

CGD63/0044

August 11, 2020

Subject: Report on the operating results of Country Group Development PCL. for the period ended June 30, 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 period ended June 30, 2020 as follows:

Consolidated Financial Statements (the "Group")

Revenues

In the quarter 2/2020, the Group reported total revenues of Baht 1,306.95 million, increased by Baht 941.81 million or increased by 257.93 percent compared to Baht 365.14 million for the same period of 2019. This was mainly due to an increase of revenue from sales of condominium from Four Seasons Private Residences at Chao Phraya River project by Baht 717.71 million and an increase of gain on foreign exchange rate by Baht 226.22 million when compared to the same quarter of 2019.

The Group reported total revenues of Baht 1,114.32 million for the six-month period of 2020, increased by Baht 629.37 million or increased by 129.78 percent compared to Baht 484.95 million for the same period of 2019.

The majority of revenues for the quarter 2/2020 are as follows:

- In the quarter 2/2020, the revenue from sale of condominium from Four Seasons Private Residences at Chao Phraya River project increased by Baht 717.71 million or increased by 100.00 percent compared to the same period of 2019. This was mainly due to the Group recognized revenue from sale of condominium on from Four Seasons Private Residences at Chao Phraya River project.
- Foreign subsidiary reported rental income from investment property of Baht 11.88 million, decreased by Baht 0.17 million or decreased by 1.40 percent compared to Baht 12.05 million for the same period of 2019.

- In the quarter 2/2020, the Group reported gain on foreign exchange rate of Baht 577.88 million, increased by Baht 226.22 million or increased by 64.33 percent from the same quarter of 2019. This was mainly because of during the quarter 2/2020 Thai Baht was appreciated. Moreover, the USD loan of a subsidiary was increased according to construction progress of Chao Phraya Estate Project which has a lot of progress.

Expenses

In the quarter 2/2020, the Group reported total expenses of Baht 552.89 million, increased by Baht 401.06 million or increased by 264.15 percent compared to Baht 151.83 million for the same quarter of 2019. This was mainly due to an increase of cost of condominium sale of Four Seasons Private Residences at Chao Phraya River project by Baht 331.47 million and an increase of distribution costs and administrative expenses by Baht 28.85 million and Baht 40.91 million, respectively.

The Group reported total expense of Baht 1,133.51 million for the six-month period of 2020, increased by Baht 856.72 million or increased by 309.52 percent compared to Baht 276.79 million for the same period of 2019.

The majority of expenses for the quarter 2/2020 are as follows:

- The Group reported cost of condominium sale of Baht 331.47 million, increased by Baht 331.47 million or increased by 100.00 percent compared the same quarter of 2019 which consistent with an increasing in revenue from sale of Four Seasons Private Residences at Chao Phraya River project.
- In the quarter 2/2020, the Group reported distribution costs of Baht 60.27 million, increased by Baht 28.85 million or increased by 91.81 percent compared to Baht 31.42 million for the same quarter of 2019. This was mainly due to increase of expenses of Four Seasons Private Residences at Chao Phraya River Project as its sales increased.
- In the quarter 2/2020, the Group reported administrative expenses of Baht 151.58 million, increased by Baht 40.91 million or increased by 36.96 percent compared to Baht 110.67 million for the same quarter of 2019 as a result of an increase of pre-operating expenses of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which will be opened in 2020. The majority of administrative expenses consist of personnel expense, advisory fee, utilities expense, depreciation and miscellaneous expenses.

Finance Income

In the quarter 2/2020, the Group reported finance income of Baht 0.22 million, decreased by Baht 2.29 million or decreased by 91.04 percent compared to Baht 2.51 million for the same quarter of 2019.

Finance Costs

In the quarter 2/2020, the Group reported finance costs of Baht 136.59 million, increased by Baht 22.78 million or increased by 20.02 percent compared to Baht 113.81 million for the same quarter of 2019. The finance costs were resulted from short-term borrowing, issuance of bills of exchange, issuance of debentures and long-term borrowing for being working capital and expansion of the Group's business.

Consequently, in the quarter 2/2020, the Group reported profit before income tax of Baht 617.68 million, profit increased by Baht 515.68 million or profit increased by 505.55 percent compared to profit before income tax of Baht 102.00 million for the same quarter of 2019.

However, the Group reported loss before income tax of Baht 286.18 million for the six-month period of 2020, loss increased by Baht 284.94 million or loss increased by 22,969.57 percent compared to loss before income tax of Baht 1.24 million for the six-month period of 2019.

Income tax (revenue) expense

In the quarter 2/2020, the Group reported income tax expense of Baht 73.24 million, increased by Baht 77.64 million or increased by 1,763.30 percent compared to income tax revenue of Baht 4.40 million for the same quarter 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.

Net profit (loss) for the period

The operating result mentioned above resulting in the quarter 2/2020, the Group reported net profit of Baht 544.44 million, increased by Baht 438.03 million or increased by 411.66 percent compared to net loss of Baht 106.41 million for the same quarter of 2019. Net profit of Baht 544.44 million for the quarter 2/2020 of which Baht 345.42 million attributed to the parent and the remaining of Baht 199.02 million attributed to non-controlling interests. Consequently, net profit which attributed to the parent increased by Baht 292.99 million or increased by 558.77 percent, compared with a net profit attributed to the parent of Baht 52.43 million for the same quarter of 2019.

