

CGD63/0029

May 13, 2020

Subject: Report on the operating results of Country Group Development PCL. for the three-month period ended March 31, 2020

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 for the three-month period ended March 31, 2020 as follows:

Consolidated Financial Statements (the "Group")

During the three-month period ended March 31, 2020, the Group has loss on foreign exchange rate amount of Baht 747.11 million from Baht depreciation.

Revenues

The Group reported total revenues for the three-month period ended March 31, 2020 of Baht 385.26 million, increased by Baht 265.45 million or increased by 221.56 percent compared to Baht 119.81 million for the same period of 2019. This was mainly resulted from the Group has recognized revenue from Chao Phraya Estate Project both Four Seasons Private Residences Bangkok at Chao Phraya River of Baht 352.36 million and banquet of Four Seasons Hotel Bangkok at Chao Phraya River. The majority of revenues for the three-month period ended March 31, 2020 are as follows:

- The Group reported revenue from sale of the condominium of Baht 352.36 million, increased by Baht 346.93 million or increased by 6,384.43 percent compared to Baht 5.43 million for the same period of 2019. This was mainly due to the Group started to recognized revenue from sale of condominium on Four Seasons Private Residences Bangkok at Chao Phraya River project of Baht 352.36 million.

- Foreign subsidiary reported rental income from investment property of Baht 11.37 million, decreased by Baht 0.88 million or decreased by 7.21 percent compared to Baht 12.25 million for the same period of 2019.
- The Group reported other income of Baht 19.61 million, increased by Baht 17.39 million or increased by 781.78 percent compared to Baht 2.22 million for the same period of 2019. This was mainly due to the Group started to recognize revenue from banquet of Four Seasons Private Residences Bangkok at Chao Phraya River during the three-month period ended March 31, 2020.

Expenses

The Group reported total expenses for the three-month period ended March 31, 2020 of Baht 1,158.50 million, increased by Baht 1,033.54 million or increased by 827.10 percent compared to Baht 124.96 million for the same period of 2019. This mainly resulted from the increase in loss on foreign exchange rate by Baht 747.11 million and increase in administrative expenses by Baht 116.73 million together with increase in cost of condominium sale by Baht 155.13 million which correlated with higher in revenue from condominium sale. The majority of expenses for the three-month period ended March 31, 2020 are as follows:

- The Group reported cost of condominium sale of Baht 158.94 million, increased by Baht 155.13 million or increased by 4,076.17 percent compared to Baht 3.81 million for the same period of 2019 which consistent with an increasing in revenue from sale of condominium. The percentage of increasing in cost was less than the percentage of increasing in revenue from revenue from condominium sale which was increased by 6,384.43 percent. Consequently, gross profit margin for the three-month period ended March 31, 2020 was 54.89 percent, increasing from the same period of 2019 which its gross profit margin was 29.96 percent.
- The Group reported distribution costs of Baht 41.29 million, increased by Baht 13.20 million or increased by 46.97 percent compared to Baht 28.09 million for the same period of 2019. The majority of distribution costs for the three-month period ended March 31, 2020 came from marketing activities of Four Seasons Private Residences Bangkok at Chao Phraya River.
- The Group reported administrative expenses of Baht 199.80 million, increased by Baht 116.73 million or increased by 140.51 percent compared to Baht 83.07 million for the same period of 2019. This was mainly due to increase of pre-operating expenses of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which will be open in 2020. The majority of administrative expenses consist of personnel expense, advisory fee, utilities expense, depreciation and miscellaneous expenses.

- The Group reported loss on foreign exchange rate of Baht 747.11 million, all increased compared to the same period of 2019. This was mainly due depreciation in Thai Baht currency. Most of lost on foreign exchange rate was occurred from loss on foreign exchange rate on loan in US Dollars for construction. However, when compared to cumulative gain loss on foreign exchange rate since start the project until now which was recognized in the previous accounting periods, the Group has loss on foreign exchange rate approximately Baht 70 million.

Finance costs

The Group reported finance costs for the three-month period ended March 31, 2020 of Baht 130.76 million, increased by Baht 29.70 million or increased by 29.38 percent compared to Baht 101.06 million in the same period of 2019. The finance costs were resulted from issuance of bills of exchange, issuance of short-term debentures, issuance of long-term debentures and long-term borrowing for being working capital and expansion of the Group's business.

