



THE NEW EDGE OF INVESTMENT

2017 | ANNUAL REPORT



LONG LIVE THE KING

KING MAHA VAJIRALONGKORN BODINDRADEBAYAVARANGKUN

Board of Directors, Management and Staffs of
Country Group Holdings PCL



THE
NEW EDGE
OF INVESTMENT



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MESSAGE FROM CHAIRPERSON



Sadawut Taechaubol
Chairperson

—— “ ——
*In 2018 we will continue to invest prudently to build value
for our shareholders in lining with our principles
of morality, honesty and integrity.*
—— ” ——

Dear Shareholders,

Country Group Holding's net income for the year 2017 was 235 million Baht which marks the 10th consecutive year in which the company was able to deliver a positive result for the shareholders. The result is considered satisfactory given the continued intense competition in our core business of securities brokerage, and a volatile market environment both in the Thai and overseas financial markets.

In 2015, the company made a strategic decision to diversify its business away from being a pure retail brokerage business as we pre-empted stronger competition in the market which increases pressure on profit margins for brokerage services. In delivering this goal, we had restructured the business into a holding company, and made several investments in 2015 and 2016 into new businesses to help diversify our income. I am pleased to say that we have been quite successful in this diversification strategy as the total brokerage's fee contribution as a percentage of total income has reduced dramatically from 74% in 2015, to only 25% in 2017.

In our core business, Country Group Securities (CGS), we experienced a sharp decline in income from brokerage services, which is something that was expected to happen in the short term. It is a result from the sale or closure of 36 of our 43 branches of which we enjoyed a onetime gain in 2016 of approximately 306 million Baht. This strategic move allowed us to completely restructure the business, reduce cost, and rebuild in a much more efficient way. A brokerage model that is fully reliant on brokerage commission from small branches will continue to struggle in the future from lower margins. In late 2017, we began seeing increased income from the securities brokerage through our repositioning strategy into higher margin products, and expect this trend to continue in 2018.

In 2017, 243 million Baht income from our strategic investments helped contribute significantly to our results (from 135 million Baht in 2016). This was predominately contributed by Padaeng Industry (PDI), which enjoyed an outstanding year due to the recovery in commodity prices. Although this outstanding performance can only be considered a one-time benefit as PDI has now fully depleted its mine, PDI has successfully transformed its business into a renewable energy business, with a stable and positive outlook. In the future, PDI will continue to use its sizeable statements of financial position to invest more into renewable energy projects to generate extra returns.

Another noteworthy investment that we have made was a sizeable stake into Country Group Development (CGD), a leading real estate development company which features a development pipeline of world class projects. By the end of 2017, the company was over 60% of its way through the construction of the Chao Phraya Estate project featuring two world class hotels, and also Asia's first waterfront Four Seasons private residences. The majority of the project is expected to be completed in 2018, allowing it to realize strong profits, which in turn will increase the value of our investment significantly.

It could be said that the past couple of years were the most difficult years for our company, undergoing significant changes in the face of extremely volatile markets. Nevertheless, I am satisfied with the way in which the company has successfully completed its restructure of the core securities business, and the new strategic investments which were made and are looking stable. In 2018, we will continue to invest prudently to build value for our shareholders in lining with our principles of morality, honesty, and integrity. On behalf of the Board of Directors, I would like to thank all our clients, shareholders, executives and staff who have given their continued support to the company.



Sadawut Taechaubol
Chairperson

MESSAGE FROM CHIEF EXECUTIVE OFFICER



Tommy Taechaubol
Chief Executive Officer

—— “ ——
*We will continue to invest and operate diligently
to maximize returns for all of our stakeholders.*
—— ” ——

Dear Shareholders,

Country Group Holding's net income for the year 2017 was 235 million Baht, which increased the return on equity 7.68%

The company's performance in 2017 can be considered satisfactory during this period of significant change in the company's structure. If a generalized comparison of net income figures in 2016 and 2017 are compared, it could be concluded that the performance had decreased. However given a closer look, the net income figure of 2016 included a one-time gain of approximately 306 million Baht from the sale of securities business, hence the actual result from the operating business has somewhat improved from 86 million Baht in 2016 to 235 million Baht in 2017. The major contribution for the gains in 2017 was the share of profits from the strategic investments which accounted for 243 million Baht. Our core securities business in 2017 contributed 46 million Baht, down from 90 million Baht in 2016, which was expected due to the sale of business in the previous year.

In driving forward to realize our vision to become one of the fastest growing and most diversified investment companies in Thailand, there is a delicate balance that must be struck between allocating our resources into new business and exercising prudence in a market environment where valuations are trading at historically high values due to extended periods of low-interest rates. In the next section, I will highlight details about the operations in both CGH and notable affiliates for the year of 2017 and our vision going forward.

Country Group Holdings

The operations that CGH generally conducts can be separated into three parts. The first is to invest our

short term capital as best as we can whilst maintaining high degrees of liquidity in preparation for prospective investments. The second is to search and make investments into strong long term assets to further diversify our business. The third is to find ways to improve the operations of our core subsidiary and affiliated companies to derive the best possible result for CGH.

In our first task, our investment department performed satisfactorily in a year that was plagued with massive volatility. The SET index started off the year 1,549 points, and dropped to a low of 1,224 points and only recovered towards the end of the year to close at a high of 1,754. At the same time, the Thai baht saw significant appreciation making the results from foreign investments and bonds depressed. Nevertheless the company's overall portfolio performance was able to return a stable 18% for 2017.

In our goal of finding additional investments, CGH continues to target larger size investments and has issued corporate bonds of 1,080 million Baht in late 2017 to accommodate such investments. Although no such transaction was successfully completed in the operating year, the major factor was due to the meticulous practice of exercising extreme prudence in a highly inflated price environment, rather than the lack of opportunities studied.

In 2018, CGH will continue its search for additional strategic investments in a more aggressive fashion as our bond issuance has given us more capital, and also as the outlook in our core and affiliates look stronger.

It is important to remember that the most significant part of our balance sheet remains with core subsidiary (approximately 51%), and hence we have focused our efforts on rebuilding the company so that it can return to providing us a consistent stream of income going forward.

Country Group Securities

CGS contributed a net gain of 46 million Baht in 2017. The reduced income was expected due to the sale of the retail brokerage business in the previous year. In 2017, the company was successful in strengthening its business by several measures. First, the company introduced the block trade business, where it has excelled to become one of the top 5 brokers in terms of market volume in a very short amount of time. It has doubled its staff in key areas such as private wealth business, and selling agent business to increase its fee income. This expansion helps CGS to reposition itself from a retail broker into one that offers more sophisticated products to our clients under a “wealth” management approach. Additionally, the company made several improvements into its research capabilities, and had announced its strategic partnership with Smart Karma, a Fintech company offering online MIFID 2 compliant research distribution. Additionally, CGS joined the Global Alliance Partners (GAP) Alliance, an international alliance that serves as gateway for deal flows to support our Investment Banking capabilities. This alliance has been responsible for completing over 700 corporate transactions in 44 countries, with offices across 21 countries worldwide.

As a result of such efforts, the securities business did show signs of significant recovery in the second half of 2017, with its fee income increased 14% from quarter 2 to quarter 3 and 53% from quarter 3 to quarter 4.

In 2018, the company will continue to grow by expanding its product offering to have a direct Stocks Borrowing and Lending facility, introducing structured products for our clients, and focusing on rebuilding IT capability for high frequency trading to improve its market share.

Padaeng Industry

PDI had a strong year of results that was helped by a recovering in the Zinc price. Although the mining operations have now ceased, PDI's outlook remains positive as it will continue to operate as a zinc trading company as well as an energy company through its owned solar farms. In 2017, the company closed down operations of its roasting and smelting facilities reducing its operations headcount to just over 189 staffs.

It has added key personnel to give it the knowhow in the renewable energy business and now boasts over 100MW of solar farm projects in its pipeline. These are an addition to its 50MW of solar farms in operation in Thailand and Japan, most of which were either acquired or completed in the year of 2017. The company has a statement of financial position in cash and available for sale land assets, which will be reinvested into additional projects to add to its bottom line.

Country Group Development

CGD is an investment which we had made in 2016 and added to in 2017. It is a real estate development company which is about 70% through its construction of the landmark project, Chao Phraya Estate, which is a 33,000 million Baht project featuring two ultra-luxury hotels and a top tier serviced residences on Bangkok's riverfront. In the last quarter of 2017, the company was able to secure an additional project site on Rama 3 to launch as an additional in 2018. Upon completion of such projects, CGD will be able to realize significant profits in the coming years which will improve the value of this investment.

As the performance of our affiliated companies continue to improve. It is important to make mention of the upcoming changes to the generally accepted accounting principles (GAAP) that will take effect on the 1st January 2019 in Thailand, which is likely to have impact to many holding companies. In the future, net changes in unrealized investment gains and losses in stocks that are held for sale must be included into the net income figure. That will directly impact our net income figure in the future. As we take a long term approach when investing (or selling) into these companies, there may be sizeable unrealized gains or losses for a particular reporting period, which may not necessarily reflect the underlying performance of the company.

In 2017, CGH is proud to have participated in the CSR program "Education on Wheels" which is a campaign which promotes sustainable education in association with the Ministry of Education. The campaign utilizes the peer-to-peer teaching model which brings together Certified Higher Vocational students to teach technical skills to over 2,000 under-privileged students across 50 provincial schools across Thailand. The program lasted 6 months, and was a success with participating students achieving of 96% in comprehension scores.

On behalf of the management team, I would like to thank all the stakeholders for their continued support through the challenging transition period of the company. The management teams fully dedicated to realizing the vision of becoming a fast growing, professional, and diverse holding company. We will continue to invest and operate diligently to maximize returns for all of our stakeholders.



Tommy Taechaubol

Chief Executive Officer

BOARD OF DIRECTORS



SADAWUT
TAECHAUBOL

Chairperson



SURABHON
KWUNCHAITHUNYA

Vice Chairperson



TOMMY
TAECHAUBOL

Chief Executive Officer

DEJ
NAMSIRIKUL

Independent Director



POL.GEN. WERAPONG
CHUENPAGDEE

Independent Director

NIPHON
WISITYUTHASART

Independent Director

JITMANEE
SUWANNAPOOL

Independent Director

PISUTH
VIRIYAMETTAKUL

Director

DR.VEERAPHAT
PHETCHARAKUPT

Director

DETAIL OF THE BOARD OF DIRECTORS



SADAWUT TAECHAUBOL

Chairperson and Chairperson of the Executive Board of Director

Position

- Chairperson and Chairperson of the Executive Board of Directors (Appointed on 15/05/2014)

Age (Years) 65

Education

- Business Administration graduate (with distinction), Kensington University, California, USA
- Commerce Diploma, Davis School, Brighton, UK
- Bachelor of Arts in Political Science, Ramkhamhaeng University

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
- Corporate Governance for Capital Market Intermediaries Program (CGI)

Last 5 years experience

• Director of 4 Listed Companies

2015 - Present	Director and Chairperson of the Executive Board of Directors, Padaeng Industry PCL Resource
2014 - Present	Chairperson and Chairperson of the Executive Board of Directors, Country Group Holdings PCL, Holding
2012 - Present	Director and Chairperson of the Executive Board of Directors MFC Asset Management PCL, Financial
2010 - Sep 2017	Vice Chairperson Country Group Development PCL, Property & Construction

Shareholding (%)

- 13.94%

Family Relationship

- Father of Mr. Tommy Taechaubol (Chief Executive Officer)

- Certificate for High Level Executive, Capital Market Academy (CMA12), Class 12/2011
- Thailand Energy Academy (TEA), Class 7/2016
- Global Business Leaders (GBL), Lead Business Institute, Class 2/2017

• Director of 5 None-listed Companies

2015 - Present	Director, EDP Enterprise Co., Ltd., Property Development
2015 - Present	Director, Asia Zone Venture Co., Ltd., Property Development
2015 - Present	Director, BBT Enterprise Co., Ltd., Property Development
2013 - Present	Executive Directors, China Overseas Exchange Association, Chinese Organization
2010 - Present	Chairperson Sing Sian Yee Pao Co. Ltd. Newspaper
2010 - Present	Chairperson Thai Chamber of Commerce and Industry, Association
2009 - Jan 2017	Director and Chairperson of the Executive Board of Directors, Country Group Securities PCL, Financial



MR. SURABHON KWUNCHAITHUNYA

Vice Chairperson

Position

- Vice Chairperson (Appointed on 15/05/2014)
- Chairperson of Risk Management Committee (Appointed on 24/06/2014)
- Chairperson of Investment Committee (Appointed on 24/06/2014)

Age (Years) 65

Education

- Master of Business Administration (MBA) (sponsored by the University's scholarship), University of Washington, USA
- Bachelor of Engineering in Industrial Engineering (sponsored by the University's scholarship), University of Washington, USA
- Bachelor of Engineering in Electrical Engineering, University of Washington, USA

Shareholding (%)

- 10 Shares

Family Relationship

- None

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Role of the Chairperson Program (RCP)
- Corporate Governance for Capital Market Intermediaries Program (CGI)

- Securitization, Fannie Mae of USA
- Bachelor of Arts in Political Science, Market Academy (CMA11), Class 11/2010
- Finance and Banking by HSBC (Hongkong)

Last 5 years experience

• Director of 4 Listed Companies

2016 - Present	Executive Directors, Triton Holding PCL, Holding
2014 - Present	Vice Chairperson, Chairperson of the Risk Management Committee, and Chairperson of the Investment Committee Country Group Holdings PCL Holding
2011 - Present	Director, Executive Director, Chairperson of the Nomination and Remuneration Committee and Member of the Good Corporate Governance Committee, MFC Asset Management PCL, Financial
2003 - Present	Independent Director and Chairperson of the Audit Committee, Tycoons Worldwide Group (Thailand) PCL, Industrial

• Director of 1 Non-Listed Companies

2016 - Present	Chairperson Country Group Securities PCL, Financial
2010 - 2012	Director, Chairperson of Risk Management Committee and Member of the Discipline Committee, The Stock Exchange of Thailand
2010 - 2012	Director Thailand Futures Exchange PCL
2006 - 2015	Director and Vice Executive Chairperson Country Group Securities PCL, Financial



MR. TOMMY TAECHAUBOL

Director

Position

- Director (Appointed on 22/05/2014)
- Chief Executive Officer (Appointed on 22/05/2014)
- Member of the Investment Committee (Appointed on 24/06/2014)

Age (Years) 34

Education

- Master of Business Administration (MBA) (with distinction), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Laws, The University of New South Wales, Australia
- Bachelor of Commerce in Finance Major (with distinction) The University of New South Wales, Australia
- The Real Estate Development RE-CU, Class 40, by The Real Estate Executive Association of Chulalongkorn University

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Corporate Governance for Capital Market Intermediaries Program (CGI)

Shareholding (%)

- 4.97%

Family Relationship

- Son of Mr. Sadawut Taechaubol (Chairperson and Chairperson of the Executive Board of Directors)

Last 5 years experience

• Director of 2 Listed Companies

2015 - Present	Director, Executive Director and Member of the Nomination and Remuneration Committee Padaeng Industry PCL, Resource
2014 - Present	Director, Chief Executive Officer and Member of the Investment Committee, Country Group Holdings PCL, Holding
2014 - Present	Advisor to the Executive Committee, MFC Asset Management PCL, Financial
2011 - 2014	First Executive Vice President (Business Development Division), MFC Asset Management PCL, Financial

• Director of 6 Non-Listed Companies

2016 - Present	Director, Genki Capital Co., Ltd., Energy and Lending Business
2016 - Present	Director, Genki Power One Co., Ltd., Energy
2012 - Jan 2017	Director Country Group Securities PCL, Financial
2010 - Dec 2017	Chairperson of the Executive Board of Directors, Sing Sian Yee Pao Co. Ltd., Newspaper
2006 - Present	Director, Baan Rai Taechaubol Co., Ltd., Property Development
2005 - Present	Director, Country Group Co., Ltd., Property Development



MR. DEJ NAMSIRIKUL

Independent Director

Position

- Independent Director (Appointed on 22/05/2014)
- Member of the Good Corporate Governance Committee (Appointed on 24/06/2014)
- Chairperson of the Nomination and Remuneration Committee (Appointed on 11/11/2016)

Age (Years) 82

Education

- High School Diploma, Assumption Bangrak

Shareholding (%)

- None

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Corporate Governance for Capital Market Intermediaries Program (CGI)

Family Relationship

- None

Last 5 years experience

- Director of 2 Listed Companies

2014 - Present Independent Director, Chairperson of the Nomination and Remuneration Committee, and Member of the Good Corporate Governance Committee
Country Group Holdings PCL, Holding

1993 - Present Director, Vejthani Hospital PCL, Hospital

- Director of 4 Non-Listed Companies

2010 - Present Chairman, Unicca Pattaya Properties Co.,Ltd., Property

2006 - Mar 2016 Independent Director, Member of the Audit Committee and Vice Chairperson, Country Group Securities PCL Financial

1994 - Present Chairperson, Union Power Properties Co.,Ltd., Property & Construction

1989 - Present Director, Omnoi Complex Co., Ltd., Property

1982 - Present Director, D.U.K Co., Ltd., Property



POL.GEN. WERAPONG CHUENPAGDEE

Independent Director

Position

- Independent Director (Appointed on 22/05/2014)
- Member of the Audit Committee (Appointed on 24/06/2014)
- Chairperson of the Good Corporate Governance Committee (Appointed on 24/06/2014)
- Member of the Nomination and Remuneration Committee (Appointed on 11/11/2016)

Age (Years) 59

Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Master of Public Administration Chulalongkorn University
- Bachelor of Public Administration from the Royal Police Cadet Academy

Shareholding (%)

- None

Family Relationship

- None

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Audit Committee Program (ACP)
- Financial Statements for Directors Program (FSD)
- Role of the Compensation Committee Program (RCC)
- Corporate Governance for Capital Market Intermediaries Program (CGI)

Last 5 years experience

• Director of 2 Listed Companies

2014- Present	Independent Director, Member of the Audit Committee, Chairperson of the Good Corporate Governance Committee and Member of the Nomination and Remuneration Committee, Country Group Holdings PCL, Holding
2009- Present	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, Country Group Development PCL, Property & Construction

• Director of 2 Non-Listed Companies

Present	Director Foo Sin Mining Industry Co., Ltd., Metal
Jan 2017 - Present	Chairperson Strega PCL Construction
Present	Special Advisor, The Royal Thai Police, Government
2016 - 2017	Assistant of Commissioner, The Royal Thai Police, Government
2015 - 2016	Commissioner, Commissioner of provincial police region 9, The Royal Thai Police, Government
2014 - 2015	Commissioner, Commissioner of provincial police region 7, The Royal Thai Police, Government
2013 - 2014	Deputy Commissioner, Commissioner of provincial police region 4, The Royal Thai Police, Government



MR. NIPHON WISITYUTHASART

Independent Director

Position

- Independent Director (Appointed on 22/05/2014)
- Chairperson of the Audit Committee (Appointed on 24/06/2014)
- Member of the Nomination and Remuneration Committee (Appointed on 24/06/2014)

Age (Years) 78

Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Law, Thammasart University
- Certificate for High Level Executive Capital Market Academy (CMA12)
- Advanced Certificate Course in Public relation for Executives, Class 2
- Advanced Certificate Course in Urban development class for Executives, Class 3
- Certificate in Asian Disaster Preparedness Center (ADPC)
- Thailand Energy Academy (TEA), Class 7/2016
- AC HOT UPDATE : Ready to New CG towards sustainability, FAP

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
- Corporate Governance for Capital Market Intermediaries Program (CGI)

Shareholding (%)

- None

Family Relationship

- None

Last 5 years experience

- Director of 3 Listed Companies

2014 - Present	Independent Director, Chairperson of the Audit Committee and Member of the Nomination and Remuneration Committee Country Group Holdings PCL, Holding
2010 - Present	Independent Director, Chairperson of Audit Committee and Member of the Nomination and Remuneration Committee Member, Grand Canal Land PCL, Property & Construction
1999 - Present	Independent Director and Chairperson of the Audit Committee, Vanachai Group PCL, Property & Construction

- Director of Non-Listed Companies - None

2011 - 2016	Independent Director, Country Group Securities PCL Financial
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MRS. JITMANEE SUWANNAPOOL
Independent Director

Position

- Independent Director (Appointed on 11/11/2016)
- Member of the Audit Committee (Appointed on 11/11/2016)

Age (Years) 64

Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Master Degree in Business Law, Ramkhamhaeng University
- Bachelor of Business Administration Program in Account Ramkhamhaeng University
- AC HOT UPDATE : Ready to New CG towards sustainability, FAP

Shareholding (%)

- None

Family Relationship

- None

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP)

Last 5 years experience

• Director of 3 Listed Companies

2016 - Present	Independent Director and Member of the Audit Committee, Country Group Holdings PCL, Holding
2015 - Present	Independent Director and Member of the Audit Committee, NCL International Logistics PCL, The National Legislative Assembly
2014 - Present	Independent Director and Member of the Audit Committee, Grand Canal Land PCL, Property

• Director of 2 Non-Listed Companies

2015 -Present	Independent Director and Chairperson of the Audit Committee, Thailand Privilege Card Co., LTD., Providing foreign tourist facilities that are members in tourism in Thailand.
2015 - Present	Honorary counsel, Economic Commission Finance and finance, The National Legislative Assembly, The National Legislative Assembly
2014 - Present	Chairperson, People Develop Center, Develop people to be honest and do social and environmental benefits.