The Group reported net loss of Baht 395.06 million for six-month period of 2020, loss increased by Baht 394.05 million or loss increased by 38,836.22 percent compared to net loss of Baht 1.01 million for the six-month period of 2019.

Separate Financial Statements (the "Company")

Revenues

In the quarter 2/2020, the Company reported total revenues of Baht 19.55 million, decreased by Baht 33.71 million or decreased by 63.29 percent compared to Baht 53.26 million for the same quarter of 2019. This was mainly due to decrease of revenue from sale of condominium Element Srinakarin project because the project was closed in 2019. In addition, in the quarter 2/2020, the Company reported a decrease of gain on foreign exchange rate and decrease of other incomes by Baht 29.63 million and Baht 2.08 million, respectively, compared to the same quarter of 2019.

The Company reported total revenues of Baht 32.98 million for the six-month period of 2020, decreased by Baht 34.80 million or decreased by 51.34 percent compared to Baht 67.78 million for the six-month period of 2019.

The majority of revenues for the quarter 2/2020 are as follows:

- In the quarter 2/2020, the Company reported gain on foreign exchange rate of Baht 7.82 million, decreased by Baht 29.63 million or decreased by 79.13 percent compared to Baht 37.45 million for the same quarter of 2019.
- In the quarter 2/2020, the Company reported other incomes of Baht 13.65 million, decreased by Baht 2.08 million or decreased by 13.21 percent compared to Baht 15.73 million for the same quarter of 2019.

Expenses

In the quarter 2/2020, the Company reported total expenses of Baht 45.97 million, decreased by Baht 5.17 million or decreased by 10.11 percent compared to Baht 51.14 million for the same quarter of 2019. This mainly due to decrease of administrative expenses by Baht 4.09 million.

The Company reported total expense of Baht 92.56 million for the six-month period of 2020, decreased by Baht 8.55 million or decreased by 8.46 percent compared to Baht 101.11 million for the six-month period of 2019.

The majority of expenses for the quarter 2/2020 are as follows:

- In the quarter 2/2020, the Company reported distribution costs of Baht 1.46 million, decreased by Baht 0.87 million or decreased by 37.17 percent compared to Baht 2.33 million for the same quarter of 2019. This was mainly due to a decrease of expenses for marketing activities and promotion expenses of Elements Srinakarin Project which correlated with a decrease of revenue from sale of condominium.
- In the quarter 2/2020, the Company reported administrative expenses of Baht 35.63 million, decreased by Baht 4.09 million or decreased by 10.31 percent compared to Baht 39.72 million for the same quarter of 2019. The majority of administrative expenses consist of personnel expense, advisory fee, utilities expense, depreciation and miscellaneous expenses.
- In the quarter 2/2020, the Company reported directors and managements' remuneration of Baht 8.88 million, decreased by Baht 0.17 million or decreased by 1.92 percent compared to Baht 9.05 million for the same quarter of 2019.

Finance Income

In the quarter 2/2020, the Company reported finance income of Baht 42.25 million, increased by Baht 23.55 million or increased by 125.93 percent compared to Baht 18.70 million for the same quarter of 2019. This mainly resulted from additional loan to subsidiary.

Finance Costs

In the quarter 2/2020, the Company reported finance costs of Baht 107.48 million, increased by Baht 27.99 million or increased by 35.22 percent compared to Baht 79.49 million for the same quarter of 2019. The finance costs for the quarter 2/2020 was resulted from short-term borrowing , issuance of bills of exchange, issuance of debenture and long-term borrowing for being working capital and expansion of the Group's business.

Consequently, in the quarter 2/2020, the Company reported loss before income tax of Baht 91.65 million, loss increased by Baht 32.98 million or increased by 56.22 percent compared to the loss before income tax of Baht 58.67 million for the same quarter of 2019.

The Company reported loss before income tax of Baht 183.30 million for the six-month period of 2020, loss increased by Baht 28.34 million or loss increased by 18.29 percent compared to loss before income tax of Baht 154.96 million for the six-month period of 2019.

Income tax revenue

The Company reported income tax revenue in the quarter 2/2020 of Baht 0.21 million, decreased by Baht 0.29 million or decreased by 57.32 percent compared to income tax revenue of Baht 0.50 million for the same quarter of 2019. The Company reported income tax revenue of Baht 0.44 million for six-month period of 2020, decreased by Baht 0.17 million or decreased by 28.20 percent compared to income tax revenue of Baht 0.61 million for the six-month period of 2019.

Net loss for the period

The operating result mentioned above resulting in the Company reported net loss for the quarter 2/2020 of Baht 91.44 million, loss increased by Baht 33.27 million or increased by 57.20 percent compared to the net loss of Baht 58.17 million in same quarter of 2019. The Company reported net loss of Baht 182.86 million for six-month period of 2020, loss increased by Baht 28.51 million or loss increased by 18.47 percent compared to net loss of Baht 154.35 million for the six-month period of 2019.

Additional to the report the operating results mentioned above, the Group would like to report that the Group is currently on the plan to acquire new sources of long-term financing to repay for current portion of long-term borrowings which the management has confident to complete in the near future.

Please be informed accordingly.

Yours sincerely,

Ben Taechaubol
Chief Executive Officer