

CGD60/0029

May 11, 2017

Subject: Report on the operating results of Country Group Development PCL

To: The President

The Stock Exchange of Thailand

Country Group Development Public Company Limited (the "Company") would like to report the operating results of the Company and its subsidiaries for the three-month period ended March 31, 2017 as follows:

Consolidated Financial Statements (the "Group")

- **Revenues** The Group reported total revenues for the three-month period ended March 31, 2017 of Baht 155.38 million decreased by 21.29 percent compared to Baht 197.41 million for the same period of 2016. This mainly because for the three-month period ended March 31, 2017, the Group reported decreasing in dividend income of Baht 76.56 million and reported total decrease in gain from currency forward transaction of Baht 58.17 million when compared to the same period of 2016. The majority of revenues for the three-month period ended March 31, 2017 as follows:
 - The Company reported major revenue from the unit transferred of Elements Srinakarin project of Baht 81.72 million, increased by 64.01 percent compared to Baht 49.83 million for the same period of 2016.
 - Foreign subsidiary reported rental income from investment property of Baht 13.19 million which total increased when compared to the same period of the year 2016.
 - The group reported dividend income of Baht 4.25 million, decreased by 94.75 percent compared to Baht 80.81 million for the same period of 2016.
 - The group reported gain on foreign exchange rate of Baht 54.32 million, total increased when compared to the same period of 2016

- **Expenses** The Group reported total expenses for the three-month period ended March 31, 2017 of Baht 174.77 million decreased by 8.63 percent compared to Baht 191.28 million in the same period of 2016. The majority expenses for the three-month period ended March 31, 2017 as follows:
 - Cost of condominium sale of Elements Srinakarin project of Baht 55.18 million, increased by 73.59 percent compared to Baht 31.79 million for the same period of the year 2016. The percentage of increasing in cost was more than percentage of increasing in revenue from unit transferred of Elements Srinakarin project. As a result, gross profit margin for the three-month period ended March 31, 2017 of 32.48 percent, decreased when compared to the same period of 2016 which reported gross profit margin 36.21 percent.
 - Selling expenses of Baht 72.88 million, increased by 4.58 percent compared to Baht 69.69 million for the same period of 2016. The majority selling expenses for the three-month period ended March 31, 2017 and 2016, came from marketing activities of Four Seasons Private Residences Bangkok at Chao Phraya River and promotion expenses of Elements Srinakarin project.
 - Administrative expenses of Baht 35.99 million, decreased by 53.08 percent compared to Baht 76.71 million for the same period of 2016. This was mainly caused from decreasing in expenses relating to sale of investment in subsidiary in 2016 which has no such transaction in the year 2017.

Consequently, the Group reported loss before finance costs and income tax expense for the three-month period ended March 31, 2017 of Baht 19.39 million, increased by 416.09 percent compared to profit before finance costs and income tax expense of Baht 6.13 million for the same period of 2016.

- **Finance costs** The Group reported finance costs for the three-month period ended March 31, 2017 of Baht 51.06 million, decreased by 3.90 percent compared to Baht 53.13 million in the same period of 2016. The majority of finance costs for the three-month period ended March 31, 2017 was resulting from issuance of bills of exchange, issuance of long-term debentures and long-term borrowings for being working capital and expansion of the Group's business.
- **Net profit (loss) for the three-month period ended March 31, 2017** The operating result mentioned above resulting the Group reported net loss of Baht 72.13 million, of which Baht 63.45 million attributed to the parent and the remaining of Baht 8.68 million attributed to non-controlling interests. Consequently, net loss which attributed to the parent increased by Baht 39.43 million or increased by 164.22 percent, compared with a net loss attributed to the parent of Baht 24.01 million for the same period of 2016.

Separate Financial Statements (the "Company")

- **Revenues** The Company reported total revenues for the three-month period ended March 31, 2017 of Baht 136.54 million, decreased by 20.12 percent compared to Baht 170.94 million for the same period of 2016. This mainly because for the three-month period ended March 31, 2017 the Company reported total decrease in gain from currency forward transaction of Baht 58.17 million when compared to the same period of 2016. The majority of the Company's revenues for the three-month period ended March 31, 2017 as follows;
 - The Company reported major revenue from the unit transferred of Elements Srinakarin project of Baht 81.72 million, increased by 64.01 percent compared to Baht 49.83 million for the same period of 2016.
 - The Company reported interest income of Baht 27.14 million, increased by 16.85 percent compared to Baht 23.23 million for the same period of 2016 this resulting from the Company provide additional loan to related companies to purchase investment property in the 3rd quarter of 2016.
 - The Company reported dividend income of Baht 4.25 million which total increase when compared to the same period of 2016.
 - The Company reported gain on foreign exchange rate of Baht 14.94 million, decreased by 40.30 percent when compared to Baht 25.02 the same period of 2016.

- **Expenses** The Company reported total expenses for the three-month period ended March 31, 2017 of Baht 116.42 million, increased by 49.49 percent compared to Baht 77.88 million for the same period of 2016. The majority expenses as follows:

- Cost of condominium sale of Elements Srinakarin project of Baht 55.18 million, increased 73.59 percent compared to Baht 31.79 million for the same period of the year 2016. The percentage of increasing in cost was more than percentage of increasing in revenue from unit transferred of Elements Srinakarin project. As a result, gross profit margin for the three-month period ended March 31, 2017 of 32.48 percent, decreased when compared to the same period of 2016 which reported gross profit margin 36.21 percent.
- Selling expenses of Baht 14.63 million, increased by 52.72 percent when compared to Baht 9.58 million for the same period of 2016. This was mainly caused from increasing in advertising and promote expenses for Elements project because the Company has launched the 4th phase in February 2017. In addition, due to increase in revenue from the unit transferred of Elements Srinakarin project resulting increase in commission expense.
- Administrative expenses of Baht 36.70 million, increased by 31.32 percent compared to Baht 27.95 million for the same period of the year 2016. The administrative expenses consist of personnel expense, advisory fee, utilities expense, depreciation and miscellaneous expenses. The main reason of increasing in administrative expenses was the increase in advisory fee in relation to investment in new project of the Company.

Consequently, the Company reported profit before finance costs and income tax expense for the three-month period ended March 31, 2017 of Baht 20.12 million, decreased by 78.38 percent compared to the profit before finance costs and income tax expense of Baht 93.06 million for the same period of 2016.

- **Finance Costs** The Company reported finance costs for the three-month period ended March 31, 2017 of Baht 42.98 million, decreased by 19.11 percent compared to Baht 53.13 million in the same period of 2016. The majority of finance costs for the three-month period ended March 31, 2017 was resulting from issuance of bills of exchange, issuance of long-term debentures for being working capital and expansion of the Company's business.
- **Net profit (loss) for the three-month period ended March 31, 2017** The operating result mentioned above resulting in the Company reported net loss of Baht 22.71 million, increased by 156.68 percent, compared to the net profit of Baht 40.07 million in same period of 2016.

Please be informed accordingly.

Yours sincerely,

Ben Taechaubol

Chief Executive Officer