MR. PISUTH VIRIYAMETTAKUL

Director

Position

- Director (Appointed on 28/07/2015)

Age (Years) 36

Education

- Master of Business Administration Finance, California State University, Long Beach, USA
- Bachelor of International Business Management, Assumption University (ABAC)

Shareholding (%)

- 0.12%

Family Relationship

- None

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DCP)
- Director Financial Statements For Directors Program

Last 5 years experience

- Director of 1 Listed Companies

2015 - Present Director, Country Group Holdings PCL, Holding

- Director of 3 Non-Listed Companies

2012 - Present Director, Teparak Phatthanakan Co., Ltd., Property

2012 - Present Director and Managing Director, CMT Network Solutions Co., Ltd., Installed Communication Systems

2013 - Present Director, Ratchada Office Building Co., Ltd., Property



DR.VEERAPHAT PHETCHARAKUPT

Director

Position

- Director (Appointed on 04/05/2016)

Age (Years) 37

Education

- Doctor of Philosophy in Finance, University of Essex, 2008
- Master of Science in Finance, University of Essex, 2004
- Bachelor of Business Administration Program in Finance and Banking Chulalongkorn University, 2011
- CFA Level III, CFA Institute

Director Role Training by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
- Corporate Governance for Capital Market Intermediaries Program (CGI)

Last 5 years experience

- Director of 1 Listed Companies

2016 - Present Director, Country Group Holdings PCL, Holding

Shareholding (%)

- None

Family Relationship

- None

- Director of 6 Non-Listed Companies

2016 - Present Director, and Chief Executive Officer
Country Group Securities PCL, Financial

2016 - Present Director, Genki Capital Co., Ltd., Energy and
Lending Business

2016 - Present Director, Genki Power One Co., Ltd., Energy

2016 - Present Director, Sun Change Co., Ltd., Energy

2016 - Present Director, Tech Reform Co., Ltd., Energy

2014 - Present Independent Director and Member of the Audit
Committee, Asian Insulators PCL,
Electrical Insulators

Management details as of December 31, 2017

Mr. Annop Kettratad

Vice President

Age (Years) 35

Education

- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Last 5 years experience

2015 - Present	Vice President, Country Group Holdings PLC, Holding
2011 - 2015	Assistant Manager, Samsung Electric (Thailand) Co.,Ltd., Consumer

Mr. Kaweewat Pothanun

Vice President

Age (Years) 39

Education

- Master Degree in Business Administration, Chulalongkorn University

Last 5 years experience

2015 - Present	Vice President, Country Group Holdings PLC, Holding
2008 - 2014	Senior Manager, MFC Asset Management PLC, Financial

Mr. Thanachote Rungsitivat

Vice President

Age (Years) 30

Education

- Master Degree in Finance (International Program), Thammasat University

Last 5 years experience

2015 - Present	Vice President, Country Group Holdings PLC, Holding
2014 - 2015	Vice President, CIMB Bank, Financial
2010 - 2014	Vice President, Standard Chartered Bank, Financial

Mr. Boonsong Sumnuk

Senior Manager

Age (Years) 36

Education

- Bachelor Degree in Accounting, Kasetsart University

Last 5 years experience

2016 - Present	Senior Manager, Country Group Holdings PLC, Holding
2012 - 2015	Manager, UOB Kay Hian Securities PLC, Financial
2011 - 2012	Assistant Accounting Manager, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., Accounting Auditor

Mr. Pitakphol Roongrojsuwan

Company Secretary & Vice President

Age (Years) 26

Education

- Bachelor Degree of Laws, Thammasat University

Training

2015	Intensive Course CG Report Evaluation
2016	Company Secretary Program (CSP), Thai Institute of Directors Association (IOD)

Experience

2017 - Present	Company Secretary & Vice President*, Country Group Holdings PLC, Holding
2015 - 2017	Company Secretary & Manager, Country Group Securities PLC, Financial

Remark* : Appointed as a Manager, Board Secretary and Legal Division, effective 1 November 2017

Authorities of Company Secretary

1. Advise the board of directors on the Company's laws, rules and regulations and ensure the directors will follow the company's laws, rules and regulations
2. Encourage the board of directors to have knowledge and understanding of corporate governance and follow practices.
3. Prepare agenda and notice of the shareholders and board of directors meetings.
4. Arrange the shareholders and board of directors meetings in compliance with the Company's laws, rules and regulations and good practices.
5. Take minutes of the shareholders and board of directors meetings and ensure related parties will follow resolutions of the shareholders and board of directors meetings.
6. Prepare and maintain the board of directors' registration, annual reports, notice of the shareholders and board of directors meetings, and Board of Directors meetings. minutes of the shareholders
7. Monitor the directors and management to make reports on their stakeholders including related persons' stakeholders as specified by the law.
8. Maintain the stakeholder reports reported by the directors or management as specified by laws.
9. Ensure information is disclosed. And report the information to the responsible regulators.
10. Coordinate with shareholders and regulators.
11. Other duties as assigned by the Board of Director.

VISION

Our vision is to be one of the fastest growing and most diverse investment companies in Thailand. We utilize our extensive network and market insights to make investments and our synergistic infrastructure to enhance performance.





MISSION

Our mission is to deliver sustainable growth for our stakeholders which is build from five core strenghts

Our approach to investment explores new regions and emerging sectors for untapped opportunities, diversifying across investment types to minimize risk while maximizing returns.

Our strong track record of transactions and real operational experience accross several regions and industries provides us a well-established network for access and operational capability.

Our systems and methods capitalize resources across all subsidiaries, achieving unique insightful, and long-term views for stable and sustainable investment.

Our management of portfolio companies is proactive and strategically aggressive, for the delivery of sustained growth and consistent returns.

Our unique ability to see and unlock all potential value from under-performing assets is the key to maximizing shareholder value.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

COUNTRY GROUP HOLDINGS (CGH)

CGH initiated the “Education on Wheels by CGH” project, which to improve the quality of education of prathom suksa students (grades 1-6). This project was created under the concept of “sustainable education investment” with the aim of increasing opportunities for vocational education among 50 schools across the country that lacking educational supplies.





Partnered with Ministry of Education through MOU with OBEC and OVEC in “Education on Wheels by CGH” to equip schoolchildren with vocational skills

Joined an academic seminar “New Government! Old Corruption?” on Anti-Corruption Day 2017

FINANCIAL SUMMARY

Unit: Million Baht

FINANCIAL STATEMENTS	31 DECEMBER 2017	31 DECEMBER 2016	31 DECEMBER 2015
FINANCIAL DATA			
Assets	8,803.73	7,925.21	6,928.88
Liabilities	2,614.11	1,903.72	1,089.46
Equity	6,170.26	6,001.61	5,818.88
Paid-up Capital	4,336.77	4,336.77	4,336.77
Total revenues	850.50	1,357.63	1,189.38
Net Profit	234.63	391.33	60.19
Earning per share (Baht)	0.0540	0.0902	0.0166
STATISTICS AS OF*			
Last Price (Baht)	1.35	1.61	1.25
Market Cap. (Million Baht)	5,854.64	6,982.20	5,420.96
F/S Period (As of date)	30/09/2017	30/09/2016	30/09/2015
P/E (Times)	30.41	23.11	14.38
P/BV (Times)	0.97	1.17	0.94
Book Value per share (Baht)	1.39	1.37	1.34
Dvd. Yield (%)	2.05	2.86	N/A

* Reference from Stock Exchange of Thailand

FINANCIAL RATIO

		2017	2016	2015
PROFITABILITIES RATIO				
Gross profit	%	84.30	90.00	89.46
Net profit	%	27.55	28.82	5.06
Return on equity	%	7.68	6.62	1.30
Return on investment	%	18.13	10.21	11.68
EFFECIENCY RATIO				
Return on asset	%	5.94	5.73	1.84
Asset Turnover	Time	0.20	0.18	0.19
FINANCIAL RATIO				
Liquid assets to borrowing	Time	4.57	*	*
Earning assets to borrowing	Time	4.43	*	*
Liquid assets to total asset ratio	%	63.52	60.94	42.11
Earning assets to total asset ratio	%	61.62	73.91	78.41
Debt to equity	Time	0.42	0.32	0.19
Dividend payout	%	40.01**	25.21**	-
OTHERS RATIO				
Securities investment to total assets	%	67.47	57.27	55.41
Net capital ration (NCR) - CGS	%	132.50	93.10	216.39
PER SHARE				
Earnings per share	Baht	0.0540	0.0902	0.0166
Dividends	Baht	0.0277	0.0460	-
Book Value	Baht	1.42	1.38	1.37
GROWTH RATE				
Total assets	%	11.09	14.38	20.35
Total liabilities	%	37.32	74.74	(52.00)
Securities buisness income	%	(35.29)	(21.83)	(11.55)
Operating expenses	%	(32.62)	(12.88)	(5.52)
Net profit (loss)	%	(40.12)	545.70	(84.19)

* N/A due to CGH and its subsidiaries have no borrowing in the Consolidated financial statements

** Dividend payout ratio is only CGH

HIGHLIGHT OF OUR PORTFOLIO IN 2017

COUNTRY GROUP HOLDINGS (CGH)

Country Group Holdings PCL (CGH) is an investment holding company listed on the Stock Exchange of Thailand (SET) that makes long term investments across multiple sectors.

We focus on the acquisition of controlling stakes in established businesses that can be improved by implementing our management expertise and drawing from the Group's synergistic advantages.

—— “ ——

Restructured & Recapitalized businesses are
made ready for new investment opportunities

—— ” ——





67.47%

Securities investment to
total assets

18.13%

Return on investment

63.52%

Liquid assets to
total asset ratio

0.42 Times

Debt to equity ratio

4.57 Times

Liquid assets to borrowing ratio



HIGHLIGHT OF OUR PORTFOLIO IN 2017

COUNTRY GROUP SECURITY (CGS)

Country Group Securities PCL (CGS) is a leading, full-service securities brokerage firm in Thailand. CGS is a well-known securities company with 40 years of experience in the industry and eight consecutive years of profit.

87.66%

Gross profit

8.74%

Net profit

19.07%

Return on investment (ROI)

132.35%

Net Capital Ratio (NCR)

71.13%

Earning assets to
total assets ratio

0.58%

Debts to equity

61.76%

Liquid assets to
totals assets ratio

HIGHLIGHT OF OUR PORTFOLIO IN 2017

MFC ASSET MANAGEMENT PCL (MFC)

MFC asset Management PCL (MFC) is Thailand's oldest Asset Management Company. Founded by the Thai ministry of Finance on December 29, 1975

it is now a private, fully licensed fund manager and remains Thailand's only listed asset management firm.

1,513.99 Million Baht
In total assets

908.57 Million Baht
In total revenue





AWARDS

SET AWARDS 2016

The Best of the Asset Management
Company of the Year



AWARDS

MONEY AND BANKING AWARDS 2016

The Winner of Mutual Fund of the Year:
Class of Foreign Investment Fund Award





HIGHLIGHT OF OUR PORTFOLIO IN 2017

PADAENG INDUSTRY PCL (PDI)

Padaeng Industry Public Company Limited (PDI) is a leading producer of special high-grade zinc metal and customized zinc alloys. In 2014, PDI has restructured its operations to move towards Green Business and bring sustainable growth to the Company by establishing three groups of businesses: PDI Energy, PDI Materials, and PDI Eco

19.89%

Return on equity

1.50 Baht

Dividend per share

24.83%

Return on capital employed

1,035 Million Baht

Net cash

0.46 Times

Debt to equity ratio

CGH INITIATIVES IN 2017

COUNTRY GROUP HOLDINGS (CGH)



1. **+10%**
Total asset growth

2. **27.55%**
Net profit margin

3. **32.61%**
Expenses reduction

4. **80%**
Share of profit from
investment in associated
companies

POLICIES AND BUSINESS OVERVIEW



Country Group Holdings PCL (CGH) was registered as a public company on May 15, 2014. The Company is a holding company with major source of revenue coming from its shareholdings in other companies. At the present time, the Company has 6,075,927,916 baht in registered capital and 4,336,768,278 in paid-up capital. After the restructuring, Country Group Securities PCL (CGS) was established as the core subsidiary company CGH's subsidiaries and affiliates also include Genki Capital Co.Ltd., MFC Asset Management PCL (MFC), Padaeng Industry PCL (PDI), and Country Group Development PCL (CGD).

CGS was originally known as "Atkinson Enterprises Company Limited," and was registered in 1966. In 1974, Atkinson was permitted to operate in Securities Business. In 1991, its common shares were allowed to be used as securities in the Stock Exchange of Thailand (SET), with the company later changing its name to CGS in 2009.

On April 29, 2014, CGS shareholders resolution approved a to restructure its business operations, at the 2014 General Shareholder's Meeting. Under this resolution, the company established CGH as its holding company, and registered it in the SET to replace the Securities Company's common shares on January 8, 2015. This increased its capabilities and business development opportunities for future growth, as well as offering greater flexibility in operating new ventures. The Company made an offer to purchase all the securities from the Securities Company at an exchange rate of one common share of the Securities Company for one common share of the Company. After successfully making the offer, CGH became CGS majority shareholder.

1.1 VISION, MISSION, AND OBJECTIVES

Vision

Our vision is to be one of the fastest growing and most diverse investment companies in Thailand. We utilize our extensive network and market insights to make investments and our synergistic infrastructure to enhance their performance.

Mission

Our mission is to deliver sustainable growth for our stakeholders while builds from success from five core business strengths:

1. **Dynamic Portfolio:** Our approach to investment explores new regions and emerging sectors for untapped opportunities, diversifying across investment types to minimize risk while maximizing returns.
2. **Extensive Network:** Our strong track record of transactions and real operational experience across several regions and industries provides us with a well-established network for access and operational capability.
3. **Synergistic Infrastructure:** Our systems and methods capitalize resources across all subsidiaries, achieving unique insightful, and long-term views for stable and sustainable investment.
4. **Active Investment Approach:** Our management of portfolio companies is proactive and strategically aggressive, for the delivery of sustained growth and consistent returns.
5. **Optimal Value:** Our unique ability to see and unlock all potential value from under-performing assets is the key to maximizing shareholder value.

Business Objectives

It is CGH's vision to be the leading Investment Holding Company in Thailand. We believe in building a team consisting of experts across difference fields. This will allow us to diversify our investments across many industries and yield superior returns. Moreover, each of our subsidiaries and associates are leaders in their own industries. All of them also have a high liquidity ratio. Our business portfolio spans across the following industries: brokerage, real estate, fund management, and energy. This enables us to focus on both short- and long-term investments across multiple sectors.

To be the leading investment company in Thailand, we have set our proactive strategy in delivering sustained growth and consistent returns to stakeholders. We believe in resource capitalization and efficient operation cost across all subsidiaries allowing for superior returns. Furthermore, agility in investment opportunities and business expansions are the keys to maximizing returns and minimizing risk to produce infinite growth towards the future.

Business Strategies

CGH focuses on both short-term and long-term investments. Our core long-term investments are focused on well-established income generating companies, whilst short term investments are focused on superior return opportunities. Both types of investments are managed alongside to achieve optimal value and lucrative returns are either distributed back to shareholders or reinvested.

For our core Brokerage business, CGH plans to increase its competitive edge by developing superior customer services, offering new investment products, upgrading the Information Technology infrastructure, and offering insightful equities analysis reports.

Moreover, in order to minimize the risk of overly relying on the brokerage fee as our main stream of revenue, CGH plans to diversify its resources into other high contribution products. These products include Proprietary Trading, Bonds, Institutions (both local and foreign), and Private Wealth. CGH also plans to manage CGS's resources efficiently and minimize the SG&A expenses in order to maintain its income and profitability.

1.2 MAJOR CHANGES AND DEVELOPMENTS IN THE PAST THREE YEARS

YEAR	MAJOR CHANGES AND DEVELOPMENTS
2015	<ul style="list-style-type: none"> Listed on SET in place of the shares of the securities company on January 8, 2015 Issued new warrants to purchase the Company's ordinary shares Number1 in an amount not exceeding 863.25 million units to existing shareholders, at the allocation ratio of three existing ordinary shares per unit of warrants (1) Issued new warrants to purchase the Company's ordinary shares Number 2 in an amount not exceeding 427.70 million units to the existing shareholders at the allocation ratio of 12 existing ordinary shares per unit of warrants (2) Appointed Mr. Pisuth Viriyamettakul as Director (no management authority), replacing Ms.Nattcharinphon Jesadapisit on July 28, 2015 Increased paid-up capital from 2,566.23 million baht to 4,336.77 million baht at the allocation ratio of 1 existing ordinary share per 1 ordinary share, offered by Baht 1.30 per share. Acquired additional stakes in Padaeng Industry PCL (PDI) totaling to a 20.69% stake. Consequently, PDI became an associated company of CGH.
2016	<ul style="list-style-type: none"> The headquarters were relocated to 132 Sinthorn Tower 3, 20th floor, Wireless Road, Lumpini, Pathum Wan Bangkok Metropolis on May 1, 2016. Establishment of Genki Power on Feb 1, 2016 with capital of 100-Million-Baht. Appointment of Mr.Suraphon Kwunchaithunya as the titles of Vice Chairperson and Director (non-authorized director) and Dr. Veeraphat Phetcharakupt as Director (authorized director) effective as of May 4, 2016. Mr. Sadawut Taechaubol could sign using the Company's seal, or Mr. Tommy Taechaubol and Dr. Veeraphat Phetcharakupt could jointly sign with the Company's seal and legally act on its behalf. Cancelled the Company's Option Issuing Program to Directors, Management, staff, and/or the Company's advisors and CGH-ESOP 1. Reduced the Company's registered capital from 7,015,571,370 baht to 5,553,543,822 baht by eliminating 1,462,027,548 shares of its unoffered stock at a rate of 1 baht per share, as well as amending Clause 4 of the Company's memorandum of association to comply with the registered reduction in capital. Issued and offered common shares in order to increase capital by 92,384,094 shares at a value of one baht per share in order to implement CGH's First Common Share Option (CGH-W1). The issuing and offering of 430 million General Mandate common shares at one baht per share was done to implement Private Placement. The Company's registered capital increased from 5,553,543,822 baht to 6,075,927,916 baht as a result of the issuing of 522,384,094 General Mandates common shares at a value of one baht per share and amending the capital increase. Increased shareholding in Padaeng Industry PCL, with the Company holding 24.9 percent of paid registered capital as of the end of 2016. Appointment Mrs. Jitmanee Suwannapool in the position of Independent Director and Member of the Audit Committee on November 11, 2016 to replace Mr.Pitinun Matitanaviroon who resigned. At the time the Company had 6,075,927,916 baht in registered capital and 4,336,768,278 baht in paid-up capital.

