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Country Group Development Public Company Limited

Information Memorandum regarding the acquisition and disposal of assets of CGD Digital Partners Limited,  
a wholly owned subsidiary of Country Group Development Public Company Limited

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6 August 2015

**Subject:** Information Memorandum concerning acquisition of assets

**To:** Shareholders of Country Group Development Public Company Limited

At its Meeting No. 6/2015 held on 14 July 2015, the Board of Directors of Country Group Development Public Company Limited (“the Company”) adopts a resolution approving the transaction between the Company and/or a subsidiary of the Company and MFC Industrial Real Estate Investment Trust (REIT) which is in the process of preparing an application and documents to be submitted to the Office of the Securities and Exchange Commission (SEC) for approval of the establishment of the REIT for fund mobilization (a transaction of MFC Industrial Real Estate Investment Trust).

The related details are summarized as follows:

## 1. Information Memorandum 1

### 1.1 Date, month, and year of the transaction

The transaction related to the sale of the assets by CGD Digital Partners Limited (GCDDP) which is a wholly owned subsidiary of Country Group Development Public Company Limited, to MFC Industrial Real Estate Investment Trust will be carried out after the satisfaction of the following conditions precedent:

- The meeting of the Company's Board of Directors adopts a resolution approving GCDDP's sale of assets to the REIT and approving the Company's purchase of the trust units issued by the REIT.
- The meeting of the Board of Directors and the general meeting of shareholders of the Company (and its subsidiaries) approve the sale of assets to the REIT.
- MFC Asset Management Public Company Limited (MFC) which is the settlor of the REIT receives approval from the Office of the Securities and Exchange Commission (SEC) to act as REIT manager.
- MFC receives the approval of the Company's Board of Directors in following the steps involved in establishing the REIT.
- The application for issuing and offering for sale the trust units of the REIT receives the approval of the Office of the Securities and Exchange Commission (SEC) and Form 69-REIT comes into force.
- The issuance and offer for sale of trust units by the REIT are successful and are able to mobilize funds in an amount adequate for asset investments.

In this connection, the transaction will be carried out after the REIT is registered with the Office of the Securities and Exchange Commission (SEC) and after the conditions precedent as well as the obligations under the asset purchase agreement and/or other related agreements have been satisfied or waived.

The Company expects that the Company, GCDDP, MFC and/or the related juristic persons are able to satisfy the above conditions. As well, GCDDP is able to sell the assets to the REIT by the year 2015.

### 1.2 Related parties and their relationship with the listed company

#### 1) Transaction related to disposal of assets

**Purchaser:** MFC Industrial Real Estate Investment Trust (REIT) with One Asset Management Limited serving as trustee of the REIT.

**Seller:** CGD Digital Partners Limited (GCDDP), a subsidiary whose shares with voting rights being wholly owned by the Company. Some directors including Mr. Ben Taechaubol and Mr. Sadawut Taechaubol sit on the Boards of the two companies.

**Relationship with the listed company:**

The REIT in the capacity of the buyer has no relation with the Company and/or its subsidiaries.

Country Group Development Public Company Limited holds a 100 percent equity stake in CGD Digital Partners Limited. The REIT will also appoint MFC Asset Management Public Company Limited (MFC) as REIT manager. Their relationship is that same director serve as their authorized signatories. However, the assets of the REIT are being looked after by the trustee for the beneficiaries in a fair manner and in compliance with the rules related to the Real Estate Investment Trust. As a result, it is difficult for the transaction to give any benefits to any third party/group of parties. The transaction is, therefore, not regarded as related party transaction.

2) Transaction related to acquisition of assets

**Investor:** Country Group Development Public Company Limited (the Company) and/or the juristic person specified by the Company will buy the trust units of the REIT in an amount not exceeding Baht 150 Million.

**REIT:** MFC Industrial Real Estate Investment Trust (with One Asset Management Limited serving as trustee of the REIT). Only after the approval by the Office of the Securities and Exchange Commission (SEC), the REIT will be established and start issuing and offering for sale the trust units. The REIT's fund mobilization is successful and is able to get funds sufficient for asset investments.

**Relationship with the listed company:**

The REIT in the capacity of the seller has no relationship with the Company and/or its subsidiaries.

The Company and/or the juristic person specified by the Company will buy the trust units of the REIT in an amount not exceeding Baht 150 Million. As well, the REIT will appoint MFC Asset Management Public Company Limited (MFC) as REIT manager. Their relationship is that same director serve as their authorized signatories. However, the assets of the REIT are being looked after by the trustee for the beneficiaries in a fair manner and in compliance with the rules related to the Real Estate Investment Trust. As a result, it is difficult for the transaction to give any benefits to any third party/group of parties. The transaction is, therefore, not regarded as related party transaction.

### 1.3 General description of the transaction

#### 1) Transaction related to disposal of assets

- MFC Asset Management Public Company Limited (MFC) is the settlor of the REIT and serves as REIT manager. After the REIT is established, MFC will offer trust units of the REIT to members of the general public.
- After mobilizing sufficient funds for asset investments, the REIT will use the mobilized funds to buy common shares of APUK Co., Ltd. (referred to as “assets to be purchased and sold”). APUK Co., Ltd. is an owner of a warehouse property consisting of land plots and buildings used by Data Centre, as well as the work systems and related equipment at Data Centre. In this connection, APUK Co., Ltd. (APUK) will receive a payment for selling the ordinary shares in a net amount of not less than GBP 14.8 million, after deducting the loan repayments to be made to overseas commercial banks. The calculation is based on the price reached in the purchase agreement, which is GBP 26 million, and the proceeds from the sale which will be deducted by the overseas loan repayments worth not more than GBP 11.2 million. In making the payment for the acquisition of the assets, the REIT will make the payment in cash to CGDDP and/or in line with the terms and conditions stipulated in the asset purchase agreement and/or other related agreements (as the case may be). In this regard, the Company and/or its subsidiaries and the REIT will then enter into the agreement.

The above sale of the investment in APUK is regarded as Class 1 of transaction related to disposal of assets under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 regarding the Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets as well as the Notification of the Board of Governors of the Stock Exchange of Thailand (SET) regarding the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 dated 29 October 2004 and its additional amendments (collectively referred to as “Acquisition/Disposal Notifications”). The value of the transaction accounts for 58.12 percent of Net Tangible Assets, the calculation of which is based on the net tangible assets on the Company's consolidated financial statements as at 31 March 2015. (In this connection, the Company did not dispose of any asset in the last 6 months.) As a result, it is necessary for the Company to get the approval from the Extraordinary General Meeting of Shareholders. The details related to the calculation of the transaction value are given in the following table:

Calculation basis	Calculation formula	Transaction value
1. Net Tangible Assets (NTA)	Baht 737.97 Mil. <sup>(1)</sup> / Baht 1,269.74 Mil. <sup>(2)</sup>	58.12 percent
2. Net profit from operation	No calculation as there is no profit	
3. Total value of consideration	Baht 777.99 Mil. <sup>(3)</sup> / Baht 8,017.07 Mil. <sup>(4)</sup>	9.70 percent
4. Value of securities	No calculation as no new securities are issued	

**Notes:**

<sup>(1)</sup> The Net Tangible Assets (NTA) based on APUK's financial statements as at 31 December 2014.

<sup>(2)</sup> The Net Tangible Assets (NTA) based on the Company's financial statements as 31 March 2015.

<sup>(3)</sup> The maximum value related to CGDDP's sale of the assets to the REIT, which is based on the price of not more than GBP 26 million in the purchase agreement, after deducting the overseas loan repayments worth not more than GBP 11.19 million. The weighted average based on the past 7 days (2-10 July 2015) of the foreign exchange value of GBP against Thai Baht: GBP 1 is equal to Baht 52.5438 (Source: Bank of Thailand).

<sup>(4)</sup> The total assets based on the Company's financial statements as 31 March 2015.

- After the REIT is established, MFC will appoint Palmer Capital Asia (PCA), former manager of the property, as property manager of the REIT.
- After the REIT is established, One Asset Management Limited (ONE) will serve as trustee of the REIT.

2) Transaction related to acquisition of assets

The Company and/or the juristic person specified by the Company will buy the trust units of the REIT in an amount not exceeding Baht 150 Million. The investment is regarded as an acquisition of assets by a listed company. The maximum value of the transaction (when combined with the value of those assets acquired during the last 6 months) is less than 15 percent based on the Company's consolidated financial statements as at 31 March 2015. As a result, the investment is not regarded as a transaction whose information has to be collected and disclosed in line with the requirements stipulated in the notification on the acquisition and disposition of assets. The details related to the calculation of the transaction value are given in the following table:

Calculation basis	Calculation formula	Transaction Value
1. Net Tangible Assets (NTA)	(Baht 12.16 <sup>(1)</sup> Mil.+Baht 150.00 <sup>(2)</sup> Mil.)/Baht 1,269.74 <sup>(3)</sup> Mil.	12.77 percent
2. Net profit from operation	No calculation as the Trust has not yet operated	
3. Total value of consideration	(Baht 20.48 <sup>(4)</sup> Mil.+Baht 150.00 <sup>(5)</sup> Mil.)/Baht 8,017.07 <sup>(6)</sup> Mil.	2.13 percent
4. Value of securities	No calculation as no new securities are issued	

**Notes:**

- <sup>(1)</sup> The value of the assets acquired during the last 6 months.
- <sup>(2)</sup> The Company will buy the trust units of the REIT in an amount not exceeding Baht 150 Million.
- <sup>(3)</sup> The Net Tangible Assets (NTA) based on the Company's financial statements as 31 March 2015.
- <sup>(4)</sup> The total value of consideration related to the assets acquired during the last 6 months.
- <sup>(5)</sup> The maximum payment to be made by the Company for investment in the trust units of the REIT shall not exceed Baht 150 Million.
- <sup>(6)</sup> The total assets based on the Company's financial statements as 31 March 2015.

#### 1.4 Details of the disposed asset

The assets of CGDDP include a 100 percent equity stake in APUK Co., Ltd. (APUK), which will be sold to the REIT. The main assets of APUK include a land plot and buildings which serve as the location of Data Centre as well as the work systems and equipment related to Data Centre.

The following table gives overall details of the assets of APUK which will be sold by the seller CGDDP to the buyer the REIT.

Location	The land plot which serves as the location of Data Centre whose address is TGL 178193, Unit C, Anchor & Hope Lane, Charlton, SE7 7SQ, London, United Kingdom or England
Gross Floor Area (GFA) and Net Leasable Area (NLA)	The Gross Floor Area (GFA) of the buildings and construction amounts to approximately 24,700 square feet (or 2,295 square meters) while the net leasable area (NLA) amounts to approximately 14,445 square feet (or 1,342 square meters).
Work systems	Consisting of electric power systems, cold water systems, air-conditioning systems, sanitation systems, gas systems, preventive security systems, fire prevention systems, fire alarm systems, and communications systems
Nature of land tenure	Freehold
Lessee	BIS Co., Ltd. (BIS) which is one of large companies in the information technology services industry
Occupancy rate	100 percent
Remaining term of the lease	Approximately 18 years until 15 February 2033

Net Assets (less liabilities and unrelated transactions)	Net Assets (less liabilities and unrelated transactions) is approximately GBP 13.93 Million (calculated from APUK's estimated book value of assets around GBP 26.09 Million less APUK's liabilities around GBP 12.17 Million at transaction date after deducting other unrelated assets/liabilities ex. Accounts Payable, Accounts Receivable etc.)
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#### List of Shareholders

As at 31 March 2015, CGD Digital Partners Limited (CGDDP) which is the Company's subsidiary holds a 100 percent equity stake with all voting rights.

