



Ref. BEYOND/BKK-BS-012/2022

24 February 2022

Re: Management Discussion and Analysis (MD&A) for the Year Ended 31 December 2021  
To: President of The Stock Exchange of Thailand  
Fellow Shareholders and Investors

### **MANAGEMENT'S OUTLOOK ON OPERATIONS**

In 2021, Bound and Beyond Public Company Limited and subsidiaries ("the Company") (SET:BEYOND) has executed a strategic direction to transition its business from renewable energy business to the hospitality business by investing in promising assets with ability to generate consistent positive cash flow and offer growth opportunities to the Company, thereby creating long-term value and leading to stable and sustainable growth for the shareholders.

During 2021, the Company has made significant headways toward transforming its business, consisting of:

- The disposition of investment in subsidiaries operating solar farm business in Thailand valued at THB 1,704.55mn in the first quarter of 2021 and in subsidiaries operating solar farm business in Japan valued at THB 711.18mn in the third quarter of 2021.
- The successful acquisition of 51.0% of Urban Resort Hotel Company Limited ("URH") and Waterfront Hotel Company Limited ("WFH") at the amount of THB 2,805mn on 11 November 2021, and additional acquisition of 25.0% of URH and WFH at the amount of THB 1,375mn on 27 December 2021, resulting in total holding of 76.0% of URH and WFH. URH and WFH hold rights to use assets, land and related patents of Four Seasons Hotel Bangkok at Chao Phraya River and Capella Bangkok, respectively. The Company expects to acquire the remaining 24.0% by the third quarter of 2022 as per the investment plans approved by the shareholders.
- The issuance of new shares through a right offering to existing shareholders of 62,868,301 shares, totaling THB 628,683,010. Proceeds from the issuance were utilised on debenture repayment during the last quarter of 2021 and will be used to fund future investment projects.
- Successfully rebranded itself into the hospitality company featuring two world-class operating assets under the name "Bound and Beyond Public Company Limited" with a new stock symbol of BEYOND. The Stock Exchange of Thailand (SET) also reclassified the Company's industry group from Resources to Services and the sector from Energy & Utilities to Tourisms & Leisure.<sup>1</sup>

The abovementioned accomplishments have laid a solid foundation for the Company to support future expansion. Thailand's economy and business sector have been disrupted by several waves of the COVID-19 outbreak since the beginning of 2021, especially tourism and hotel businesses. However, since the number of new Covid-19 infections continues to decline and the global vaccine rollout continues to progress positively, Thailand's Covid-19 restrictions have been gradually relaxed, leading to increasing economic activities.

Thailand's tourism industry has undoubtedly demonstrated potential. Prior to the COVID-19 pandemic, the country was ranked the 31<sup>st</sup> out of 140 countries as having the world's most competitive travel and tourism economy. This reflects the country's strong natural resource base, well-developed tourism infrastructure, and robust air transport network, all of which are undisrupted by Covid-19. During the final quarter of 2021, occupancy rates for Thailand's hotel industry have picked up more momentum going into 2022, especially for Christmas and new year holiday. The Company believes that once Thailand's border is fully reopened, Thailand will be placed among foreign travelers' Top-of-Mind destinations. Meanwhile, Four Seasons Hotel Bangkok and Capella Bangkok are highly potential assets in various of aspects, including its location, design and decoration, and service standards that have been recognised by many prestigious international awards.

<sup>1</sup> The changes of the Company's name and stock symbol were effective on 5 October 2021 and 11 October 2021, respectively. While the SET reclassification was effective on 28 December 2021.



Our goal for 2022 is to focus on building the Company's foundation that is stronger than before, fully utilizing the promising assets that we have on hand, improving operational efficiency, while focusing on revenue increase, cost management. The Company will continue to speed up the disposal of non-operating assets from a former business to strengthen its preparedness in capital for future investment. The Company believes that the strong foundation of our company that have been built in 2021 will eventually lead to the success and sustainable growth of our company and we hope that 2022 shall be another good and valuable year for all of us.

