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## 2021 KEY FINANCIAL HIGHLIGHTS

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- Total revenue recorded was THB 6,572mn, increasing by 16.3% YoY predominantly due to an unrealised gain from the recognition of the investment in JMART and the rebound of the hotel and office businesses, partly offset by a decrease in revenue following the disposal of overseas hotels.
- EBITDA stood at THB 2,206mn, compared to THB (2,888)mn in 2020. EBITDA margin was 33.6%, rising from (51.1%) in 2020. The increase in EBITDA and EBITDA Margin was mainly driven by narrower loss on impairment, the increase in revenue and supported by lower operating costs, selling and servicing expenses, and administrative expenses.
- Reported net profit of THB 92mn, improving substantially from a net loss of THB 6,614mn in 2020. The reduced loss was driven predominantly by the improving EBITDA, reduction in depreciation and financial costs resulting from the investment restructuring by the disposal of the European asset portfolio, capital increase, partial loan repayment, and a lower share of loss from joint ventures.
- Total assets as of 31 December 2021 stood at THB 77,068mn, increasing by 22.6% or THB 14,224mn from 31 December 2020. The increase was chiefly supported by the investment in A LIFE, JMART and SINGER.
- The Net Interest-Bearing Debt to equity ratio in 2021 stood at 0.37x, a decrease from 1.00x on 31 December 2020.

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## 2021 SIGNIFICANT EVENTS

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### *AGM & CAPITAL STRENGTHENING*

On 31 March 2021, the Company held the Annual General Meeting of Shareholders (AGM). Aside from the statutory agendas, the key agendas of the AGM related to asset disposals and capital increase. The Company believes that the consequence of such actions will be significantly advantageous and remunerative; specifically, the income statement will benefit from the shedding of significant loss-making assets, and the consequential debt payment will reduce interest costs. The capital increases will also strengthen the Company's capital base, allowing it to take advantage of potential growth opportunities when they occur. All resolutions proposed were approved.

### *CAPITAL STRUCTURING*

16 February 2021, the Board of Directors' Meeting No. 2/2021 held on 15 February 2021 has resolved to propose that the shareholders' meeting consider and approve as follows:

- The reduction of the Company's registered capital allocated to accommodate the exercise of the warrants to purchase the Company's ordinary shares No. 1 (U-W1) and the warrants to purchase the Company's ordinary shares No. 2 (U-W2), of which have been expired.
- The increase of the Company's registered capital by issuing newly issued preferred shares and newly issued ordinary shares.
- The issuance and allocation of newly issued shares as follows:
  - Newly issued preferred shares to the existing ordinary shareholders and existing preferred shareholders on a pro-rata basis (Rights Offering) at the same ratio of 1 existing ordinary shares or existing preferred shares to 3 newly issued preferred shares.
  - Newly issued preferred shares to the specific investor through the general mandate.
  - Newly issued ordinary shares to accommodate the rights adjustment of the U-W3 Warrants and the U-W4 Warrants.

(More details, please see the news in the SET [U.SET.002/2021](#))

**31 March 2021**, the AGM for the year 2021 resolved to approve (i) the reduction of the Company's registered capital, (ii) the increase of the Company's registered capital by issuing newly issued preferred shares, and newly issued ordinary shares and (iii) the issuance and allocation of the Company's newly issued shares.

(More details, please see the news in the SET [U.SET 005/2021](#))

**7 April 2021**, the Executive Committee's Meeting of the Company No. 3/2021 has resolved to approve the offering date for the subscription of the Rights Offering from 12 to 21 May 2021.

(More details, please see the news in the SET [U.SET 009/2021](#))

**25 May 2021**, The Company has issued and offered the Rights Offering from 12 - 21 May 2021, for a total of 22,464,877,128 newly issued preferred shares and received a net amount of THB 15,725,163,629.60. The Company has duly registered the increase of paid-up capital from THB 29,933,736,723.20 to THB 101,821,343,532.80. Thus, the Company currently has a paid-up capital of THB 101,821,343,532.80, divided into 5,613,717,564 ordinary shares with a par value of THB 3.20 per share and 26,205,452,290 preferred shares with a par value of THB 3.20 per share.

