

CGD 66/0052

August 11, 2023

Subject: Report on the operating results of Country Group Development PCL for the six-month period ended June 30, 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 six-month period ended June 30, 2023 as follows:

BUSINESS OVERVIEW

The Company continues to focus on "Return to Profitability" and "Debt Management". For the six-month period ended June 30, 2023, the Group reported a net profit of Baht 172.2 million and interest bearing debt ratio continue to drop to 1.6 times.

ASSETS FOR SALES BUSINESS

For the six-month period ending June 30, 2023, the Group reported revenues from condominium sales of Baht 2.1 Billion with gross profit margin at 41.9%.

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 1.6 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 2.9 times at June 30, 2023.

TABLE PRESENT FINANCIAL RATIO	June 30, 2023	December 31, 2022	Change
Interest Bearing Debt / Equity Ratio (Times)	1.6	1.8	(0.2)
Total Debt / Total Equity Ratio (Times)	2.9	3.3	(0.4)

COMPANY OUTLOOK

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 commenced in May 2023 and is expected to be complete and ready for the academic year commencing 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 awaiting EIA approval and scheduled for commencement of construction in February 2024.

SUMMARY OF FINANCIAL PERFORMANCE

The Group reported operating result for the three-month period ended June 30, 2023 as follows:

Unit : Million Baht

TABLE PRESENT SUMMARY OF FINANCIAL PERFORMANCE FOR THE THREE-MONTH PERIOD ENDED	June 30,	June 30	Percentage change
	2023	2022	
REVENUES			
Revenue	1,137.8	1,906.1	(40.3%)
Total Revenues	1,137.8	1,906.1	(40.3%)
EXPENSES			
COGS	545.4	1,037.8	(47.4%)
SG&A	280.1	298.7	(6.2%)
Loss on foreign exchange rate	6.4	5.0	28.0%
Total Expenses	831.9	1,341.6	(38.0%)
PROFIT FROM OPERATING ACTIVITIES	305.9	564.6	(45.8%)
Financial income	33.7	0.5	6,640.0%
Financial cost	(195.1)	(177.4)	10.0%
Income tax expense	73.5	94.8	(22.5%)
NET PROFIT FOR THE PERIOD FROM CONTINUED OPERATION	71.0	292.9	(75.8%)
Loss from discontinued operation	0.0	(8.2)	100.0%
NET PORFIT FOR THE PERIOD	71.0	284.7	(75.1%)

Revenue

- Group's total revenue was Baht 1,137.8 million which is a decrease of 40.3% 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	June 30,	June 30	Percentage change
	2023	2022	
Revenue	943.7	1,845.4	(48.9%)
Cost of Sales	545.4	1,037.8	(47.4%)
GP%	42.2%	43.8%	

Operating Profit

- The Group reported total operating profit of Baht 305.9 million, a decrease of 45.8% over the same period last year, due to decrease in revenues as mention above. Total cost, selling and administrative expense decreased by Baht 509.7 million which is a decrease of 38.0% in respect to decrease in revenue.

Financial Income/Expense

- The Group reported financial income of Baht 33.7 million, an interest income from Baht 2 billion loan to the subsidiaries of Bound and Beyond PCL.
- The Group reported finance costs of Baht 195.1 million, an increase of 10.0% from the same period last year due to interest expense in the form of a new bridging loan for Ovingdean Project.

Net Operating performance

- The Group reported a net profit amount of Baht 71.0 million compared with a net profit of Baht 284.6 million of the same period last year. This mainly resulted from decreasing in revenue from sale of condominium and increasing in financial cost.

The Group reported operating result for the six-month period ended June 30, 2023 as follows:

Unit : Million Baht

TABLE PRESENT SUMMARY OF FINANCIAL PERFORMANCE FOR THE SIX-MONTH PERIOD ENDED	June 30,	June 30	Percentage change
	2023	2022	
REVENUES			
Revenue	2,391.3	3,908.2	(38.8%)
Total Revenues	2,391.3	3,908.2	(38.8%)
EXPENSES			
COGS	1,246.7	2,219.5	(43.8%)
SG&A	480.1	627.0	(23.4%)
Loss on foreign exchange rate	8.0	5.0	60.0%
Total Expenses	1,734.8	2,851.5	(39.2%)
PROFIT FROM OPERATING ACTIVITIES	656.5	1,056.7	(37.9%)
Financial income	64.0	0.5	12,700.0%
Financial cost	(385.9)	(376.8)	2.4%
Income tax expense	162.4	260.7	(37.7%)
NET PROFIT FOR THE PERIOD FROM CONTINUED OPERATION	172.2	419.7	(59.0%)
Loss from discontinued operation	0.0	(13.4)	100.0%
NET PORFIT FOR THE PERIOD	172.2	406.3	(57.6%)

Revenue

- Group's total revenue was Baht 2,391.3 million which is a decrease of 38.8% 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 SIX-MONTH PERIOD ENDED	June 30,	June 30	Percentage change
	2023	2022	
Revenue	2,145.8	3,796.3	(43.5%)
Cost of Sales	1,246.7	2,219.5	(43.8%)
GP%	41.9%	41.5%	

Operating Profit

- The Group reported total operating profit of Baht 656.5 million, a decrease of 37.9% over the same period last year, due to decrease in revenues as mention above. Total cost, selling and administrative expense decreased by Baht 1,116.7 million which is a decrease of 39.2% in respect to decrease in revenue.

Financial Income/Expense

- The Group reported financial income of Baht 64.0 million, an interest income from Baht 2 billion loan to the subsidiaries of Bound and Beyond PCL.
- The Group reported finance costs of Baht 385.9 million, an increase of 2.4% from the same period last year due to interest expense in the form of a new bridging loan for Ovingdean Project.

Net Operating performance

- The Group reported a net profit amount of Baht 172.2 million compared with a net profit of Baht 406.3 million of the same period last year. This mainly resulted from decreasing in revenue from sale of condominium and increasing in financial cost.