

CGD 66/0051

May 12, 2023

Subject: Report on the operating results of Country Group Development PCL for the three-month period ended March 31, 2023

To: The President
The Stock Exchange of Thailand

Country Group Development Public Company Limited (the "Company") would like to report the operating results of the Company and its subsidiaries (the "Group") for the three-month period ended March 31, 2023 as follows:

BUSINESS OVERVIEW

The Company continues to focus on "Return to Profitability" and "Debt Management". For Q1 2023, the Group reported a net profit of Baht 101.3 million and interest bearing debt ratio continue to drop to 1.7 times.

ASSETS FOR SALES BUSINESS

For the three-month period ending March 31, 2023, the Group reported revenues from condominium sales of Baht 1.2 Billion with gross profit margin at 41.7%.

In Q1 2023 the Group also posted continuing strong performance in sales due largely to the relaxing of COVID restrictions and government measures as foreigner travelers formed a significant portion of new sales from our foreign clientele. The performance of hotels and its popularity as a destination that resulted in the uptick.

DEBT MANAGEMENT

The successful hotels divestment last year significantly reduce debt and finance costs obligation of the Company. The appropriate level of debt will help company to emerge with a bolstered financial position, and lay down a good foundation for future business expansion.

Currently, the Interest Bearing Debt to Equity ratio of the Group is 1.7 times, down from 1.8 times at the end of year 2022. Total debt to total equity ratio also reduced from 3.3 times at the end of 2022 to 3.1 times at March 31, 2023.

TABLE PRESENT FINANCIAL RATIO	March 31, 2023	December 31, 2022	Change
Interest Bearing Debt / Equity Ratio (Times)	1.7	1.8	(0.1)
Total Debt / Total Equity Ratio (Times)	3.1	3.3	(0.2)

COMPANY OUTLOOK

The continued relaxation of COVID restrictions and government measures will have a significant positive impact on new sales and transfers given the percentage of sales and transfers which are foreign for the Group.

Cash proceeds from new sales of FSPR and transfer proceeds will generate a significant cash inflow and will further reduce the current debt as well as drive down financial costs. This source of excess of cash flow will serve as equity as the company looks forward to developing the upcoming mixed use education/residential flagship project in Rama III.

- Rama III International School, a flagship mixed-use development located in 23 Rai at the Industrial Ring Road with the US tertiary focused and the International Baccalaureate Diploma (IB) and Mandarin Chinese pathway. It can accept about 1,700 students. Construction is planned to begin in May 2023 and the teaching and learning session will begin in August 2025.
- Rama III Residence, 315 units over 50 floors with 1BR – 4BR residences. It designed to serve families who aim to attend the adjacent school (1,700 students). Project will have ample family friendly amenities including large private parks, a promenade which features gardens and coffee shops connecting to the school, a 3,500 sq.m amenities deck featuring multiple pools and child friendly spaces as well as a Sky Lounge on level 49 overlooking the Chaophraya River. The project is presently in EIA Submission phase with a scheduled commencement of construction in November 2023.

SUMMARY OF FINANCIAL PERFORMANCE

The Group reported operating result for the three-month period ended March 31, 2023 as follows:

Unit : Million Baht

TABLE PRESENT SUMMARY OF FINANCIAL PERFORMANCE FOR THE THREE-MONTH PERIOD ENDED	March 31,	March 31,	Percentage change
	2023	2022	
REVENUES			
Revenue	1,267.2	2,002.1	(36.7%)
Total Revenues	1,267.2	2,002.1	(36.7%)
EXPENSES			
COGS	701.3	1,181.7	(40.7%)
SG&A	213.6	328.3	(34.9%)
Loss on foreign exchange rate	1.6	0.0	100.0%
Total Expenses	916.5	1,510.0	(39.3%)
PROFIT FROM OPERATING ACTIVITIES	350.7	492.1	(28.7%)
Financial income	30.3	0.0	100.0%
Financial cost	(190.8)	(199.4)	(4.3%)
Income tax expense	88.9	165.9	(46.4%)
NET PROFIT FOR THE PERIOD FROM CONTINUED OPERATION	101.3	126.8	(20.1%)
Loss from discontinued operation	0.0	(5.2)	100.0%
NET PORFIT FOR THE PERIOD	101.3	121.6	(16.7%)

Revenue

- Group's total revenue was Baht 1,267.2 million which is a decrease of 36.7% from the same period 2022 (due to occurrence of big lot sales in 2022). Ordinary revenue from sales of FSPR was the key contributor of total revenues with details as follows;

Unit : Million Baht

TABLE PRESENT FINANCIAL PERFORMANCE OF FSPR FOR THE THREE-MONTH PERIOD ENDED	March 31,	March 31,	Percentage change
	2023	2022	
Revenue	1,202.0	1,951.0	(38.4%)
Cost of Sales	701.3	1,181.7	(40.7%)
GP%	41.7%	39.4%	

Operating Profit

- The Group reported total operating profit of Baht 350.7 million, a decrease of 28.7% over the same period last year, due to decrease in revenues as mention above. Total cost, selling and administrative expense decreased by Baht 593.5 million which is a decrease of 39.3% in respect to decrease in revenue.

Financial Income/Expense

- The Group reported financial income of Baht 30.3 million, an interest income from Baht 2 billion loan to the subsidiaries of Bound and Beyond PCL from the hotels divestment.
- The Group reported finance costs of Baht 190.8 million, a decrease of 4.3% from the same period last year. The reduction in finance cost resulted from decline in total debt from the good operational performance.

Net Operating performance

- The Group reported a net profit amount of Baht 101.3 million compared with a net profit of Baht 121.6 million of the same period last year. This mainly resulted from: 1) decreased in revenue from sale of condominium and 2) decrease in financial cost.