

CGD 64/0040

May 14, 2021

Subject: Report on the operating results of Country Group Development PCL for the three-month period ended March 31, 2021

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, 2021 as follows:

BUSINESS OVERVIEW

The company reported an increase in operating revenues and profit from operating activities despite the continued challenges of COVID-19 pandemic and the government imposed controls. Hospitality business operated with the limited activities and services under the government measures while the revenue from sale of condominium of Four Season Private Residence Project (FSPR) is still the main contribution to the company performance.

The company reported the operating result of the first quarter with the following highlights:

- Total revenue was THB 1,256 million increased by 238% from the same period last year.
 - Ordinary revenue which sale of the Four Season Private Residences (FSPR) is the key contributor of total revenue was THB 971 million and increased 176% from the same period last year
 - Extraordinary revenue from investment project was THB 277 million from completion of surrender with the incumbent tenant and in line with the repositioning plan for the asset
- Operating profit was THB 163 million compared to negative THB 627 million last year and excluding extraordinary items from gain and loss from investment project and foreign exchange rate, the ordinary operating profit was THB 368 million and increased 206%.
- Net Loss was THB 302 million and reduced 67% from THB 940 million last year, the loss mainly attributed to financial costs and loss from foreign exchange rate.

Unit : Million Baht

TABLE PRESENT SUMMARY OF FINANCIAL PERFORMANCE	March 31	March 31	Percentage
	2021	2020	
REVENUES			
Revenue	978.40	371.01	163.71
Extraordinary item – Investment Project	277.41	0.00	
Total Revenues	1,255.81	371.01	238.49
EXPENSES			
COGS	477.35	159.64	199.01
SG&A	132.58	91.05	45.61
Extraordinary item - Loss on foreign exchange rate	482.72	746.81	(35.36)
Total Expenses	1,092.65	997.50	9.54
PROFIT (LOSS) FROM OPERATING ACTIVITIES	163.17	(626.50)	(126.04)
Financial cost	(280.31)	(130.62)	114.60
Income tax	(87.35)	(35.64)	145.10
NET LOSS FOR THE PERIOD FROM CONTINUED OPERATION	(204.49)	(792.75)	(74.20)
Loss from discontinued operation	(97.35)	(146.75)	(33.66)
NET LOSS FOR THE PERIOD	(301.84)	(939.50)	(67.87)

ASSETS FOR SALES BUSINESS

Four Seasons Private Residences, a ready to transfer asset with remaining value around THB 15 billion. Of which is the strong quality backlog more than THB 7 billion to be gradually recognized in the following quarters. For the three-month period ended March 31, 2021, the company reported revenues from condominium sales of THB 971 million, increase by 176% from same period of 2020 while maintaining its high gross profit margin of 51%

Unit : Million Baht

TABLE PRESENT FINANCIAL PERFORMANCE OF ASSET FOR SALES BUSINESS	March 31	March 31	Percentage
	2021	2020	
Revenue	971.3	352.3	176
Cost of Sales	474.0	158.9	198
GP%	51%	55%	

HOSPITALITY BUSINESS

Despite the continued challenges of COVID-19 pandemic and the government imposed controls, hotels operation in first quarter of 2021 still reported revenue of Baht 142 million increase by 899% from same period of 2020 that Four Seasons Hotel Bangkok was partially operated. However, hotels operation shown negative result of THB 97 million, lower from negative THB 147 million from same period last year or loss decreased by 34%.

In connection with company's strategy to continues its capital strengthening plan with the divestment of hotel assets. Hotels operating result are reported as Discontinue Operation item to comply with the accounting standard.

Unit : Million Baht

TABLE PRESENT FINANCIAL PERFORMANCE OF HOTEL OPERATION WHICH HAS BEEN PRESENTED AS DISCONTINUED OPERATION	March 31	March 31	Percentage
	2021	2020	
Revenue	142.3	14.2	899
Expenses	(239.6)	(161.0)	49
Discontinued loss	(97.3)	(146.8)	(34)

INVESTMENT BUSINESS

Completion of surrender with the incumbent tenant of the investment project in Q1 2021 was in line with the repositioning plan for the asset. This result in an extraordinary revenue from investment project amount THB 277 million

OVERALL PERFORMANCE

The company reported net loss Baht 302 million reduced 68% from THB 940 million same period last year. Apart from the reasons mentioned above, there are also 2 key factors that impact the operating performance as follows;

- Firstly, the Company reported finance costs of Baht 280 million increased by 114% from the same period last year which resulted from the completion of the hotel construction and the company stop capitalization interest and report directly to the P/L.
- Secondly, the Company report loss on foreign exchange rate of Baht 483 million decreased by 35% from the same period last year.

However, the company confidence that the execution of hotel divestment as a part of debt reduction strategy which will generate the source of repayment to construction debt in foreign currency. This will significantly reduce financial costs and mitigate future foreign exchange exposure.

Please be informed accordingly.

Yours sincerely,

Ben Taechaubol
Chief Executive Officer