YEAR	MAJOR CHANGES AND DEVELOPMENTS
2017	<ul style="list-style-type: none"> • Mr. Somkad Sueptrakul resigned from the Board of Directors, his role as Chairperson of the Investment Committee, and Member of the Risk Management Committee on February 27, 2017. • Reduced registered capital from 6,075,927,916 baht to 4,336,768,278 baht by eliminating 430 million unsold shares with a price of one baht per share, and added four clauses in its memorandum of association to comply with the capital reduction. • Increased registered capital from 4,336,768,278 baht to 6,075,927,916 baht by issuing 430 million new ordinary shares to increase capital at a price of one baht per share and adjusted four clauses of the Company's Memorandum of Association to comply with its increase in registered capital. • At present, the Company has registered capital totaling to 6,075,927,916 baht, and has already paid capital amounting to 4,336,768,278 baht. • Changed the registered company's name from Genki Power Co.,Ltd to Genki Capital Co. Ltd on May 17, 2017. • Issued and offered Securities Type 69 – DEBT – II/HNW (institutional investors/high net worth, which name-registered, unsubordinated and unsecured debentures with debenture holder's representative debentures at an amount of 1.5 billion baht with a par value of one baht per share to receive approval and offering for private placement with a holding period of two years and six months at a fixed interest rate of 6.25 percent per annum calculated every three months from the issue date. Its price was set at 1,000 baht per unit. The minimum reservation fee for each purchase was set at 100,000 baht, and they could be purchased in increments of 100,000 baht.

1.3 BUSINESS GROUP STRUCTURE

Shareholder structure of CGH as of December 31, 2017:



Business Policy of the Company and its Subsidiaries

In 2017, the business policies of the Company and its subsidiaries were as follows:

The Company's business

The Company will operate as an investment holding company with the following activities:

- Investing in subsidiaries and associated companies within the Company's group
- Sourcing funds for the Company, its subsidiaries, and associated companies
- Investing in other companies (besides the Company's group) to maintain a liquid portfolio and generate superior returns. The core business of CGH subsidiaries needs to be in the financial business, unless the investment value does not exceed 25 percent of CGH's consolidated total assets.
- Getting support from the securities company (outsourcing) to utilize its human resources.

The securities company will provide support and advisory services to the Company:

- Services in risk management
- Services in information technology systems

In addition, the Company has set up a Monitoring Department for controlling investment policy and corporate governance of the invested companies relating to supervision of its subsidiaries and associated companies. The subsidiaries and associated companies will be operating under the Company's guidelines and policies.

Subsidiaries

Country Group Securities Public Company Limited

CGS, formally known as "Adkinson Enterprise Company Limited" was established in 1966 and was granted its securities business license in 1974 as Broker Number 3 by the SET's Board of Governors. Later, the company was approved by the Ministry of Finance to be listed on the SET in 1991.

Country Group Holdings PLC (CGH) replaced CGS as part of a restructuring plan to become listed on the SET on up capital of 2,589,743,484 baht. CGH thus became CGS' majority shareholder, – having over 99.30 percent of the CGS' issued and paid up shares. The securities company was granted the securities business license from the Ministry of Finance and the Office of the Securities and Exchange Commission Thailand (SEC).

The company operates the following businesses:

1. Securities Brokerage,
2. Securities Trading,
3. Securities Underwriting,
4. Investment advisory,
5. Mutual fund management,
6. Private fund management,
7. Stock borrowing and lending
8. Venture capital management

Furthermore, the securities company was also granted the derivatives business license from the SEC.

Genki Power Company Limited

Established on February 1, 2016 with capital 100-Million-Baht, paid-up capital 25-Million-Baht. The business objective is to produce and distribute electric energy.

GENERAL INFORMATION

General Information

Name	:	Country Group Holdings Public Company Limited (CGH)
Address	:	132 Sindhorn Tower 3; 20 th Floor Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330
Type of Business	:	Holding Company
Registration Number	:	0107557000187
Telephone	:	0-2256-7999
Fax	:	0-2256-7888
Website	:	www.cgholdings.co.th
Registered Capital	:	6,075,927,916 baht
Paid-up Capital	:	4,336,768,278 baht
Type of Shares	:	4,336,768,278 ordinary shares at par value of one baht per share

Entities that the Company owns more than 10 percent of total stocks in

Name	:	Country Group Securities Public Company Limited (CGS)
Address	:	132 Sindhorn Tower 1; 3rd Floor and Tower 3, 20 th Floor Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330
Type of Business	:	Securities
Registration Number	:	0107537000572
Telephone	:	0-2205-7000
Fax	:	0-2205-7171
Website	:	http://www.cgsec.co.th
Registered Capital	:	2,589,743,484 baht
Paid-up Capital	:	2,589,743,484 baht
Type of Shares	:	2,589,743,484 ordinary shares at par value of one baht per share

Name	:	MFC Asset Management Public Company Limited (MFC)
Address	:	199 Column Tower, Ground Floor & 21 st – 23 rd Floor, Ratchadapisek Road, Khlong Toei, Bangkok 10110
Type of Business	:	Asset Management
Registration Number	:	0107536001371
Telephone	:	0-2649-2000
Fax	:	0-2649-2111
Website	:	http://www.mfcfund.com
Registered Capital	:	180,000,000 baht
Paid-up Capital	:	125,292,384 baht
Type of Shares	:	125,292,384 ordinary shares at par value of 1 baht per share

Name : Padaeng Industry Public Company Limited (PDI)
Address : 191/18-25 CTI Tower, 26th-27th Floor, Ratchadaphisek Road,
 Khlong Toei, Bangkok, 10110
Type of Business : Resources
Registration Number : 0107537000467
Telephone : 0-2695-9499
Fax : 0-2695-9495
Website : www.padaeng.com
Registered Capital : 2,260,000,000 baht
Paid-up Capital : 2,260,000,000 baht
Type of Shares : 226,000,000 ordinary shares at par value of 10 baht per share

Name : GENKI POWER CO., LTD.
Address : 132 Sindhorn Tower 3, 20th Floor
 Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330
Type of Business : Energy and Lending Business
Registration Number : 0105559018324
Telephone : 0-2256-7999
Fax : 0-2256-7888
Website : None
Registered Capital : 100,000,000 baht
Paid-up Capital : 25,000,000 baht
Type of Shares : 10,000,000 ordinary shares at par value of 10 baht per share

Other References

Share Registrar : Thailand Securities Depository Company Limited
Address : 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road,
 Dindaeng, Dindaeng, Bangkok 10400
Telephone : 0-2009-9000
Fax : 0-2009-9991

Debt-holder Representative : None
Auditor : Mr. Wonlop Vilaivaravit, CPA Number 6797
Address : Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
 11/1 AIA, Sathorn Tower, 23rd -27th Floor, South Sathorn Road,
 Yannawa, Sathorn Bangkok 10120
Telephone : 0-2676-5700
Fax : 0-2676-5757

Advisors or Management under Management Contracts : None

NATURE OF BUSINESS

3.1 Revenue Structure of the Company and its subsidiary

Unit : Million Baht

REVENUES	FOR THE YEARS ENDED DECEMBER 31,					
	2017		2016		2015	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Brokerage fees	214.22	25.19	541.63	39.92	867.15	73.12
Fees and services income	52.13	6.13	79.06	5.83	60.64	5.11
Interest on margin loans	14.27	1.68	34.88	2.57	46.33	3.91
Interest and dividend income	59.51	7.00	77.46	5.71	63.17	5.33
Gain on investments and derivatives	220.75	25.96	167.15	12.32	114.26	9.64
Share of profit from investments in associated companies	243.06	28.58	134.74	9.93	18.39	1.55
Income from the partial transfer of retail securities business	-	-	306.00	22.56	-	-
Gain on classified investments in associated to investment held as available for sale	21.61	2.54	-	-	-	-
Other income	24.95	2.93	15.71	1.16	15.94	1.34
TOTAL REVENUES	850.51	100.00	1,356.63	100.00	1,185.88	100.00

3.2 Products and Services

The majority of CGH's revenue comes from its gain on equity investment from its subsidiary and associated companies. CGH's core subsidiary is Country Group Securities PCL ("CGS"), a brokerage firm conducting the following businesses;

CGS has been approved by Ministry of Finance to operate the following eight businesses:

1. Securities brokerage
2. Securities trading
3. Securities underwriting
4. Investment advisory service
5. Mutual fund management
6. Private fund management
7. Securities borrowing and lending
8. Venture capital management

Furthermore, CGS has obtained a Derivatives Business license from the Securities and Exchange Commission (SEC) to act as a Derivatives Agent, and has also received approval to act in a Financial Advisory role.

1. Securities Trading Business

CGS has a policy to invest in both securities and bonds in the purpose of trading and investment. The Investment Committee was appointed to determine clear investment guidelines and associated policies. Limits and Condition are meticulously prepared for each type of investment prior to being sold to our clients.

2. Brokerage Business

CGS is No. 3 of securities brokerage member of the SET. CGS provides brokerage services for individual, juristic, and institutional clients, both local and foreign, through of focus in Bangkok and other provinces. To date, CGS provides highly experienced brokers and teams of analysts that provide advice and answers (both technical and fundamental) for all client demands.

Moreover, investors are able to trade securities, read analyst reports, and find investment information through CGS's website or mobile phone applications (on iOS and Android). Clients can open up to three types of trading accounts with CGS: Cash, Cash Balance, and Credit Balance.

As of 2017, CGS has 47,405 trading accounts, of which 9,192 accounts are actively traded.

For the past three years, CGS's market shares and trading value were the following:

Unit : Million

TRADING VALUE	2017	2016	2015
SET	23,304,622.95	24,519,544.99	19,994,743.49
MAI	1,150,873.16	1,112,973.03	1,536,195.50
Trading Value of CGS	185,243.91	388,773.74	539,076.30
Market share (%)	0.85	1.69	2.76

Policy on approving client credit lines

CGS sets a clear policy on setting appropriate credit limits for clients. Such clear policies and guidelines help CGS control and mitigate clients' investment risk to a satisfactory degree. The process of opening and approving new client accounts and their credit limits are all documented in writing. The policy mandates that prior to opening a new account, IC should be aware of their customer's investment profiles prior to providing investment advice. This ensures that CGS's services will answer to all clients' investment objectives, risk appetites, conditions, and purchasing power.

CGS's new clients credit limits policy is in line with the rules and regulations from the Stock Exchange of Thailand (SET) and the Stock Exchange Commission of Thailand (SEC). We also have clear preventive measures against those who use the Brokerage as a mean to money laundering or terrorist funding.

Approval Matrix

In order to increase the speed of new applicants' processing, the approval matrix for a new applicant's credit limit is as follows:

CREDIT LINE	AUTHORIZED PERSONS
Not exceeding Baht 2 million	Managers – Securities Business Div./Branch Office Or of higher position
Not exceeding Baht 20 million	Head of Securities / Derivatives Business Div./Or of higher position
Not exceeding Baht 30 million	Managing Director of Securities Business / Derivatives Business Div./ Or of higher
Not exceeding Baht 150 million	Credit Committee Or Higher
More than 150 million	Executive Committee

Policy on setting marginable securities

It is CGS's policy to allow trades of marginable securities to be only within the pre-approved list. The list is comprised of marginable securities that are evaluated by their individual business performance, assets, and liquidity. The approved list, together with its interest rates, is announced through CGS's communication channels (per SET and SEC regulations).

CGS appointed the Risk Management Committee to set the list of marginable stocks and their interest rates. Clients can invest into these equities through their Credit Balance accounts.

The Risk Management Committee consists of 1) Chief Operation Officer 2) Head of Research Division 3) Head of Risk management Division. The client's credit line is approved when at least two committee members agree to the approval. The list of marginable securities and their initial margins is reviewed at least once every quarter.

The policy on the initial margin's rate is categorized into groups based on different risk level per follow:

TYPE	MARGIN'S RATE (%)
A	50
B	60
C	70
F	100
N	100

Notes - The securities type A, B, C and F are classified as liquid able equities and could be used as marginable securities for above credit limit ratio.
- The securities type N are clarified as a non marginable securities, and are not applicable.

3. Derivatives Business

CGS has been authorized by the Securities and Exchange Commission, Thailand (SEC) to act as a derivatives agent beginning on September 22, 2008. It provides derivatives trading services through investment advisers and has developed a system able to support orders through other channels, examples including trade orders through the Internet. In addition, it provides investment advisors at all its branches nationwide.

As of December 31, 2017, CGS had a market share of 1.53 percent. In 2017, it expanded its business by commencing block trading in single stock futures, as well as continuing to promote itself by arranging seminars providing information about products in the futures market to investment advisors, preparing training seminars for clients, and cooperating with the SET to provide information through seminars at CGS and the SET building to investors throughout the year.

For 2018, CGS has set a target of increasing its market share of the derivatives business to 2.00 percent. It thus has made preparations to expand its retail customer base and increase the number of investment advisors available for derivatives trading, in addition to supporting the growth of the futures market with new products down the line. This will serve as a channel to increase CGS's market share in 2018 and the following year.

4. Investment Advisory Business

The SEC has approved CGS's conducting business in the Equities Investment Advisory industry. The sole responsibility of these Advisers to their clients is to point out a particular equity's value and the opportunity to invest in it. Such advice should be based upon clients' investment objectives, financial standing, liabilities, conditions, and risk appetite, along with the Adviser's in-depth knowledge of risk factors and experiences.

5. Investment Banking Business

CGS is one of the leaders in providing investment banking services, with an experienced and skilled team that has earned the trust and acceptance of clients. The Investment Banking team provides strategic advice, appropriate financial management suited for individual clients, including suggestions for mergers, financing, and potential risk management approaches.

The team's expertise is a driving force in CGS's ability to provide various services such as cross-border mergers, providing advice and structuring companies offering to sell securities to the public, and arranging funds to pay back debts to financial institutions. CGS's investment banking team provides a variety of financial services to meet the needs of customers, including corporate and institutional ones.

5.1 Financial Advisory Business

CGS began its investment banking business in December 2006, later becoming a member of the Investment Banking Club (IB) on January 23, 2007, in addition to, as of March 21, 2017, receiving additional permits from the SEC allowing it to serve as a financial advisor until March 20, 2022. As of now, CGS's investment banking team is experienced in handling matters pertaining to its specialty, and is capable of assisting a variety of clients, be they small to large, domestically or internationally. Its investment banking services include mergers and acquisitions (M&A), advisory services for the issuing and offering of debt securities, and covering customers of various types of industries in different regions (corporate and institutional investors).

Its investment banking services cover mergers, acquisitions, and takeovers to interested parties, public offerings, finding suitable investors for joint ventures, analysis of a business' competitiveness, establishing a proper financial structure, and providing advice on good corporate governance.

In regards to providing searches for suitable investment funding sources from financial institutions, CGS's investment banking team has a strong relationship with customers in regions that require funding from financial institutions. It also provides advice regarding the level of loans, structure, and suitable loan types.

The investment banking team provides services in the issuance and offering of securities to the public, the issuance and offering of convertible debentures, researching investment needs, and investment in securities.

CGS's investment banking team has a strong relationship with clients, providing services and continuing relationships.

It provides financial advice including consultancy for various firms, as well as emphasizing service and maintaining positive relationships with customers, providing professional advice according to stated goals and the best interests of the client.

At present, CGS provides the following services:

Acting in an advisory role in the listing of securities on the SET

Acting in an advisory role in the issuance of securities in the form of bonds: debentures, subordinated debentures, and equity instruments: common shares and preference shares

Acting in an advisory role for M&A both domestically and internationally, including cross-border M&A

Acting in an advisory role in the appraisal of businesses, funding, and financial restructuring

Acting in an advisory role for joint venture financing

Offering advice as an independent financial advisor

Other investment banking services, such as debt restructuring and business rehabilitation.

5.2 Securities Underwriting Business

CGS was granted the Securities Underwriting business license from the SEC on 19th November 2008. This strategic business expansion is the extension of CGS's Financial Advisory business. To other Institutions and Brokerages, CGS can provide its securities underwriting services either as Lead Underwriter or Co-Underwriter.

6. Securities Borrowing and Lending Business (SBL)

On July 12, 2010, CGS obtained approval from the SEC to operate a Securities Borrowing and Lending (SBL) business. CGS's clients are thus able to lend their entire securities (debt-free) portfolio for a fee. Clients who wish to borrow securities however, will have to pay a fee. CGS's policies for SBL are as follows:

1. CGS will lend only approved securities that are within the SET 100 and ETF to clients who wish to short sell.

2. Currently, short selling can only be done through client's Cash accounts.
3. Borrowers will be charged a borrowing fee by CGS. Lenders will receive a lending's fee from CGS.
4. Rights to the lending securities will remain with the lender throughout the SBL period.

CGS believes that the SBL business will provide clients with an alternative choice of investment. During a period when the market is highly volatile, SBL provides an alternative investment choice that is manageable within a client's risk levels. Because of the growing SBL market, CGS believes that the business will be one of the key drivers for its revenue. The goals for 2017 are as follows:

1. Develop the SBL trading system to better provide clients with more investment options
2. Expand the SBL customer base among potential institution and retail customers

7. Selling Agent Business

CGS is the Selling Agent 14 Asset Management Companies (AMCs), totaling to over 200 funds. Coupled with our investment experts who offer insightful advice, CGS believes that clients should have strong alternatives for diversifying their investments.

As of December 31, 2017, CGS is expected to be the Selling Agent for the following AMCs:

1. Aberdeen Asset Management Co., Ltd.
2. Assets Plus Fund Management Co., Ltd.
3. CIMB-Principal Asset Management Co., Ltd.
4. Krungsri Asset Management Co.,Ltd..
5. Krung Thai Asset Management PCL
6. Land and House Fund Management Co., Ltd.
7. MFC Asset Management PCL
8. One Asset Management Co., Ltd.
9. Phatra Asset Management Co., Ltd.
10. Phillip Asset Management Co., Ltd.
11. Solaris Asset Management Co., Ltd.
12. SCB Asset Management Co., Ltd.
13. UOB Asset Management (Thailand) Co., Ltd.
14. TMB Asset Management Co., Ltd.

8. Fixed Income

CGS began its fixed income business as an investment alternative for clients with a high return on investment and low risk, as well as offering a choice in the length of the investment horizon. Fixed income can take place through various means as customers are able to either contact CGS to make trading arrangements or work through bond traders in order to finalize the price and quantity of bonds that are to be traded. Clients can choose to invest in fixed income with levels of risk suited for their purposes, and are able to also choose the length of the investment period.

9. Wealth Management Business

CGS recognizes the benefits of effective financial planning and the potential for returns on investment along with sustainable growth. It thus set up a wealth management business in 2017 and acted as an advisor for investment planning to increase the opportunities and investment choices suitable for personal banking and corporate customers to achieve their objectives and investment targets.

CGS has selected well-educated, skilled, and experienced personnel as consultants who can provide investment advice. In addition, they also offer choices for investment in order to satisfy investors' needs with efficient investments and the best possible returns under acceptable levels of risk.

10. Private Fund Management Business

CGS received a permit from the SEC to commence its private fund management business on June 8, 2017. It provides investment management services to high net worth, institutional, and corporate clients for the management of funds amounting to a minimum of

10 million baht. As of December 31, 2017, there was a total net asset value of 46 million baht under CGS's management, amounting to a market share of 0.01%. It emphasizes presenting a diverse set of new investment portfolios in order to satisfy financial needs and create the best possible return to clients according to their aims based on client-established degrees of risk through the work of a team that is highly experienced and skilled in fund management. Clear investment fund management processes are included with international standard systematic tools. Furthermore, it has developed a risk management system for the close evaluation of the risks in an investment portfolio.

