

CGD 66/0094

November 10, 2023

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

BUSINESS OVERVIEW

The Company continues to focus on "Return to Profitability" and "Debt Management". For the nine-month period ended September 30, 2023, the Group reported a net profit of Baht 233.7 million and interest bearing debt ratio continue to drop to 1.2 times.

ASSETS FOR SALES BUSINESS

For the nine-month period ending September 30, 2023, the Group reported revenues from condominium sales of Baht 3.1 Billion with gross profit margin at 40.4%.

DEBT MANAGEMENT

The successful hotels divestment since 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 1.2 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 2.7 times at September 30, 2023.

TABLE PRESENT FINANCIAL RATIO	September 30, 2023	December 31, 2022	Change
Interest Bearing Debt / Equity Ratio (Times)	1.2	1.8	(0.6)
Total Debt / Total Equity Ratio (Times)	2.7	3.3	(0.6)

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 September 30, 2023 as follows:

Unit : Million Baht

TABLE PRESENT SUMMARY OF FINANCIAL PERFORMANCE FOR THE THREE-MONTH PERIOD ENDED	September 30,	September 30	Percentage change
	2023	2022	
REVENUES			
Revenue	1,088.1	1,426.0	(23.7%)
Total Revenues	1,088.1	1,426.0	(23.7%)
EXPENSES			
COGS	582.1	800.8	(27.3%)
SG&A	236.8	241.9	(2.1%)
Loss on foreign exchange rate	1.0	0.0	0.0%
Total Expenses	819.9	1,042.7	(21.4%)
PROFIT FROM OPERATING ACTIVITIES	268.2	383.3	(30.0%)
Financial income	29.5	27.8	6.1%
Financial cost	(177.0)	(168.3)	5.2%
Income tax expense	59.2	129.1	(54.1%)
NET PROFIT FOR THE PERIOD FROM CONTINUED OPERATION	61.5	113.7	(45.9%)
Profit from discontinued operation	0.0	5.5	(100.0%)
NET PROFIT FOR THE PERIOD	61.5	119.2	(48.4%)

Revenue

- Group's total revenue was Baht 1,088.1 million which is a decrease of 23.7% 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	September 30,	September 30	Percentage change
	2023	2022	
Revenue	923.0	1,355.7	(31.9%)
Cost of Sales	582.1	800.8	(27.3%)
GP%	36.9%	40.9%	

Operating Profit

- The Group reported total operating profit of Baht 268.2 million, a decrease of 30.0% over the same period last year, due to decrease in revenues as mention above. Total cost, selling and administrative expense decreased by Baht 222.8 million which is a decrease of 21.4% in respect to decrease in revenue.

Financial Income/Expense

- The Group reported financial income of Baht 29.5 million, an interest income from Baht 2 billion loan to the subsidiaries of Bound and Beyond PCL.
- The Group reported finance costs of Baht 177.0 million, an increase of 5.2% 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 61.5 million compared with a net profit of Baht 119.2 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 nine-month period ended September 30, 2023 as follows:

Unit : Million Baht

TABLE PRESENT SUMMARY OF FINANCIAL PERFORMANCE FOR THE NINE-MONTH PERIOD ENDED	September 30,	September 30,	Percentage change
	2023	2022	
REVENUES			
Revenue	3,479.4	5,332.2	(34.7%)
Total Revenues	3,479.4	5,332.2	(34.7%)
EXPENSES			
COGS	1,828.8	3,020.3	(39.4%)
SG&A	716.9	868.9	(17.5%)
Loss on foreign exchange rate	9.0	3.1	190.3%
Total Expenses	2,554.7	3,892.3	(34.4%)
PROFIT FROM OPERATING ACTIVITIES	924.7	1,439.9	(35.8%)
Financial income	93.5	28.4	229.2%
Financial cost	(562.9)	(545.2)	3.2%
Income tax expense	221.6	389.7	(43.1%)
NET PROFIT FOR THE PERIOD FROM CONTINUED OPERATION	233.7	533.4	(56.2%)
Loss from discontinued operation	0.0	(7.9)	(100.0%)
NET PROFIT FOR THE PERIOD	233.7	525.5	(55.5%)

Revenue

- Group's total revenue was Baht 3,479.4 million which is a decrease of 34.7% 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 NINE-MONTH PERIOD ENDED	September 30,	September 30,	Percentage change
	2023	2022	
Revenue	3,068.8	5,152.0	(40.4%)
Cost of Sales	1,828.8	3,020.3	(39.4%)
GP%	40.4%	41.4%	

Operating Profit

- The Group reported total operating profit of Baht 924.7 million, a decrease of 35.8% over the same period last year, due to decrease in revenues as mention above. Total cost, selling and administrative expense decreased by Baht 1,337.6 million which is a decrease of 34.4% in respect to decrease in revenue.

Financial Income/Expense

- The Group reported financial income of Baht 93.5 million, an interest income from Baht 2 billion loan to the subsidiaries of Bound and Beyond PCL.
- The Group reported finance costs of Baht 562.9 million, an increase of 3.2% 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 233.7 million compared with a net profit of Baht 525.5 million of the same period last year. This mainly resulted from decreasing in revenue from sale of condominium and increasing in financial cost.