

November 10, 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 September 30, 2017 as follows:

Consolidated Financial Statements (the "Group")

- **Revenues** The Group reported total revenues for the three-month period ended September 30, 2017 (3rd quarter) of Baht 214.68 million increased by 60.54 percent compared to Baht 133.72 million for the same period of 2016. This was mainly because of higher revenue from residential unit sale by Baht 66.72 million and the total increased in gain on foreign exchange rate by Baht 14.96 million. The majority of revenues for the three-month period ended September 30, 2017 are as follows:
 - The Group reported major revenue from the condominium unit transferred of Elements Srinakarin project of Baht 185.20 million which increased by 56.31 percent compared to Baht 118.48 million for the same period of 2016.
 - Foreign subsidiary reported rental income from investment property of Baht 13.21 million which similar to the same period of 2016.
 - The Group reported gain on foreign exchange rate of Baht 14.96 million which increased by Baht 52.78 million when compared to loss on foreign exchange rate of Baht 37.82 million for the same period of 2016. This was due to strengthen of Thai Baht currency together with increased in USD loan of a local subsidiary for construction of Chao Phraya Estate.

- **Expenses** The Group reported total expenses for the three-month period ended September 30, 2017 (3rd quarter) of Baht 269.34 million increased by 15.99 percent compared to Baht 232.22 million in the same period of 2016. This mainly resulted from the increase in cost of condominium sale by Baht 27.61 million which correlated with higher condominium sale and the Group recorded loss on impairment of fixed assets amount Baht 31.59 million. In addition, loss on foreign exchange rate decreased the whole amount by Baht 37.82 million. The majority of expenses for the three-month period ended September 30, 2017 are as follows:
 - Cost of condominium sale of Elements Srinakarin project of Baht 102.27 million increased by 36.98 percent compared to Baht 74.66 million for the same period of the year 2016. The percentage of increasing in cost was less than the percentage of increasing in revenue from unit transferred of Elements Srinakarin project. As a result, gross profit margin for the three-month period ended September 30, 2017 of 44.78 percent increase when compared to the same period of 2016 which reported gross profit margin 36.99 percent. This was due to majority of unit transferred during third quarter of 2017 were from phase 4, that launched in the 2017, in which average price per square meter is higher than other phases.
 - Selling expenses of Baht 85.10 million, increased by 21.72 percent compared to Baht 69.92 million for the same period of 2016. The majority of selling expenses for the three-month periods ended September 30, 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 69.97 million, increased by 79.12 percent compared to Baht 39.06 million for the same period of 2016. This was mainly because of a subsidiary recorded loss on impairment of fixed assets from demolition of sale gallery amount of Baht 31.59 million. The demolition was slightly ahead its original schedule because the subsidiary has to utilize the located areas of the sale gallery to construct Four Seasons Hotel Bangkok. The majority of administrative expenses consist of personnel expense, advisory fee, utilities expense, depreciation and miscellaneous expenses.

Consequently, the Group reported loss before finance costs and income tax expense for the three-month period ended September 30, 2017 of Baht 54.67 million which decreased by 44.50 percent compared to loss before finance costs and income tax expense of Baht 98.50 million for the same period of 2016.

- **Finance costs** The Group reported finance costs for the three-month period ended September 30, 2017 of Baht 52.43 million, increased by 4.18 percent compared to Baht 50.33 million in the same period of 2016. The majority of finance costs for the three-month period ended September 30, 2017 resulted 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.
- **Income tax expense** The Group reported income tax revenue for the three-month period ended September 30, 2017 of Baht 6.25 million, increased by Baht 8.88 million compared to the same period of 2016. This was due to an offshore subsidiary company utilized tax benefit from investment in investment property.
- **Net profit (loss) for the three-month period ended September 30, 2017** The operating result mentioned above resulting the Group reported net loss of Baht 100.84 million, of which Baht 74.82 million attributed to the parent and the remaining of Baht 26.02 million attributed to non-controlling interests. Consequently, net loss which attributed to the parent decreased by Baht 43.51 million or decreased by 36.77 percent, compared with a net loss attributed to the parent of Baht 118.33 million for the same period of 2016.

Separate Financial Statements (the "Company")

- **Revenues** The Company reported total revenues for the three-month period ended September 30, 2017 of Baht 220.29 million, increased by 30.70 percent compared to Baht 168.55 million for the same period of 2016. This was mainly because for the three-month period ended September 30, 2017 the Company reported higher revenue from residential unit sale by Baht 66.72 million when compared to the same period of 2016. The majority of the Company's revenues for the three-month period ended September 30, 2017 are as follows;

- The Company reported major revenue from the condominium unit transferred of Elements Srinakarin project of Baht 185.20 million which increased by 56.31 percent compared to Baht 118.48 million for the same period of 2016.
 - The Company reported interest income of Baht 27.62 million which decreased by 28.25 percent compared to Baht 38.50 million for the same period of 2016. This was mainly because the Company received loan repayment from related company in 4th quarter of 2016.
- **Expenses** The Company reported total expenses for the three-month period ended September 30, 2017 of Baht 171.76 million which increased by 32.51 percent compared to Baht 129.62 million for the same period of 2016. This mainly resulted from increase in cost of condominium sale by Baht 27.61 million which correlated with higher condominium sale and loss on exchange rate increased in the whole amount by Baht 8.45 million. The majority of expenses for the three-month period ended September 30, 2017 are as follows :
- Cost of condominium sale of Elements Srinakarin project of Baht 102.27 million increased by 36.98 percent compared to Baht 74.66 million for the same period of the year 2016. The percentage of increasing in cost was less than the percentage of increasing in revenue from unit transferred of Elements Srinakarin project. As a result, gross profit margin for the three-month period ended September 30, 2017 of 44.78 percent increase when compared to the same period of 2016 which reported gross profit margin 36.99 percent. This was due to majority of unit transferred during third quarter of 2017 were from phase 4, that launched in the 2017, in which average price per square meter is higher than other phases.
 - Selling expenses of Baht 16.83 million increased by 26.68 percent when compared to Baht 13.28 million for the same period of 2016. This was mainly caused from increasing in sale commission, advertising and promotes expenses for Elements project because the Company has launched the 4th phase in February 2017.
 - Administrative expenses of Baht 32.94 million increased by 3.96 percent compared to Baht 31.69 million for the same period of the year 2016. The administrative expenses consist of personnel expense, advisory fee, utilities expense, depreciation and miscellaneous expenses.

Consequently, the Company reported profit before finance costs and income tax expense for the three-month period ended September 30, 2017 of Baht 48.53 million which increased by 24.65 percent compared to the profit before finance costs and income tax expense of Baht 38.94 million for the same period of 2016.

- **Finance Costs** The Company reported finance costs for the three-month period ended September 30, 2017 of Baht 44.21 million which decreased by 12.10 percent compared to Baht 50.29 million in the same period of 2016. The majority of finance costs for the three-month period ended September 30, 2017 resulted 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 September 30, 2017** The operating result mentioned above resulting in the Company reported net profit of Baht 4.48 million increased by 139.90 percent, compared to the net loss of Baht 11.22 million in same period of 2016.

Please be informed accordingly.

Yours sincerely,

Ben Taechaubol

Chief Executive Officer