Consequently, the Group reported loss before income tax for the three-month period ended March 31, 2020 of Baht 903.86 million, loss increased by Baht 800.62 million or increased by 775.46 percent compared to loss before income tax of Baht 103.24 million for the same period of 2019.

Income tax expense

The Group reported income tax expense for the three-month period ended March 31, 2020 of Baht 35.64 million, increased by Baht 31.46 million or increased by 735.15 percent compared to income tax expense of Baht 4.18 million for the same period of 2019. This was due to the recognition of revenue from sale of condominium on Four Seasons Private Residences Bangkok at Chao Phraya River Project in 2020 while for the same period of 2019 there is no revenue recognition from of revenue from sale of condominium on Four Seasons Private Residences Bangkok at Chao Phraya River Project.

Loss for the three-month period ended March 31, 2020

The operating result mentioned above resulting the Group reported net loss of Baht 939.50 million, of which loss of Baht 692.95 million attributed to the parent and loss of Baht 246.55 million attributed to non-controlling interests. Consequently, net loss which attributed to the parent increased by Baht 584.63 million or increased by 539.73 percent, compared with a net loss attributed to the parent of Baht 108.32 million for the same period of 2019.

Separate Financial Statements (the “Company”)

Revenues

The Company reported total revenues for the three-month period ended March 31, 2020 of Baht 15.91 million, decreased by Baht 5.20 million or decreased by 24.66 percent compared to Baht 21.11 million. This was mainly due to decrease in revenue from sale of the condominium of Elements Srinakarin Project because the project was closed. The majority of the Company's revenues for the three-month period ended March 31, 2020 are as follows;

- The Company reported dividend income of Baht 1.91 million. All increased when compared to the same period of 2019.
- The Company reported other income of Baht 13.99 million, decreased by Baht 0.58 million or decreased by 3.95 percent compared to Baht 14.57 million for the same period of 2019.

Expenses

The Company reported total expenses for the three-month period ended March 31, 2020 of Baht 49.06 million, decreased by Baht 7.50 million or decreased by 13.25 percent compared to Baht 56.56 million for the same period of 2019. This mainly due to an decrease of loss on foreign exchange rate by Baht 4.11 million. The majority of expenses for the three-month period ended March 31, 2020 are as follows :

- The Company reported all decreased in cost of condominium sale of Elements Srinakarin Project of Baht 3.81 million compared to the same period of 2019 because the project was closed.
- The Company reported distribution costs Baht 1.65 million, increased by Baht 0.25 million or increased by 18.00 percent compared to Baht 1.40 million for the same period of 2019.
- The Company reported administrative expenses of Baht 34.27 million, decreased by Baht 1.23 million or decreased by 3.48 percent compared to Baht 35.50 million for the same period of 2019. The administrative expenses consist of personnel expense, advisory fee, utilities expense, depreciation and miscellaneous expenses.
- The Company reported loss on foreign exchange rate of Baht 2.48 million, decreased by Baht 4.11 million compared to Baht 6.59 million for the same period of 2019

Finance income

The Company reported finance income of Baht 40.23 million, increased by Baht 20.82 million or increased by 107.26 percent compared to Baht 19.41 million for the same period of 2019. This mainly resulted from additional loan to subsidiary.

Finance costs

The Company reported finance costs for the three-month period ended March 31, 2020 of Baht 98.72 million, increased by Baht 18.46 million or increased by 23.01 percent compared to Baht 80.26 million in the same period of 2019. The majority of finance costs for the three-month period ended March 31, 2020 resulted from issuance of bills of exchange, issuance of short-term debentures, issuance of long-term debentures for being working capital and expansion of the Company's business.

Consequently, the Company reported loss before income tax expense for the three-month period ended March 31, 2020 of Baht 91.65 million, loss increased by Baht 4.64 million or increased by 4.82 percent compared to the loss before income tax expense of Baht 96.29 million for the same period of 2019.

Income tax revenue

The Company reported income tax revenue for the three-month period ended March 31, 2020 of Baht 0.22 million, increased by Baht 0.11 million or increased by 108.61 percent compared to income tax revenue of Baht 0.11 million for the same period of 2019.

Net loss for the three-month period ended March 31, 2020

The operating result mentioned above resulting in the Company reported net loss of Baht 91.42 million, loss decreased by Baht 4.76 million or decreased by 4.95 percent compared to the net loss of Baht 96.18 million for the same period of 2019.

Please be informed accordingly.

Yours sincerely,

Ben Taechaubol

Chief Executive Officer