In 2017, there were 41 securities firms managing private funds under the supervision of the SEC, with a total net worth of 830,722.00 million baht, an increase of 8.25% (Source : SEC). Overall, the private fund management business has continued to expand. At present, CGS has a public relations plan for its existing customer base, which possesses knowledge and experience in mutual fund investment. The plan is to persuade them to invest in private funds, which offer greater flexibility and better satisfy their needs, as well as searching for a new customer base through investment advisor channels or outside the organization. In addition, over the course of 2017, CGS engaged in public relations and arranged seminars to provide knowledge of private fund investment to investment advisors throughout the country, along with other seminars about investment available to the general public and organizations that were set up by the Fund Management Team throughout the year. In the first year, CGS's market share was worth approximately 200 million baht, and it aims to have assets under management of one billion baht within three years.

In 2018, the plan is to expand investments to overseas in order to spread out risks and continue to search for investment opportunities for customers. To support the growth of the private fund industry, CGS has stressed better than standard average returns, adherence to morals and ethics in professional conduct, building up clients' wealth, and liquidity management plans (for future sources of funding) that allow customers to alter policies and investment ratios at any time in order to further satisfy their needs down the line.

Income Structure of CGS

INCOME	SEPARATE FINANCIAL STATEMENTS						FINANCIAL STATEMENTS IN WHICH EQUITY METHOD IS APPLIED			
	FOR THE YEAR ENDING DECEMBER 31,									
	2017		2016		2015		2016		2015	
	MILLION BAHT	PERCENTAGE	MILLION BAHT	PERCENTAGE	MILLION BAHT	PERCENTAGE	MILLION BAHT	PERCENTAGE	MILLION BAHT	PERCENTAGE
Brokerage Fee	224.25	42.91	548.32	50.02	868.50	67.74	548.32	49.53	868.50	68.64
Fee and Service Income	61.64	11.80	79.06	7.21	61.14	4.77	79.06	7.14	61.14	4.83
Interest on margin loan	14.27	2.73	34.88	3.18	46.33	3.61	34.88	3.15	46.33	3.66
Gain and return on financial instruments	197.50	37.79	111.90	10.21	174.26	13.59	109.64	9.90	174.26	13.79
Share of gain from investment in wich equity method is applied	-	-	-	-	-	-	13.12	1.19	(4.28)	(0.34)
Profit from sales of investments in associated companies	-	-	-	-	116.34	9.08	-	-	103.78	8.20
Income from the partial transfer of retail securities business	-	-	306.00	27.92	-	-	306.00	27.64	-	-
Other Income	24.91	4.77	16.03	1.46	15.47	1.21	16.03	1.45	15.47	1.22
Total revenue	522.57	100.00	1,096.19	100.00	1,282.04	100.00	1,107.05	100.00	1,265.20	100.00

Note : * On November 15 and 28, 2016, CGS dispensed its investment in Padaeng Industry PCL and Country Group Development PCL shown above to the Parent Company, Country Group Holdings PCL. The financial statements and income statements for 2015 and 2016, which are compared here, are thus separate financial statements.

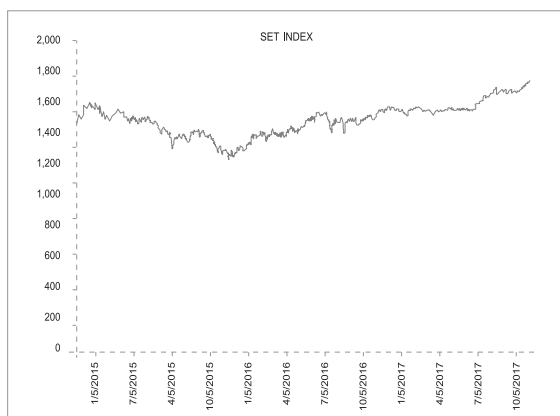
** Please see the accompanying details covering investment policies under the subjects of 'Assets used in the Business' and CGS's 'Income Restructuring' under the subject of 'Analysis and Comments by Management.'

Ability to maintain New liquid Capital Ratio (NCR)

According to SEC regulations, the Securities company is required to maintain a minimum NCR ratio of seven percent of the general liabilities and marginable securities' value. As of December 31, 2017, CGS was able to maintain its NCR at 132.35 percent.

3.3 Competitive Conditions

The Stock Exchange in 2017 saw the year's end market index closing at 1,753.71 points, an increase of 13.60 from the same period in 2016 (1,542.94 points). The opening index on the first day of the year was at 1,548.61 points, and it climbed to 1,763.36 points before decreasing down to 1,753.71 points.



SET Index

SET Index Value at Closing of 2017	1,753.71 points
Change in value from the previous year	Increased by 210.77 points (+13.60% YoY)
Highest Index Value	1,763.36
Lowest Index Value	1,528.78
Average trading value	4.7 billion baht/day

Source: SETSMART

The following factors impacted investment in 2017:

- The United States Federal Reserve increased the interest rate once in March after the previous increase following the December 2016 meeting. As a result, the present interest rate policy is at 1.25 to 1.50 percent, with the market expecting a further increase at the March 2018 meeting.
- The crude oil price situation did not undergo significant changes compared with the previous year, although OPEC and non-OPEC groups announced a decrease in production. This past year, the highest crude oil price was around US\$55.2/barrel, while the lowest was approximately US\$42.06/barrel.
- The first round of the French election on April 23 caused global stock markets to rise by over 2.2 percent the following day after Emmanuel Macron's election victory lessened the likelihood of a French exit from the EU. This was in contrast to the Thai Stock Exchange, which did not show a very positive response on April 24.
- The 2Q17 GDP was announced at 4.30 percent, the highest growth in 18 quarters. This prompted many institutions to raise their full-year GDP forecasts by 3.80 to 3.90 percent.
- Yingluck Shinawatra's escape during the time of the court decision surrounding the rice subsidy scheme was a factor in the SET Index rising easily past 1,600.00 points.
- The baht was the strongest it had been in the past two years. In the first half of the year, foreign investors put their money in Thai bonds due to concerns over Donald Trump's policies appearing to deviate from campaign promises.

Important Events in 2017

The Index rose during the first week of the month to around the 1,570 to 1,580 range before swinging back due to a lack of new factors until January 20, when Donald Trump was sworn in as the new president of the United States, resulting in the DJIA hitting a new high past the 20,000-point barrier; along with the SET Index rising from 1,552 to 1,600 (January 26). After adjusting to this new level, the SET Index's climb began to slow in February before beginning to fall.

Due to a lack of supporting factors, the 4Q16 budgetary announcement seemed to be in line with consensus expectations for the results of the Fed meeting in February (namely that there would be no change in the interest rate). The declaration from that was that the U.S. economy was expected to recover in March. The market then began to respond to news of the Fed increasing interest rates after many

members commented that the Fed should do so, as well as pushes in small-cap stock sales forced the SET Index down to 1,528.78 points (March 13). The Fed later announced an increase in interest rates to 0.75-1.00 percent at the March 15 meeting. Following that, the SET began to back up from the fund flow, with investors hoping for a new high as the market tested it at 1,589.5 points before stopping short.

The Index was dumped for profit, with the market turning its attention to the French election of which Macron proved victorious. While the global index responded positively due to Macron making a speech prior to the election that he would not lead France out of the EU, the SET showed no clear response. Furthermore, some sales were quickly made to reap profits without any clear indication of news that might impact investment, resulting in the SET falling to the earlier 1,530 range once more. Later impacts from state projects and Sideway Up got the Index back on track. ICT group shares recovered after this prolonged languishment. Meanwhile, Thailand's Big Strategic Move fair resulted in the Index rising up to 1,590 points (June 27).

Trading values in the SET and mai

In 2017, institutional investors maintained a leading role in influencing the market with net buys of over 1.03 billion baht, while domestic investors remained the sole sellers with net sales of nearly 1.67 billion baht.

In 2017, there were 22 newly registered companies. Part of this might have been due to the rather dormant state of and lack of direction in the market. In addition, the economy slowed down during the first half of the year

Income Structure of CGS

YEAR	INSTITUTIONAL INVESTORS	PROPRIETARY TRADING	FOREIGN INVESTORS	LOCAL INVESTOR	MONTH IN 2017	INSTITUTIONAL INVESTORS	PROPRIETARY TRADING	FOREIGN INVESTOR	LOCAL INVESTOR
2005	(51,204)	(121)	118,542	(67,217)	January	2,579	6,432	(12,355)	3,344
2006	(12,757)	1,084	83,446	(71,772)	February	6,374	(3,749)	1,464	(4,090)
2007	3,764	(1,601)	55,018	(57,181)	March	18,545	3,604	(22,515)	365
2008	45,177	924	(162,346)	116,246	April	7,786	1,806	(13,343)	3,750
2009	(2,303)	1,388	38,231	(37,316)	May	3,515	5,522	(5,876)	(3,161)
2010	(15,200)	(449)	81,724	(66,075)	June	12,121	(163)	(10,695)	(1,263)
2011	(29,149)	1,307	(5,119)	32,962	July	(4,883)	(6,586)	14,877	(3,407)
2012	(24,302)	7,256	70,388	(59,342)	August	13,604	(4,171)	(15,641)	6,208
2013	108,163	(1,723)	(193,911)	87,471	September	2,879	6,966	(18,717)	8,325
2014	71,424	3,582	(36,584)	(38,421)	October	5,522	(7,296)	(377)	2,151
2015	79,055	(6,418)	(154,346)	81,709	November	5,291	(19,162)	14,636	(765)
2016	(8,656)	25,372	77,927	(94,642)	December	10,973	(8,956)	(26,626)	5,288
2017	103,632	16,747	(25,755)	(94,624)					

Key Indicators

	2017	2016	2015	2014	2013
GDP Growth (at 1988 constant price)	3.9% (F)	3.2%	2.8%	0.8%	2.7%
Market Capitalization (Btm)	17,587,433	15,079,272	12,282,755	13,856,283	11,496,765
Market Turnover (Btm)	10,679,263	11,119,824	9,997,372	10,193,179	11,777,210
Number of Registered Companies	538	522	517	502	489
Newly Registered Companies	22	11	23	17	13
Average Daily Trading (SET)	47,755	50,245	41,141	41,604	48,070
Index at Closing Time (High)	1,753	1,558	1,616	1,600	1,643
Index at Closing Time (Low)	1,535	1,220	1,262	1,224	1,275
Price-earning ratio (P/E Ratio)	19.06	18.55	22.57	17.81	14.60
Dividend Yield	2.70	3.04	3.36	2.94	3.24

Securities Industry Trends in 2018

In the securities business, factors such as IC staff and analyst turnover, along with competition between discount brokers have had noticeable effects on the current degree of competition in the industry. There are over 37 brokerage firms in Thailand, with the majority of them individually holding between one, two, three, or four percent of the market share. Only two to three brokerages have market shares of more than six to seven percent. In 2018, the industry is expected to experience continued growth following new investments; whether in block trading, which continues to expand, FinTech, or artificial intelligence, which some brokers use in their trading. However, since competition is fierce and commission remains high, several brokerage firms are trying to reduce dependence upon income from commission and looking for income from other sources such as investment banking, robot trading, and private funding. Furthermore, in 2018, Thailand must enter the World Bank and International Monetary Fund (IMF)'s Financial Sector Assessment Program (FSAP). This will include assessments of the Bank of Thailand (BoT), Office of Insurance Commission (OIC), and Security and Exchange Commission, Thailand (SEC). In addition, regulations and the effectiveness of their enforcement will both be under review. If Thailand scores well on the assessment, it should attract and reassure potential investors.

3.4 Acquisition of Products and Services

Source of Funds

The Company is mostly self-financed.

Main source of funds of The Company come from its capital and debenture of 1,079.80 million baht which was issued on Q4 in 2017

Undelivered tasks

- none -

Financing or Lending to Parties Related to Management or Major Shareholders

As at December 31, 2017, Short-term loan of 5 million baht is a loan from its subsidiary

RISK MANAGEMENT AND RISK FACTORS

4.1 Risk Management Overview

The Company recognizes the importance of risk management, having established means of managing risk that comply with laws and regulations that promote growth and long-term success. Risk management also includes in any sectors where the Company has made investments and considers risk management as part of the Organization's culture through setting policies regarding acceptable levels of risk (risk appetite) and management guidelines, risk at the Board level, Risk Management Committees, and a Risk Management Division.

Risk management is regulated by the Company's Board of Directors in order to ensure that risk levels are appropriate for business operations according to its risk management policy. The Risk Management Committee was assigned to set up a risk appetite level. The Risk Management Department analyzes, identifies, assesses, monitors, and reports risks to the Risk Management Committee and the Board of Directors on a regular basis.

4.2 Other Areas of Risk Management

The Company, having established a business structure in which most income comes from being a holding company, recognizes that risk can impact operations and its Subsidiaries, and seeks to assess, take preventive measures, and reduce risk by:

1. Risk from Operating as a Holding Company

The Company has invested in two subsidiaries Company (Country Group Securities PCL and Genki Power Co.,Ltd) and three Associated Companies (MFC Asset Management PCL, Padaeng Industry PCL, and Country Group Development PCL). According to the Company's financial statements, the Company acknowledges profits from the Subsidiary and dividends based on the shares held in the Associated Companies. Thus, the results of the operations of both the Subsidiary and Associated Companies directly impact the Company's profits and dividends.

The Board set the Company's investment policy for selecting companies for future investment. The Company will invest in companies with the capacity for providing suitable returns and acceptable risk appetites, while also providing opportunities for future growth.

2. Risk from Operating in the Investment

The Company's investment risk is that such an investment may not generate the return expected. Given that the Company is aware of such risks, an IC was appointed to determine the proper investment policy and strategy. The IC was responsible for implementing a proper investment policy along with current situation. The Risk Management Committee will set and review risk management policy and procedure to fit with the Company's strategy and current situation. Not only will this help ensure that the Company gets the maximum return on investment with proper risk taking, but it also makes it so that the Company is acting in accordance with the regulations and frameworks set up by the Board of Directors.

3. Risk from Competition in the Securities Industry

The Securities Business' main source of income relies on the brokerage fee, which is based on the trading volume. Since the brokerage commission fee was liberalized in 2010, the Company has faced competition in various areas. Apart from the commission fee, the Company faces competition in retail branch expansions, the entrance of new Securities firms, new customer service campaigns, and so on. It is imperative then that the Company adapts its strategy to recruit high-caliber human resources, expand the customer base, stimulate higher trading volumes, and develop the infrastructure for information technology.

CGS must proceed with the restructuring of its business, which emphasizes the development of information technology, reducing its dependency on income from retailed securities trading, expanding its customer base and paying close attention to businesses that will serve as primary sources of profit such as domestic and foreign institutional businesses, proprietary trading, bonds, single stock futures

(Block Trade) and private funds, which have been permitted from the SEC in 2017. These businesses would enable it to sufficiently contend within the highly competitive business environment both in the present day and in the future.

The Company has a policy of improving the quality of its personnel and developing its working process in order to reduce the risks of the Securities business through the following means:

- Recruit high-caliber human resources: The Company focuses on recruiting only veterans of Securities and similar industries.
- Expand the customer base and stimulate higher trading volume: The Company: a) develops its marketer's capabilities through numerous seminars and trainings. This training happens continuously throughout the year, particularly when the SET launches new products and services. b) Ensures constant communication between management and our marketers about any changes in our industry. c) Increase the quality of analyst reports to answer client demands.
- Develop strong information technology infrastructure: The Company continuously updates its information technology infrastructure to be up-to-date and be capable of meeting customer demand.

4. Risk from Defaults

As of December 31, 2017, the Company has business receivables total 397.25 million baht. However, the Company has already reserved a contingency fund ("allowance for doubtful accounts") amounting to total receivables less collateral values in the case of default. The Company currently has a policy of reducing the risks of defaults from Securities payments and from addition placing an collateral. The policy stresses screening clients and limiting their credit lines used for trading Equities and Derivatives. As part of the process, the Company evaluates a client's financial standing, solvency, liquidity, and investment experience. A client's financial standing and credit limit are also reviewed on a regular basis in strict adherence to the policy.

In cases where defaults occur, clients will be prohibited from any additional purchases of Securities until the receivables are fully paid. Both Marketing and Settlement officers are responsible for following up with the client. If the receivables are not paid in full within the given timeframe, the Legal Department take the necessary legal actions.

5. Risk from Clients Switching Out

Most of the Company's client base comes from retail, corporations, and institutions (both local and from abroad). As of December 31, 2017, the Company has a total of 47,405 accounts, of which 9,192 accounts were actively traded. The total brokerage fee contributed to 42.91 percent of the Company's total income. Realizing the importance of the Brokerage business, the Company has implemented the strategic initiatives mentioned in Section 3 ("Risk from Competition in the Securities Business") to minimize the risk of our clients switching out.

6. Risk from Depending Upon Major Clients or a Limited Number of Clients

In 2016 and 2017, the Company's top ten major clients amounted to 25.56 percent and (45.58) of the Company's total securities trading value, respectively. If the Company were to lose such clients, that would impact its income as fees from the client's securities. However, the Securities Company recognizes the risk of depending on major clients and is adjusting its business structure by focusing on income from investment banking, domestic and international institutional businesses, proprietary trading by companies, bonds, as well as private funds for the purpose of helping it survive a highly competitive business environment in the present day and down the line.

7. Risk from Human Resources

In a Securities business, having good employees is one of the key factors to success. Good employees that possess valuable skill sets such as deep knowledge of investment, experience, and expertise are very hard to find. In a competitive Securities business, companies are aggressive in headhunting from their competitors. Such direct recruitment is a major threat to the Company's income. As the Company recognizes the importance of its employees, we emphasize building strong employee training and development programs and a competitive compensation and benefits package.

8. Risk from Investments in Securities

There is the risk of the Company not achieving the returns it expected. It has thus assigned an Investment Committee to establish clear guidelines, investment ratios, regulations, and procedures for handling investments in equities and derivatives. The guideline will focus on investment in securities that are low risk with a strong fundamental, an adaptation of the investment strategy to fit with economic situation. The Risk Management Committee sets a risk management policy, so risk management department can assess and control market risks. The market risk limits are open position limits, stop loss limits, sensitivity limits, and Value at Risk (VaR).

9. Risk from Underwriting Business

In the investment banking operations of distributing and underwriting securities, the Securities Company faces the risk of being unable to sell all the underwriting securities. This can be due to uncertainty on the part of investors, fluctuations in the money market or stock market, or from underwriting securities at inappropriate prices and quantities. This forces the Company to put the rest of the securities into its own accounts and accept the losses. In order to reduce the risk of this, the first consideration is that the Securities Company meticulously assesses information about companies that issue securities and investor interest in securities. The Underwriting Committee was set up to assess and approve operations for distributing and underwriting securities.

10. Risk from Margin Loans

The Securities Company has established operating guidelines for controlling the risk of margin loans. In order to grant credit lines to clients, the amounts must be appropriate given the client's financial status and ability to repay debts. The credit limit must also be reviewed periodically to assess whether any adjustments are necessary.

The Securities Company has established a Credit Committee that meets at least once a month. They also set policies on the placement of marginable securities, as well as the enforcement of call margins and force margins. Policies are strictly enforced in order to prevent any damages that might be incurred upon the Company and clients.

On December 31, 2017, the Company's receivables account (money lent out to clients for the purpose of purchasing securities) amounted to 362.79 million baht, a decrease of 263.68 percent from the year before. The decrease was caused from the decrease of customers.

11. Risk from Derivatives Brokerage Business

The risks of the Securities Company serving as a derivatives broker have been caused from insufficiency of client's collateral from market change. Mitigating this risk involves screening clients with the purpose of looking for those who are knowledgeable, experienced, and in good financial standing. In addition, clients should place cash deposits prior to open position of any derivatives. The Securities Company ensures that client's trading activities, account balances, and credit limits are frequently reviewed. Strict control is also kept over client's collateral (in regards to whether it is sufficient) to avoid suffering major losses in client's accounts. Should clients fail to comply with the Securities Company's regulations, the contract will be forced closed of the derivatives in the market.