#### Board of Directors

As at 31 March 2015, the Board of Directors consists of four members as follows:

List of names	Position
1. Mr. Ben Taechaubol	Director
2. Mr. Chatchai Chordokrak	Director
3. Mr. Malcolm Moller	Director
4. Mr. Gilbert Noel	Director

#### Overview of APUK's business operations

APUK operates data centre business, consisting of three data centres which feature fully equipped office space and technical workspace with all modern amenities. It is located in the light industry area of Charlton, South East London, close to the southern end of the River Thames. Charlton's neighbors include Greenwich, Blackheath and Woolwich.

#### Financial position and operating results

The following table shows financial position and operating results of APUK for 2014:

For the year 2014	Pound Sterling (GBP)	Baht
Rental income	1,494,418.91	79,304,879.92
Other income	1,097.99	63,383.91
Gain on revaluation of investment property	3,281,961.70	166,710,198.32
<b>Total income</b>	<b>4,777,478.60</b>	<b>246,078,462.15</b>
Asset management fees	2,311.90	119,070.94
Other expenses	154,125.37	8,318,214.25
<b>Total expenses</b>	<b>156,437.27</b>	<b>8,437,285.19</b>

Profit before finance costs and income tax	4,621,041.33	237,641,176.96
Finance costs	306,643.58	16,402,728.94
Profit before income tax expenses	4,314,397.75	221,238,448.02
Income tax	305,866.74	16,486,779.39
Net profit	4,008,531.01	204,751,668.64

*Notes: The calculation is based on the conversion rates applicable on the date of the transaction.*

As at 31 December 2014	Pound Sterling (GBP)	Baht
<b>Assets</b>		
Cash	2,239,852.57	113,775,327.16
Accounts Receivable	591,997.07	30,071,023.97
Prepaid Expenses	2,000.00	101,591.80
Investment Properties	25,122,000.00	1,276,094,599.80
<b>Total Assets</b>	<b>27,955,849.64</b>	<b>1,420,042,542.73</b>
<b>Liabilities and Shareholders' Equity</b>		
Deferred Income	591,570.57	30,467,954.85
Tax Payable	305,866.74	15,753,207.64
VAT Payable	74,818.52	3,853,415.64
Account payable	105,357.84	5,426,297.51
Tenant Deposit	971,948.89	50,058,769.66
Borrowings from Bank	11,193,569.40	576,508,001.59
<b>Total Liabilities</b>	<b>13,243,131.96</b>	<b>682,067,646.90</b>
Equity	10,760,000.63	589,219,856.20
Retained earnings	3,952,717.05	148,755,039.63
<b>Total Shareholders' Equity</b>	<b>14,712,717.68</b>	<b>737,974,895.83</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>27,955,849.64</b>	<b>1,420,042,542.73</b>

*Notes: As at 31 December 2014, the average buying rates of GBP against Thai Baht: GBP 1 was equal to Baht 50.7959 while the average selling rates of GBP against Thai Baht was equal to Baht 51.3035. Exchange differences on translation of financial statements in foreign currency includes in Retained earnings. (Source: Bank of Thailand)*

## 1.5 Total value of consideration

- 1) Transaction related to disposal of assets



a. Value of the disposed assets and the payment terms

In selling its assets to the REIT, CGDDP will receive the payment for the purchase of the ordinary shares from the REIT in an amount of not less than GBP 14.8 million, after deducting the overseas bank loan repayments. The calculation is based on the price of not exceeding GBP 26 million, which is indicated in the purchase agreement, after deducting the overseas bank loan repayments worth not more than GBP 11.2 million. The payment for the purchase of the assets will be made in cash by the REIT and/or in line with the terms and conditions stipulated in the asset purchase agreement and/or other related agreement (as the case may be). In this connection, the Company and/or its subsidiary and the REIT will then enter into the agreement.

b. Basis used for determining the consideration

The basis takes into account the appraisal of the asset price by an independent appraiser, namely DTZ Debenham Tie Leung (Thailand) Limited, which has received approval from the Office of the Securities and Exchange Commission (SEC) for appraising the prices of assets to be purchased. As well, the REIT, the Company and MFC take into consideration other related factors including, among others, capital market conditions, commercial potential of the assets to be purchased, the rates of return for equity and debt instruments, other investment alternatives as well as domestic and overseas interest rates.

c. Valuation approaches and the appraised value based on the purchased assets

Value of investment to be made by the REIT	Appraised price in line with the REIT's structure based on the income approach	Appraiser
GBP 26 Million (not exceeding Baht 1,500 Million)	GBP 25.12 Million	DTZ Debenham Tie Leung (Thailand) Limited

Source: DTZ Debenham Tie Leung (Thailand) Co., Limited

2) Transaction related to acquisition of assets

The Company and/or the juristic person specified by the Company will buy the trust units of the REIT in an amount not exceeding Baht 150 Million. The investment is regarded as an acquisition of assets by a listed company. The maximum value of the transaction (when combined with the value of those assets acquired during the last 6 months) is less than 15 percent based on the Company's consolidated financial statements as at 31 March 2015. As a result, the investment is not regarded as

a transaction whose information has to be collected and disclosed in line with the requirements stipulated in the notification on the acquisition and disposition of assets.

#### **1.6 Benefits expected to be received by the Group from carrying out the transaction**

- 1) The Group consisting of the Company, CGDDP, and the Company's other subsidiaries) will use of the proceeds from selling the assets to the REIT for long-term real estate development projects. As a result, the Group's commercial revenues will not only increase but the Group's long-term growth will also be promoted.
- 2) The net cash inflows from selling APUK to the REIT will enable the Group to have sufficient cash for developing future real estate projects. The proceeds from the sale could also be used as working capital.
- 3) The Group will have positive cash inflows in the future since the Company will use part of the net cash inflows from selling the shares for investing in trust units of the REIT, which will generate a return on investment.

#### **1.7 Plan to use the proceeds from selling the assets**

The Group will use the proceeds from selling the assets for the following purposes:

- 1) The Company and/or the juristic person specified by the Company will buy the trust units of the REIT in an amount of not exceeding Baht 150 Million.
- 2) Investment will be made in additional real estate projects to generate income for the Group.
- 3) Part of the proceeds will be used as work capital and also for supporting business operations of the Group's companies.
- 4) Repayment of loans in due course (if any).

Prior to the use of the proceeds from selling the assets to the REIT for any purpose, the Company's Board of Directors and the management will hold discussions and take actions in related areas in a cautious manner, taking into consideration the bests interests of the Company and its shareholders.

#### **1.8 Conditions relating to the transaction**

CGDDP's above sale of the assets to the REIT is regarded as Class 1 asset disposal by a listed company and its subsidiary. As a result, the Company needs the approval of shareholders to enter into the disposal transaction, a resolution of which must be adopted with a vote of no less than three-fourths of the total votes of the shareholders or proxy holders attending the meeting and eligible to vote, excluding the votes of shareholders with a conflict of interest. In requesting the approval from the shareholders, the Company has

to appoint an independent financial advisor (IFA) to give opinions about the transaction or the sale of the assets. The IFA is required to give opinions on various matters.

Moreover, the disposal of the assets is subject to the following conditions:

- 1) In the capacity of the settlor of the REIT, MFC Asset Management Public Company Limited (MFC) receives the approval from the Office of the Securities and Exchange Commission (SEC) to act as REIT manager.
- 2) MFC receives the approval of the Company's Board of Directors Meeting in following the steps involved in establishing the REIT.
- 3) The application for issuing and offering for sale the trust units of the REIT receives the approval of the Office of the Securities and Exchange Commission (SEC) and Form 69-REIT comes into force.
- 4) The issuance and offer for sale of trust units by the REIT are successful and are able to mobilize funds in an amount adequate for asset investments.
- 5) The Board of Directors approves the transaction.

#### 1.9 Opinions of the Board of Directors about the transaction

At its Meeting No. 6/2015 held on 14 July 2015, the Board of Directors adopts a resolution approving CGDDP in the capacity of the Company's wholly owned subsidiary to carry out the transaction as the transaction is deemed appropriate and useful to both the Company and its shareholders in line with the details given in Item 1.6 above.

#### 1.10 Opinions of the Audit Committee and/or board members, which are different from those of the Board of Directors

- None -

## 2. Information Memorandum 2

### 2.1 Overview of business operations

Country Group Development Public Company Limited is a company incorporated in Thailand on 29 March 1995. It operates not only investment business through holding shares in other companies, but also property development business. The Company was registered with the Stock Exchange of Thailand on 7 May 1997. Later in December 2006, it sent an application to the Stock Exchange of Thailand for its ordinary shares to be listed on the Market for Alternative Investment (MAI). Its application was approved on 25 June 2007.

The Company sent an application to the Stock Exchange of Thailand to be listed on the capital market since the Company's Annual General Meeting of Shareholders No. 2/2011 held on 13 September 2011 adopted a resolution approving its acquisition and transfer of the entire business of Landmark Development Group Company Limited. The acquisition was considered a backdoor listing on the bourse. In this connection, on 26 March 2012, the Stock Exchange of Thailand was of the opinion that the Company possessed all the required qualifications for being a listed company. The 3,700 Million ordinary shares for capital increase which were subscribed by the shareholders of Landmark Development Group Company Limited started being traded on the Market for Alternative Investment (MAI) since 5 June 2013.

Subsequently, in September 2014, the Company filed an application requesting the Stock Exchange of Thailand to instruct the trading of its ordinary shares on the Stock Exchange of Thailand (SET) and commenced trading on September 30, 2014 under Property Development Sector in Property & Construction Group.

The address of the Company's head office is as follows:

898 Ploenchit Tower, 20th Floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok 10330

Telephone: (66) 0 2658 7888

Fax: (66) 0 2658 7880

Website: [www.cgd.co.th](http://www.cgd.co.th)

#### Nature of business

The businesses currently operated by the Company and its subsidiaries could be divided into two groups as follows:

##### 1) Property Development Business

###### a. Residential condominium development business

Two projects are currently developed. These include Elements Srinakarin and Four Seasons Private Residences Bangkok at Chao Phraya River which are developed by Country Group Development Public Company Limited (CGD) and Landmark Holdings Co., Ltd. (LH) respectively.

###### b. Hotel development business

Two hotels are currently developed. These include Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which are being developed by LH.

2) Investment Business

The Company invested in Data Center Project which is located in London, United Kingdom. The investment was made through its subsidiary CGD Digital Partners Company Limited. In this connection, Data Center Project has a single tenant which occupies the entire rental space. The Project gives a good return and generates a steady income stream, taking into account the lease agreement with the remaining term being approximately 19 years.

**General Information and Operations of Subsidiaries**

- 1) Landmark Waterfront Residences Company Limited is incorporated in Thailand on August 22, 2008 and has registered its head office at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is real estate.
- 2) Landmark Waterfront Hotel Company Limited is incorporated in Thailand on August 22, 2008 and has registered its head office at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is hotel, restaurant and shop.
- 3) Landmark Urban Resort Hotel Company Limited is incorporated in Thailand on August 22, 2008 and has registered its head office at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is hotel, restaurant and shop.
- 4) Landmark Holding Company Limited is incorporated in Thailand on July 5, 2013 and has registered its head office at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is trading, rent and real estate operations and a holding company.
- 5) BCEG Country Group Engineering Company Limited is incorporated in Thailand on July 5, 2013 and has registered its head office at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is construction and building maintenance.
- 6) Chao Phraya Estate Residences Company Limited is incorporated in Thailand on October 20, 2014 and has registered its head office at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is real estate management of Chao Phraya Estate Project (Formerly named as Landmark Waterfront Project).
- 7) CGD Data Limited is incorporated in Hong Kong on October 22, 2013 and has registered its head office at Suite 3004 Universal Trade CTR, 3-5A Arbuthnot Road, Central, Hong Kong. Its main business is holding company.
- 8) CGD Digital Partner Company Limited is incorporated in Mauritius on October 29, 2013 and has registered its head office at 8th Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius. Its main business is holding company.

- 9) APUK Company Limited is incorporated in Guernsey on October 16, 2013 and has registered its head office at Anson Court, La Route des Camps, St Martin, Guernsey, GY1 3UQ. Its main business is real estate.