**31 May 2021**, The Stock Exchange of Thailand has approved the date to start trading U-P newly issued preferred shares from 31 May 2021. During the period from 25 May 2021 to 30 June 2021, the Company utilised proceeds received from the capital increase for the repayment of loans of the Company and associated companies of THB 10,198mn, and the investment in development of projects for another THB 1,155mn. As of 30 June 2021, the remaining amount of proceeds that the Company received from the capital increase of THB 4,373mn.

(For more details, please see the news in the [SET U.SET 012/2021](#) and [U.SET 017/2021](#))

#### *ACQUISITION AND DISPOSAL OF ASSETS*

**13 January 2021**, the Board of Directors' Meeting No. 1/2021 resolved to change and add details of the disposal of the Company's assets. The amendment to the prices and the details of the transactions with Noble Development Plc. ("Noble") and the approval to enter into the Europe asset disposal transactions before proposing the matters to the Shareholder's meeting for consideration and approval due to the urgency to protect the interests of the Company.

(More details, please see the news in the SET [U.SET 022/2020](#) and [U.SET 001/2021](#))

**16 February 2021**, the Board of Directors' Meeting No. 2/2021 held on 15 February 2021 has resolved to propose that the shareholders' meeting consider approving the additional disposal of the Company's and subsidiaries' assets, which is land plots located in Amphoe Pak Chong, Nakorn Ratchasima, Thailand.

(More details, please see the news in the SET [U.SET 002/2021](#))

**10 March 2021**, the Opinion report of the Independent Financial Advisor regarding the 27 disposal transactions has been published.

(More details, please see the news in the SET [Independent Financial Advisor report \(1/2\)](#) and [Independent Financial Advisor report \(2/2\)](#))

**22 April 2021**, the Company entered into additional agreements to purchase commercial unit buildings in Bangkok to increase recurring revenues. The commercial unit buildings in the portfolio have a total lettable area of 9,173 square meters and are fully occupied. The current total investment value is approximately THB 937mn.

**6 May 2021**, Vienna House Hotelmanagement GmbH ("VHHM") (a German subsidiary in which the Company held 100 percent of total shares via Vienna House Capital GmbH, a subsidiary in which the Company indirectly held 100 of the total paid-up capital) has entered into and partially completed the Europe Asset Disposal to HRG Transaction under the conditions determined by the AGM for the year 2021. Hence, after the Europe Asset Disposal to HRG Transaction (for each subsidiary which is disposed) is completed, such subsidiaries shall cease to be a subsidiary of the Company.

(More details, please see the news in the SET [U.SET 011/2021](#))

**8 June 2021**, Lombard Estate Holding Limited (“LEH”) (a subsidiary which the Company owns 100% of the total shares) has disposed of its shares in Underwood Street Limited (“Underwood”) to WRE Underwood Limited (“WRE”) under the conditions approved in the AGM for the year 2021. The material asset of Underwood comprises a leasehold over an office building in the United Kingdom. After the Underwood shares disposal transaction is completed, the subsidiary ceased to be a subsidiary of the Company.

(For more details, please see the news in the SET [U.SET 014/2021](#))

**29 June 2021**, the Board of Directors’ Meeting No. 5/2021 held on 23 June 2021, resolved to approve:

- I. a disposal of 5.1% of the shares in Vienna International Asset GmbH (“VIA”) (a subsidiary that the Company holds shares in the proportion of 94.9%) to Asia Hong Kong Engineering Limited (“ASHK”). VIA is a holding company invested in companies that directly owns the finance lease rights of 5 hotels in Germany.

(For more details, please see the news in the SET [U.SET 015/2021](#))

- II. the acquisition of ordinary shares in Future Domain Company Limited (“FTD”) and accepted the transfer of promissory notes issued by FTD as an exercise of right under the option agreement between the Company and Noble. The purpose of the ordinary shares sale and purchase transaction is to jointly carry out a property development for sale project. Hence, after the transactions are completed, FTD will become a joint venture of the Company.

(For more details, please see the news in the SET [U.SET 016/2021](#))

**18 August 2021**, the Company sold 2 plots of land in Pak Chong District, Nakhon Ratchasima Province, a total area of 38 rai 2 ngan 78 square wah, for THB 36,760,250.