12. Risk from Block Trade Business

Recently, clients use single stock futures in derivatives market instead of buy and sell in stock market due to leverage and less commission fees. However, the Securities Company are closely monitoring block trading clients to prevent from insufficiency of client's collateral. Also, the Securities Company are monitoring and controlling the risk of its own accounts that manage the block trading services for clients.

13. Risk from Private Fund Management Business

Having received a permit from the SEC, the Company has begun operating as of this past year. The fund manager immediately contacted both existing and new customers in order to introduce its new services. At this time, a group of clients was interested and had already opened new accounts. However, the management for private funds is subject to the standards of the private fund management policies, methods, and risk management procedures, which have been approved by the Company's Board of Directors and the Risk Management Committee. The SEC has requested interviews and inspections of the establishing of the private fund management business prior to allowing actual business operations.

14. Risk of Business Impacts from Crises

The Company emphasizes in managing risks from crises such as natural disasters, riots, and other shocks. In such cases, the Company has already created preventive and safety plan and review contingency plan annually. In addition, the Company has been insured for a variety of crises, including natural disasters. With, the total insured value worth 159 Million Baht, on 31th December 2017

SHAREHOLDING STRUCTURE

5.1 Company's share

As of December 2017, the Company

A registered capital:	6,075,927,916 shares
A paid-up capital:	4,336,768,278 shares
Other capital	none
Market of warrant	Stock Exchange of Thailand
Symbol	CGH

The shares of the Company held by Thai NVDR is approximately at 1.43 percent and held by foreigners is approximately at 17.51 percent of the Company's issues shares and paid-up capital.

5.2 Shareholders

The Company

The top ten major shareholders as of December 31, 2017 were as follows:

NO.	NAME	NO. OF SHARES	%
1	Mr. Sadawut Taechaubol	604,490,326	13.94
2	Mr. Pijit Viriyametakul	445,000,000	10.26
3	RAFFLES NOMINESS (PTE) LIMITED	254,059,026	5.86
4	UOB KAY HIAN (HONG KONG) LIMITED	243,643,200	5.62
5	Mr. Tommy Taechaubol	215,617,414	4.97
6	Mr. Ben Taechaubol	215,435,554	4.97
7	Mr. Samroeng Manoonphol	202,722,922	4.67
8	Country Group Development PCL	153,061,800	3.53
9	Ms. Atjima Pakanam	120,000,000	2.77
10	STATE STREET EUROPE LIMITED	89,265,200	2.06
11	Others	1,793,472,836	41.36

* As of April 3, 2017 the Company had free float of 48.48 percent

The Securities Company

The top ten major shareholders as of December 31, 2017 were as follows:

NO.	NAME	NO. OF SHARE	%
1	Country Group Holdings PCL	2,571,823,594	99.31
2	Thai Fuji Securities Company limited	3,983,408	0.15
3	Mr. Somchai Mimungkong	1,580,087	0.06
4	Ms. Phenprapha Changthep	1,015,178	0.04
5	Mr. Pai, Wen-Cheng	837,790	0.03
6	Mr. Worapong Jaimongkonprasert	642,553	0.02
7	Mr. Lin, Wen-Ye	494,271	0.02
8	Thanathai Securities Company limited	437,171	0.02
9	HSBC BANK PLC-HSBC BROKING SECURITIES (ASIA) LIMITED	308,918	0.01
10	Mr. Sumit Petcharaphirat	250,224	0.01
11	Others	8,370,290	0.32

5.3 Other issuance of securities

In 2017, the Company approved of issuing new shares and offering them in order to increase its capital.

1. Warrants to purchase ordinary shares number 1 (CGH-W1)

Extraordinary General Shareholder's Meeting 1/2014 on June 12, 2014 saw a vote to issue and prepare stock warrants to purchase the Company's Ordinary Share Number 1 (Warrant Number 1, CGH-W1). They amounted to no more than 863,247,828 units to the original shareholders according to the ratio of shares held without considering their value. The rate of transactions was three ordinary shares to one unit of warrants, with CGH-W1 numbering at 855,408,275 units. The Company thus issued new shares to increase capital in order to support the exercising of the warrants to purchase 855,408,275 ordinary shares.

Later, on May 7, 2015, the company adjusted that one unit of warrants could purchase one ordinary share, thus giving shareholders the right to buy 1.108 ordinary shares. Shareholder's Meeting Number 1/2016 on April 29, 2016 resulted in an agreement to allow the Company to issue and offer ordinary shares to increase capital, with a total of 92,384,094 shares at a set value of 1 baht per share as per the adjustment. The sum of ordinary shares to support the Company's CGH-W1 came out to a purchase of 947,792,369 ordinary shares. The details of the warrants are set out as follows:

TYPE OF WARRANT	IN NAMED CERTIFICATE AND TRANSFERABLE
Number of warrants issued	Not exceeding 863,247,828 units (prepare to the shareholders 855,408,275 units)
Number of ordinary shares reserved to accommodate the exercising of the warrant	947,792,369 shares at a par value of 1 baht per share
Offer Price per unit	Zero baht per unit
Term of the warrant	3 years from the issuance and offering date
Issuance Date	January 6, 2015
Exercise Ratio	One unit of warrants shall be entitled to purchase 1.108 ordinary shares (the exercise ratio was adjusted on May 7, 2015 from one ordinary share to 1.108 ordinary shares)
Exercise Price	1.624 baht per share (the exercise price was adjusted on May 7, 2015 from 1.80 baht per share to 1.624 baht per share)
Exercise Date	The Warrant 1 holders shall be entitled to exercise their rights under the Warrant 1 to purchase the Company's ordinary shares on the last business day every six months. The first exercise date will be on May 31, 2015 and the last exercise date will be on January 5, 2018.
Transfer Restrictions	None
Secondary Market of Warrant	The Stock Exchange of Thailand
Registrar	Thailand Securities Depository Company Limited (TSD)

2. Warrants to Purchase Ordinary Shares Number 2 (CGH-W2)

The 2015 Annual General Meeting held on April 29, 2015 approved the issuance and offering of the warrants to purchase ordinary shares of the Company Number 2 ("Warrants Number 2" or "CGH-W2") not exceeding 427,704,853 units to existing shareholders on a pro rata basis to their respective shareholdings, at no cost, at the allocation ratio of 12 existing ordinary shares per 1 unit of Warrants Number 2. The details of the warrants are set out as follows:

TYPE OF WARRANT	IN NAMED CERTIFICATE AND TRANSFERABLE
Number of warrants issued	Not exceeding 427,704,853 units
Number of ordinary shares reserved to accommodate the exercising of the warrant	427,704,853 shares at the par value of 1 baht per share
Offer Price per unit	Zero baht per unit
Term of the warrant	3 years from the issuance and offering date
Issuance Date	July 15, 2015
Exercise Ratio	One unit of Warrants shall be entitled to purchase one ordinary share, unless the exercise ratio is adjusted under the conditions of the rights adjustment.
Exercise Price	1.60 baht per share, unless the exercise price is adjusted as a result of a rights adjustment.
Exercise Date	Warrant 2 holders shall be entitled to exercise their rights under Warrant 1 to purchase the Company's ordinary shares on the last business day every six months. The first exercise date will be on January 29, 2016 and the last exercise date will be on July 13, 2018.
Transfer Restrictions	None
Secondary Market of Warrant	The Stock Exchange of Thailand
Registrar	Thailand Securities Depository Company Limited (TSD)

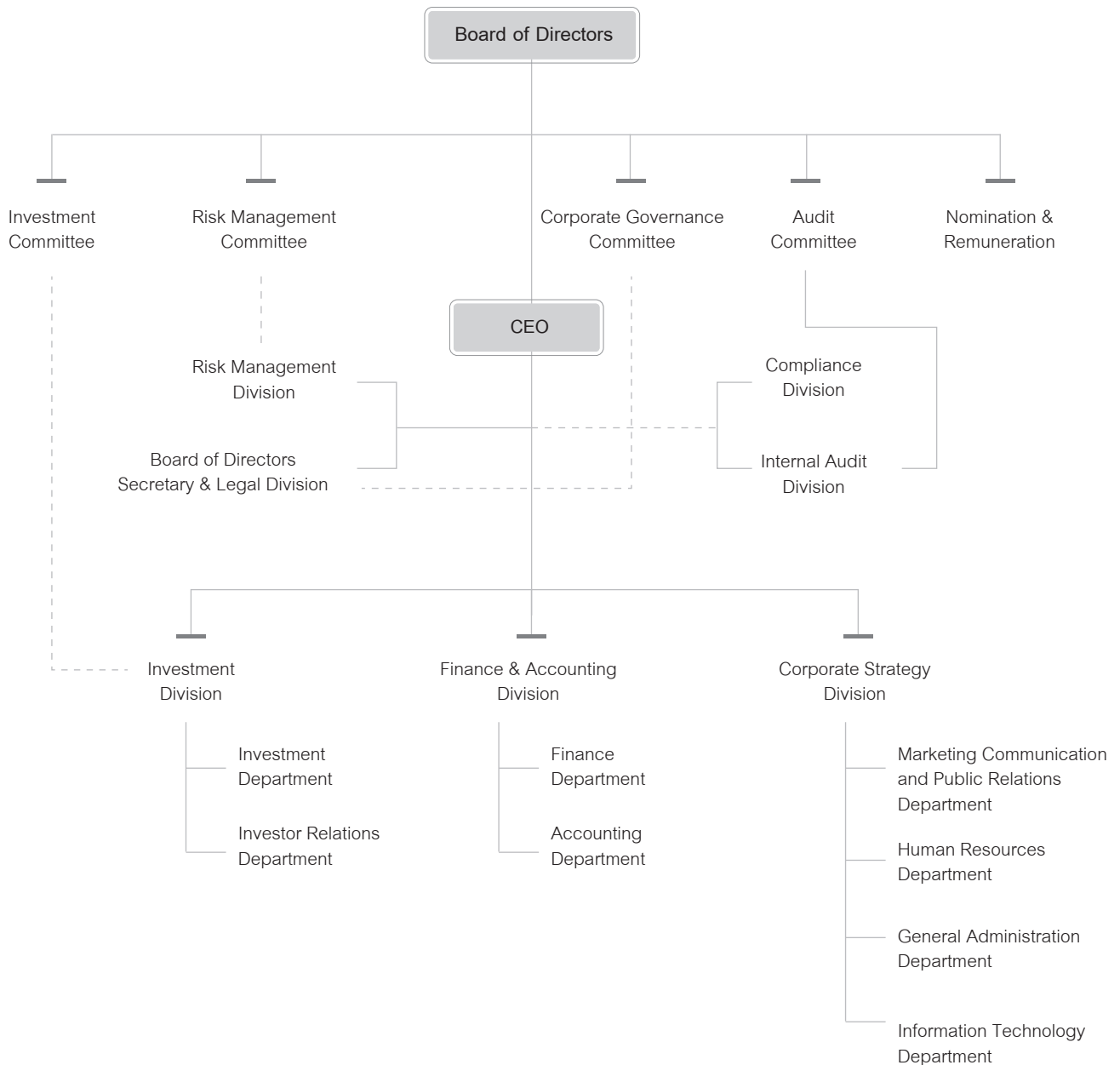
3. Dividend Policy

CGH and its Subsidiarie's dividend payment policy dictates that the dividends being paid to shareholders must not be less than 60 percent of annual net profit. However, consideration for dividend payment stakes other factors into account such as results of operations, the financial status of the Company, liquidity, expansion of business, and other factors relating to the management of the Company. Each dividend payment is required to obtain approval from the Board of Directors and shareholders.

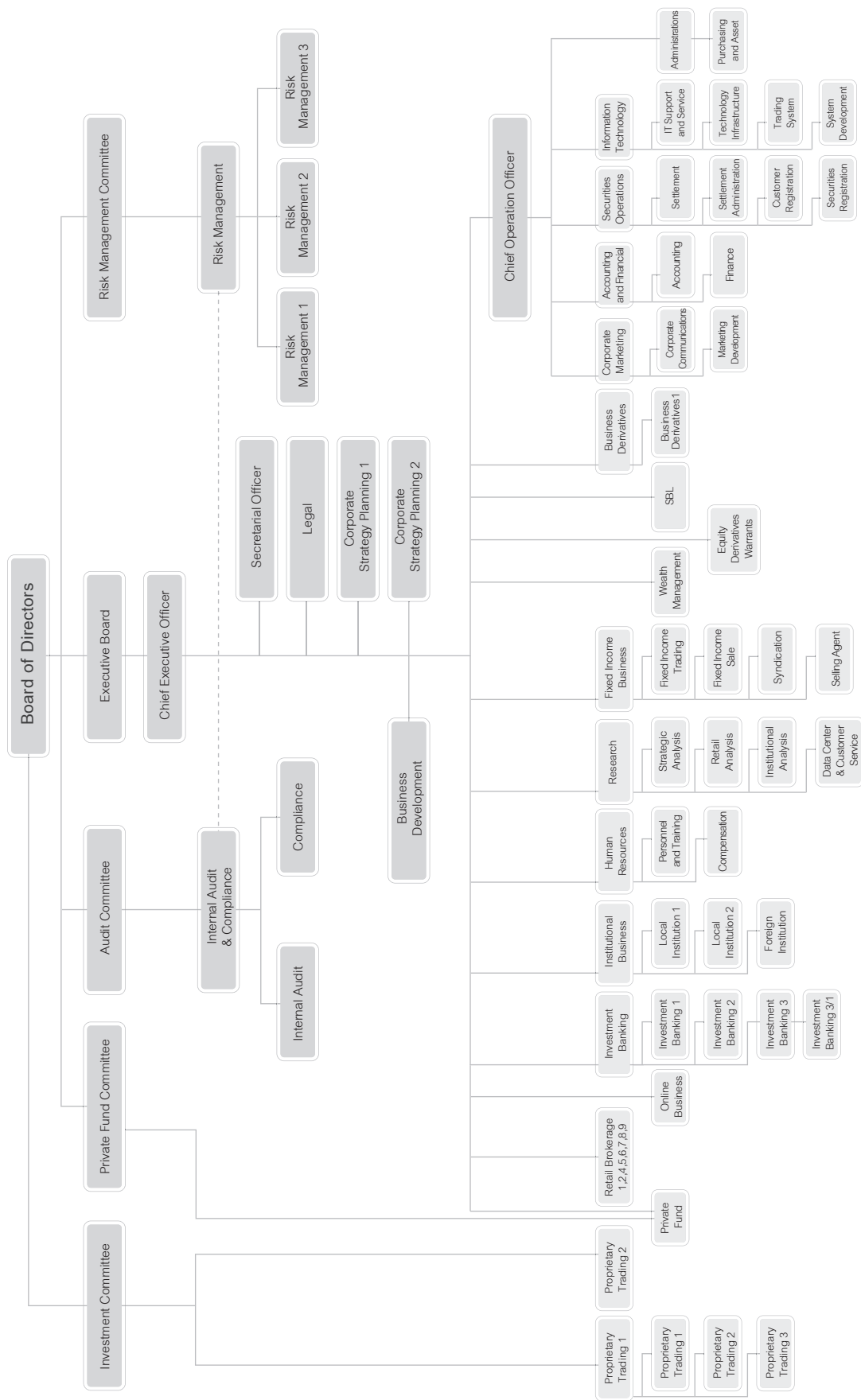
MANAGEMENT STRUCTURE

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED

Organization Chart as February 1, 2017



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6.1 BOARD OF DIRECTORS AND SUB-COMMITTEES

1. Board of Directors

The Company

As of December 31, 2017, the Company has 9 directors comprised of a mix of 2 directors who is from management and 7 who are not, of which there are 4 independent directors as follows:

NAME		POSITION
1. Mr. Sadawut	Taechaubol	Chairperson
2. Mr. Surabhon	Kwunchaithunya	Vice Chairperson
3. Mr. Tommy	Taechaubol	Chief Executive Officer and Director
4. Mr. Somkad	Sueptrakul*	Director
5. Mr. Dej	Namsirikul	Independent Director
6. Pol.Gen. Werapong	Chuenpagdee	Independent Director
7. Mr. Nipon	Wisityuthasart	Independent Director
8. Mr. Pisuth	Viriyametakul	Director
9. Dr. Veeraphat	Phetcharakupt	Director
10. Mrs. Jitmanee	Suwannapool	Independent Director

Noted: *Resigned from the Board of Directors, effective 27 February 2017

Authorized Directors

Mr. Sadawut Taechaubol may sign with the Company's seal affixed or Tommy Taechaubol and Dr. Veeraphat Phetcharakupt may cosign with the Company's seal affixed.

2. AUDIT COMMITTEE

As at December 31, 2017, there are total of three Audit Committees, of which are 3 independent directors as follows:

NAME		POSITION
1. Mr. Nipon	Wisityuthasart	Chairperson
2. Mrs. Jitmanee	Suwannapool	Committee
3. Pol. Gen. Werapong	Chuenpagdee	Committee

3. NOMINATION AND REMUNERATION COMMITTEE

As of December 31, 2017, there are total of 3 Nomination and Remuneration Committees, which have 3 independent directors as follows:

NAME		POSITION
1. Mr. Dej	Namsirikul	Chairperson
2. Mr. Nipon	Wisityuthasart	Committee
3. Pol.Gen. Werapong	Chuenpagdee	Committee

4. RISK MANAGEMENT COMMITTEE

As of December 31, 2017, there are total of 3 Risk Management Committees:

NAME		POSITION
1. Mr. Surabhon	Kwunchaithunya	Chairperson
2. Mr. Kaweewat	Pothanun	Committee
3. Mr. Asawin	Wongweerawit	Committee

5. GOOD CORPORATE GOVERNANCE COMMITTEE

As of December 31, 2017, there are total of 3 Good Corporate Governance Committees, on which are 2 independent directors:

NAME		POSITION
1. Pol. Gen. Werapong	Chuenpagdee	Chairperson
2. Mr. Dej	Namsirikul	Committee
3. Mr. Pitakphol	Rungrojsuwan	Committee

6. INVESTMENT COMMITTEE

As of December 31, 2017, there are total of 3 Investment Committees:

NAME		POSITION
1. Mr. Surabhon	Kwunchaithunya	Chairperson
2. Mr. Tommy	Taechaubol	Committee
3. Mr. Kaweewat	Pothanun	Committee

The Board of Directors Meeting

The Board of Directors of the Company shall have regular meetings every 3 months and may have special extra meetings as necessary. In order to conduct a Board of Director's meeting and vote in it, the Company requires a quorum of two-thirds of directors to participate. The schedules for Board of Director's meetings and sub-committee's meetings for the whole year are defined in advance, and there shall be messages calling for meetings with their agendas at least 5 working days in advance so participants may prepare accordingly.

In addition, Non-Managing Directors, Independent Directors, and the Audit Committee can conduct meetings among themselves as appropriate to discuss issues related to the management of the Company without involvement of the Company's executives.