#### Operating Business Objective

The Company has established various goals related to property development. Currently, it is developing two projects including Elements Srinakarin which is a residential condominium and Chao Phraya Estate which consists of a residential condominium and a hotel to be managed by a world-renowned hotel chain from overseas. According to its established targets, the revenues from property development business will account for 60 percent of its total revenues while the revenues from the investments in both local and overseas properties, which will generate a satisfactory return and recurring income over the long term, will account for the remaining 40 percent.

#### Business Operations by Products

The property business is being operated by two companies including Country Group Development Public Company Limited and Landmark Holdings Co., Ltd. (LH). The two projects which are currently developed include Elements Srinakarin and Chao Phraya Estate. The details of the projects are as follows:

##### 1) Elements Srinakarin Project

Project details:

Project location	Soi Supparphong 1, Yak 6, Srinakarin Road, Nong Born, Prawet, Bangkok
Land area	13 Rai, 1 Ngan, and 22 Tarang Wah
Salable area	46,000 square meters
Project details	Eight-storey condominium consisting of seven buildings with 1,063 units in total for residential use (1-2 bedroom type) and also for commercial use.
Key selling points	The project is located on Srinakarin Road and opposite to Seacon Square, a large indoor shopping mall. As a result, it is convenient to residents. The project has a large swimming pool and is also equipped with modern amenities and facilities including, among others, a fitness room, spacious and relaxing garden as well as convenience stores.
Target customers	Low- and moderate-income family groups with monthly household income being 35,000 Baht or above.
Price per square meter	Approximately 60,000 Baht per square meter
Project value	Approximately Baht 2.7 Billion
Construction period	Construction is divided into 4 phases with an estimated construction period being 12 months for each phase. Construction of each phase is independent of one another with the schedules as follows:  Phase 1 – Construction of Buildings 1 and 2 has been 100% completed.  Phase 2 – Construction of Building 3 has been 100% completed.  Phase 3 – Construction of Buildings 4 and 5 began in September 2013 and has been about 35% completed.  Phase 4 – Construction of Building 6 and 7 began in December 2013 and has been about 60% completed.

## 2) Chao Phraya Estate

The Chao Phraya Estate Project is managed by LH. The development features both hotel and residential condominiums which are built on the project's land plots transferred from LDG. After the acquisition and the transfer of the entire business from LDG, the Company entered into agreements to take transfers of leaseholds and lease agreements respectively, which were already registered with the Department of Lands. The Company is currently the long-term leaseholder of the land owned by the Crown Property Bureau (CPB). The leasehold contract has a term of 25 years, extendable for additional 25 years, with the Company having the preemptive right to lease first when the contract expires. In this connection, the Company will sublet the property to its subsidiary LH. The project will be developed on the land plots with the total areas of 14,268 square wah on Charoen Krung Road, Khet Yannawa. It was expected that the project could be offered for sale to the public in 2014 and the construction could also begin in 2014. The construction cost of the project is about 13,671 Million Baht. However, the final details of the project may be adjusted in line with the prevailing market conditions. As a result, the project value and/or investments might be changed at a later stage.

The Chao Phraya Estate Project consists of 3 parts as follows:

### (1) Four Seasons Private Residences Bangkok at Chao Phraya River

Project details:

Project developer	Landmark Holdings Co., Ltd. (LH)
Location	Charoen Krung Road, Khet Yannawa, Bangkok
Project area	3,567 square wah
Salable area	Approximately 64,000 square meters
Project details	<p>A 73-storey condominium consisting of 355 units which are expected to be divided into the following types:</p> <ol style="list-style-type: none"> <li>251 two-bedroom units,</li> <li>73 three-bedroom units, and</li> <li>The remaining 31 units will be either four-bedroom units or penthouse units.</li> </ol>
Key selling points	<ul style="list-style-type: none"> <li>- High-end luxury condominium project with international standards for residential purpose</li> <li>- The project is located on Charoen Krung Road which has strong potential. In view of the fact that the project is situated on a large plot of land on the bank of Chao Phraya River, it is difficult to find any other land plot nearby with similar size and location. In addition, the project offers a beautiful scenic view and is conveniently accessible as it is only 800 meters from Saphan Taksin BTS Station. Moreover, it is only two kilometers from the nearby entrance and exit of the expressway.</li> <li>- The project's architectural design is outstanding, modern and beautiful. Emphasis is placed not only on luxury interior designs and the use of high quality materials but also on the arrangement that gives the project its unique identity as well as the efficient use of available space</li> <li>- Residents can make use of the services and amenities available at the project's hotel nearby.</li> <li>- The hotel is managed by professional management of a world-renowned hotel chain.</li> </ul>

	- As the condominium is being sold on a leasehold basis, there is no restriction imposed on foreign ownership. Foreigners can acquire the ownership of all the available condominium units.
Target customers	Both Thai and foreign elites who look for residential units with modern design styles for their own stay or for long-term investment by subletting the units.
Price per square meter	Approximately 300,000 Baht per square meter
Project value	Approximately Baht 19 Billion
Construction period	<p>- The project has submitted an application for construction permit in line with Section 39 bis. of the Building Control Act B.E. 2522 (1979).</p> <p>- The construction of the project is expected to be completed by the end of 2018.</p>

The Four Seasons Private Residences Bangkok at Chao Phraya River is a high-end 73-storey condominium consisting of 355 units. Being developed by LH, the project is built on Chao Phraya Estate's land plots with the total areas of 3,567 square wah. This high-end residential condominium places emphasis on luxury with qualities being on a par with international standards. It caters to the needs of both Thai and foreign elites with good taste, who look for condominium units with modern design styles. The project also targets at Thai and foreign investors who want to make long-term investments by subletting the units. The Company pays special attention of the location of the project, ensuring that it is located on an area with strong potential on Charoen Krung Road and on the bank of the river, which gives a beautiful scenic view. The project is also conveniently accessible as it is near Saphan Taksin BTS Station. As well, it is quite close to the nearby entrance and exit of the expressway. Importantly, the project will be managed by experienced professionals, thanks to the agreement signed with a foreign hotel chain that will be responsible for managing the project.

(2) Capella Bangkok

Project details:

Type	Five-star hotel
Location	Charoen Krung Road, Yannawa, Bangkok
Project area	4,280 square meters
Key selling points	<p>- High-end hotel consisting only suite rooms, each of which has a good scenic view of Chao Phraya River.</p> <p>- It is the only hotel which has suite rooms adjacent to the river.</p> <p>- The hotel is located on Charoen Krung Road with strong potential. It is conveniently accessible as it is only 800 meters from Saphan Taksin BTS Station. Moreover, it is only two kilometers from the nearby entrance and exit of the expressway.</p> <p>- The project's architectural design is outstanding, modern and beautiful. Emphasis is placed not only on luxury interior designs and the use of high quality materials but also on the arrangement that gives the project its unique identity as well as the efficient use of available space.</p>



Number of available rooms	101 rooms
Number of places offering food and refreshments	4 places
Health spa	Auriga Spa
Other available services	Fitness center, banquet facilities, meeting rooms, laundry service, valet service, and swimming pool
Target customer groups	Top-tier customers staying in suite rooms of various hotels (the first 2% of the top-tier customer groups)
Operator	WPHA Operating (Thailand) Co., Ltd. West Paces Hotel Group
Developer	Landmark Holdings Co., Ltd. (LH)
Construction costs	Approximately Baht 2.3 Billion

Capella Bangkok is a luxurious five-star hotel with all its 101 rooms being of suite type. Being developed by LH, the hotel is located on the total area of 4,280 square wah. Its decoration places strong emphasis on magnificence and grandness for all elements including materials, furniture and even lighting which focuses on warm tones. The hotel's key selling points include its luxury and high quality of services. In particular, staffs are able to give individualized services to all guests as there are only 101 rooms. The hotel's other services include food and refreshments, banquet facilities, conference rooms as well as other modern amenities such as fitness room, swimming pool and spa. The hotel's main targets include businesspersons and high-spending tourists (the first 2% of the top-tier customer groups). The project already received the construction permit in line with Section 39 bis. of the Building Control Act B.E. 2522 (1979) with the construction starting in 2014. The total construction cost amounts to about 2.3 billion Baht. In addition, the hotel will be managed by WPHA Operating (Thailand) Co., Ltd. which is the representative of Capella Hotel Group. Being established in 2001, WPHA is a luxury hotel management company with its headquarters located in the city of Atlanta, Georgia, USA. The strengths of WPHA are the luxury design and the exquisite quality service which no other hotels could be compared with. Currently, WPHA is managing hotels under two top brands, including Capella Hotels and Resorts as well as Solis Hotels and Resorts. It has established extensive networks in several countries such as Australia, Mexico, USA and Japan. Noteworthy is the fact that it has won many awards and accolades which include, among others, the following.

- Best New Hotel (Austria) - Schloss Velden, A Capella Hotel,
- Best New Spa – Auriga Spa, Schloss Velden,
- 100 Ultimate Escapes (Schloss Velden, A Capella Hotel), and
- Best Destination Spa (Schloss Velden, A Capella Hotel).

(3) Four seasons Hotel Bangkok at Chao Phraya River

Project details:

Type	Five-star hotel
Location	Charoen Krung Road, Yannawa, Bangkok
Project area	6,420 square wah
Key selling points	<ul style="list-style-type: none"> <li>- Designs and decoration based on urban resorts with the hotel's gardens having ten different design styles.</li> <li>- The hotel's total area amounts to 16 rai with the frontage along Chao Phraya River being up to 200 meters.</li> <li>- The hotel is located on Charoen Krung Road with strong potential. It is conveniently accessible as it is only 800 meters from Saphan Taksin BTS Station. Moreover, it is only two kilometers from the nearby entrance and exit of the expressway.</li> <li>- The project's architectural design is outstanding, modern and beautiful. Emphasis is placed not only on luxury interior designs and the use of high quality materials but also on the arrangement that gives the project its unique identity as well as the efficient use of available space.</li> </ul>
Number of available rooms	312 rooms
Number of places offering food and refreshments	6 places
Health spa	Talise Spa
Other available services	Fitness center, banquet facilities, meeting rooms, laundry service, valet service, and swimming pool
Some of competitors	<ul style="list-style-type: none"> <li>- The Peninsula Bangkok</li> <li>- Mandarin Oriental, Bangkok</li> <li>- Millennium Hilton Bangkok</li> <li>- Shangri-La Hotel, Bangkok</li> </ul>
Target customer groups	Foreign businesspersons and travelers with high income and high purchasing power. In this connection, the hotel will place strong emphasis on customer groups from the Middle East and Europe.
Operator	Landmark Holdings Co., Ltd. (LH)
Investment value	Approximately Baht 4.7 Billion

#### Team and Consultants of Chao Phraya Estate

Architect	Dhevanand
Interior designer	P Interior and Associates (PIA)
Landscape architect	P landscape
Project manager	Altus Page Kirkland
Quantity surveyor	Davis Langdon Seah
Structural and MEP consultant	Meinhardt
Façade consultant	Meinhardt Façade Technology
Visual and audio system consultant	Mahajak
Kitchens and laundry design consultant	Tri-arc Enterprises

Transport planning consultant	MVA
Site surveyor	CB Survey
Environment Impact Assessment (EIA) consultant	Teco

### Project Financing Plan

Chao Phraya Estate is a large-scale project which requires massive capital investment with the construction costs being approximately 13,681 Million Baht. The funding sources will include the Company's capital and facilities provided by financial institutions. Moreover, the presales proceed from sales of condominium units will serve as an additional fund to finance costs other than the construction cost.

The Company has signed a memorandum of understanding with the Export-Import Bank of the Republic of China to extend a line of credit worth about US\$374 Million or about 11.6 billion Baht to finance the construction of the project. This is largely due to the fact that the Company has entered into a construction agreement with BCEG Thai International Co., Ltd., which is a subsidiary of Beijing Construction Engineering Group Co., Ltd (BCEG), one of China's leading construction firms with branches in several countries.