**KEY OPERATING ASSETS**

Four Seasons Hotel Bangkok at Chao Phraya River – 299 rooms, 6 restaurants and bars (Acquired in 4Q2021)



Capella Bangkok – 101 rooms, 5 restaurants and bars (Acquired in 4Q2021)



**Disposition of assets of renewable energy business**

Thailand Solar 36.3 MW (Disposed in 1Q2021)



Japan Solar 13.0 MW (Disposed in 3Q2021)



**DISPOSITION OF NON-OPERATING ASSETS**

Tak land 1,732 rai (In process)

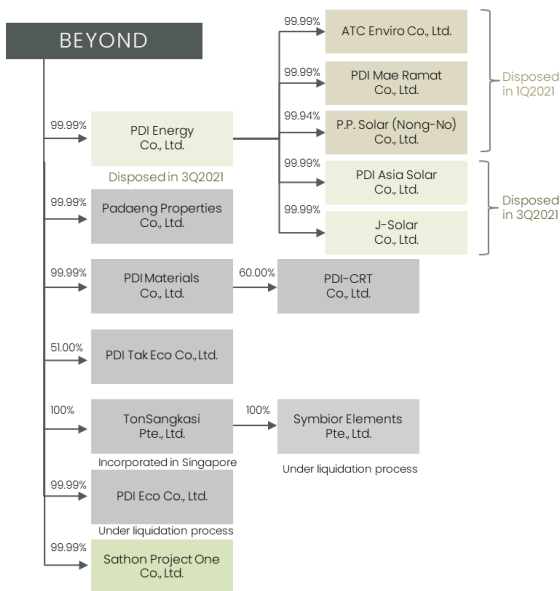


Rayong land 52 rai (In process)

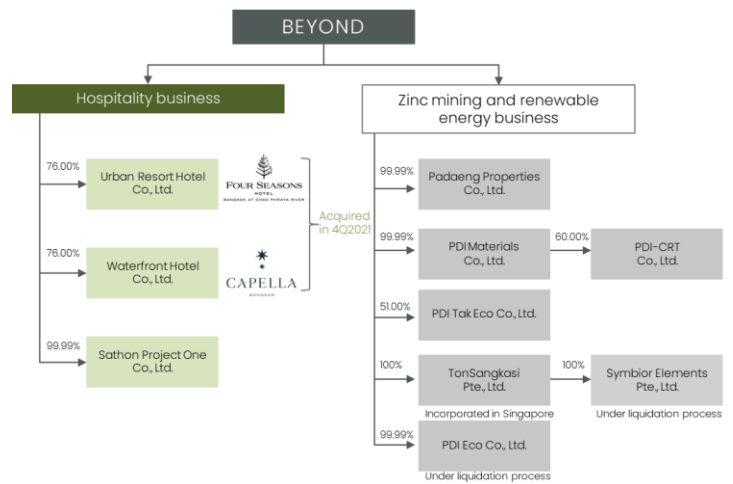


**COMPANY STRUCTURE**

Pre-transition (as at 31 Dec 2020)



Post-transition (as at 31 Dec 2021)



The Company is in the process of disposing of assets in the zinc and renewable energy business in order to pursuing its direction towards hotel and service business.



