

CGD59/0025

12 May 2016

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 and its subsidiaries ("the Group") would like to report the operating results of the Company, and its subsidiaries for the first quarter of 2016 as follows:

**Consolidated Financial Statements ("the Group")**

- **Revenues** The Group reported total revenue of Baht 197.41 million in the first quarter of 2016, increased 117.59 percent compared to Baht 90.73 million in the first quarter of 2015. The majority of the Group's revenue came from the unit transferred of Elements Srinakarin project of Baht 49.83 million, decreased 14.91 from 58.56 million baht in the first quarter of 2015. Moreover, the Group realized a dividend income of Baht 80.81 million according to its share sale and purchase agreement between APUK Limited and MFC Industrial Real Estate Investment Trust ("REIT"). In addition, the Group also reported gain from currency forward transaction of Baht 58.17 million and also other income in the amount of Baht 8.60 million.
- **Expenses** The Group reported total expenses of Baht 191.28 million in the first quarter of 2016, increased 31.39 percent compared to Baht 144.99 million in the first quarter of 2015. This was mainly caused from following reasons:
  - Cost of condominium sale in the first quarter of 2016 amounted to Baht 31.79 million, decreased 27.65 percent compared to Baht 43.94 million in the first quarter of 2015, which in line with the decline of unit transferred. However, the Group reported gross profit margin at 36.21 percent in the first quarter of 2016, improved from the first quarter of 2015 that reported gross profit margin at 24.97 percent.
  - Selling expenses in the first quarter of 2016 amounted to Baht 69.69 million, increased 10.07 percent compared to Baht 63.31 million in the first quarter of 2015. This was mainly caused from selling expenses of Four Seasons Private Residences Bangkok at Chao Phraya River.
  - Administrative expenses in the first quarter of 2016 amounted to Baht 76.71 million, increased 166.24 percent compared to Baht 28.81 million in the first quarter of 2015. This was mainly caused from expenses which related to the transaction of selling investment in APUK Limited to MFC Industrial Real Estate Investment Trust.

Consequently, the Group turned around to report a profit before finance costs and income tax expense of Baht 6.13 million in the first quarter of 2016, increased 111.30 percent from the first quarter of 2015 that the Group reported a loss before finance costs and income taxes of Baht 54.26 million

- **Finance Costs** The Group reported financial costs of Baht 53.13 million in the first quarter of 2016, increased 32.99 percent compared to Baht 39.95 million in the first quarter of 2015. The incremental was mainly due to additional issuance of debenture amount of Baht 1,150 million in the third quarter of 2015.
- **Net Profit (Loss) for the Period** The operating result mentioned above resulting in the Group reported net loss of Baht 46.86 million in the first quarter of 2016, of which Baht 24.01 million attributed to the Group and the remaining of Baht 22.85 million attributed to a Non-controlling interests. Consequently, net loss which attributed to the Group of Baht 24. in the first quarter of 2016 decreased by 75.43 percent, compared with a net loss of Baht 97.74 million in the first quarter of 2015.

**Separate Financial Statements ("the Company")**

- **Revenues** The Company reported total revenue of Baht 170.94 million in the first quarter of 2016, increased 32.46 percent compared to Baht 129.05 million in the first quarter of 2015. The majority of the Group's revenue came from the unit transferred of Elements Srinakarin project and profit from currency forward transaction as already mentioned in the operating result of the Group. The company reported an interest income from loans to related parties of Baht 23.23 million and gain on foreign exchange of Baht 25.02 million. In addition, the Company also reported other income in the amount of Baht 14.69 million.
- **Expenses** The Company reported total expenses of Baht 77.88 million in the first quarter of 2016, decreased 8.96 percent compared to Baht 85.54 million in the first quarter of 2015. This was mainly caused from following reasons:
  - Cost of condominium sale in the first quarter of 2016 amounted to Baht 31.79 million, decreased 27.65 percent compared to Baht 43.94 million in the first quarter of 2015, which in line with the decline of unit transferred. However, the Company reported gross profit margin at 36.21 percent in the first quarter of 2016, improved from the first quarter of 2015 that reported gross profit margin at 24.97 percent.
  - Selling expenses in the first quarter of 2016 amounted to Baht 9.58 million, increased of 38.56 percent compared to Baht 6.91 million in the first quarter of 2015. This was caused from sell and promotion expenses for the Elements Srinakarin.
  - Administrative expenses in the first quarter of 2016 amounted to Baht 27.95 million, increased of 3.79 percent compared to Baht 26.92 million in the first quarter of 2015. This was mainly due to the increased in personnel expenses, utility bills and specific business taxes related to the administration of the projects which were being developed.

Consequently, the Company reported a profit before finance costs and income tax expense of Baht 93.06 million in the first quarter of 2016, increased 113.87 percent from the first quarter of 2015 that the Group reported a profit before finance costs and income taxes of Baht 43.51 million

- **Finance Costs** The Company reported financial costs of Baht 53.13 million in the first quarter of 2016, increased 47.40 percent compared to Baht 36.05 million in the first quarter of 2015. The incremental was mainly due to additional issuance of debenture amount of Baht 1,150 million in the third quarter of 2015.
- **Net Profit (Loss) for the Period** The operating result mentioned above resulting in the Company reported net profit of Baht 40.07 million for the first quarter of 2016, increased 406.93 percent, compared with a net profit of Baht 7.9 million in the first quarter of 2015.

Please be informed accordingly.

Yours sincerely,

Ben Taechaubol  
Director