## 2.2 List of members of the Board of Directors, Senior Management Team and Top Ten Shareholders

### 1) List of 12 members of the Board of Directors as of 14 July 2015

List of names	Position
1. Mr. Vikrom Koompirochana	Independent Director and Chairman
2. Mr. Sadawut Taechaubol	Vice Chairman
3. Mr. Ben Taechaubol	Director
4. Mr. Subhakorn Bhalakula	Independent Director
5. Pol. Lt. Gen. Werapong Chuenpagdee	Independent Director
6. Mr. Hsu-Feng Shueh	Independent Director
7. Air Chief Marshal Permkiat Lavanamal	Independent Director
8. Mr. Gavintorn Atthakor	Independent Director
9. Mr. Jirasak Ponghathaikul	Director
10. Ms. Jaelle Ang Ker Tjia	Director
11. Pol. Maj. Gen. Ittipol Ittisaranchai	Independent Director
12. Mr. Wang Yiu Sing Tse	Director

### 2) List of 12 members of the Company's Senior Management Team as of 14 July 2015

List of names	Position
1. Mr. Ben Taechaubol	Chief Executive Officer
2. Ms. Jaelle Ang	Executive Director, Development Division

3. Mr. Songsak Anguravaranont	Executive Director, Projects Division
4. Mr. Chatchai Chordokrak	Executive Director, Accounts & Finance Division
5. Ms. Jariyakorn Sodathunyaphat	Executive Director, Sale & Marketing Division
6. Ms. Kitima Kritiyachotipakorn	Executive Director, Sale & Marketing Division
7. Ms. Kwanrudee Maneewongwatthana	Executive Director, Marketing & Communications Division
8. Mr. Woraphoom Jatuworaphat	Executive Director, Operations Division
9. Mr. Varakorn Techamontrikul	Director, Development Division
10. Ms. Vatinnee Chaturongkul	Director, Projects Division
11. Mr. Bundit Kanlayanarat	Director, Projects Division
12. Mr. Suttinath Jitticharunglap	Director, Accounts & Finance Division

### 3) List of the Top Ten Shareholders

As at 2 June 2015 (the latest closing date of the share register book), the Company's registered capital amounted to 10,114,953,771 Baht with the issued and paid-up capital amounting to 7,336,294,461 Baht which could be divided into 7,336,294,461 ordinary shares with a par value of 1.00 Baht per share. The names and shareholdings of the first ten major shareholders are as follows:

Name of Shareholders	Number of shares held	% of total shares
1. Mr. Sadawut Taechaubol	1,275,000,000	17.38
2. Mr. Ben Taechaubol	1,025,693,333	13.98
3. Mr. Tommy Taechaubol	485,000,000	6.61
4. Mr. Songchai Autchariyahirunchai	298,878,400	4.07
5. Mr. Jirasak Ponghathaikul	268,548,385	3.66
6. Thai NVDR Company Limited	200,713,222	2.74
7. ABN Amro Nominees Singapore Pte Ltd	163,906,000	2.23
8. Mr. Yiu Sing Tse	142,000,000	1.94
9. Mr. Firm Hongsananda	129,090,700	1.76
10. Country Group Securities Public Company Limited	95,624,900	1.30

**Source:** Report on the list of major shareholders as of 2 June 2015, which is prepared by Thailand Securities Depository Co., Ltd.

### 2.3 Revenue structures for 2012, 2013, 2014 and the first quarter of 2015 Revenue Structures

Particulars (Unit: Million Baht)	2012		2013		2014		1 <sup>st</sup> quarter of 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues from sale condominium	-	-	118.78	72.06	546.38	87.49	58.56	45.38
Commission income	-	-	-	-	6.67	1.07	0.75	0.58
Interest income	0.16	0.70	1.39	0.85	34.37	5.50	22.84	17.70
Other income	1.13	5.11	0.78	0.47	10.47	1.68	9.16	7.10
Dividend income	13.55	60.96	-	-	-	-	-	-
Gain on exchange rate	-	-	5.07	3.08	-	-	31.96	24.76
Gain on sale of investment in subsidiaries	-	-	34.63	21.01	-	-	-	-
Gain on sale of temporary investments	7.14	32.11	4.13	2.50	4.76	0.76	0.23	0.18
Gain on remeasuring temporary investments	0.25	1.12	0.05	0.03	21.83	3.50	1.22	0.95
Gain on sale of available-for-sale investments	-	-	-	-	-	-	4.33	3.35
<b>Total revenues</b>	<b>22.22</b>	<b>100.00</b>	<b>164.83</b>	<b>100.00</b>	<b>624.48</b>	<b>100.00</b>	<b>129.05</b>	<b>100.00</b>

### Revenue structures of the Company and its subsidiaries

Particulars (Unit: Million Baht)	By	2012		2013		2014		1 <sup>st</sup> quarter of 2015	
		Amount	%	Amount	%	Amount	%	Amount	%
Revenues from condominium sales	CGD	-	-	118.78	88.68	546.38	65.48	58.56	64.54
Commission income	CGD	-	-	-	-	6.67	0.80	0.75	0.82
Rental income from investment properties	APUK	-	-	-	-	79.30	9.50	22.25	24.53
Interest income	CGD	-	-	1.38	1.03	2.06	0.24	0.03	0.03
	LH					0.09	0.01		
	LURH			0.01	0.01				
	APUK					0.06	0.01		
Other income	CGD			0.54	0.40	3.72	0.44	2.41	2.65
	LH					0.21	0.03		
	LURH	0.21	87.50						
	LWH	0.02	4.17						
	LWR	0.02	8.33			0.06	0.01		
Gain on remeasuring of investment properties	APUK	-	-	-	-	166.71	19.98	-	-
Gain (loss) on exchange rate	CGD	-	-	5.07	3.79	(6.11)	(0.73)		
	LH					0.17	0.02	0.17	0.19
	LURH			0.10	0.07	0.42	0.05		

	APUK HK			1.87	1.40	(1.87) 7.60	(0.22) 0.91		
Gain on sale of investment in subsidiaries		-	-	2.85	2.12	-	-	-	-
Gain on sale of temporary investments	CGD LH	-	-	3.30	2.46	4.77 2.25	0.57 0.27	0.31	0.35
Gain on remeasuring of temporary investments	CGD LH	-	-	0.05	0.04	21.83 0.12	2.62 0.01	1.91	2.10
Gain on sale of available-for-sale investments	CGD	-	-	-	-	-	-	4.34	4.79
<b>Total revenues</b>		<b>0.24</b>	<b>100.00</b>	<b>133.95</b>	<b>100.00</b>	<b>834.44</b>	<b>100.00</b>	<b>90.73</b>	<b>100.00</b>

## 2.4 Summaries of the consolidated financial statements of the Company and its subsidiaries for 2012, 2013, 2014, and the first quarter of 2015

- 1) Tables showing statements of the financial position, statements of comprehensive income and statements of cash flows

Consolidated financial statements as at 31 December for 2012, 2013 and 2014 as well as at 31 March 2015

Statements of financial position	2012		2013		2014		1 <sup>st</sup> quarter of 2015	
	Audited statement		Audited statement		Audited statement		Reviewed statement	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	1.2	0.4	232.2	4.4	534.7	6.8	423.7	5.3
Temporary investments	-	-	5.0	0.1	312.7	4.0	380.9	4.8
Trade accounts and other receivables	-	-	70.9	1.3	120.6	1.5	166.7	2.1
Prepaid deposits for land and buildings	-	-	138.1	2.7	-	-	-	-
Short-term loans to related companies	-	-	-	-	-	-	-	-
Land and cost of under project construction and utilities	75.4	25.7	871.1	16.6	1,159.1	14.7	1,239.2	15.5
Assets held for sale	-	-	-	-	-	-	-	-
Other current assets	8.5	2.9	7.5	0.1	26.1	0.3	34.8	0.4
<b>Total current assets</b>	<b>85.1</b>	<b>29.0</b>	<b>1,324.8</b>	<b>25.2</b>	<b>2,153.2</b>	<b>27.3</b>	<b>2,245.2</b>	<b>28.0</b>
<b>Non-current assets</b>								
Deposits at bank	-	-	-	-	49.3	0.6	48.6	0.6
Available-for-sale Investments	-	-	-	-	116.2	1.5	136.0	1.7
Investment in subsidiaries - net	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	1,276.1	16.2	1,200.8	15.0
Property, plant and equipment - net	120.1	41.0	220.6	4.2	570.9	7.2	639.7	8.0
Leasehold	87.7	30.0	93.7	1.8	100.0	1.3	100.0	1.2

Goodwill	-	-	3,614.4	68.7	3,614.4	45.7	3,614.4	45.1
Intangible assets - net	-	-	1.5	0.0	0.8	0.0	0.7	0.0
Deferred tax assets	-	-	1.5	0.0	17.2	0.2	22.7	0.3
Other non-current assets	-	-	5.1	0.1	13.7	0.0	9.0	0.1
<b>Total non-current assets</b>	<b>207.8</b>	<b>71.0</b>	<b>3,986.8</b>	<b>74.8</b>	<b>5,758.6</b>	<b>72.7</b>	<b>5,771.8</b>	<b>72.0</b>
<b>Total assets</b>	<b>292.9</b>	<b>100.0</b>	<b>5,216.6</b>	<b>100.0</b>	<b>7,911.8</b>	<b>100.0</b>	<b>8,017.1</b>	<b>100.0</b>
<b>Liabilities and shareholders' equity</b>								
<b>Current liabilities</b>								
Trade accounts and other payables	8.6	3.0	100.5	1.9	177.1	2.2	180.7	2.3
Payable from purchase of investment from related company	-	-	-	-	-	-	-	-
Deposit and advance from customers	-	-	45.6	0.9	156.3	2.0	390.3	4.9
Bill of exchange	-	-	466.2	8.8	389.3	4.9	396.3	4.9
Short-term loans from related persons and companies	262.0	89.4	-	-	-	-	-	-
Deposits under lease agreements	-	-	-	-	50.1	0.6	49.4	0.6
Other current liabilities	0.7	0.2	5.5	0.1	52.9	0.7	44.9	0.6
<b>Total current liabilities</b>	<b>271.3</b>	<b>92.6</b>	<b>617.8</b>	<b>11.7</b>	<b>825.7</b>	<b>10.4</b>	<b>1,061.6</b>	<b>13.2</b>
<b>Non-current liabilities</b>								
Long-term loans	-	-	221.7	4.2	576.5	7.2	543.2	6.8
Debenture	-	-	-	-	1,500.0	19.0	1,500.0	18.7
Post-employment benefits obligation	-	-	5.2	0.2	4.3	0.1	4.8	0.1
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>226.9</b>	<b>4.4</b>	<b>2,080.8</b>	<b>26.3</b>	<b>2,048.0</b>	<b>25.5</b>
<b>Total liabilities</b>	<b>271.3</b>	<b>92.6</b>	<b>844.7</b>	<b>16.1</b>	<b>2,906.5</b>	<b>36.7</b>	<b>3,109.6</b>	<b>38.8</b>
<b>Shareholders' equity</b>								
<b>Share capital</b>								
10,081,725,948 ordinary shares of 1.00 Baht each	-	-	-	-	10,081.7	-	10,081.7	-
6,982,294,461 ordinary shares of 1.00 Baht each	-	-	6,982.3	-	-	-	-	-
7,557,772,720 ordinary shares of 1.00 Baht each	-	-	-	-	-	-	-	-
2,500,000 ordinary shares of 10.00 Baht each	25.0	-	-	-	-	-	-	-
Issued and paid-up share capital								
7,336,294,461 ordinary shares of 1.00 Baht each	-	-	-	-	7,336.3	92.8	7,336.3	91.5
6,982,294,461 ordinary shares of 1.00 Baht each	-	-	6,982.3	132.7	-	-	-	-
2,444,745,619 ordinary shares of 1.00 Baht each	-	-	-	-	-	-	-	-
2,500,000 ordinary shares of 10.00 Baht each	25.0	8.5	-	-	-	-	-	-
Discount on ordinary share capital	-	-	(1,741.0)	(33.1)	(1,652.5)	(20.9)	(1,652.5)	(20.6)