**20 August 2021**, Vienna House Capital GmbH (“VHC”) (a subsidiary of the Company) and LEH entered Heads of Terms for the sale of Vienna House group hotel business.

**26 August 2021**, the Board of Directors’ Meeting No. 7/2021 approved the disposal of ordinary shares in associated companies which carries out hotel management business to HRG München Holdings GmbH (“HRG”) or any authorised person of HRG (“HRG Group”) for a total purchase price of EUR 6,000,000 (or equivalent to Baht 233,580,000). The disposal comprised 40% of the total registered capital of Absolute Hotel Services Company Limited (“AHS”) and 9.81% of the total paid-up capital of Absolute Hotel Services Hong Kong Limited (“AHSK”). After completing the ordinary shares disposal transaction, the Company’s shareholding proportion in AHS shall be equivalent to 10%, and the shareholding proportion in AHSK shall be equivalent to 2.45%. AHS and AHSK then cease to be associated companies of the Company.

(For more details, please see the news in the SET [U.SET 019/2021](#))

**1 October 2021**, the Company successfully disposed 500,000 shares in Phraram 9 Alliance Company Limited (formerly names as “Prime Area 9” or “PA9”) to Noble for the purchase price of THB 209,094,520 under the terms and conditions approved by the Annual General Meeting of Shareholders for the year 2021. PA9 held a land plot located at Huaykwang District, Bangkok. After the disposal, PA9 shall become an associated company of the Company.

(For more details, please see the news in the SET [U.SET 023/2021](#))

**13 December 2021**, VHHM has disposed all ordinary shares in KDAG Data GmbH (“KDAG”) (a dormant joint venture company in Austria) in proportion of 33.33% of all shares to Amber Privatstiftung and Bocca Privatstiftung at a total purchase price of EUR 2 (or equivalent to THB 76.3468). After the disposal, KDAG shall cease to be a subsidiary of the Company.

(For more details, please see the news in the SET [U.SET 027/2021](#))

**15 December 2021**, the Company, VHC and LEH have entered into Sale and Purchase Agreement with HR Neunte Hotel Estate Holdings GmbH, HRG Hotels Sechste Management GmbH, HR Zehnte Hotel Estate Holdings GmbH and ALL Beteiligungsgesellschaft mbH, to dispose ordinary shares in Vienna House Group hotel business (“SPA”). The disposal of SPA consisted of all ordinary shares in VIA, VHHM, Vienna House Real Estate GmbH (“VHRE”), VHE Bratislava s.r.o., Vienna House

Easy Bucharest s.r.l. and VHE Cracow Sp. Z o.o. as well as the liabilities under shareholder loan for a total purchase price of approximately EUR 137,577,436.24 (or equivalent to THB 5,229,524,717.64).

(For more details, please see the news in the SET [U.SET 027/2021](#))

**28 January 2022**, the Company has disposed all shares in Boonbaramee Metta Property Company Limited (“BMP”) and 50% shares in MHG NPARK Development Co., Ltd. (“MHG”) together with the outstanding loans payable by BMP and MHG to the Company, to T.A.S. Assets Company Limited (“TAS”) for a total purchase price of THB 30,000,000, pursuant to the conditions as approved by the AGM for the year 2021. The material assets of BMP and MHG comprised of land plots and buildings under Anantara Chiang Mai Resort and Spa as well as residential condominium under Anantara Chiang Mai Serviced Suites. After the disposal, BMP shall cease to be a subsidiary of the Company while MHG shall cease to be an associated company of the Company.

(For more detail, please see the news in the SET [U.SET 002/2022](#))

### *BUSINESS RESTRUCTURING*

**26 August 2021**, the Board of Directors’ Meeting No. 7/2021 approved:

- I. the investments in Jay Mart Public Company Limited (“JMART”) by subscribing for the newly issued ordinary shares of JMART and the acquisition of warrants to purchase the newly issued ordinary shares of JMART, representing the total value of THB 4,129,459,910.82, or 9.90% of total voting rights in JMART.
- II. the investments in Singer Thailand Public Company Limited (“SINGER”) by subscribing for the newly issued ordinary shares of SINGER and the acquisition of warrants to purchase the newly issued ordinary shares of SINGER, representing the total value of THB 7,155,144,219.15, or 24.90% of total voting rights in SINGER.
- III. the investment in Advance Life Assurance Public Company Limited (“A LIFE”) by purchasing ordinary shares, subordinated debentures, and newly issued capital increase shares, representing the total value of THB 2,222,295,139.59, or 75.00% of the total issued shares in A LIFE.