In 2017, there were 7 meetings of the Board of Directors and Sub-Committee meetings. Also, there were 4 of Audit Committee meeting, 2 of Nomination and Remuneration Committee meetings, 6 of Investment Committee meetings, 2 of Corporate Governance Committee meeting and 4 of Risk Management Committee meetings. The details for the meetings are as follows:

		NO. OF ATTENDANCE / NO. OF ALL MEETINGS (TIMES)					
NAME – SURNAME		BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	INVESTMENT COMMITTEE	GOOD CORPORATE GOVERNANCE	RISK MANAGEMENT COMMITTEES
1. Mr. Sadawut	Taechaubol	7/7	-	-	-	-	-
2. Mr. Surabhon	Kwunchaithunya	7/7	-	-	6/6	-	4/4
3. Mr. Tommy	Taechaubol	7/7	-	-	6/6	-	-
4. Mr. Somkad	Sueptrakul*	1/1	-	-	1/1	-	1/1
5. Mr. Dej	Namsirikul	7/7	-	2/2	-	2/2	-
6. Pol.Gen. Werapong	Chuenpagdee	7/7	4/4	1/2	-	2/2	-
7. Mr. Nipon	Wisityuthasart	7/7	4/4	2/2	-	-	-
8. Mr. Pisuth	Virayamettakul	7/7	-	-	-	-	-
9. Dr. Veeraphat	Phetcharakupt	7/7	-	-	-	-	-
10. Mrs. Jitmanee	Suwannapool	7/7	4/4	-	-	-	-

Noted: *Resigned from Board of Directors, effective February 27, 2017

THE SECURITIES COMPANY

Board of Directors

As of December 31, 2017, the CGS's structure consisted of 7 directors as follows:

NAME		POSITION
1. Mr. Surabhon	Kwunchaithunya	Chairperson
2. Pol. Gen. Somchai	Vanichsenee	Independent Director and Chairperson of Audit Committee
3. Mr. Charn	Tulyapisitchai	Independent Director and Audit Committee
4. Mr. Wasu	Chewpreecha*	Independent Director and Audit Committee
5. Mr. Hong	Chye Sim	Director
6. Dr. Veeraphat	Phetcharakupt	Director and Chief Executive Officer
7. Mr. Thanachote	Rungsitvat**	Director

Noted: * Was appointed, effective August 25, 2017

**Was appointed, effective January 16, 2017

Mr. Pitakphol Roongrojsuwan serves as the Company's Secretary of CGS's BOD secretary

Authorized Directors

Either Mr. Surabhon Kwunchaithunya, Dr.Veeraphat Phetcharakupt and Mr. Thanachote Rungsitvat, two directors can cosign with the CGS's Company seal affixed.

Board of Director's meetings

In 2016 and 2017, there were the meetings of the Board of Directors. The details of the meetings amount are as follows:

NAME		NO. OF ATTENDANCE / NO. OF ALL MEETINGS (TIMES)	
		2016	2017
1. Mr. Surabhon	Kwunchaithunya	9/9	10/10
2. Gen. Wattana	Sanphanich*	8/9	1/3
3. Pol. Gen. Somchai	Vanichsenee	9/9	10/10
4. Mr. Charn	Tulyapisitchai	9/9	7/10
5. Mr. Wasu	Chewpreecha**	-	3/3
6. Mr. Hong Chye	Sim	8/9	8/10
7. Dr. Veeraphat	Phetcharakupt	1/1	10/10
8. Mr. Thanachote	Rungsitvat***	-	9/9

Note: *Resigned from Board of Directors, effective April 1, 2017

**Was appointed, effective August 25, 2017

***Was appointed, effective January 16, 2017

6.2 MANAGEMENT

The Company

As of December 31, 2017, the Management of the Company consists of the 6 following members:

NAME		POSITION
1. Mr. Tommy	Taechaubol	Chief Executive Officer
2. Mr. Annop	Kettratad	Vice President of Corporate Strategy
3. Mr. Kaweerat	Pothanun	Vice President of Investment
4. Mr. Thanachote	Rungsitvat	Vice President of Investment
5. Mr. Pitakphol	Roongrojsuwan	Vice President of BOD Secretary and Legal
6. Mr. Boonsong	Sumnuk	Head of Accounting and Finance

The Securities Company

As of December 31, 2017, Management of the Securities Company consists of the following 8 members:

NAME		POSITION
1. Dr. Veeraphat	Phetcharakupt	Chief Executive Officer
2. Mrs. Waraphan	Kongseree	Chief Operation Officer
3. Mr. Chamras	Kuanha	Managing Director of Fixed Income Business Division
4. Mr. Theerawat	Chongthaweeapol	Managing Director Investment Banking 2
5. Mr. Wuttichai	Chokumpornsap	Managing Director Brokerage Retail Division 8
6. Ms. Nattcharinphon	Jesadapisit	Managing Director of Investment management Division
7. Mr. Ekkhapon	Siripun	Managing Director Derivatives Business Division
8. Ms. Netchanok	Anawan	Managing Director of Accounting and Finance Division

6.3 COMPANY SECRETARY

As of November 13, 2017, Mr. Pitakphol Roongrojsuwan was appointed by Board of Director as the company secretary follow by “The Securities and Exchange Act B.E. (No.4) 2008”

Name :	Mr. Pitakphol Roongrojsuwan (26 years old)
% Shareholding :	None
Family Relationship :	None
Education :	Bachelor Degree of law, Thammasat University
Experience :	
2017 – Present	Vice President of BOD Secretary and Legal Division, Country Group Holdings PCL
2015 – 2017	Manager of Legal Department, Country Group Securities PCL.
2014 – 2015	Assistant Company Secretary, Burirum Sugar PCL.
2013 – 2014	Lawyer, Bangkok Insurance PCL.

6.4 REMUNERATION FOR DIRECTORS AND MANAGEMENT

The Company

The Nomination and Remuneration Committee has the duty of making propositions to the Board of Directors so that they may set criteria for evaluating the performance of Directors and Executives.

Remuneration for Directors

The 2017 Annual General Meeting held on April 27, 2017 approved of an increase in remunerations for the Board of Directors from the 2016 rates, while Sub-Committee remuneration rates remained the same as the previous year, with these policies becoming effective as of May 2017. It was decided that the Chairperson and directors would be paid at the same rate as the Audit Committee and the allowance was paid during months of the meetings and to the directors attending the Company's meetings at the following rates:

POSITION	REMUNERATION OF THE BOD (BAHT /MONTH) 2017
Chairperson	100,000
Vice Chairperson	55,000
Director	45,000
Chairperson of the Audit Committee	30,000
Member of the Audit Committee	20,000
Other sub-committees	
- Chairperson	30,000
- Director	20,000

The criteria for remuneration were as follows:

- In regards to the Company's remuneration for the Board of Directors, Audit Committee, and other Sub-Committees, compensation is paid monthly and only during months of the meetings, and even then only to committee members who attend the meetings.
- Management who are part of the Board of Directors will receive compensation at rates similar to that for other Directors, while management who are members of Sub-Committees will not receive such compensation.
- Those above criteria were effective on May 2017 after the approval of the 2016 Annual General Meeting.

Criteria for Director and Committee remuneration:

- Remuneration would be paid to each committee no more than 4 times of the monthly compensation. Moreover, the Chairperson of each sub-committee, including the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Good Corporate Governance Committee would receive 1 time of the compensation.
- Each committee member's compensation was based on their attendance at 2017 meetings:
 - Directors with attendance rates exceeding 75 percent will receive 100 percent of calculated remuneration.
 - Directors with attendance rates up to or less than 75 percent will receive 50 percent of calculated remuneration.
 - Directors entitled to receive remuneration must fulfill their duties throughout the 2017 business year (from January 1-December 31, 2017).

Details of remuneration payments in 2017 are as follows:

NAME – SURNAME	MEETING ALLOWANCES						PENSION (BAHT)	TOTAL (BAHT)
	BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	INVESTMENT COMMITTEE	GOOD CORPORATE GOVERNANCE COMMITTEE	RISK MANAGEMENT COMMITTEE		
	(BAHT)	(BAHT)	(BAHT)	(BAHT)	(BAHT)	(BAHT)		
Mr. Sadawut Taechaubol	700,000.00	-	-	-	-	-	400,000.00	1,100,000.00
Mr. Surabhon Kwunchaithunya	370,000.00	-	-	140,000.00	-	150,000.00	275,000.00	935,000.00
Mr. Tommy Taechaubol	300,000.00	-	-	-	-	-	180,000.00	480,000.00
Mr. Somkad Sueptrakul*	40,000.00	-	-	30,000.00	-	20,000.00	200,000.00	290,000.00
Mr. Dej Namsirikul	300,000.00	-	60,000.00	-	40,000.00	-	225,000.00	625,000.00
Pol. Gen Werapong Chuenpagdee	300,000.00	80,000.00	20,000.00	-	60,000.00	-	225,000.00	685,000.00
Mr. Nipon Wisityuthasart	300,000.00	120,000.00	40,000.00	150,000.00	-	-	225,000.00	835,000.00
Mr. Pisuth Viriyamettakul	300,000.00	-	-	-	-	-	180,000.00	480,000.00
Dr. Veeraphat Phetcharakupt	300,000.00	-	-	-	-	-	180,000.00	480,000.00
Mrs. Jitmanee Suwannapool	300,000.00	80,000.00	-	-	-	-	180,000.00	560,000.00
Total	3,210,000.00	280,000.00	120,000.00	320,000.00	100,000.00	170,000.00	2,270,000.00	6,320,000.00

Noted: *Resigned from Board of Directors, effective February 27, 2017

6.5 Remuneration for Directors and Management

1. Remuneration

The Company has criteria for remuneration payment to Management by considering knowledge, capability, experience, and previous performance, as well as comparisons with other companies in the same industry. 6 Remuneration of Managements for the year 2017 consisted of salaries, bonuses, and other remunerations to the total of 19.75 million baht.

2. Other Remuneration

The Company established a provident fund during the year 2017, contributing a provident fund for 6 managements totaling 0.52 million baht, which were calculated using percentage of salary as follows:

WORKING PERIOD	PERCENTAGE OF SARARY
Not over 3 years	4
Over 3 years but not over 6 years	6
6 years and up	8

The Securities Company

Directors Remuneration

NAME		BOD'S REMUNERATION (MILLION BAHT)	
		2016	2017
1. Mr. Surabhon	Kwunchaithunya	1.39	1.70
2. Gen. Wattana	Sanphanich*	0.68	0.13
3. Pol. Gen. Somchai	Vanichsenee	0.82	0.87
4. Mr. Charn	Tulyaphisitchai	0.76	0.75
5. Mr. Hong Chye	Sim	0.48	0.54
6. Dr. Veeraphat	Phetcharakupt	0.04	0.52
7. Mr. Thanachote	Rungsitvat**	-	0.52
8. Mr. Wasu	Chewpreecha***	-	0.12

Notes: * Resigned from Independent Director, Audit Committee and Vice Chairperson, effective April 1, 2017

**Appointed Mr. Thanachote Rungsitvat as a Director, effective January 16, 2017

***Appointed Mr. Wasu Chewpreecha as a Director and Audit Committee, effective August 29, 2017

6.6 REMUNERATION FOR DIRECTORS AND MANAGEMENT

1. Remuneration for Directors and Management

In 2017, the remunerations for 3 directors and 8 directors paid as salaries, bonuses, and other remuneration (excluding meeting allowances mentioned above.) amounted to 59.86 million baht.

2. Other remuneration of executives

The company has set up a Provident Fund. The company has support 3-5 percent of Management's salary to the provident fund. In 2017, the Company contributed around 1.42 million baht to the provident fund.

In the resolution of Board Meeting Number 18/2002 on October 22, 2002, a provident fund was agreed upon that was then registered according to the Provident Reserve Funds Act B.E. 2530 (1987) and the Amendment Act B.E. 2542 (1999). The Company's Provident Fund was officially established on December 25, 2002 and On July 1, 2009, the Company assigned MFC Asset Management, which manages and registered the Provident Fund under the name "MFC Master Fund." This fund is categorized as a Master Pooled Fund. According to the Fund's regulations under the approval of the Board's Resolution Number 18/2002, the Company shall contribute to the Fund with an amount equivalent to its staff's contributions, and each staff shall contribute to the Fund the amount calculated on the percentage of salary as follows:

WORKING PERIOD	PERCENTAGE OF SALARY
Not over 3 years	3
Over 3 years but not over 5	4
Over 5 years	5

6.7 PERSONNEL

1. Number of Employees

As of December 31, 2017, the Company and its subsidiaries had the following numbers of employees and forms of compensation between 2016 – 2017:

DIVISIONS	NUMBER OF EMPLOYEES	
	2017	2016
1. Management Division	4	2
2. Corporate Strategy Division	4	2
3. Investment Division	12	3
4. Company Secretary and Legal Division	2	2
5. Internal Audit and Compliance Division	-	-
6. Financial and Accounting Division	-	1
7. Subsidiarie's employees	259	267
Total	283	277
Compensation (MB)	303	524

2. Significant Changes in the Number of Employees in the Past 3 Years

- The Company employees as of December 31, 2017 was add by 14 from 2016, all the members were in the Investment Division, which was not a significant change.
- The Securities Company employees as of December 31, 2017 was down by 8 from 2016.

3. Serious Labor Disputes in the Past 3 Years

- None -

4. Staff Development Policy

The Human Resource Department organized internal trainings and sent some employees participated external training to improve their working abilities and skills. Also, the Company promoted the employees work morally, honestly, and integrity. Staff must also keep information about their Employers confidential.

CORPORATE GOVERNANCE

7.1 CORPORATE GOVERNANCE POLICY

The Board of Directors recognize the significance of and believe that good corporate governance is the crucial factor for business operations that allows businesses to have effective management systems and is the foundation to efficiently and effectively leading them to sustainable growth for the long-term benefit of shareholders. Thus, the Board of Directors encourages and promotes a continuous good governance system for all business units and their staff. This covers the principles of integrity, transparency, being auditable, avoidance of conflicts of interest, timely information disclosures, and accuracy. Also, the Board of Director and all employees have to be careful and maintain the interest of customers, shareholders and all stakeholders equally, while at the same time promoting social responsibility. The policy on Corporate Governance of the Company is disclosed via various channels including the annual report, the 56-1 form, and the Company's website at <http://www.cgholdings.co.th/>, so that such information is easily accessible for all stakeholders. The Company's Corporate Governance Policy consists of the following:

1. Rights of Shareholders

- The Board oversees and ensures that every shareholder has the following basic rights:
 - To receive or transfer shares unless the transfer causes the Company to exceed the number of Non-Thai shareholders quota of 49 percent of total number of shares outstanding.
 - To obtain accurate, complete, and timely information.
 - To propose, appoint, or remove directors and to approve the appointment of independent auditors.
 - To make decisions on changes in the Company's important policies.
 - To obtain profits from operations.
 - To attend meetings and to vote in shareholders' meetings as follows:
 - Nominating, appointing, or removing directors
 - Appointing auditors
 - Appropriating dividend payments
 - Issuing or amending regulations or articles of association
 - Decreasing or increasing registered capital
 - Approving extraordinary agendas
 - Other matters that affect the Company in accordance with the law
- Shareholders shall be delivered an invitation for the Annual General Meeting with adequate information specifying the date, time, venue, and agenda including proxy forms and details on how to appoint a representative by nominating at least one independent director to be his/her attorney as well as information relating to the matter to be decided at the meeting in advance.
- The Company shall arrange Shareholder's Meetings at appropriate times and locations to facilitate the maximum number of shareholders being able to attend the meeting. Furthermore, the Company will use IT systems to expedite the registration process and provide convenience to shareholders.
- The Board of Director encourages shareholders to vote by bullet for all agendas, especially principal agendas such as related transactions, acquisition or disposal of assets, and director elections.
- All Directors, especially the Chairman of the Audit Committee, are required to attend the Shareholder's Meeting to clarify or answer questions to shareholders.
- Shareholders shall have an opportunity to propose additional matters in the agenda or ask questions, request for clarification, and express opinions appropriately according to the meeting agenda; the Board of Directors will not add any agendas without notifying

shareholders in advance.

- Shareholders shall be informed of the rules and regulations and voting procedures of meetings. The Company shall post all meeting agendas on its website prior to sending documents to shareholders in order for the shareholders to have adequate time to be prepared for the meeting, as well as providing the opportunity for shareholders to ask questions before the meeting.
- The Board's opinions shall be provided for each agenda and the minutes of the meeting shall be recorded accurately and completely so that shareholders and concerned persons are able to verify such information through downloads from the Company's website.
- In the case that there are multiple voting items in an agenda, there shall be a vote on each of the items within the agenda. The questions and answers will include voting results indicating the number of shareholders who approved, disapproved, or abstained their votes for each of the agendas will be recording, including the list of Directors and other attendees, along with any Directors who were absent from meetings.
- All Directors and senior executives of the Company are required to disclose their relationships - both directly and indirectly - with major shareholders or any third parties who have related transactions with the Company.
- Requires that an independent individual count or determine votes during Shareholders' Meetings and to disclose such information in meetings, with this being recorded in the minutes.
- The Chairman of the Meeting shall allocate time appropriately and encourage shareholders to have opportunities to express their opinions and raise any enquiries at meetings for any matter related to the Company.

In 2017, the Company set up one Shareholder's Meeting - the annual General Shareholder's Meeting - at 2.00 PM at the Ball Room, 4th Floor, Bliston Suwan Parkview Hotel, 9 Soi Tonson, Ploenchit Road, Lumpini, Pathumwan, Bangkok on April 27, 2017. There were 9 directors attending the meeting included the Chairperson, the Chairperson of the Audit Committee, the Chairperson of the Nomination and Remuneration Committee, the Chairperson of the Risk Management Committee, the Chairperson of the Investment Committee, the Chief Executive Officer, and Management all attended the meeting. The Inspector, which consisted of the Auditor from Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd, Mr. Chawala Tienprasertkij, was present to answer any questions. An external auditor from Deloitte Touche Tohmatsu, Mr. Wonlop Vilaivaravith and Miss Nantarathanyasiri, and an independent external legal advisor from Weerawong, Chinnavat and Peangpanor Ltd, Miss Thitipon Buranaworasin, attended the meeting as observers and witnessed the vote count. Furthermore, to comply with the principles of Good Corporate Governance, the Company requested that some minor shareholders serve as volunteers to act as independent agents and neutral parties while inspecting the casting of votes. The volunteers thus participated in observing the inspection.

Before the commencement of the Annual General Shareholders' Meeting, the Company's Secretary clearly explained the voting procedures and the rights of shareholders. The conference proceeded according to the agenda indicated in the meeting invitation. During the meeting, the event's chairperson gave all shareholders equal opportunities to ask questions of and inspect the Company's work, as well as to make comments and suggestions prior to the casting of votes for each item on the agenda.

After the meeting, the Company's Secretary and the Legal Department prepared the minutes with details including the list of Directors who attended, as well as all questions, answers, and summaries. A record of every vote was kept, along with records of who approved, disapproved, or abstained from motions. The minutes were broadcast through the Company's website (www.cgholdings.co.th) so that all parties would be able to verify it.

2. Equitable Treatment of Shareholders

- The Board oversees and ensures that every shareholder is treated equally by the following:
 - The Company shall delivery a shareholder meeting invitation at least 14 days in advance and provide the shareholder adequate information specifying the date, time, place, and agenda, including concerned matters. Thus, shareholders will have an opportunity to submit questions in advance.
 - The Board shall provide an opportunity for shareholders to submit questions 7 days in advance to the shareholder meeting.
 - Announcements of shareholder meetings will be posted in the newspaper for 3 consecutive days in order to inform shareholders.
 - The Company will hold the shareholder meetings at dates, times, and locations that will allow shareholders to attend; and will

not make sudden changes to the meeting's locations.

- The Board shall provide an opportunity for shareholders using power of attorney for proxy forms to pre-indicate his/her voting direction and propose at least 3 names of independent directors for shareholders to grant their proxy.
- The Chairperson of the Board of Directors shall inform others of the rules and regulations of voting procedures, and the number of shareholder attending the meeting to shareholders present at the meeting.
- Shareholders who are Executives shall add no agendas without informing other parties in advance.
- Each share has equal rights. The shareholders have rights to vote according to the number of shares held. In addition, they shall have equal rights to obtain news and information about the Company.
- The Chairperson of the Board of Directors shall initiate the agenda in order as informed in the meeting invitation.
- The Chairperson of the Board of Directors shall allow the shareholders to discuss and ask questions.
- In shareholder's meetings, all shareholders who are Executives, non-executives, and foreign shareholders shall be treated equally and fairly.
- All shareholders who attend the meeting shall have the right to vote 'agree', 'disagree', or 'abstain' on each agenda.