Adjustment of equity interests under reverse acquisition	-	-	(732.9)	(13.9)	(732.9)	(9.3)	(732.9)	(9.1)
	25.0	8.5	4,508.4	85.7	4,950.9	62.6	4,950.9	61.8
Accumulated deficit	(2.8)	(0.9)	(89.0)	(1.7)	(21.7)	(0.3)	(119.4)	(1.5)
Other components of equity	(0.6)	(0.2)	(2.5)	(0.1)	(43.9)	(0.6)	(64.1)	(0.8)
Equity attributable to owners of the parent	21.6	7.4	4,416.9	83.9	4,885.3	61.7	4,767.5	59.5
Share subscription received in advance of subsidiary	-	-	-	-	120.0	1.6	140.0	1.7
<b>Total shareholders' equity</b>	<b>21.6</b>	<b>7.4</b>	<b>4,416.9</b>	<b>83.9</b>	<b>5,005.3</b>	<b>63.3</b>	<b>4,907.5</b>	<b>61.2</b>
<b>Total liabilities and shareholders' equity</b>	<b>292.9</b>	<b>100.0</b>	<b>5,261.6</b>	<b>100.0</b>	<b>7,911.8</b>	<b>100.0</b>	<b>8,107.1</b>	<b>100.0</b>

Consolidated Statements of Comprehensive Income for the years ended 31 December 2012, 2013, and 2014 as well as for the first quarter ended 31 March 2015

Consolidated statements of comprehensive income	2012		2013		2014		1 <sup>st</sup> quarter 2014		1 <sup>st</sup> quarter 2015	
	Audited statement		Audited statement		Audited statement		Reviewed statement		Reviewed statement	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Continued operations</b>										
<b>Revenues</b>										
Revenues from condominium sales	-	-	118.8	88.7	546.4	65.5	184.8	91.7	58.6	64.5
Commission income	-	-	-	-	6.7	0.8	3.3	1.7	0.7	0.9
Rental income from investment properties	-	-	-	-	79.3	9.5	8.7	4.3	22.3	24.5
Interest income	-	-	1.4	1.0	2.2	0.3	0.7	0.3	0.1	0.0
Other income	0.2	100.0	0.5	0.4	4.0	0.5	4.0	2.0	2.4	2.7
Gain on remeasurement of investment properties	-	-	-	-	166.6	20.0	-	-	-	-
Gain on exchange rate	-	-	7.0	5.3	0.2	0.0	-	-	0.2	0.2
Gain on sale of investments in subsidiaries	-	-	2.8	2.1	-	-	-	-	-	-
Gain on sale of temporary investments	-	-	3.3	2.5	7.0	0.8	0.0	0.0	0.3	0.3
Gain on change in value of temporary investment	-	-	0.1	0.0	22.0	2.6	-	-	1.9	2.1
Gain on sale of available-for-sale investments	-	-	-	-	-	-	0.0	0.0	4.3	4.8
<b>Total revenues</b>	<b>0.2</b>	<b>100.0</b>	<b>133.9</b>	<b>100.0</b>	<b>834.4</b>	<b>100.0</b>	<b>201.5</b>	<b>100.0</b>	<b>90.8</b>	<b>100.0</b>
<b>Expenses</b>										
Cost of condominium sales	-	-	88.9	66.4	410.9	49.2	140.9	69.9	43.9	48.4
Direct operating expenses arising from investment properties	-	-	-	-	2.1	0.2	2.9	1.4	1.2	1.3
Selling expenses	-	-	28.0	20.9	62.2	7.5	11.2	5.5	67.6	74.5
Administrative expenses	1.8	713.8	57.7	43.1	128.3	15.4	25.3	12.6	24.5	27.0
Loss on exchange rate	-	-	-	-	-	-	2.3	1.2	-	-
Remuneration of directors and management	-	-	21.0	15.6	29.2	3.5	7.1	3.5	7.8	8.6



Total expenses	1.8	713.8	195.6	146.0	632.7	75.8	189.7	94.1	145.0	159.8
Profit (loss) before finance costs and income taxes	(1.5)	(613.8)	(61.7)	(46.0)	201.7	24.2	11.8	5.9	(54.3)	(59.8)
Finance costs	-	-	(27.8)	(20.8)	(126.3)	(15.1)	(17.9)	(8.9)	(40.0)	(44.0)
Profit (loss) before income taxes	(1.5)	(613.8)	(89.5)	(66.8)	75.4	9.1	(6.1)	(3.0)	(94.2)	(103.8)
Revenue (expense) income taxes	-	-	0.2	0.1	(10.5)	(1.3)	0.1	0.0	(3.5)	(3.9)
Profit (loss) from continued operations	(1.5)	(613.8)	(89.3)	(66.7)	64.9	7.8	(6.0)	(3.0)	(97.7)	(107.7)
Discontinued operations										
Profit from discontinued operations	-	-	6.4	4.8	-	-	-	-	-	-
Net profit (loss) for the year	(1.5)	(613.8)	(82.9)	(61.9)	64.9	7.8	(6.0)	(3.0)	(97.7)	(107.7)
Other comprehensive income (loss)										
Loss on change in value of available- for –sale investments – net of income taxes	-	-	-	-	(6.6)	(0.8)	-	-	15.8	17.4
Gain (loss) from the actuarial estimates – net from income taxes	-	-	(1.1)	(0.8)	2.4	0.3	-	-	-	-
Exchange differences on translation of financial statements in foreign currency – net of income taxes	-	-	(1.9)	(1.5)	(34.8)	(4.2)	(9.3)	(4.6)	(35.9)	(39.6)
Total other comprehensive income (loss) – net of income taxes	(1.5)	(613.8)	(3.0)	(2.3)	(39.0)	(4.7)	(9.3)	(4.6)	(20.1)	(22.2)
Total comprehensive income (loss) for the year	(1.5)	(613.8)	(85.9)	(64.2)	25.9	3.1	(15.3)	(7.6)	(117.9)	(129.9)
Income (loss) attributable to										
Equity holders of the Company	(1.5)	(613.8)	(85.0)	(63.5)	64.9	7.8	(6.0)	(3.0)	(97.7)	(107.7)
Non-controlling interests	-	-	2.1	1.6	-	-	-	-	-	-
	(1.5)	(613.8)	(82.9)	(61.9)	64.9	7.8	(6.0)	(3.0)	(97.7)	(107.7)
Total comprehensive income (loss) attributable to										
Equity holders of the Company	(1.5)	(613.8)	(88.0)	(65.8)	25.9	3.1	(15.3)	(7.6)	(117.9)	(129.9)
Non-controlling interests	-	-	2.1	1.6	-	-	-	-	-	-
	(1.5)	(613.8)	(85.9)	(64.2)	25.9	3.1	(15.3)	(7.6)	(117.9)	(129.9)
Net earnings (loss) per share (Baht per share)	(0.6)		(0.2)		0.0		(0001)		(0.013)	

Consolidated statements of cash flows for the years ended 31 December 2012, 2013, 2014 as well as for the first quarters ended 31 March 2014 and 2015

Consolidated statements of cash flows (Unit: Million Baht)	2012 (restated)	2013	2014	1 <sup>st</sup> quarter of 2014	1 <sup>st</sup> quarter of 2015
Cash flows from operating activities					
Profit (loss) before income taxes	(1.5)	(81.4)	75.5	(6.1)	(94.2)
Adjustments to					
Depreciation and amortization	-	4.0	4.7	1.1	1.2

Gain on change in value of temporary investments	-	(0.1)	(22.0)	(0.0)	(1.9)
Gain on sale of temporary investments	-	(3.3)	(7.0)	(0.0)	(0.3)
Allowance for doubtful debts	-	-	27.6	-	1.7
Loss on write-off of other current assets	-	-	5.0	-	-
Gain on sale of investments in subsidiaries	-	(2.8)	-	-	-
Unrealized (gain) loss on exchange rate	-	(7.0)	1.8	(0.1)	(0.1)
Gain on remeasurement of investment properties at fair value	-	-	(166.7)	-	-
(Gain) loss on sale of fixed assets	-	0.3	(0.2)	-	-
Loss on write-off of fixed assets	-	7.0	0.0	-	-
Loss on write-off of intangible assets	-	0.0	-	-	-
Post-employment benefit obligations	-	0.6	2.2	0.4	0.5
Dividend income	-	-	-	-	-
Interest income	0.0	(2.1)	(2.2)	(0.7)	(0.0)
Finance cost	(0.0)	28.3	126.3	17.9	40.0
<b>(Increase) decrease in operating assets</b>					
Temporary investments	-	174.4	(403.2)	5.0	(66.0)
Trade accounts and other receivables	-	298.1	(49.6)	(24.6)	(47.9)
Inventories	-	(0.0)	-	-	-
Prepaid deposits for land and buildings	-	(138.1)	-	-	-
Land and cost of under project construction and utilities	(4.0)	(303.3)	(288.0)	72.0	(80.0)
Other current assets	(0.1)	15.7	(3.2)	(5.2)	(2.8)
Leaseholds	-	(6.0)	(6.3)	(4.8)	-
Other non-current assets	(0.0)	(9.7)	(8.6)	(3.4)	4.6
<b>Increase (decrease) in operating liabilities</b>					
Trade accounts and other payables	(0.4)	(55.5)	85.2	(8.9)	4.1
Deposits and advances from customers	-	13.9	110.7	(8.6)	235.8
Deposits under lease agreements	-	-	50.1	-	2.2
Short-term provisions	-	(1.1)	-	-	-
Other current assets	0.3	8.3	9.0	23.0	(10.0)
<b>Cash paid for operation</b>	<b>(5.7)</b>	<b>(59.7)</b>	<b>(459.2)</b>	<b>36.9</b>	<b>(13.2)</b>
Proceeds from dividend	-	-	-	-	-
Cash received from interest	0.0	2.0	0.5	0.0	0.0
Cash paid for finance cost	-	(32.9)	(104.3)	(19.0)	(40.7)
Cash paid for income taxes	-	(13.8)	(5.5)	(3.1)	(0.7)
<b>Net cash used in operating activities</b>	<b>(5.7)</b>	<b>(104.4)</b>	<b>(568.5)</b>	<b>14.9</b>	<b>(54.7)</b>