(For more details, please see the news in the SET [U.SET 020/2021](#))

**27 August 2021**, the Board of Directors of the Company, represented by Mr. Kavin Kanjanapas, and the Chief Executive Officer of BTS Group Holdings Public Company Limited, announced the revision of the Company’s long-term business direction to move into the financial services sector and to exit the hospitality and real estate business. This is intended to steer the Company towards higher return on equity businesses with a better and more predictable growth outlook. A key part of this strategy will see the Company benefit from new alliances under BTS Group’s 3M (MOVE, MIX, and MATCH) strategy.

## 2021 PERFORMANCE

### 2021 P&L SNAPSHOT AND ANALYSIS

(THB mn)	2021	2020	% YoY	4Q 2021	3Q 2021	% QoQ
Operating revenues	2,744.0	3,574.9	(23.2%)	1,141.1	824.8	38.3%
Other revenues	3,827.9	2,076.3	84.4%	2,592.6	368.7	603.2%
<b>Total Revenue</b>	<b>6,571.9</b>	<b>5,651.2</b>	<b>16.3%</b>	<b>3,733.7</b>	<b>1,193.5</b>	<b>212.8%</b>
Operating expenses	(1,176.2)	(1,689.9)	(30.4)%	(551.0)	(305.9)	80.1%
Selling and administrative expenses <sup>1</sup>	(1,841.3)	(2,141.4)	(14.0)%	(617.5)	(432.1)	42.7%
Asset's write-off and Impairments	(1,348.8)	(4,290.2)	(68.6)%	(1,303.4)	(45.3)	2,816.6%
<b>EBITDA</b>	<b>2,205.6</b>	<b>(2,888.4)</b>	<b>n.a.</b>	<b>1,261.8</b>	<b>410.2</b>	<b>207.6%</b>
Finance costs	(670.1)	(1,306.9)	(48.7)%	(125.2)	(112.3)	11.5%
Share of profit/(loss) from JVs/associates (equity income)	(351.6)	(1,139.2)	69.1%	(27.6)	(122.5)	77.5%
<b>Reported Net Profit/(Loss)</b>	<b>91.7</b>	<b>(6,614.0)</b>	<b>n.a.</b>	<b>903.1</b>	<b>(363.6)</b>	<b>n.a.</b>
<b>GOP margin (%)</b>	<b>57.1%</b>	<b>52.7%</b>		<b>51.7%</b>	<b>62.9%</b>	
<b>EBITDA margin (%)</b>	<b>33.6%</b>	<b>(51.1)%</b>		<b>33.8%</b>	<b>34.4%</b>	
<b>Operating EBITDA margin (%)<sup>1</sup></b>	<b>21.8%</b>	<b>46.9%</b>		<b>33.1%</b>	<b>22.0%</b>	
<b>Reported Net profit margin (%)</b>	<b>1.4%</b>	<b>(117.0)%</b>		<b>24.2%</b>	<b>(30.5)%</b>	

<sup>1</sup> Exclude FX gain/(loss), impairments, profit from disposal of investment in subsidiary and difference on initial recognition of the investment.

The Company reported **total consolidated revenue** of THB 6,572mn in 2021, representing an increase of THB 921mn (or 16.3%) YoY from THB 5,651mn in the previous year. The increase in total revenue was chiefly attributed to (i) higher other revenues of THB 1,752mn (or 84.4%) YoY to THB 3,828mn (ii) increased rental revenue of THB 144mn (49.7%) to THB 434mn, and (iii) the addition of revenue from the life insurance business of THB 171mn from the consolidation of A LIFE since October 2021. However, the increase was partially offset with the reduction of hotel revenue following the disposal of the European hotel portfolio.