**FY2021 PERFORMANCE**

Unit: THB mn	FY2021	FY2020	Change	% YoY
Revenues from hotel operations	206.89	-	206.89	N.A.
Revenue from sales and services	14.79	13.07	1.72	13.16
Gain from bargain purchase	689.35	-	689.35	N.A.
Gain from disposal of investments in subsidiaries	406.96	-	406.96	N.A.
Gain on investments	19.47	54.65	(35.18)	(64.37)
Other income (excluded from the list above)	24.90	24.57	0.33	1.34
<b>Total revenues</b>	<b>1,362.36</b>	<b>92.29</b>	<b>1,270.07</b>	<b>1,376.17</b>
Cost of hotel operations	(197.93)	-	197.93	N.A.
Cost of sales and services	(11.46)	(10.82)	0.64	5.91
Selling expenses	(36.86)	-	36.86	N.A.
Administrative expenses	(205.25)	(170.34)	34.91	20.49
<b>Total expenses</b>	<b>(451.50)</b>	<b>(181.16)</b>	<b>270.34</b>	<b>149.23</b>
<b>Operating profit (loss)</b>	<b>910.86</b>	<b>(88.87)</b>	<b>999.73</b>	<b>(1,124.94)</b>
Share of loss from investments in joint ventures	(0.01)	(0.12)	0.11	(91.67)
Finance income	12.47	15.69	(3.22)	(20.52)
Finance cost	(77.64)	(65.15)	12.49	19.17
Income tax revenue	5.92	1.80	4.12	228.89
Profit for the year from discontinued operation	26.13	217.09	(190.96)	(87.96)
<b>Net profit for the year</b>	<b>877.73</b>	<b>80.44</b>	<b>797.29</b>	<b>991.16</b>
<b>Earnings per share (THB)</b>	<b>3.51</b>	<b>0.35</b>	<b>3.16</b>	<b>902.86</b>
EBITDA	1,008.26	156.77	851.49	543.15

During 2021, the Company completed significant transactions which are reflected in the Company's financial statement, including:

- 1) Disposition of investment in subsidiaries operating solar farms in Thailand valued at THB 1,704.55mn in the first quarter of 2021 and in subsidiaries operating solar farm in Japan valued at THB 711.18mn in the third quarter of 2021. These transactions resulted in a gain from disposal of investments in subsidiaries of THB 130.60mn and THB 276.37mn, respectively. (Additional information can be found in Notes to the financial statements No. 13. Investments in subsidiaries)
- 2) Consolidation of financial statements of Urban Resort Hotel Company Limited ("URH") and Waterfront Hotel Company Limited ("WFH") on 11 November 2021 onwards, following the Company's acquisition of 51.0% at the amount of THB 2,805mn on 11 November 2021 and additional acquisition of 25.0% at the amount of THB 1,375mn on 27 December 2021. The Company expects to acquire the remaining 24.0% by the third quarter of 2022. The acquisition resulted in a gain from bargain purchase of THB 689.35mn, which was recorded in the fourth quarter of 2021. (Additional information can be found in Notes to the financial statements No. 13. Investments in subsidiaries)

**FY2021 PERFORMANCE ANALYSIS VS FY2020**

In 2021, the Company reported **total revenues** of THB 1,362.36mn, a significant increase of THB 1,270.07mn or 1,376.17% compared to total revenues in 2020, primarily due to a recognition of the aforementioned gain from disposal of investments in subsidiaries and gain from bargain purchase, as well as the recognition of revenues from hotel operations of THB 206.89mn.

The Company's **total expenses** for 2021 were THB 451.50, an increase of THB 270.34mn or 149.23% YoY, mainly from a recognition of cost of hotel operations of THB 197.93mn and selling expenses of THB 36.86mn related to hotel operations. The Company's **administrative expenses** for 2021 were THB 205.25mn, an increase of THB 34.91mn or 20.49% YoY due to consulting fees paid to of independent financial advisors and lawyers for the disposition of solar farms and the acquisition of hospitality business.

In 2021, the Company incurred **finance cost** of THB 77.64mn, increasing by THB 12.49mn or 19.17% YoY, due to additional loans under hotel business of THB 5,000mn. During the year, long-term loans from financial institution decreasing of THB 980.19mn from disposition of investment in subsidiaries operating solar farms and redeemed total outstanding debentures of THB 1,025.92mn.



Consequently, the Company posted **net profit for the year** of THB 877.73mn, rising by THB 797.29mn or 991.16% YoY, while the Company's **earnings per share** stood at THB 3.51, increasing by THB 3.16 per share or 902.86% YoY as compared to earnings per share of THB 0.35mn in 2020.