<b>Cash flows from investing activities</b>					
Increase in cash and cash equivalents from reverse acquisition business combination	-	148.6	-	-	-
Cash paid for deposits at bank under obligations	-	-	(49.4)	-	(2.2)
Cash paid for investments in subsidiaries	-	-	-	-	-
Cash received from loans from related companies and persons	-	-	-	-	-
Cash received from sale of investments in subsidiaries	-	2.4	-	-	-
Cash received from sale of investments to related companies	-	-	-	-	-
Cash received from sale of assets to related companies	-	-	-	-	-
Cash paid for short-term loans to related companies	-	-	-	-	-
Cash paid for short-term loans to other companies	-	-	(27.6)	-	-
Cash paid for assets held for sale	-	-	-	-	-
Cash paid for purchase of investment properties	-	-	(971.3)	(1,035.3)	-
Cash paid for purchase of fixed assets	(3.2)	(97.6)	(364.9)	(18.1)	-
Cash paid for purchase of intangible assets	-	(0.5)	-	-	-
Cash received from sale of fixed assets	-	1.0	0.4	-	(69.8)
<b>Net cash provided by (used in) investing activities</b>	<b>(3.2)</b>	<b>53.9</b>	<b>(1,412.7)</b>	<b>(1,053.4)</b>	<b>(72.0)</b>
<b>Cash flows from financing activities</b>					
Proceeds from short-term loans from related persons and companies	9.8	3.0	70.0	70.0	-
Repayments of short-term loans from related persons and companies	-	(285.0)	(70.0)	-	-
Proceeds from bills of exchange	-	430.0	630.0	230.0	-
Repayments of bills of exchange	-	(380.0)	(720.0)	-	-
Proceeds from issuing debentures	-	-	1,500.0	-	-
Proceeds from long-term loans from domestic financial institutions	-	199.8	108.0	48.5	-
Proceeds from long-term loans from foreign financial institutions	-	-	576.5	612.4	-
Repayments of long-term loans from domestic financial institutions	-	(81.4)	(329.7)	(123.8)	-
Proceeds from short-term loans from other companies	-	-	-	50.0	-
Cash received from increase in share capital	-	397.4	442.5	-	-
Cash received in advance from subscription of subsidiaries' shares	-	-	120.0	-	20.0
<b>Net cash flows from financing activities</b>	<b>9.8</b>	<b>283.9</b>	<b>2,327.3</b>	<b>887.1</b>	<b>20.0</b>
Net increase (decrease) in cash and cash equivalents	0.9	233.4	346.0	(151.5)	(106.7)
Exchange differences on translation of financial statements in foreign currency	-	(2.4)	(43.5)	(9.3)	(4.4)
Cash and cash equivalents as at January 1,	0.2	1.2	232.2	232.2	534.7
<b>Cash and cash equivalents as at December/March 31,</b>	<b>1.2</b>	<b>232.2</b>	<b>534.7</b>	<b>71.4</b>	<b>423.7</b>

Key financial ratios based on the consolidated financial statements

Financial Ratios		2012	2013	2014	1 <sup>st</sup> quarter of 2015
		(Audited)	(Audited)	(Audited)	(Reviewed)
		Consolidated statements	Consolidated statements	Consolidated statements	Consolidated statements
Liquidity ratios					
Current ratio	(times)	0.3	2.1	2.6	2.1
Quick ratio	(times)	0.0	0.5	1.2	0.9
Operating cash flow ratio	(times)	0.0	(0.2)	(0.8)	(0.1)
Accounts receivable turnover ratio	(times)	-	1.7	3.8	0.3
Average collection period	(days)	-	215.0	95.5	311.1
Inventory turnover	(times)				
Average holding period	(days)				
Accounts payable turnover ratio	(times)	-	0.8	2.2	0.2
Payback period	(days)	-	424.5	165.6	541.7
Cash Cycle	(days)	-	(209.5)	(70.1)	(230.5)
Profitability Ratios					
Gross profit margin	(%)	-	25.2	34.7	44.7
Operating profit margin	(%)	-	(69.8)	10.3	(119.8)
Other profit margin	(%)	100.0	11.3	24.2	10.1
Net profit margin	(%)	(613.8)	(61.9)	7.8	(107.7)
Return on equity (ROE) ratio	(%)	(6.8)	(3.7)	1.4	(2.0)
Efficiency Ratios					
Return on asset ratio	(%)	(0.5)	(3.0)	1.0	(1.2)
Return on fixed asset ratio	(%)	(1.3)	(46.3)	17.6	(15.9)
Asset turnover	(times)	0.0	0.0	0.1	0.0
Financial Policy Ratios					
Debt to equity ratio	(times)	12.6	0.2	0.6	0.6
Interest coverage ratio	(times)	-	(2.7)	(3.4)	(0.4)
Debt service coverage ratio – cash basis	(times)	(1.8)	(0.1)	(0.2)	(1.4)
Dividend payout ratio	(%)	N/A	N/A	N/A	N/A
Book value per share		0.86	0.63	0.68	0.67
Earnings per share (EPS)		(0.61)	(0.15)	0.01	0.01

## 2) Management Discussion and Analysis

### Financial statements

Country Group Development Public Company Limited (CGD) has been operating both property development business and property investment business in Thailand and overseas since 2010. Later on 15 May 2013, the Company acquired and took the transfer of the entire business of Landmark Development Group Company Limited. The acquisition was regarded as a reverse takeover. The consolidated and separate financial statements for the year ended 31 December 2013 which were used for comparison were the audited statements. In this connection, the audited consolidated financial statements which were used for comparison were prepared by using the reverse acquisition method with Country Group Development Public Company Limited being the legal holding company but the acquire for accounting, while Landmark Development Group Company Limited being the legal subsidiary but the acquirer for accounting.

The consolidated financial statements for the year ended 31 December 2014 showed the following:

- a. The financial position of the Company and its subsidiaries on 31 December 2014, and
- b. The performance of the Company and its subsidiaries as at 31 December 2014, which could be separately shown as follows:
  - 1) For continued operations, the performance of the Company from 15 May 2013 to 31 December 2013 and the performance of the subsidiaries from 1 January 2013 to 31 December 2013,
  - 2) For discontinued operations, the performance of A-HOST Company Limited (subsidiary) from 15 May 2013 to 15 October 2013.

As a result, the consolidated and separate financial statements of the Company and its subsidiaries for the years ended 31 December 2013 and 2014 were comparable. The following are summaries of key items on the financial statements as well as the management discussion and analysis prepared by the Company:

### 1. Performance

#### 1) Continuing Operations

##### Revenues

The total revenues of the Company and its subsidiaries for 2012, 2013, and 2014 amounted to 0.2 Million Baht, 133.9 Million Baht and 834.4 Million Baht respectively, representing an increase of 133.7 Million Baht and 700.5 Million Baht or 66,850.0 percent and 523.2 percent over the period from 2013 to 2014 respectively. Of the total revenues in 2012, 2013 and 2014, the condominium sales accounted for 0.0 percent, 88.7 percent and 65.5 percent respectively. The remaining were other revenues including, among others, rental income from investment properties, commission income, interest income, and gain on sale of temporary investments.

During the first quarter of 2015, the total revenues of the Company and its subsidiaries amounted to 90.8 Million Baht, a decrease of 110.7 Million Baht when compared with the total revenues of 201.5 Million Baht during the same period in the prior year.

The details of the total revenues are as follows:

Particulars (Unit: Million Baht)	2012	2013	2014	1 <sup>st</sup> quarter of 2014	1 <sup>st</sup> quarter of 2015
Revenues from condominium sales	-	118.8	546.4	184.8	58.6
Rental income from investment properties	-	-	79.3	8.7	22.3
Gain on remeasuring of investment properties	-	-	166.6	-	-
Other income	0.2	15.1	42.1	8.0	9.9
<b>Total revenues</b>	<b>0.2</b>	<b>133.9</b>	<b>834.4</b>	<b>201.5</b>	<b>90.8</b>

#### Revenues from condominium sales

In 2013, the Company began to receive the income worth 118.8 Million Baht from selling condominium units of Elements Srinakarin Phase 1. The income was recognized since the fourth quarter of 2013 as the ownerships of 52 units of Elements Srinakarin Phase 1 were transferred to buyers.

In this connection, the Company continued to receive the income from the sales of the condominium units of Elements Srinakarin Phase 1 as the ownerships of the remaining units were transferred. As well, the additional income worth 546.4 Million Baht was recognized as the ownerships of the units of Elements Srinakarin Phase 2 were transferred in November 2014.

#### Rental income from investment properties

The subsidiary recognized the rental income worth 79.3 Million Baht for its Data Center project in United Kingdom. This represented the operating results over the ten-month period since the acquisition of the property in the first quarter of 2014.

#### Gain on remeasuring of investment properties

As at 31 December 2014, the value of the investment properties was reappraised by an independent appraisal. As a result, the subsidiary recognized the gain worth 166.6 Million Baht on remeasuring of the investment properties at fair value for the year ended 31 December 2014.

#### Expenses

The total expenses of the Company and its subsidiaries in 2012, 2013 and 2014 amounted to 1.8 Million Baht, 195.6 Million Baht and 632.7 Million Baht respectively. The total expenses increased by 193.8 Million Baht and 437.1 Million Baht or by 10,766.7 percent and 223.5 percent respectively over the period from 2013 to 2014. Of the total expenses, the cost of the condominium sales accounted for 0.0 percent in 2012, 45.4 percent in 2013 and 64.9 percent in 2014 respectively. The total expenses continued to grow every year, mainly due to the business expansion.

In the first quarter of 2015, the total expenses of the Company and its subsidiaries amounted to 145.0 Million Baht, a decrease of 44.7 Million Baht or 23.6 percent when compared with the total expenses of 189.7 Million Baht during the same period in the prior year.

The details of the total expenses are as follows:

Particulars (Unit: Million Baht)	2012	2013	2014	1 <sup>st</sup> quarter of 2014	1 <sup>st</sup> quarter of 2015
Cost of condominium sales	-	88.9	410.9	140.9	43.9
Direct operating expenses arising from investment properties	-	-	2.1	2.9	1.2
Selling expenses	-	28.0	62.2	11.2	67.6
Administrative expenses	1.8	57.7	128.3	25.3	24.5
Loss on exchange rate	-	-	-	2.3	-
Remuneration of directors and management	-	21.0	29.2	7.1	7.8
<b>Total expenses</b>	<b>1.8</b>	<b>195.6</b>	<b>632.7</b>	<b>189.7</b>	<b>145.0</b>

#### Costs of condominium sales

The costs of condominium sales amounted to 88.9 Million Baht in 2013 and 410.9 Million Baht in 2014 respectively, which accounted for 74.8 percent of the condominium sales in 2013 and 75.2 percent in 2014 respectively. In terms of profitability, the gross profit margin amounted to 25.2 percent of the condominium sales in 2013 and 24.8 percent in 2014.

#### Selling and administrative expenses

The selling expenses include commissions, marketing expenses, sales promotion expenses, fees related to ownership transfers and other expenses. On the other hand, the administrative expenses include salaries, public utilities, specific business taxes, depreciation, miscellaneous expenses and other expenditure.

In 2012, the selling and administrative expenses of the Company and its subsidiaries amounted to 1.8 Million Baht. Later in 2013, the selling and administrative expenses amounted to 85.7 Million Baht, an increase of 83.9 Million Baht compared to the prior year 2012, mainly due to the beginning of the sales of the condominium units of Elements Srinakarin.

In 2014, the total selling and administrative expenses of the Company and its subsidiaries amounted to 190.5 Million Baht, representing an increase of 122 percent over the prior year. The change was mainly due to the increase in the marketing expenses for promoting Chao Phraya Estate project as well as the increase in personnel expenses, public utilities, and specific business taxes which are related to the administration of the projects being developed by the Company. In addition, the

Company's management believed that there was uncertainty about the repayment of the loan which the Company extended to another company in the form of a promissory note. The loan was due for full repayment during the year. However, as the Company was not yet repaid, it decided to set aside the full amount of 27.6 Million Baht as allowance for bad debt.

In the first quarter of 2015, the total selling and administrative expenses amounted to 92.1 Million Baht, an increase of 55.6 Million Baht compared to the same period in the prior year 2014.

#### **Finance cost**

The finance cost of the Company and its subsidiaries increased from 27.8 Million Baht in 2013 to 126.3 Million Baht in 2014, representing an increase of 98.5 Million Baht over the prior year. This was mainly due to the fact that the Company issued two-year debentures worth 1.5 billion Baht. The proceeds would be used for developing various projects and also as working capital for the Company's operations as well as for its future business expansion.

In the first quarter of 2015, the finance cost of the Company and its subsidiaries amounted to 40.0 Million Baht, an increase of 22.1 Million Baht compared to the finance cost during the same period in the prior year 2014 when no debentures were issued.

#### **Revenue (expense) income taxes**

The Company and its subsidiaries had no income tax expenses for 2012 and reported income tax revenue in 2013 amounted to 0.2 Million Baht.