**Total consolidated expenses** were THB 5,280mn in 2021, decreasing by THB 4,957mn (or 48.4%) compared with last year. The decrease was contributed mainly by (i) narrower loss on impairment of THB 2,941mn (or 69%) YoY, (ii) decreased depreciation of THB 784mn (or 46.2%) YoY, mainly driven by the disposal of the European assets portfolio, (iii) lower cost of hotel operation of THB 672mn (or 44.5%) YoY and (iv) lower loss from the exchange rate of THB 418mn. The decrease was partially offset by the initial recognition of insurance cost of THB 164mn from the consolidation of A LIFE since October 2021.

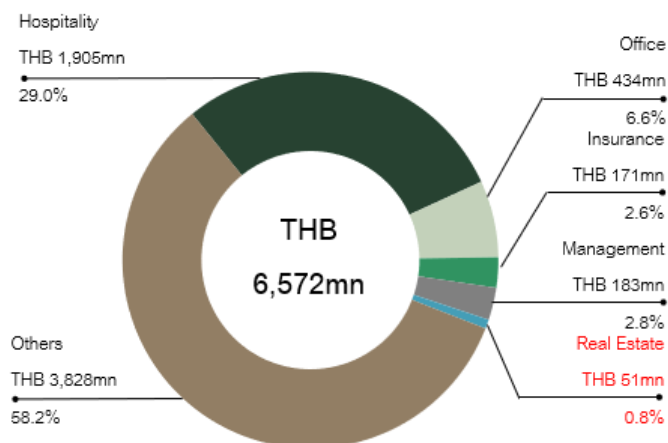
The reported **share of loss from associates/JVs** was THB 352mn, compared with the share of loss THB 1,139mn in 2020. The improvement was mainly from the recovery of the condominium sector.

**Finance costs** were THB 670mn, decreasing by THB 637mn, or 48.7% YoY. The decrease stemmed from the capital increase and loan repayments, a part of the capital restructuring plan, which significantly benefited the Company by reducing interest costs.

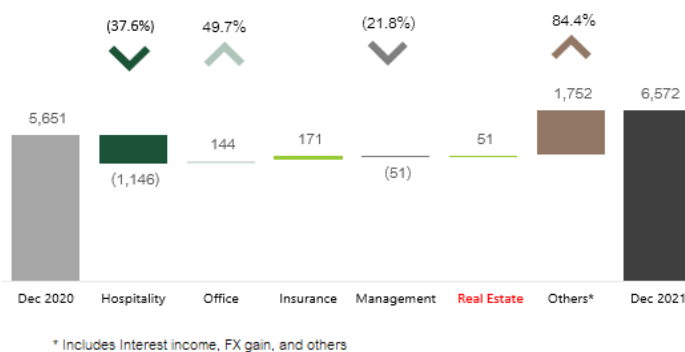
**Net profit** was THB 92mn and the net margin was 1.4%, improving compared to 2020 which had a net loss (restated) of THB 6,614mn.

SEGMENTAL PERFORMANCE

2021 REVENUE CONTRIBUTION BY SEGMENT



2021 REVENUE GROWTH CONTRIBUTION



In 2021, the hospitality segment contributed 29.0% of revenue, the office segment 6.6%, management income at 2.8%, the life insurance business at 2.6%, and other revenues at 58.2% of the total revenue.

Within the **hospitality segment**, revenue decreased by THB 1,146mn or 37.6% YoY to THB 1,905mn. The decrease was predominantly from (i) the absence of revenue of the European hotels following the disposal of the European asset portfolio.

Within the **office and commercial unit buildings segment**, revenue grew considerably by THB 144mn or 49.7% YoY to THB 434mn. This is due to the recovery within the rental business and return to normalcy in 2021, as opposed to the exemption and/(or) reduction of the rental fee in 2020.

**Management income** dropped by THB 51mn or 21.8% YoY to THB 183mn.

The company began to recognise revenue from its **life insurance business** of THB 171mn, after the consolidation of A LIFE since October 2021.

**Other income** increased by 84.4% YoY or THB 1,752mn to THB 3,828mn. The increase was chiefly attributed to (i) an unrealised gain from the recognition of the investment in JMART of THB 2,339mn, (ii) gain on sales in subsidiaries company of THB 404mn, and (iii) gain from the exchange rate of THB 209mn. The increase was partly offset with no repeat recognition of (iv) gain on sales in joint venture company of THB 822mn, (v) revenue from the termination of hotel management contracts of THB 200mn recorded in 2020, and lower interest income of THB 301mn.

