35)	(533,401.38)	(533,401.38)	(533,401.38)	(533,401.38)
Deficit	(8,267.65)	(8,526.51)	(8,848.02)	(8,973.11)	(9,898.23)
Other components of shareholders' equity	2.52	2.51	(257.54)	(352.95)	(283.75)
Equity attributable to owners of the Company	10,226.94	19,436.92	18,855.36	18,634.86	17,778.94
Non-controlling interests of the subsidiaries	2.17	0.44	0.38	128.30	128.54
Total shareholders' equity	10,229.12	19,437.36	18,855.75	18,763.16	17,907.47
Total liabilities and shareholders' equity	12,785.91	21,995.19	25,148.55	41,079.61	40,804.50

Table 3: Statement of Comprehensive Income

(Unit: THB million)

Details	2014	2015	2016	Q2 2017	Q3 2017
Revenues					
Revenue from rental and related services	-	-	-	-	-
Revenue from hotel business	242.84	806.44	1,027.06	922.02	2,340.63
Revenue from sale of real estate	23.06	158.71	-	-	-
Revenue from rent	-	-	62.79	77.76	118.61
Other revenues	72.75	293.02	75.03	207.54	319.42
Total revenues	338.64	1,258.17	1,164.88	1,207.32	2,778.66
Expenses					
Cost and expenses related to rental and related services	-	-	-	-	-
Cost of hotel business	483.26	299.84	363.44	329.02	859.04
Cost of sale of real estate	86.60	83.85	-	-	-
Cost of rent	-	-	3.07	12.32	17.90
Selling and servicing expenses	43.10	85.18	113.06	87.19	170.59
Administrative expenses	479.67	429.76	647.72	557.63	1,115.31
Depreciation and amortization expenses*	-	194.00	207.42	143.67	352.29
Loss on sales and changes in value of current investments	-	249.19	-	-	-
Loss on impairment of investments	-	62.27	-	-	816.73
Total expenses	864.64	1,404.10	1,334.71	1,129.83	3,331.86
Profit (loss) before share of loss from investments in associates, finance cost, and income tax expenses	(526.00)	(145.92)	(169.83)	77.49	(553.20)
Share of profit (loss) from investments in associates	(1.84)	(2.56)	9.27	1.23	2.56
Profit (loss) before finance cost and income tax expenses	(527.84)	(148.48)	(160.56)	78.72	(550.64)
Finance cost	(110.77)	(124.63)	(130.64)	(171.70)	(426.54)
Profit (loss) before income tax expenses	(638.61)	(273.12)	(291.20)	(92.97)	(977.18)
Income tax expenses	-	(10.28)	(23.62)	(31.72)	(55.10)
Profit (loss) from continued operation for the period	(638.61)	(283.39)	(314.82)	(124.69)	(1,032.28)

Enclosure 1

Discontinued operation					
Profit (loss) from discontinued operation for the period	30.19	6.25	-	(6.81)	(17.36)
Profit (loss) for the period	(608.42)	(277.14)	(314.82)	(131.50)	(1,049.63)
Other comprehensive income					
Actuarial gain (loss)	(1.05)	18.02	-	0.01	-
Exchange differences on translation of financial statements in foreign currency	2.89	(2.17)	(168.48)	70.78	139.09
Profit (loss) on changes in value of available-for-sale investments - net of income tax	(0.33)	2.88	(91.62)	(166.13)	(165.31)
Other comprehensive income for the period - net of income tax	1.51	18.72	(260.10)	(95.36)	(26.22)
Total comprehensive income for the period	(606.91)	(258.42)	(574.92)	(226.85)	(1,075.85)
Profit (loss) attributable to					
Equity holders of the Company	(607.68)	(276.87)	(314.76)	(131.85)	(1,032.86)
Non-controlling interests of the subsidiaries	(0.74)	(0.27)	(0.06)	0.35	(17.35)
	(608.42)	(277.14)	(314.82)	(131.50)	(1,050.21)
Total comprehensive income attributable to					
Equity holders of the Company	(606.17)	(258.15)	(574.86)	(227.20)	(1,076.43)
Non-controlling interest of the subsidiaries	(0.74)	(0.27)	(0.06)	0.35	0.58
	(606.91)	(258.42)	(574.92)	(226.85)	(1,075.85)
Earnings per share					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	(0.00055)	(0.000552)	(0.000561)	(0.000235)	(0.001871)
Earnings per share from continued operation					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	(0.00056)	(0.000565)	(0.000561)	(0.000223)	(0.001840)

Remark: The accounting method has changed since 2015.

Table 4: Statement of Cash Flow

(Unit: THB million)

Details	2014	2015	2016	Q2/2017	Q3/2017
Net cash from (used in) operating activities	(2,272.00)	630.70	(1,393.19)	(377.84)	221.86
Net cash from (used in) investing activities	(4,187.70)	1,224.30	(3,902.37)	(4,687.26)	(4,945.22)
Net cash from (used in) financing activities	6,174.80	(871.10)	3,525.16	5,190.22	(5,246.29)
Net increase (decrease) in cash and cash equivalents	(282.00)	981.70	(1,771.68)	348.89	495.38
Cash and cash equivalents at 31 December	999.31	2,082.15	310.47	959.12	1,113.24

Table 5: Financial Ratios

Financial Ratios	Units	2014	2015	2016	Q2/2017	Q3/2017
Liquidity ratios						
Liquidity ratio	Times	22.55	27.52	1.21	0.98	1.42
Quick liquidity ratio	Times	14.77	16.28	0.17	0.28	0.26
Cash flow liquidity ratio	Times	-8.11	2.20	-0.67	-0.08	3.47
Trade account receivable turnover	Times	12.68	23.07	20.63	4.55	10.43
Days sales outstanding	Days	28.38	15.60	17.45	39.55	17.26
Inventory turnover	Times	N/A	N/A	N/A	N/A	N/A
Days inventory outstanding	Days	N/A	N/A	N/A	N/A	N/A
Payable turnover	Times	1.70	7.76	6.05	1.61	4.10
Days payable outstanding	Days	212.08	46.37	59.46	112.04	43.88
Cash cycle	Days	-183.70	-30.77	-42.01	-72.49	-26.62
Profitability ratios						
Gross profit margin	%	67.57	60.25	66.37	65.86	64.34
Operating profit margin	%	-120.02	-13.21	-22.47	-13.01	-2.27
Other revenue margin	%	21.48	23.29	6.44	17.19	11.50
Cash to profitability	%	N/A	N/A	N/A	N/A	N/A
Net profit margin	%	-179.45	-22.01	-27.02	-10.92	-37.80
Return on equity	%	-8.25	-1.87	-1.64	-0.70	-5.73
Efficiency ratios						
Return on assets	%	-6.58	-1.59	-1.33	-0.40	-3.18

Enclosure 1

Return on fixed assets	%	-16.46	-0.88	-0.88	0.05	-3.17
Asset turnover	Times	0.04	0.07	0.07	0.04	0.08
<u>Financial policy ratios</u>						
Debt to equity ratio	Times	0.25	0.13	0.34	1.20	1.29
Interest coverage ratio	Times	-11.09	9.68	-9.73	-1.57	1.77
Debt service coverage ratio (cash basis)	Times	-13.03	0.65	-0.28	-0.05	0.03
Dividend payout	Times	-	-	-	-	-

Remark: N/A is incomputable data due to the Company's net loss.