The income tax expenses of the Company and its subsidiaries in 2014 amounted to 10.5 Million Baht, accounting for 1.3 percent of the total revenues. In contrast, the income tax revenue in the prior year amounted to 0.2 Million Baht. This was mainly due to the increase in the subsidiary's rental income of investment properties as well as the increase in the Company's deferred income tax related to temporary differences.

Similarly, during the first quarter of 2015, the income tax expenses of the Company and its subsidiaries amounted to 3.5 Million Baht. In contrast, the income tax revenue during the same period in 2014 amounted to 0.1 Million Baht.

#### **Profit (loss) from continuing operations**

In 2014, the profit from the continuing operations of the Company and its subsidiaries amounted to 64.9 Million Baht. In contrast, the loss from the continuing operations amounted to 1.5 Million Baht in 2012 and 89.3 Million Baht respectively. This was mainly due to the significantly stronger performance of the Company and its subsidiaries as mentioned earlier. As a result, the primary



earnings per share increased from the prior year to 0.009 Baht. In this connection, the net profit amounted to 7.8 percent of the total revenues in 2014.

2) Discontinued Operations

**Profit from discontinued operations**

At the Extraordinary General Meeting of Shareholders No. 2/2013 held on 3 September 2013, the participating shareholders adopted a resolution approving the sale of all the Company's 5,018,570 shares in A-HOST Company Limited (subsidiary) to Arcadia Asia Company Limited (purchaser), which is not a related party, for 100 Million Baht. The objectives were for the Company to use the proceeds from the sale to invest in other projects which were its main business and also to use them as its working capital. In this connection, the Company received the full payment of 100 Million Baht on 16 October 2013. In line with the Thai Financial Reporting Standard, the subsidiary's performance in the consolidated statement of comprehensive income for the year ended 31 December 2013 was separately presented as a profit of 6.41 Million Baht from discontinued operations.

3) Net profit (loss) for the year

The net profit of the Company and its subsidiaries in amounted to 64.9 Million Baht in 2014. In contrast, the net loss amounted to 1.5 Million Baht in 2012 and 82.9 Million Baht in 2013 respectively. The net loss margin amounted to 613.8 percent in 2012 and 61.9 percent in 2013 respectively. On the other hand, the net profit margin amounted to 7.8 percent in 2014. The increase in the net profit was mainly due to the recognition of income as a result of the ownership transfers related to the sales of condominium units of Elements Srinakarin Phases 1 and 2 as well as due to the remeasuring of investment properties at fair value.

In the first quarter of 2015, the net loss of the Company and its subsidiaries amounted to 97.7 Million Baht, when compared to the net loss of 6.0 Million Baht during the same period in the prior year 2014.

2. Financial Position

**Assets**

The total assets of the Company and its subsidiaries as at 31 December 2012, 2013, and 2014 amounted to 292.9 Million Baht, 5,216.6 Million Baht, and 7,911.8 Million Baht respectively, representing a year-on-year growth of 4,923.7 Million Baht between 2012 and 2013 and a year-on-year growth of 2,695.2 Million Baht between 2013 and 2014 respectively. The key parts of the assets included, among others, cash and cash equivalents, trade accounts and other receivables, land and cost of under project construction and utilities, property, plant and equipment - net, and goodwill.

As at 31 March 2015, the total assets of the Company and its subsidiaries amounted to 8,017.1 Million Baht, representing an increase of 1.3 percent over the total assets of 7,911.8 Million Baht as at the end of 2014.

The total assets of the Company and its subsidiaries included the following:

Particulars (Unit: Million Baht)	31 December 2012	31 December 2013	31 December 2014	31 March 2015
Current assets	85.1	1,324.8	2,153.2	2,245.2
Investment properties	-	-	1,276.1	1,200.8
Property, plant and equipment - net	120.1	220.6	570.9	639.7
Leasehold	87.7	93.7	100.0	100.0
Goodwill	-	3,614.4	3,614.4	3,614.4
Other non-current assets	-	-	197.2	216.9

#### Current assets

The total current assets of the Company and its subsidiaries as at 31 December 2012, 2013 and 2014 amounted to 85.1 Million Baht, 1,324.8 Million Baht and 2,153.2 Million Baht respectively, representing a year-on-year growth of 1,239.7 Million Baht between 2012 and 2013 and a year-on-year growth of 828.4 Million Baht between 2013 and 2014 respectively.

As at 31 March 2015, the total current assets of the Company and its subsidiaries amounted to 2,245.2 Million Baht, accounting for 28.0 percent of the total assets. In comparison, the total current assets as at 31 December 2014 amounted to 2,153.2 Million Baht. The key details of the current assets were as follows:

- The trade accounts and other receivables as at 31 December 2012, 2013 and 2014 amounted to 0.0 Million Baht, 70.9 Million Baht and 120.6 Million Baht respectively, representing a year-on-year growth of 70.9 Million Baht between 2012 and 2013 and a year-on-year growth of 49.7 Million Baht between 2013 and 2014 respectively. Most of the trade account receivables were not yet due for payment while other receivables included advance payments were made to contractors in line with the construction agreements. The advance payments would be used for constructing Elements Srinakarin Project and Chao Phraya Estate Project. In this connection, the trade accounts and other receivables as at 31 March 2015 amounted to 166.7 Million Baht, representing an increase of 46.1 Million Baht when compared to the end of 2014.
- The land and cost of under project construction and utilities as at 31 December 2012, 2013 and 2014 amounted to 75.4 Million Baht, 871.1 Million Baht and 1,159.1 Million Baht respectively, representing a year-on-year growth of 795.7 Million Baht between 2012 and 2013 and a year-on-year growth of 288.0 Million Baht between 2013 and 2014 respectively. The increase in the land and projects under public

utility construction was mainly attributable to the development of Elements Srinakarin Project and Chao Phraya Estate Project.

#### **Investment properties**

The investment properties of the Company and its subsidiaries as at 31 December 2014 and at 31 March 2015 amounted to 1,276.1 Million Baht and 1,200.08 Million Baht respectively. This was due to the fact that during the first quarter of 2014, the Company's subsidiary made an investment worth 1,109.4 Million in Data Center in United Kingdom, which was considered an investment property. As at 31 December 2014, the value of the investment property was remeasured in line with the related policy. According to the remeasurement carried out by an independent appraiser, the value of the investment property amounted to 1,276.1 Million Baht.

#### **Property, plant and equipment – net**

The property, plant and equipment – net as at the 31 December 2012, 2013 and 2014 amounted to 120.1 Million Baht, 220.6 Million Baht and 570.9 Million Baht respectively, representing a year-on-year growth of 100.5 Million Baht between 2012 and 2013 and a year-on-year growth of 350.3 Million Baht between 2013 and 2014 respectively. In this connection, the property, plant and equipment accounted for 41.0 percent of the total assets in 2012, 4.2 percent in 2013 and 7.2 percent in 2014 respectively.

As at 31 March 2015, the property, plant and equipment amounted to 639.7 Million Baht, accounting for 8.0 percent of the total assets and representing an increase when compared to 570.9 Million Baht as at the end of 2014. This was mainly due to the increase in the subsidiaries' assets in recognition of income related to the development of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River as well as the sales office of Four Seasons Private Residences Bangkok at Chao Phraya River which was part of Chao Phraya Estate Project.

#### **Leasehold**

The leasehold of the Company and its subsidiaries as at 31 December 2012, 2013 and 2014 amounted to 87.7 Million Baht, 93.7 Million Baht and 100.0 Million Baht respectively, representing a year-on-year growth of 6.0 Million Baht between 2012 and 2013 and a year-on-year growth of 6.3 Million Baht between 2013 and 2014 respectively. The leasehold was comprised of advance payments, compensation, transfer fees and rental fees during the land improvement and development.

As at 31 March 2015, the leasehold rights of the Company and its subsidiaries amounted to 100.0 Baht, which was the same as at the end of 2014.

#### **Goodwill**

The goodwill of the Company and its subsidiaries as at 31 December 2013 and 2014 and as at 31 March 2015 amounted to 3,614.4 Million with no change in between. The goodwill was created as a result of the reverse acquisition the cost calculation of the merger. The Company used the fair value of equity instruments of Country Group Development Public Company Limited before the merger as a basis to calculate the cost of the reverse acquisition because it was a listed company in the Stock Exchange. The difference of the cost of the merger over the net fair value of the equity was stated as goodwill.

#### Other non-current assets

The other non-current assets of the Company and its subsidiaries as at 31 December 2014 and as at 31 March 2015 amounted to 197.2 Million Baht and 216.9 Million Baht respectively, accounting for 2.5 percent of the total assets as at the end of 2014 and 2.7 percent as at 31 March 2015. The other non-current assets were comprised of the deposits at bank under restrictions of use, available-for-sale investments, and intangible assets – net, deferred tax assets, among others.

#### Liabilities

The total liabilities of the Company and its subsidiaries as at 31 December 2012, 2013 and 2014 amounted to 271.3 Million Baht, 844.7 Million Baht and 2,906.5 Million Baht respectively, representing a year-on-year growth of 573.4 Million Baht between 2012 and 2013 and a year-on-year growth of 2,061.8 Million Baht between 2013 and 2014 respectively. The key liabilities were comprised of trade accounts and other payables, deposits and advance payments from customers, bills of exchange, long-term loans and debentures, among others.

As at 31 March 2015, the total liabilities of the Company and its subsidiaries amounted to 3,109.6 Million Baht, representing an increase of 7.0 percent when compared with 2,906.5 Million Baht as at the end of 2014. The details of the total liabilities were as follows:

Particulars (Unit: Million Baht)	31 December 2012	31 December 2013	31 December 2014	31 March 2015
Current liabilities	271.3	617.8	825.7	1,061.6
Non-current liabilities	-	226.9	2,080.8	2,048.0

The current liabilities of the Company and its subsidiaries as at the yearend increased by 207.9 Million Baht from 2012 to 2013, and by 235.9 Million Baht from 2013 to 2014 respectively. The increases were mainly due to the fact that the Company issued and offered for sale short-term notes (promissory notes) by private placement, payable at a rate of not exceeding 12 percent per annum. The objective was to increase the Company's liquidity for business expansion and investments in new projects. As well, the Company and its subsidiaries received deposits and advance payments from selling condominium units

to customers of Elements Srinakarin Project and selling leasehold rights of Four Seasons Private Residences Bangkok at Chao Phraya River Project.

The total non-current liabilities of the Company and its subsidiaries increased by 1,853.9 Million Baht from 226.9 Million as at the end of 2013 to 2,080.8 Million Baht as at the end of 2014. On the other hand, the total non-current liabilities decreased by 32.8 Million Baht from 2,080.8 Million Baht as at the end of 2014 to 2,048.0 Million Baht as at 31 March 2015. This was mainly due to the fact that in 2014 the Company issued two-year debentures worth 1.5 billion Baht to institutional investors and/or high-net worth investors. These were unsubordinated and unsecured debentures bearing the names of the holders but without debenture holders' representative. Bearing interest at the rate of 7.5 percent per annum payable every three months, the debentures were due for repayment in July 2016. The objective was to increase the Company's liquidity for business expansion and investments in its projects. Moreover, the Company's subsidiary entered into a long-term loan agreement with a financial institution for a facility worth GBP 11.275 Million for investment in Data Center property located in the United Kingdom.

#### **Shareholders' equity**

As at the end of 2012, the shareholders' equity of the Company and its subsidiaries amounted to 21.6 Million Baht, accounting for 7.4 percent. The shareholders' equity increased by 4,395.3 Million Baht from the end of 2012 to 4,416.9 Million Baht as at the end of 2013. The Company acquired and took the transfer of the entire business from Landmark Development Group Company Limited. The acquisition was considered a reverse acquisition. In this connection, the value of the share capital recognized in the consolidated financial statement was stated by using the value of the share capital of Landmark Development Group Company Limited, which was a legal subsidiary (acquirer for accounting) before the acquisition, plus the acquisition cost as well as the shares of Country Group Development Public Company Limited being the legal holding Company (the acquire for accounting), which were issued after the acquisition.