## HOSPITALITY SEGMENT

	No. of Keys			ADR (THB/night) *			Occupancy (%) *			RevPAR (THB/night) *		
	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-
Owned	3,983	3,967	16	1,419	2,352	(933)	29.3%	30.3%	(3.3)%	416	713	(297)
Leased	684	3,347	(2,663)	1,299	2,264	(965)	49.6%	43.9%	13.0%	644	994	(350)
Managed	4,929	3,257	1,672	3,760	2,418	1,342	36.1%	34.9%	3.4%	1,359	845	514
Total Operational	9,596	10,571	(975)	2,718	2,659	59	31.3%	31.6%	(0.9)%	851	840	11
Hotels in Pipeline	14,798	15,898	(1,100)									
Grand Total	24,394	28,469	(4,075)									

\* Excludes ADR, Occupancy, and RevPAR of AHS managed hotels

In 2021, total net **operational keys** were 9,596 keys, a net decrease of 975 keys from 2020, mainly from (i) the reduction of 2,663 keys relating to the disposal of operating leased hotels in Europe, which was offset by (ii) 1,672 keys increase from new management contracts and (iii) an increase of 16 keys from owned hotels, Eastin Grand Hotel Sathorn and Eastin Thana City Golf Resort.

The **Average Daily Rate (ADR)** was THB 2,718 per night in 2021, increasing by THB 59 per night as hotel operations nearly returned to pre-pandemic level, and (ii) the THB depreciation against EUR (THB depreciated from 35.68 THB/EUR in 2020 to 37.65 THB/EUR in 2021) since the majority of the Company's hotel revenues are still in Euros.

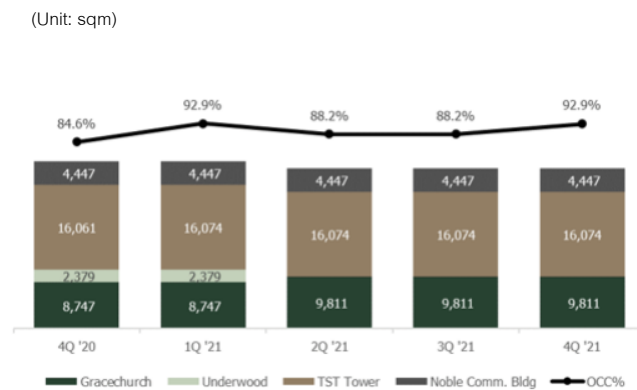
The overall **Occupancy Rate (OCC)** was 31.3% (declining by 0.9% from the previous year), largely driven by the Delta Variant impact during the first half of the year.

As a result, the **Revenue per Available Room (RevPAR)** in 2021 was at THB 851 per night, increasing by THB 11 from 2020.

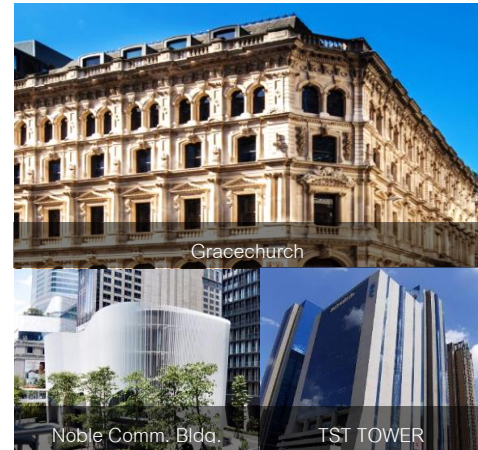
The overall number of **hotel keys in the pipeline** stood at 14,798 keys, a net decrease of 1,100 keys from 2020. The decrease was predominantly due to (i) the net decrease of 1,114 keys from managed hotels, partially offset with (ii) an increase of 13 keys from a leased hotel.

## OFFICE SEGMENT

### BLENDED OFFICE PERFORMANCE METRICS NET FLOOR AREA (NFA) & OCCUPANCY RATE



### OFFICE BUILDINGS



The overall **Net Floor Area (NFA)** in 2021 increased from additional areas on the basement floor of the Gracechurch Street office building to generate further revenues, resulting in an increase in the overall **occupancy rate** to 92.9%. The occupancy rate of the Gracechurch Street office building rose to 77.9%, while the other office buildings, including the Noble commercial building and the TST Tower, remained fully occupied.