Supervision of use of Position for Personal Benefit Policy

- In accordance with Section 59 of the Securities and Exchange Act. B.E. 2535 (1992), directors and executives are required to report changes in securities holdings to the SEC and the SET.
- The Company's directors, executives, and staff who relate to internal information are not allowed to disclose such information to any outsiders or unrelated persons.
- Directors, executives, and staff members of relevant departments (as well as their spouses and underage children) are prohibited from participating in any of the Company's securities trading activities during the 14 days prior to the disclosure of the quarterly and annual financial statements.
- The Company has made declarations in writing regarding the ethics of executives and staff, along with penalties for those who violate the rules.

The Board of Directors has prepared a business ethics manual and guidelines on use of insider information in order to control the use of insider information and preventing its use for self-interest or the wrongful benefit of others.

Conflicts of Interest Policy

The Company does not allow directors, executives, and staff to operate competing businesses and to make any connected transactions which may lead to conflicts of interest. In the event that such transactions are required, the Board of Directors will oversee the transactions to ensure transparency and fairness as if the Company was dealing with unrelated partners. Directors, executives, or staff members who are stakeholders are required to inform others of such conflicts of interest prior to the consideration of such items and to be recorded clearly in the minutes of the meeting, and are not allowed to consider and approve these transactions. Said policy has been stipulated in the Business Ethics Manual accordance to the minutes of the Board of Director's Meeting Number 1/2014.

In the case that transactions are considered connected transactions under the notifications of the SEC or the SET, the directors will strictly oversee that the transactions are strictly done in accordance with the regulations, methods, and disclosures of information concerning connected transactions of listed companies.

Policy on Connected Transactions of the Company, Subsidiaries, Associated Companies, and Corresponding Subsidiaries, which are divided into two parts as follows

Measures in Controlling Connected Transactions

The Company recognizes the importance of transparency in the transactions between the Company and its Subsidiaries, and has thus issued measures to control connected transactions of the Company, Subsidiaries, Associated Companies, and corresponding subsidiaries with individuals who may have conflicts of interest, personal interests, or possible conflicts of interest as stipulated by the notifications of the Securities and Exchange Commission or the Stock Exchange of Thailand. The Company's Audit Committee will give its views on the necessity of making such connected transactions and the appropriateness

of prices by considering various conditions in accordance with guidelines on normal trading and the arm's length principle (ALP).

In the event that the Audit Committee is unable to consider the connected transaction, the Company will seek an independent expert or the Company's Auditor to provide opinions on such connected transactions for further consideration by the Company's Board of Directors and/or Audit Committee and/or shareholders, as the case may be. Those who may have conflicts of interest or personal interest in the connected transaction shall not be entitled to vote for the approval of the connected transaction.

In addition, the Company will disclose information in entering into connected transactions and vital asset acquisitions or disposal of the Company and its Subsidiaries in accordance with the notifications of the SEC or the SET and the accounting standards of the Institute of Certified Accountants and Auditors of Thailand (ICAAT).

Policy on Connected Transactions Trends

The Company, its Subsidiaries, and corresponding subsidiaries may make possible connected transactions with individuals or entities who may have possible conflicts of interest. In the event that such transactions are normal business transactions and done using the ALP, the Company has an internal policy specifying conditions that need to be met. The transaction needs to be in accordance to standard market terms and must be comparable to the pricing being offered to a third party, which is in line with what the Board of Directors approved during Meeting Number 1/2014, and in accordance to the Securities and Exchange Act and the SET. Related parties must strictly follow a joint agreement and set a clear and fair price and terms that do not lead to transfers of benefits.

Given the restructuring process, there could be an increase number of persons who may be classified as related parties, hence there could be an increasing connected party transactions occurring with the Company and the securities business. Most of the connected transactions would likely involve securities trading transactions.

Whenever there is an adjustment in prices or conditions of the connected transactions, the Internal Audit and Compliance Department will investigate such transactions and prepare a quarterly report for the Audit Committee to consider and recommend appropriate prices and reasons for making connected transactions. In other normal connected business transactions, the Company will follow the aforesaid measures to control connected transactions.

Therefore, after CGS released from listed company in SET, the Board of Director of the Company and CGS shall oversee CGS to comply with rules, procedure and disclosure the connected transaction as the listed company rules by mutatis mutandis. Additional, the Article of Association of CGS has amended inconsistent with the mentioned policy. CGS shall strictly comply with.

Roles of Stakeholders

The Board of Directors have a responsibility to protect all stakeholder's interests that are governed by the law, which includes clients, shareholders, investors, creditors, trading partners, independent auditors, management, civil servants, society, and other related parties to ensure that their rights are being protected equally.

Policy on safety and sanitation

The Company improved the working environment by expanding work spaces, reducing congestion for better working conditions, allowing the Company's employees to improve working performance and improve their capabilities. The Company also provides health insurance for all its employees.

Policy on Employee remuneration and benefits

The Company uses the KPI system in considering the compensation to each individual employee in line with their performance in an equal and fairly manner. The Compensation Sub-Committee appointed by the Company's Board of Directors has the overall responsibility for considering and determining appropriate payments.

Establishment of Employee Provident Fund

The Provident Fund ("The Fund") is a fund set up voluntarily between the employer and employees. Assets of the fund consist of money contributed by both employers and employees. Given that the employer is helping employees save money, this can be regarded as a kind of benefit that helps make employees stay with the employer for a longer period of time. The Company set up a Provident Fund for staff and a Provident Fund MFC Master Fund that was registered on June 16, 2014 by MFC.

Policy on Human Resource Development

The Company has a committee that seeks for employees to obtain both internal and external training to enhance personnel development and to promote honesty, ethics, and maintaining confidentiality for both the Company and its clients.

In 2017, the Company arranged several training courses both inside and outside its offices. Courses provided outside for staff included:

- Training for Directors
 - Pol.Gen. Werapong Chuenpagdee took part in the Anti-Corruption the Practical Guide arranged by the Thai Institute of Directors (IOD).
- New Director's orientations and new staff
 - orientation for new director 1 time
 - orientation for new staff 3 times
- Staff training
 - internal training sessions 3 times
- Anti-Corruption course

To ensure that employees had knowledge and understanding of the importance of Good Governance, morality, ethics, and the prevention and suppression of dishonest practices.
- Using resources properly course

To stimulate awareness of one's responsibility for, knowledge of, and understanding of activities for social and environment preservation with the intent of properly utilizing resources and applying knowledge to the organization. Furthermore, it should reduce costs and serve as a means of controlling expenses.
- Corporate Performance Improvement course

To realize the problems and issues that the Organization has in order to achieve the goals of: improving the efficiency of individuals, divisions, and the Company; in addition to creating understanding and cooperation so operations can move more efficiently toward success.

 - External training for the Company to staff 36 times
(Average hours (per staff) of training 16 hours per year)

Apart from this, career path development and promotions are laid out in a systematic and organized way by considering their performance, capability, appropriateness, and impact on the Company, allowing for employees to find motivation to continuously engage in self-improvement. The KPI was used to evaluate employee performance.

Policy on Non-violation of Human Rights

- Supports and respects the protection of human rights, and prevents the Company's operations from being in association with human rights violations, including being against forced labor and child labor.
- Treats all stakeholders fairly and respectfully without discrimination as to race or ethnic origin, gender, age, skin color, religious, body, status, or family.

The Company has set its policy as part of work regulations which was delivered to the Department of Labor Protection and Welfare as of December 1, 2015.

Policy on Competitor Integrity and Responsibility

The Company promotes fair practices and operates in accordance with the relevant regulator's guidelines. The Company will not try to obtain competitor's secrets through any unethical or illegal means. Furthermore, the Company will not try to harm competitor's reputations through any negative accusations and unfair-treatment.

Policy on Business Partner Dealing

The Company shall treat its Business Partners equally according to the terms and conditions specified in contracts and not do anything that would result in any adverse impacts to the Company's reputation, illegal actions, or violation of intellectual property rights such as usage of genuine software licenses while keeping in mind the need to handle business operations with fairness and ethics.

Policy on Selection of Business Partners

The Company will source for quality products and services, while aiming to develop and maintain long term relation with such business partners with the same objective of providing quality products and services. The Company sources for Business Partners that can provide products and services with the following criteria:

- Provides the same information to all business partners seeking to bid for the sales of goods and services
- Provides fair selection procedures
- Prepares proper contracts
- Provides follow-up procedures to make sure the conditions stated within contracts are being performed in order to prevent any fraud or corruption.

Policy on Fair Treatment with Creditors

The Company adheres to the agreements and terms and conditions set forth in the loan contracts signed with Creditors as well as contracts during the prices of goods and services in the aspect of paying the principal, interests, protecting the collateral as well as making payment for such goods and services.

Policy and Practices for Intellectual Property or Copyright

- The Company must operate and ensure its employees to perform their work without violating the intellectual property law such as trademark, patent, copyright, trade secrets and other intellectual properties.
- The Company's employees have right to create or invent their work independently under the relevant specified law except where such work are generated under their role within the Company or using Company's data – of which they will be considered property of the Company, unless the Company clearly permits that the invention belong to its employees.
- The Company supports its employees to realize the importance of intellectual property rights in workplace and in their daily life.
- Before using any data or information, the person involved will need to ensure that there is no violation of intellectual property rights.

Policy on Anti-corruption

Following the resolution of Board of Director's Meeting No. 5/2017, there have been changes in policy and guidelines for combating corruption:

In order for the Company and its Subsidiary to recognize and emphasize supporting participation, taking social responsibility, and combating corruption, an essential foundation of CGH's business operations under Good Governance principles for sustainable development, the Board of Directors agreed that a policy must be established:

Definition of the anti-corruption policy

The policy defines "corruption" as anything that includes offering, promising, giving, demanding, or taking money, assets, or other benefits that are improper to or from state officials, state agencies, and private agencies that are directly or indirectly involved. Such activity causes the individual to fail at carrying out their duty to handle, maintain, or recommend business to or for the Company, or to accept improper benefits, except in cases where this is allowed by laws, regulations, announcements, rules, traditions, local cultures, or trading practices.

The Company and its Subsidiary's policy for operating businesses without corruption

The Company and its Subsidiary's directors, executives, and staff are prohibited from engaging in or accepting any form of corruption, whether directly or indirectly. This covers all businesses and relevant agencies. The policy's implementation in business operations by both CGH and CGS should be reviewed to ensure that no corruption occurs on a regular basis.

Evaluations should be made of actual practices and procedures to comply with changes at the business, regulatory, and legal levels.

- There must be efficient and adequate internal control systems and risk assessment to prevent corruption, including inappropriate behavior by personnel and outsiders involved with the Company.
- Stressing the value of honesty, integrity, and responsibility in their roles as the heart and soul of the Organization. Raising awareness among personnel of the unacceptable nature of corruption.
- Providing an accurate and transparent financial reporting mechanism that meets internationally accepted accounting standards.
- Setting up channels of communication for staff and stakeholders so that they are able to report tip-offs, offer suggestions, or file complaints about corruption under a proper degree of protection.
- Establishing a method for preventing the giving or acceptance of gifts, assets, or any benefits. This includes entertainment or expenses over acceptable limits that go against Company rules or the laws of relevant nations.
- Setting up measures against any form of bribery, regardless of whether they are done to provide convenience or foster a business relationship, whether directly or indirectly.
- Ensuring that all purchases or hires are done with full transparency, fairness, and follow the proper regulations and procedures.
- All donations and financial grants must be transparent and proper within the contexts of the laws of any relevant nations.
- Encouraging the exchange of information, knowledge, experience, and effective guidelines with other companies in similar industries, as well as inviting all stakeholders to ally with the Company and participate in anti-corruption activities arranged by CGH, associations, the Chamber of Commerce, and other relevant agencies.

Duties and Responsibilities

- The Board of Directors has the duty and responsibility to establish policies and a system that aids anti-corruption efforts. This is to ensure that Management recognizes and gives priority to such efforts and ingrains the concept into the Organizational culture.
- Staff will not ignore or disregard any behavior linked to corruption at the Company or its Subsidiary. Staff members must notify their superiors or authorities who must aid in investigations. If there are any questions, staff should consult with their superiors or authorities regarding the monitoring of any actions related to the Company's ethics and regulations through pre-established channels.
- The Company will show fairness toward and protect staff who deny or notify others of any allegations of corruption, including protective measures for petitioners or those engaged in corrupt behavior who reported themselves.
- The individual engaged in corrupt activities or has provided support for such actions is acting in violation of the Company's ethics. Such individuals will be punished by the Company, and may receive further punishment if the consequences of such actions break laws in the civil or criminal codes.
- The Company recognizes the importance of disclosure, providing knowledge and understanding to those involved, have legal business relationships with the Company, or any trade-related activity that may affect the Organization in order to comply with the anti-corruption policy.
- The Company is determined to build and maintain an Organizational culture in which corruption is completely unacceptable in interactions with the state or private agencies. Combatting corruption is a social responsibility that extends to all of the Company's stakeholders. This philosophy will lead the Company's path to sustainability.

Encouraging support for the policy

The Company has set up channels to receive petitions with fair and rapid responses. It hopes that staff will keep watch to ensure the presence of good governance and ethical practices in business operations. One can make queries about business ethics or complaints about improper or unethical activities through these channels to the assigned departments or directly to supervisors. All complaints or petitions are considered equally, transparently, attentively, and fairly. Investigations will be given appropriate time, and information kept confidential, with petitioners protected during and after investigations.

Reviewing risk-prevention policies, measures, and hedging procedures

The Company sets up reviews of risk-prevention policies, measures, and hedging procedures, as well as developing measures for accepting complaints and notifying authorities of corruption once a year to make them more thorough and efficient.

Reporting corruption and filing complaints

The Company's stakeholders are encouraged to participate in the regulating process as a show of good governance, with this giving priority to considering complaints from both personnel within the Organization and outsiders. This is also considered to be one of the Company's preventive measures against risk.

Reporting clues and complaints of suspicious activities

If staff and stakeholders have any queries or come across any suspicious activity, disregards policies, violates ethics, or is against the law and good governance, they may contact and send detailed information or evidence to the following channels:

- Company Secretary
Telephone: 0-2256-7999 ext. 1707
E-mail: CompanySec@cgholdings.co.th
- Human Resources Division
Telephone: 0-2256-7999 ext. 1706
E-mail: nataporn@cgholdings.co.th
- Send complaints via postal service to :
Country Group Holdings PCL
132 Sindhorn Tower 3. 20th Floor, Wireless Road
Lumpini, Pathumwan, Bangkok Metropolis 10330

Conditions and consideration of clues and complaints

- Petitioners will receive the right to be protected. The information given will be confidential, and the name of the person will not be publicly disclosed without their consent. However, the information or complaint reporters can choose to disclose themselves so that the Company is able to report on progress, ask for further information, explain facts, or alleviate damages quickly and conveniently.
- The Company has set procedures that petitioners and stakeholders in the investigation process must keep all the information confidentially. If it is necessary to release such information, all the procedures must be proceeded carefully while keeping the safety and well-being of the petitioner, collaborating in investigations, sources of information, or other individuals involved in mind.
- The details of clues or complaints must be factual and clear enough so that the Company is able to investigate and proceed properly.
- The time devoted to investigations and their progress depends upon the degree of complexity of the issue, details of the evidence, and explanations received from the petitioner.
- Victims will be relieved through appropriate procedures.
 - The protection of employees, staff, or individuals working for the Company due to the contractual obligations. The Company will do unfair to employees, staff, or those working for them whether in terms of position, job descriptions, working locations, suspensions, threats, termination, or other action that might be done unfair against the law, regulations, ethics, or work procedure policies.

Social responsibilities policy and practice

The Company is aware of our role in social responsibilities to the community that we are a part of. We also dedicate our work for social responsibility with all stakeholders every year. The Company allocates part of its budget to support Corporate Social Responsibility (CSR) activities focusing on three areas including education, religion, and quality of life. More details are in the part of 'Corporate Social Responsibility'.

Environmental promoting and training policy

- Strictly act in accordance to the laws and requirements of the environment
- Encourage employees to learn about the environment in order to be environmental responsibilities.
- Encourage employees to exchange environmental knowledge and experience among themselves in the Company.
- Encourage and support employees to regularly improve their working process to suit with the environment.
- The Company set environmental protection policies that will not affect the environment.
- Regularly review and evaluate the Company's performance in environmental protection.

The Company has arranged environment-related activities, the details of which are given in the CSR Report. In addition, the Board of Directors acknowledges the rights of stakeholders according to specified laws and encourages cooperation between the Company and all stakeholders for sustainable growth. All stakeholders are treated equally and fairly, and information is disclosed fair and timely manner through all channels in accordance with the SET's procedures, as well as the Company's website at <http://www.cgholdings.co.th>. Moreover, all stakeholders can request for further information by contacting Thanika Padungpattanapong via telephone at 0-2256-7999 ext. 1707, or e-mail at CompanySec@cgholdings.co.th Board of Director Secretary & Legal Division

Disclosure and Transparency

Information Disclosure

- Provide accurate and updated information in both English and Thai. Disclosure should transparent and consistently updated through various channels such as the Company's website.
- The Board of Directors or executives assign specific persons or departments to disclose information to shareholders, investors, analysts, media, or supervision agency.
- Information which shall consistently be disclosed:
 - Vision and Mission of the Company
 - Nature of businesses
 - Lists of the Board of Directors and Management
 - Financial statements and operating performances of the present and the previous year
 - Downloadable 56-1 Form and Annual Report
 - Other relevant information or documents presented to analysts, fund managers, and media
 - Shareholder structure, group structure, and percentage of shares held by Directors and Executives as well as lists of major shareholders
 - Invitation letters to shareholder meetings
 - The memorandum of association of the Company and shareholder agreements (if any)
 - Risk management policy and procedures
 - Duty, qualification, and terms of Directors including subjects that needed approval from the Board of Directors, Audit Committee, Nomination Committee, Remuneration Committee, and Good Governance Committee
 - Code of ethics and practices for employees and the Board of Directors
 - Investor relations contact information
- Define financial statements or financial information to present financial status and operating performance as required by law, along with disclosing other information in a complete, accurate, sufficient, and timely manner so that all shareholders and stakeholders are informed accordingly.
- Organize financial statements to be audited by an independent external Auditor, including disclosure of such fees.

- The Company will provide access to its data analytics to outsiders such as securities analysts, investment advisors, securities brokers, credit rating agencies (CRAs), media, and external regulators, among others, for the benefit of investor's decision making and other beneficial actions through the Investor Relations Division or the Company Secretary's Office.

In 2017, the Company hosted activities to provide information about its business performance to securities analysts, investors, and media as follows: 'Open House' events on August 16, 2017 at which the CEO and executives showed and informed the invited media and investors about the business policies and performance to create the understanding of the Company.

- Disclose policies on Good Corporate Governance, Risk Management policies, Business Ethics, and Compliance report in the annual report, the Company's website, as well as announcements at the head office and all branches.
- Disclose roles and duties of all committees, the number of meetings and attendances, Director's opinions, including policies on Director's and senior executive's remuneration in the annual report and the Company's website in accordance with the minutes of Board of Director's Meeting Number 1/2014.
- In accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992), the Directors must report their trading/holding of Company securities, including through spouses and dependents, to the Board every month, even when there is no change in holding or trading activities.
- Directors, executives, and staff members of relevant departments (along with their spouses and any underage children) are prohibited from participating in any of the Company's securities trading activities during the 14 days prior to the disclosure of the quarterly and annual financial statements. Anyone caught violating this rule will be punished according to the Company's regulations.
- The Company disclosed information through its publications as follows:
 - Communication system of the Stock Exchange of Thailand (SET Portal)
 - Annual Report
 - Website: www.cgholdings.co.th
 - Investor Relations Department

The Board of Directors report

The Board of Directors of the Company were instructed to report on the responsibilities of the Directors in relation to the Company's financial statements and any other major items required in operating the business with transparency and fairness, as well as being in compliance with the requirements of the SEC and/or any other governing bodies. This is required for presentation along with Auditor's reports in the annual reports of the Company.