As at the end of 2014, the shareholders' equity of the Company and its subsidiaries amounted to 5,005.3 Million Baht, representing an increase of 588.4 Million Baht over the prior year 2013. During the year 2014, the Company offered for sale 354 Million shares for capital increase at a price of 1.25 Baht per share by private placement. The objective was for working capital for the Company's various projects. The entire proceeds from selling the shares were received. In this connection, the Company's advance payments which were received for the shares of the subsidiary amounted to 120.0 Million Baht. As at 31 March 2015, the shareholders' equity of the Company and its subsidiaries amounted to 4,907.5 Million Baht, representing a decrease of 97.8 Million Baht from year-end 2014. In this connection, the advance

payments which were received for the shares of the subsidiary increased by 20.0 Million Baht from the year-end 2014.

#### Capital structure

As at 31 December 2012, the total liabilities of the Company and its subsidiaries amounted to 271.3 Million Baht, accounting for 92.6 percent while the shareholders' equity amounted to 21.6 Million Baht, accounting for the remaining 7.4 percent. The debt-to-equity ratio amounted to 12.56 times.

As at 31 December 2013, the total liabilities of the Company and its subsidiaries amounted to 844.7 Million Baht, accounting for 16.1 percent while the shareholders' equity amounted to 4,416.9 Million Baht, accounting for the remaining 83.9 percent. The debt-to-equity ratio amounted to 0.19 time.

As at 31 December 2014, the total liabilities of the Company and its subsidiaries amounted to 2,906.5 Million Baht, accounting for 36.7 percent while the shareholders' equity amounted to 5,005.3 Million Baht, accounting for the remaining 63.3 percent. The debt-to-equity ratio amounted to 0.58 time.

As at 31 March 2015, the total liabilities of the Company and its subsidiaries amounted to 3,109.6 Million Baht, accounting for 38.8 percent while the shareholders' equity amounted to 4,907.5 Million Baht, accounting for the remaining 61.2 percent. The debt-to-equity ratio amounted to 0.63 time.

#### Liquidity

As at 31 December 2012, the cash and cash equivalents of the Company and its subsidiaries amounted to 1.2 Million Baht, representing an increase of 0.9 Million Baht over the prior year. As at 31 December 2013, the cash and cash equivalents amounted to 232.2 Million Baht, representing an increase of 231.0 Million Baht over the prior year. As at 31 December 2014, the cash and cash equivalents amounted to 534.7 Million Baht, an increase of 302.5 Million Baht over the prior year.

As at 31 March 2015, the cash and cash equivalents of the Company and its subsidiaries amounted to 423.7 Million Baht, representing a decrease of 111.0 Million Baht over the end of the year 2014. The net cash from or used in various activities could be summarized as follows:

Particulars (Unit: Million Baht)	31 December 2012	31 December 2013	31 December 2014	31 March 2015
Net cash from operating activities	(5.7)	(104.4)	(568.6)	(54.7)
Net cash used in investing activities	(3.2)	53.9	(1,412.7)	(72.0)
Net cash used in financing activities	9.8	283.9	2,327.3	20.0

## 2.5 Debt burdens

### 1) Total debentures already issued for and those not yet issued

As at 31 March 2015, the Company's remaining debentures already issued for sale amounted to 1.5 billion Baht. These were unsubordinated and unsecured debentures bearing the names of the holders but without debenture holders' representative.

### 2) Total fixed-term loans specifying the assets used as collateral

As at 31 March 2015, the outstanding balance of the total fixed-term loans of the Company and its subsidiaries amounted to 543 Million Baht. This represented the long-term loan of APUK Company Limited (the Company's subsidiary). In this connection, the land and Data Center building located in United Kingdom were used as collateral.

### 3) Total loans of other types as well as bank overdrafts, specifying the assets used as collateral

In relation to the total loans other than the long-term loans of the Company and its subsidiaries as well as bank overdrafts which specified the assets used as collateral, the Company's unsubordinated and unsecured bills of exchange bearing the names of the holders amounted to 396 Million Baht.

### 4) Future debts which may arise

1. The Company's obligations related to the project development and construction amounted to approximately 689 Million Baht. (As at 31 December 2014, the obligations amounted to 802 Million Baht.)
2. On 19 January 2014, the Company's subsidiary Landmark Holdings Company Limited entered into an agreement with BCEG Thai International Company Limited, which was the contractor responsible for the oversight of the construction of Chao Phraya Estate Project. The total contract costs amounted to approximately US\$441. As at 31 March 2015, the remaining contract costs amounted to US\$423 Million. (As at 31 December 2014, the remaining contract costs amounted to US\$424 Million.)
3. The Company is required to adhere to the lease agreement related to the land, on which the office and parking lot of Elements Srinakarin Project are located. As well, it has entered into a land lease agreement for developing Chao Phraya Estate Project as well as an office space and facilities lease agreement and also a car rental agreement. The Company is obligated to pay the related rental fees.

(Unit: Baht)

	As at 31 March 2015	As at 31 December 2014
Within 1 year	10,493,436	10,409,292
Over 1 year but less than 5 years	41,530,507	41,114,998
Over 5 years	315,160,561	318,037,489

## 2.6 Opinion of the Company's Board of Directors about the adequacy of working capital

The Board of Directors is of the opinion that the Company has sufficient liquidity to continue operating its businesses.

## 2.7 Significant pending cases or complaints

### 1) Significant cases or complaints on the part of the Company

On 25 March 2014, the Fish Marketing Organization as plaintiff filed a case against the Company to the Southern Bangkok Civil Court, claiming compensation for damage caused by the wrongful act and expulsion with the total case claim amounting to 27.2 Million Baht. In addition, the plaintiff had requested the Southern Bangkok Civil Court to serve the Company with a subpoena to a hearing in order to issue a temporary restraining order protecting the right of ownership over the building which is a component part of the land. The case is currently pending before the Southern Bangkok Civil Court. However, the Company's management believes that the Company will not have to be liable for the damage or have to respond to the plaintiff's complaint.

### 2) Significant cases or complaints on the part of the subsidiaries

- None –

## 2.8 Benefits or connected transaction between the listed company and its directors, executives or shareholders of the Company directly or indirectly holding 10 percent of the shares or more

Details related to the relationships of the Company or its subsidiary with the person or entity that has control over the Company or its subsidiary or the person or entity that is controlled by the Company or its subsidiary, directly or indirectly, or the person or entity that is under the same control of the Company or its subsidiary are as follows:

Companies/shareholders	Nature of relationship
Mr. Ben Taechaubol	Major shareholder, director, and Chief Executive Officer
Mr. Sadawut Taechaubol	Major shareholder, director and father of Mr. Ben Taechaubol
Country Group Securities Public Company Limited	Having common directors.
Country Group Holdings Public Company Limited	Having common directors.
MF Holding Company Limited (MFH)	Having common directors.

During the first quarter of 2015, there were significant connected transactions between the Company or its subsidiaries and the related persons or entities. Those transactions were carried out in line with the trading terms and conditions accepted by the Company and the related persons or entities in the ordinary course of business, as mentioned in the notes to the financial statements for the quarter ended 31 March 2015. The key details of the transactions were as follows:



Related persons or entities	Characteristics of connected transactions	Type of transaction	Amount (Baht) as at 31 March 2015
Mr. Ben Taechaubol	1) The Company received a deposit and a fee for the agreement to buy one unit of Elements Srinakarin condominium as well as the related installments.	Deposit Advance payment	60,000 222,992
Mr. Sadawut Taechaubol	1) The Company received a deposit and a fee for the agreement to buy eight units of Elements Srinakarin condominium as well as the related installments.	Deposit Advance payment	480,000 1,266,426
Country Group Securities Public Company Limited	1) The Company paid an advance fee to Country Group Securities Public Company Limited for underwriting the debentures worth 1.5 billion Baht. The underwriting fee charged by Country Group Securities Public Company Limited amounted to 1% of the total debenture value. 2) The Company deposited cash with Country Group Securities Public Company Limited as collateral for its securities trading. 3) The Company received interest income from Country Group Securities Public Company Limited for the securities trading deposit.	Advance underwriting fee for underwriting debentures Underwriting fee charged for underwriting debentures Deposit for trading securities Interest receivable	3,566,667 57,787 10,107,335 31,089
Country Group Holdings Public Company Limited	1) The Company purchased ordinary shares and warrants of Country Group Holdings Public Company Limited.	Investments in held-for-sale securities	136,003,658
MF Holding Company Limited	1) The Company received cash from MF Holding Company Limited for the two bills of exchange which were at maturity on 30 April 2015 and 2 June 2015 respectively. 2) The Company purchased two bills of exchange written by MF Holding Company Limited. <ul style="list-style-type: none"> <li>The first one worth 100 Million Baht was drawn on 5 September 2014 for 270 days, to be discounted at 7.5 percent per annum. It was at maturity on 2 June 2015.</li> <li>The second one worth 100 Million Baht was drawn on 3 November 2014 for 178 days, to be discounted at 7.5 percent per annum. It was at maturity on 30 April 2015.</li> <li>Interest was paid on the dates on which the bills of exchange were drawn. The interest was deducted from the face value of the bills of exchange.</li> </ul>	Prepaid interest Bills of Exchange	1,685,851 200,000,000

## 2.9 Opinions of Independent Financial Advisor

The Independent Financial Advisor is of the opinion that the disposal of the assets of CGD Digital Partner Company Limited, which is the wholly owned subsidiary of Country Group Development Public Company Limited, is appropriate as the Group will have a net cash flow from selling APUK Company Limited to the REIT. The proceeds from the sale will be sufficient for future property development projects and also for use as working capital. In addition, the price for the disposal is appropriate, taking into consideration the conditions and/or the requirements related to the transaction, which helps protect the interests of the subsidiary in relation to the acquisition of the assets whose condition is in line with the agreement accepted by the two parties concerned prior to the transaction. For additional details, please refer to the report of the Independent Financial Advisor as per Enclosure 3.

## 2.10 Summary of key agreements over the last two years

All the Company's agreements were reached in the ordinary course of business and were entered into with the third parties on arm's length basis.

## 2.11 Members of the Company's Audit Committee (who could be appointed by shareholders as proxy holders to exercise voting rights on shareholders' behalf)

List of names	Position
1. Mr. Subhakorn Bhalakula	Chairman of the Audit Committee
2. Pol. Lt. Gen. Werapong Chuenpagdee	Member of the Audit Committee
3. Mr. Hsu-Feng Shueh	Member of the Audit Committee

## 2.12 Statement indicating that shareholders with a conflict of interest are not entitled to exercise voting rights. In this connection, the names of the shareholders who are not entitled to exercise voting rights and the number of their shares have to be specified.

- None -

## 2.13 Responsibility of the Board of Directors towards information contained in documents sent to shareholders

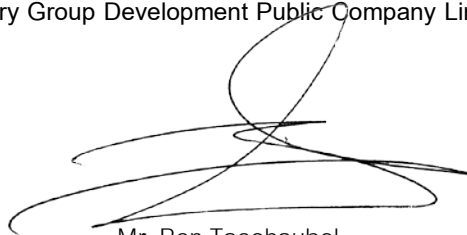
The Board of Directors is responsible for the information contained in this Information Memorandum. In this connection, the authorized directors acting on behalf of the Company have carefully reviewed the information contained in this Information Memorandum and hereby certify that the information contained in this Information Memorandum is accurate, complete, include no false statement, and does not omit any material facts which are necessary or must be included, and that the Information Memorandum does not contain any statement that may cause misunderstanding.

The Company hereby certifies that the information contained in this Information Memorandum is accurate and complete.

Please be informed accordingly.

Sincerely yours,

Country Group Development Public Company Limited



Mr. Ben Taechaubol

Director and Chief Executive Officer