## COMMERCIAL UNIT BUILDINGS

The Group invests in various commercial units in buildings in Bangkok to increase its recurring revenue. The total net rental area was 15,824 sqm, growing from 3Q 2021 following the acquisition of Noble Remix, offset with the disposal of the Ideo Morph 38. However, the overall occupancy rate for the Commercial units remained at 100% and generated revenue of approximately THB 70.9mn per annum.

## LIFE INSURANCE BUSINESS

U Global Hospitality Company Limited (UGH), U City's subsidiaries, made a THB 2,200mn (or 75%) investment in A LIFE which became effective on 4 October 2021. A LIFE is a life insurance company that offers life insurance products to consumers through traditional agents and brokers, wealth management, telemarketing and online channels. A LIFE also engages in other permissible businesses aside from life insurance, such as (i) offering investment units to customers through the wealth management channel under the Limited Broker Dealer Underwriter (LBDU) License and (ii) providing housing loans, policy loans, and mortgage loans to customers.

In terms of financial recognition, the Company commenced to consolidate A LIFE's financial statements from 4 October – 31 December 2021. As a consequence, A LIFE delivered total revenue of THB 228mn and net profit of THB 17mn to the Group in 2021. The majority of its revenue is generated from premiums earned and investment income.

As of 31 December 2021, A LIFE contributed total assets of THB 7,046mn, mostly from **investment in financial assets and** long-term loan to customers, and total liabilities of THB 5,536mn, primarily from net long-term insurance and investment contract liabilities. Capital Adequacy Ratio (CAR ratio) was at 325%, which was higher than the minimum threshold of 140% set by the Office of Insurance Commission (OIC).



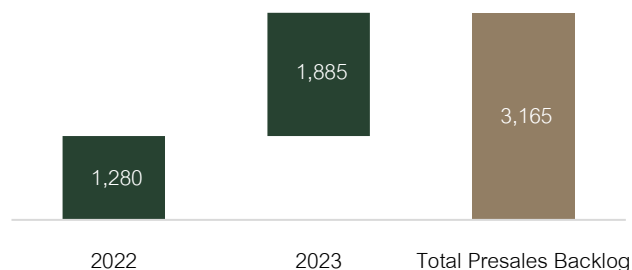
## RESIDENTIAL SEGMENT

JV WITH SANSIRI: PROJECTS EXPECTED  
TO TRANSFER IN 2022

JV WITH SANSIRI AND NOBLE: TOTAL PRESALES BACKLOG

Unit: THB mn

Project	Presales Backlog (THB mn)
KHUN By Yoo	273
THE BASE Saphanmai	32
THE LINE Phahonyothin Park	976
<b>Total</b>	<b>1,280</b>