**FINANCIAL POSITION AS AT 31 DECEMBER 2021**

ASSETS	31 December 2021		31 December 2020		Change	% change
	THB mn	% of total assets	THB mn	% of total assets		
Cash and cash equivalents	777.10	5.51	692.62	9.50	84.48	12.20
Trade and other receivables	35.90	0.25	87.90	1.21	(52.00)	(59.16)
Inventories	36.20	0.26	0.05	0.00	36.15	72,300.00
Other current financial assets	89.16	0.63	1,889.56	25.93	(1,800.40)	(95.28)
Other current assets	570.78	4.05	31.48	0.43	539.30	1,713.15
<b>Total current assets</b>	<b>1,509.14</b>	<b>10.70</b>	<b>2,701.61</b>	<b>37.07</b>	<b>(1,192.47)</b>	<b>(44.14)</b>
Restricted bank deposits	200.01	1.42	76.34	1.05	123.67	162.00
Investment properties	184.56	1.31	185.52	2.55	(0.96)	(0.52)
Property, plant and equipment	3,851.98	27.31	3,019.05	41.42	832.93	27.59
Right-of-use assets	8,306.68	58.89	3.02	0.04	8,303.66	274,955.63
Intangible assets	48.45	0.34	756.58	10.38	(708.13)	(93.60)
Other non-current assets	4.82	0.03	545.73	7.49	(540.91)	(99.12)
<b>Total non-current assets</b>	<b>12,596.50</b>	<b>89.30</b>	<b>4,586.24</b>	<b>62.93</b>	<b>8,010.26</b>	<b>174.66</b>
<b>Total assets</b>	<b>14,105.64</b>	<b>100.00</b>	<b>7,287.85</b>	<b>100.00</b>	<b>6,817.79</b>	<b>93.55</b>

**Total assets** of the Company as at 31 December 2021 stood at THB 14,105.64mn, an increase of THB 6,817.79mn or 93.55% from total assets as at 31 December 2020. The rise was primarily attributed to an increase in right-of-use assets of THB 8,303.68mn and an increase in property, plant and equipment of THB 832.93mn. Property, plant and equipment increased THB 2,700.57mn as a result of the acquisition of two subsidiaries operating hotel business, while reducing THB 1,787.23mn as a result of the disposal of subsidiaries operating solar energy in Thailand and Japan. (Additional information can be found in Notes to the financial statements No. 16. Property, plant and equipment). The increase in right-of-use assets mostly came from the recognition of long-term lease contracts for land and building used in hotel operations according to Thai Financial Reporting Standard 16 – Leases (Additional information can be found in Notes to the financial statements No. 22 Leases).

LIABILITIES AND SHAREHOLDERS' EQUITY	31 December 2021		31 December 2020		Change	% change
	THB mn	% of Total assets	THB mn	% of total assets		
Short-term loans from financial institution	985.17	6.98	-	-	985.17	N.A.
Trade and other payables	190.90	1.35	37.50	0.51	153.40	409.07
Share subscription payable	1,460.25	10.35	-	-	1,460.25	N.A.
Current portion of long-term loans	-	-	141.43	1.94	(141.43)	(100.00)
Current portion of debentures	-	-	1,025.92	14.08	(1,025.92)	(100.00)
Current portion of lease liabilities	133.92	0.95	0.37	0.01	133.55	36,094.59
Other current liabilities	256.25	1.83	139.97	1.92	116.28	83.07
<b>Total current liabilities</b>	<b>3,026.50</b>	<b>21.46</b>	<b>1,345.19</b>	<b>18.46</b>	<b>1,681.31</b>	<b>124.99</b>
Long-term loans from financial institution – net <sup>2</sup>	1,970.35	13.97	838.76	11.51	1,131.59	134.91
Long-term loans from related parties – net <sup>2</sup>	2,000.00	14.18	-	-	2,000.00	N.A.
Lease liabilities – net <sup>2</sup>	346.07	2.45	0.99	0.01	345.08	34,856.57
Deferred tax liabilities	302.32	2.14	212.88	2.92	89.44	42.01
Other non-current liabilities	47.92	0.34	108.24	1.49	(60.32)	(55.73)
<b>Total non-current liabilities</b>	<b>4,666.66</b>	<b>33.08</b>	<b>1,160.87</b>	<b>15.93</b>	<b>3,505.79</b>	<b>302.00</b>
<b>Total liabilities</b>	<b>7,693.16</b>	<b>54.54</b>	<b>2,506.06</b>	<b>34.39</b>	<b>5,187.10</b>	<b>206.98</b>

