

CGD 65/0008

February 25, 2022

Subject: Report on the operating results of Country Group Development PCL for the year ended December 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 (the "Group") for the year ended December 31, 2021 as follows:

BUSINESS OVERVIEW

The Group's continue to focus on 2 major business policies 1) to accelerate transfer and recognition revenue of Four Season Private Residences Project (FSPR) 2) to accelerate debt repayment through various source of cash flow; which will in turn reduce group's financial costs down to appropriate level. The Group had followed these 2 policies continuously in 2021; despite the spread of COVID-19 pandemic throughout the year.

FSPR continued to be major source of revenue for The Group in 2021, adding another Baht 3,175.6 million to the topline this year. Remaining project value is in excess of Baht 13.5 billion; of which approximately Baht 6,000 million are backlog that the Company will gradually recognized as revenues in the following quarters. Gross profit margin for FSPR is still on target at 49% in 2021.

Nonetheless, as per the Company's policy to divest the hotels to strengthen capital and accelerate debt repayment; Company had partially divested Waterfront Hotel Company Limited ("WFH") the owner of Capella Hotel Bangkok and Urban Resort Hotel Company Limited ("URH") the owner of Four Seasons Bangkok at Chao Phraya River to our affiliate "Bound and Beyond Public Company Limited" (formerly "Padaeng Industry Public Company Limited"). Divestment for 51% is completed in November and another 25% is completed in December 2021. The cash flow from divestment was used for debt repayment, amount of approximately Baht 5.8 billion. The remains 24% of interest in WFH and URH will be divested within 1Q22, and cash flow will be used for further debt repayment.

The Group reported operating result for the year ended December 31, 2021 as follows:

Unit : Million Baht

TABLE PRESENT SUMMARY OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED	December 31,	December 31,	Percentage change
	2021	2020	
REVENUES			
Revenue	3,253.2	3,322.1	(2.1%)
Extraordinary item	283.3	231.3	22.5%
Total Revenues	3,536.5	3,553.4	(0.5%)
EXPENSES			
COGS	1,608.2	1,559.7	3.1%
SG&A	621.9	571.0	8.9%
Loss on foreign exchange rate	649.8	0.0	100.00
Total Expenses	2,879.9	2,130.7	35.2%
PROFIT FROM OPERATING ACTIVITIES	656.6	1,422.7	(53.8%)
Financial income	0.4	0.6	(33.3%)
Financial cost	(1,129.5)	(609.2)	85.4%
Income tax	356.8	126.1	183.0%
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUED OPERATION	(829.3)	688.0	(220.5%)
Loss from discontinued operation	(610.0)	(1,094.3)	(44.3%)
NET LOSS FOR THE PERIOD	(1,439.3)	(406.3)	254.2%

Revenue

- Group's total revenue was Baht 3,536.5 million which decreased by 0.5% from the same period of 2020. Ordinary revenue was from sales of FSPR which was the key contributor of total revenues details as follows

Unit : Million Baht

TABLE PRESENT FINANCIAL PERFORMANCE OF FSPR FOR THE YEAR ENDED	December 31,	December 31,	Percentage change
	2021	2020	
Revenue	3,175.6	3,263.2	(2.8%)
Cost of Sales	1,608.2	1,559.7	(33.4%)
GP%	49%	52%	

- The Company reported an extraordinary revenue of Baht 277 million from Ovingdean project which is investment property of the Group.

Operating Profit

- The Group reported total operating profit of Baht 656.6 million reduced by 53.8% from last year. However, if exclude loss on foreign exchange of Baht 649.8 million, the Group will has operating profit of Baht 1,304.6 million.

Financial Expense

- The Group reported finance costs of Baht 1,129.5 million, an increase of 85.4% from the same period last year largely due to hotel operations having commenced resulting in cease capitalization of interest expenses and such interest expenses directly reported it to the statement of profit and loss.

Operating performance of discontinued operation

- Government lock down and social distancing to reduce the spread of COVID-19 pandemic still have impacted discontinued operation of the two hotels. The Group reported net loss from discontinued operation of Baht 610 million; decreased of 44.3% from last year.

Net Operating performance

- The Group reported net loss Baht 1,439.3 million compared with net loss Baht 406.3 million of the same period last year. This mainly resulted from: 1) impact from loss on foreign exchange rate 2) record hotel's financial cost as expense rather than capitalized 3) Loss from discontinued operation.

The Group Debt Structure

As a result of accelerated debt repayment plan executed in 2021, the Group remaining liabilities is Baht 17,515 million reduced by THB 4,756 million. Interest bearing debts is Baht 11,471 million, reduced by Baht 4,346 million. Non-interest bearing debts amount of Baht 6,044 million, mainly composed of deposits from Four Seasons Private Residences customer of Baht 3,468 million. This deposits will gradually reduce in accordance with revenue recognition in future.

Unit : Million Baht

TABLE PRESENT LIABILITIES	2021	2020	Change
Interest Bearing Debt	11,471	15,816	(4,346)
Non-Interest Bearing Debt	6,044	6,455	(411)
Total	17,515	22,271	(4,756)

Group's Interest Bearing Debt to Equity ratio at the end of 2021 is 2.83 times, decreased from 3.41 times at the end of 2020. Total debt to total equity ratio also reduced from 4.80 times at the end of 2020 to 4.33 times at the end of 2021.

TABLE PRESENT FINANCIAL RATIO	2021	2020	Change
Interest Bearing Debt / Equity Ratio (Times)	2.83	3.41	(0.58)
Total Debt / Total Equity Ratio (Times)	4.33	4.80	(0.47)

Company continues to follow main business strategy in significantly reduced debt level and finance costs to appropriate level that will help company to emerge with a bolstered financial position, and lay down a good foundation for future business expansion.

Please be informed accordingly.

Yours sincerely,

Ben Taechaubol
Chief Executive Officer