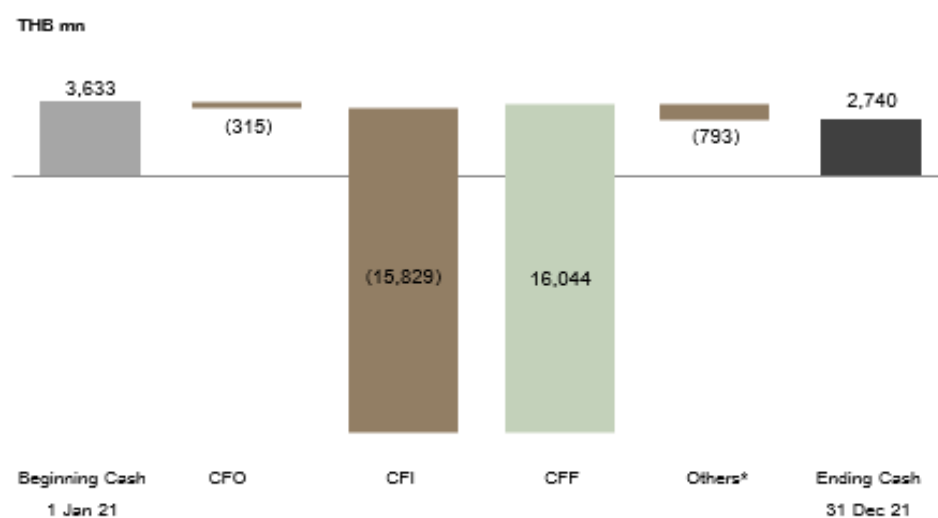


**JV Projects with Sansiri:** in 2021, there are 3 condominium projects on sale. KHUN By Yoo and The BASE Saphanmai are ready-to-move-in condominium projects while The LINE Phahonyothin Park began transferring in 4Q 2021. During 2021 – 2023, the presales backlog of the 3 condominium projects was THB 4,066mn

**JV Projects with Noble:** presales backlog was THB 1,136mn from Nue Noble Ratchada – Lat Phrao project, which the transfer is expected to begin in 2023.



## CASH FLOW



\* Others includes translation adjustment and cash & cash equivalents of subsidiaries which classified as assets held for sale

As of 31 December 2021, cash and cash equivalents were THB 2,740mn, decreasing from THB 3,633mn at the beginning of the year.

Cash from operating activities was THB 481mn. This was derived from profit before tax THB 270mn, being compensated by non-cash reconciling items THB 49mn and changes in net working capital THB 162mn. After deducting cash paid for interest expenses THB 743mn and cash paid for income tax THB 53mn, **net cash used in operating activities** was THB 315mn.

**Net cash used in investing activities** was THB 15,829mn. The key activities were: (i) cash paid for purchases of investments in associate company of THB 7,155mn from an investment in SINGER, (ii) cash paid for purchases of investments in long-term financial assets of THB 4,707mn from an investment in JMART, (iii) cash paid for investment properties THB 2,260mn, mainly from an investment in The Unicorn project and (iv) cash paid for purchases of investment in subsidiaries of THB 1,500mn from an investment in A LIFE.

**Net cash from financing activities** was THB 16,044mn. The key components were: (i) cash proceeds from the capital increase in preferred shares for a total of THB 15,932mn. The increase was partially offset by (ii) the net repayment of loans from financial institutions of THB 7,069mn and (iii) the net repayment of loans from related parties of THB 5,024mn.

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## BUSINESS PLAN AND OUTLOOK

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Although the rise of Omicron variant since late 2021 might signal a negative sentiment to the improving economic activities across the continent, we believe that it would not severely impact the overall economy in the longer term due to the milder impact of the illness compared to previous strains. In addition, with the rising global vaccination rates, some experts view that the Covid-19 pandemic will likely end sometime in next 1-2 years and that the COVID will potentially become endemic. As such, “normal” post-pandemic life could arrive soon. We believe that people will gradually become used to how things have changed and begin to accept and adapt to the new normal.

As a Company, we must continue to adapt to the changing world. U City was formerly positioned itself as a diversified real estate player (covering hospitality, commercial and residential property businesses). The Company revisited its strategy and is currently transforming its long-term business direction and refocusing its capital and resources into “the Financial Services” industry which could possibly generate higher return. The Company initially invested in (1) life insurance business for retail customers (micro-insurances) through an investment in A Life and (2) SINGER and JMART, and we would expect to consummate further transactions within the year ahead.

Moreover, the Company is in the process of divesting its real estate portfolio with completion of the sale of the Vienna House Hotel Group business expected in the 1<sup>st</sup> quarter of 2022 and its remaining real estate assets targeted before 2025. The total expected proceeds of THB 26bn will be re-invested in the higher growth, higher return aforesaid financial services business which has also proven to be more resilient. Within this financial business, the Company is now exploring “unconventional and innovative” products and services to adapt itself along with the change of today’s people lifestyle and the rise of disruptive technology. Furthermore, U City is also leveraging the readiness of BTS Group’s 3M (MOVE, MIX and MATCH) platforms to generate the optimal sustainable return to its shareholders.

As for our Projects in Development, as of 31 December 2021, the construction of The Unicorn was 62% completed. The restoration of the Customs House or the Roi Chak Sam was 7% completed.

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(Ms. Soraya Satiangoset)

Director, Executive Director, Acting Chief Executive Officer,

and Chief Financial Officer