<sup>2</sup> net of current portion



LIABILITIES AND SHAREHOLDERS' EQUITY	31 December 2021		31 December 2020		Change	% change
	THB mn	% of Total assets	THB mn	% of total assets		
<b>Total shareholders' equity</b>	<b>6,412.48</b>	<b>45.46</b>	<b>4,781.79</b>	<b>65.61</b>	<b>1,630.69</b>	<b>34.10</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,105.64</b>	<b>100.00</b>	<b>7,287.85</b>	<b>100.00</b>	<b>6,817.79</b>	<b>93.55</b>

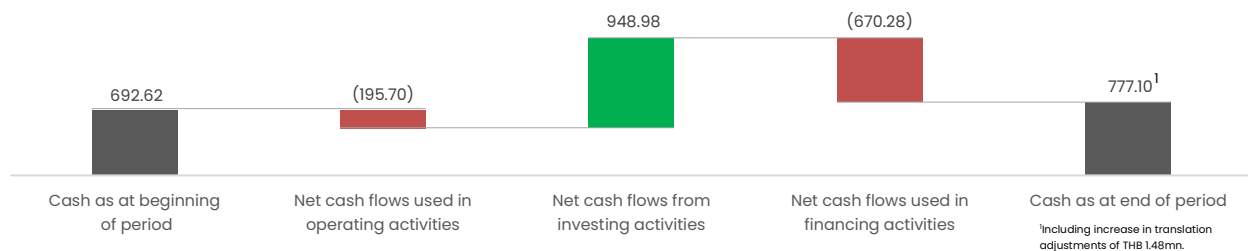
**Total liabilities** of the Company as at 31 December 2021 were THB 7,693.16mn, consisting of total current liabilities of THB 3,026.50mn, equivalent to 39.34% of total liabilities, and non-current liabilities of THB 4,666.66mn, equivalent to 60.66% of total liabilities. Total liabilities increased by THB 5,187.10mn or 206.98% from total liabilities as at 31 December 2020, mainly due to loans under the hotel operations, which include short-term loans from financial institution of THB 985.17mn, long-term loans from financial institution of THB 1,970.35mn, and long-term loans from related parties of THB 2,000mn. During the year, long-term loans from financial institution decreasing of THB 980.19mn from the disposition of investment in subsidiaries operating solar farms and redeemed total outstanding debentures of THB 1,025.92mn. Currently, the Company has no outstanding debenture.

**Total shareholders' equity** stood at THB 6,412.48mn as at 31 December 2021, increased by THB 1,630.69mn or 34.10% from 31 December 2020, mainly due to profit generatin during the year and an increase in share capital from issuance of right offering to existing shareholders in August 2021.

As at 31 December 2021, the Company had total **interest-bearing liabilities** at THB 5,435.51mn and **the interest-bearing liabilities to equity ratio** was at 0.85 times.

#### **LIQUIDITY AND CASH FLOW**

Unit: THB mn



As at 31 December 2021, the Company's **cash and cash equivalents** stood at THB 777.10mn, increased by 12.20% or THB 84.48mn from 31 December 2020. The Company reported **net cash flows used in operating activities** of THB 195.70mn mainly from adjustments to reconcile non-cash items. The Company's **net cash flows from investing activities** was THB 948.98mn, mainly from cash received from the disposal of investments in subsidiaries of THB 2,415.73mn and sales of unit trusts and listed entity investments of THB 2,024.76mn, which were offset by payments for the acquisition of URH and WFH of THB 4,039.75mn. **Net cash flows used in financing activities** was THB 670.28mn, main due to a repayment of long-term debentures of THB 1,033.60mn, restricted bank deposits increased by THB 200.00mn and proceeds received from shares issuance of THB 628.69mn

Sincerely yours,

.....  
 Mrs.Kamonwan Wipulakorn  
 (Managing Director)  
 Bound and Beyond Public Company Limited