The Audit Committee, which included Mrs. Jitmanee Sawanapool, is knowledgeable and suitably experienced in handling audits of financial statements and disclosing important information in their notations.

The Audit Committee also ensures that the internal controls system is adequate by using a standardized review system, as well as modern assessments of risk management. The Committee meets with the Internal Audit and Compliance Division and external Auditor to ensure that the Company's financial reports are accurate and complete, in addition to disclosing the Committee's report in the Company's annual report. In 2017, there were four meetings of the Audit Committee.

Investor Relations

The Board realizes the significance of accurate, complete, and transparent disclosure of the Company's finances and other general information including that which may have impacts on share prices and investor sentiment. As such, information must be provided in a manner that is also timely and consistent to all investors and stakeholders for their decision making according to the rules and regulations of the SET. The Company shall disclose such information through various channels such as reports to the SET and the Company website (www.cgholdings.co.th).

To disseminate accurate and reliable information, as well as to eliminate rumors or misleading information, the Company has assigned an Investor Relations team for answering any questions and clarifying any information about the Company to investors and relevant parties, as well as being responsible for providing information to shareholders and investors regularly. Investors can contact the Investor Relations Division by contacting Miss Kamonporn Ongphet via telephone at 0-2256-7999 ext. 1717, or by e-mail at kamonporn@cgholdings.co.th.

The Compliance and Internal Audit Division was established as a center for accepting and studying complaints, as well as receiving tip-offs. Individuals may contact the Board of Director Secretary & Legal Division Office by telephone at 0-2256-7999 ext. 1707, or by e-mail at CompanySec@cgholdings.co.th. Board of Director Secretary & Legal Division

Policy on Internal information usage

The Company has set a policy to control and regulate internal information usage so that there are measures by which to prevent and handle it efficiently. This is also to prevent usage of internal information personal beneficially or cronyism and complies with the principles of Good Corporate Governance and transparency. Details are as follows:

1. The Board of Directors and Management, along with spouse and underage children, must report their assets according to SEC and SET regulations.
2. Directors, executives, and staff at relevant departments (along with their spouses and underage children) are prohibited from participating in any of the Company's securities trading activities during the 14 days prior to the disclosure of the quarterly and annual financial statements.
3. Levels of secrecy are used to indicate the degrees to which insider information must remain a business secret. Levels are divided based upon importance. For example, this might include disclosable information, undisclosable information, secret information, and highly confidential information. Usage of this information must be within the frame of duty and assigned responsibility. One cannot disclose the Company's secret information if doing so would damage it or affect its ability to compete regardless of whether said data is related to electronics, finances, procedures, future business plans, or any other information while employed at, or following employment at, the Company.
4. Disclosing information to public requires approval from the Chairperson, executives, division, or appointed individuals.
5. Regulations are to be established regarding putting preventive measures and insider information usage in writing. There will be lines of communication to broadcast such policies and regulations to Directors, executives, and staff at all levels of the Organization on a continuous basis so that everyone recognizes their duties and responsibilities based on what the Company has set clearly through their policies and rules. Anyone who fails to obey this policy will be punished accordingly.

Responsibilities of the Board of Directors

The Board of Directors has a major role in business governance and providing vision and strategic plans to operate the business, including budgeting and risk management. They have independence in their decision making for the best interests of the Company and its shareholders.

Structure of the Boards

1. The Board consists of at least five but not more than 12 directors who are skilled, experienced, dedicated, and equipped with knowledge and independent judgment to constructively discuss opinions in Board meetings. In addition, each director must possess qualifications specified by law. Also, one third of the Board or at least three members must be independent directors.

The appointment of Directors shall be pre-set into meeting agendas with transparent and clear nomination of well-profiled Directors. The Company shall disclose the profiles of all directors in detail, including any changes made to the public through the Company's website and internal communication.

As of December 31, 2017, of the nine members of the Board of Directors, four were Independent (with one a woman). The Company's Secretary is to coordinate efforts between the Directors and Management, as well as oversee and coordinate with the Legal Division, and any relevant regulations or other tasks according to the Board of Director's resolution.

2. The quantity of independent directors is not limited to a specific number. The person who will be appointed as a Director or Independent Director must meet the qualifications by considering the skills, experience, and talents that are beneficial for the Company. In addition, he/she must devote their time and effort into performing their role. Moreover, his/her qualifications must meet the requirements of the SEC and the Public Limited Companies Act.
3. Clearly define the power and authorities of Chairperson and Chief Executive Officer who must not be the same person.

4. Clearly define the policy and procedure in the case where the CEO and senior management of the Company hold Director positions in other companies, including the types of Directorship and the number of companies. Moreover, this must be approved by the Board of Directors.
5. Appoints the Company's Secretary to advise on legal and, rules and regulations that the Board of Directors must be aware in performing their duties. Moreover, the Company's Secretary must coordinate with others to ensure that actions are being taken in accordance with the resolutions of Board meetings. The qualifications and experience requirement for such positions must be set and reported in the annual report and the Company's website. Moreover, the Company's Secretary will receive training and knowledge development in law, accounting, and other areas in relation to performing his/her role as the Company's Secretary.

Sub-Committees

There are six committees: the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Investment Committee, the Risk Management Committee, and the Good Governance Committee that oversee different areas of the Company.

The Chairperson of each committee shall not be the head or member in any sub-committees to prevent dependency of each committee. Furthermore, the Nomination and compensation committee will hold twice meeting a year.

Duties and Responsibilities of the Board

- **Leadership, Vision, and Independent Decision**

The Board of Directors have the duties and responsibilities of formulating policies, considering, approving, and revising the strategy, goals, business plan, budgeting, and risk management of the Company, including ensuring that the management team can execute the plan and utilize the budget in an efficient and transparent manner. In addition, the Board of Directors emphasize Good Corporate Governance by implementing the corporate governance policy and by reviewing the implementation results of such policies at least once a year. This put emphasis on a good internal controls system, along with an efficient risk management system, as well as repeatedly evaluating such systems in Board of Director's meetings. Thus, it is essential that the Board is comprised of directors who have leadership and vision, as well as the capability to make independent decisions for the highest benefit of the Company and its stakeholders.

- **Conflicts of Interest**

The Board has set clear guidelines to prevent conflicts of interest as per the corporate ethics handbook. These are listed below as follows:

- To have a well-structured organization chart, whereby each functional unit can be monitored for performance with relevant committees to oversee internal controls and adherence with external regulatory bodies.
- To encourage all executives and employees to adhere to good corporate governance by promoting working principles of integrity, professional ethics, client confidentiality, and no usage of inside information for one's own interests.
- For situations where the decision making may result in conflicts of interest or where the interests of the Company may not be in line with stakeholders, the Board of Directors and management will consider such matters carefully, honestly, reasonably, and independently for the best benefit to the Company. Such decisions will be disclosed to shareholders.
- In cases where there are potential conflicts of interest or related transactions, all related directors must disclose such information to the meeting immediately and shall not have the right to attend nor vote for that agenda.
- Directors, executives, and all employees must avoid any transactions that may lead to conflicts of interest for the Company and stakeholders. This includes contacting the Company's customers and competitors, or seeking opportunities or information received from being Directors or employees of the Company for pursuing personal interests, or performing activities that compete with the Company, or working on other jobs apart from that of the Company's that could have impact on their own duties within the Company.
- Directors, executives, and all employees must avoid holding competitor's shares as this might affect their duties or responsibilities. In the case that a person holds shares before being employed, the person must report to his/her relevant supervisors and send a copy of the report to the Audit and Compliance Department.

- **Business ethics**

The Company strongly upholds its business ethics to the utmost importance in achieving long term success, business targets and in maximizing shareholder's wealth. The Board has set a code of conduct for employees to follow and use as a guideline to perform each dedicated task with honesty and integrity to the Company, and all stakeholders. In addition, the Company has established a set of punitive courses for those in breach of the code of conduct which is regularly monitored by the audit and compliance division.

- **Internal controls, internal audit, and financial report**

The Company bestows serious attention on the internal controls system at both the managerial and operational levels, focusing on adequacy and appropriateness for the prevention of damages that may occur to the Company's financial and business operations. The Company has set up internal controls and audit policies as follows:

- Assigning management to prepare and jointly work with the Auditor toward the creation of accurate and complete financial reports for all quarterly, semi-annual, and annual statements.
- Assigning the directors or the chairperson of the Audit Committee to provide an opinion on the adequacy of the internal controls system and risk management that is to be disclosed in the annual report.
- Controlling and monitoring the Audit and Internal Controls systems to ensure that the Company adheres to all relevant standards and regulations under the review of internal auditors and the Audit Committee.
- Clearly specifying and documenting the responsibilities and authorities in management.
- Regularly monitoring and auditing the use of Company assets to avoid damages or exploitation.
- Separating the roles and responsibilities of both individual and department duties in order to achieve a balance of power, as well as an appropriate review of them.
- The Board of Directors emphasizes recommendations or suggestions from independent financial auditors and other external auditors for use as guidelines for improving operational practices.
- Assigning the Internal Audit and Compliance Unit to directly report to the Audit Committee to ensure that judgments are independent and an efficient balance of power is in place.
- Developing policies to appoint reputable external Auditors that are approved by the SEC in order to audit, advise on, and rectify any weaknesses or errors of the Accounting and Internal Controls system.
- Establishing a risk management policy to cover all activities within the Company by assigning Management to implement the policy and regularly report the results to the Board of Directors. The Board should review the risk management system or assess the effectiveness of risk management on an annual basis at the very least and disclose them in the annual report or whenever there is a change in risk level. The Board should also focus on early warning signs and unusual transactions.
- Promoting clear procedures on governing Subsidiaries and Associated Companies in order to protect investor's benefits including assigning directors to Subsidiaries or Associate Companies in line with the proportion of shares held in those companies.

As per Board of Director's Meeting Resolution No. 4/2014 on August 26, 2014, Mr. Sadawut Taechaubol, Mr. Surabhon Kwunchaithunya, and Gen. Lertrat Rattanawanitch were appointed to represent the Company in MFC following its restructuring. This was done to comply with its policies, regulations, laws, announcements, and other relevant rules. Their objective in voting in the MFC Board of Director's meetings regarding the company's general administration and business operations is that which is to the greatest benefit to the Company and its Subsidiary. The proportion of Company representatives among MFC directors is 37.50 percent (excluding independent directors), with CGH owning over 24.92 percent of MFC's shares following the restructure.

In the resolution for Board of Director's Meeting No. 1/2017, the Company nominated the following as candidates for serving as its Directors of Country Group Securities Public Company Limited:

1. Mr. Surabhon Kwunchaithunya
2. Mr. Sim Hong Chye
3. Dr. Veeraphat Phetcharakupt
4. Mr. Thanachote Rungsitivat

For transparency and fairness to stakeholders and clarity among Management between the Company and its subsidiary, on January 16, 2017, two directors who were serving as directors in the Subsidiary resigned from their latter posts. The two directors were Mr. Sadawut Taechaubol and Mr. Tommy Taechaubol. Thus, at the present time, there are seven people on the Subsidiary's Board of Directors.

- | | |
|----------------------------------|----------------------|
| 1. Mr. Surabhon Kwunchaithunya | Chairperson |
| 2. Pol. Gen. Somchai Vanichsenee | Independent Director |
| 3. Mr. Charn Tulyapisitchai | Independent Director |
| 4. Mr. Hong Chye Sim | Director |
| 5. Mr. Thanachote Rungsitivat | Director |
| 6. Mr. Vasu Chewprecha | Independent Director |
| 7. Dr. Veeraphat Phetcharakupt | Director, CEO |

The Company's representatives represent 57.10 percent of its Subsidiary's directors, while Independent Directors make up 42.80 percent of all Directors.

Meetings of the Board of Directors

- The Board of Directors set the times and dates of the six regular meetings for 2017 in advance so that Directors would be able to prepare their schedules with convenience. There were also one irregular meetings, leading to a total of 7 meetings of the Board.
- At least two-thirds Directors must be present for meetings to qualify as official Board of Director's Meetings. The Company's Chairperson has to approve the agenda by discussing it with the Chief Executive Officer, and must also consider requests from Directors to add issues to meeting agendas. However, each Director is free to bring their own agendas to meetings.
- The Chairperson should appropriately allocate sufficient time for both Management and the Directors to comprehensively present and discuss the matters during the meeting.
- The Board of Directors should encourage the senior executives to participate in a Board meeting in order to directly provide additional information on specific issues, as well as to serve as an opportunity to get to know each other.
- The Board of Director is able to ask for additional information, advice, and services from the CEO or other assigned executives, or request for independent opinions from external consultants who are liaised through the Company Secretary.
- Directors should receive correct, timely, adequate, and complete information from Management.
- The Company has assigned the Company Secretary to arrange and send notices for meetings along with agendas no less than five days in advance so that each member of the Board can have enough time to review the items before the meeting.
- After receiving approval from the Directors, the minutes of each Board of Director's Meeting are required to be thorough and well-documented in writing. This will be used for further reference by both the Board of Directors and any related parties.
- All Directors are encouraged to attend at least 75 percent of all Board meetings held throughout the year.
- In addition, Non-Executive Directors can conduct meetings among themselves as appropriate to discuss issues related to the management of the Company without the involvement of the Company's executives. The resolutions of such meetings will be given to the CEO.

The Board of Directors Evaluation

The Board encourages self-evaluations, as every year they assess their own work in order to study the results, issues, and obstacles to improvement. The following evaluation is that of the Board of Directors:

- **Performance Evaluation of the Board of Directors**

The Directors set rules for the evaluation with details as follows:

1. Subject of evaluation
 - Board structure and Qualifications
 - Roles, duties, and responsibilities
 - Board Meetings
 - Director's duties
 - Relationship with Management
 - Self-development and executive development
2. Scoring Method
 - 0 Completely disagree or nothing was done
 - 1 Disagree or little action was taken
 - 2 Agree or some action was taken
 - 3 Generally agree or considerable action was taken
 - 4 Fully agree or excellent action was taken
3. Evaluation Measurement

SCORES (%)	SCORING RANGE	DEFINITION
90-100	Excellent	High standard of job performance with no or little improvement needed.
80-89	Above Average	Standard of job performance with higher than expectation.
70-79	Met Expectations	Standard of job performance with meets expectation.
60-69	Adequate	Standard of job performance but lower than expectation and improvement can be done.
Below 60	Needs Improvement	As soon as possible Below acceptable standard of job performance and urgent improvement needed.

- **Performance Evaluation of Sub-Committees**

The Board has requested that assessments of all committees and sub-committees such as the Board of Directors, the Audit Committee, the Risk Management Committee, and the Good Governance Committee will use the same assessment rules as the Board. Furthermore, the subjects scrutinized in assessments will differ according to the roles and responsibilities of each.

- **Performance Evaluation of Chief Executive Officer**

The Nomination and Remuneration Committee is in charge of the evaluation of Chief Executive Office work that is to be presented to the Board of Directors. The assessment will follow the same rules as those used for the Board and sub-committees. The subjects under assessment will be divided into 10 areas:

1. Leadership
2. Strategy
3. Implementation of strategy
4. Planning and financial procedures
5. Relationship with directors
6. Relationship with outsiders
7. Management and relationship with Personnel
8. Line of succession
9. Knowledge of Product and Service
10. Personal qualifications

In 2017, the Nomination and Remuneration Committee considered compensation and arranged for evaluations of committees and sub-committees. The Nomination and Remuneration Committee is in charge of evaluating Chief Executive Officer, which was done on November 30, 2017 in order for the Board to study the results and improve the procedure.

Remuneration for Directors and Executives

The Company has clearly and transparently set out details for Director's remuneration in regard to attendance fees, the compensation for which received approval at the Annual General Shareholder's Meeting. Directors were assigned additional duties and responsibilities, and example being their roles as members of sub-committees, for which they will receive added compensation at a level appropriate to the tasks and responsibilities assigned. This was based on the resolution made at the Annual General Shareholder's Meeting on April 27, 2017. The Board intends to act transparently and according to Good Governance principles, with Directors receiving remuneration abstaining from voting on the matter, which revolved around 1,523,254,213 shares.

The Nomination and Remuneration Committee sets the evaluation criteria for the executives as well as setting fair and clear remunerations for them. In the case where new shares are to be issued for the executives, the Committee will need to provide its opinion and justification for cases where more than five percent of the shares are allocated. No Directors or Executives that are to receive more than five percent of the Company's shares are to be members of the Committee.

Disclosure of all relevant remuneration for the Directors and the Executives is given in annual reports and on the Company's website.

Development of Directors and Executives

The Company provides the following types of training and activities to Directors and Executives:

- Encouraging Directors to attend training courses about their roles and duties as intermediaries in the investment business to acquire knowledge and understanding of their expected roles and responsibilities in order to fulfill them thoroughly and properly. The Company sent two directors to participate in training courses at the IOD, as specified earlier in regard to the Company's policy on personnel development.
- Newly elected or re-elected Directors must be approved by the Office of the SEC. The Company must have complied with the above prior to the newly appointed Directors beginning to undertake their duties.
- In the past year, the Company held two orientation sessions for new Directors. These sessions detailed information about the Company, regulations, and instructions for Directors.

Roles, responsibilities and scope of work of the Chairperson and sub-committees

There are six committees in the Company: The Board of Directors, the Audit Committees, the Nomination and Remuneration Committee, the Investment Committee, the Risk Management Committee and the Good Governance Committee. The lists of the Committees and Sub-Committees are included in Section 1. The structures and authorities of each Committee are explained below:

- **Roles and responsibilities of the Chairperson**

The Chairperson's duties are as follows:

- Setting the agenda for meetings between the Board of Directors and the Chairperson while ensuring that the Directors receive accurate, thorough, and clear information in a timely fashion prior to the meeting so that they are properly prepared.
- Serving as the Board of Director's leader and chairing meetings of the Board
 - Ensuring that the Board proceeds via agendas, regulations, and laws.
 - Providing appropriate amounts of time and encouraging all Directors to fully and freely exchange opinions, while also carefully engaging in decision making that is mindful of all stakeholders.
 - Summarizing meeting resolutions and what is needed to proceed in a clear manner.
- Taking a leading role at Annual General Shareholder's Meetings and ensuring that they proceed according to their agenda, the Company's regulations, and laws by providing a proper amount of time and giving shareholders opportunities to express their opinions, while also carrying out question and answer sessions for shareholders in an appropriate and transparent manner.
- Supporting and serve as a role model in following Good Governance principles and CGH's ethics policy.
- Fostering a strong relationship between the Board and Management. Providing support to CEO and the fulfillment of Management's duties based on the Company's policies.
- Supervising the disclosure of information and transparency in management in the event of a conflict of interest.
- Ensuring that the Board is properly structured and organized.
- Overseeing the operations of the Board and others, including sub-committees and individual Directors, in order to ensure that work is completed efficiently and successfully.
- Supervising the performance of the Board of Directors as a whole, as well as that of individual Directors, the Chairperson, and sub-committees. This is done with the intent of improving performance and improving the knowledge and abilities of Directors and sub-committees.

- **Roles and responsibilities of the Board of Directors**

- Direct the Company's business under the specified scope of objectives in compliance with regulations and laws and the shareholder's resolution with honesty and regards to maintain highest benefits of the shareholders.
- Set the direction for business operation and monitor the performances of the Company and its subsidiaries in accordance with rules and regulations of the supervisory organizations, as well as oversee the Company's disclosure on information with respect to the practice of Good Governance.
- Develop corporate good governance practice within the Company by documenting, reviewing and evaluating the performance annually.
- Approve transactions regarding or concerning acquisition or disposal of assets/ sales or dismissal of properties including any other transactions, stated by law, that require the Board or Shareholder meeting approval.
- The Board of Directors may appoint any number of executives as Sub-Committees to assist in managing, monitoring and regulating the Company's operation to ensure achievements in accordance with the practice of Good Governance.
- Approve the Company's investment plan proposed by the management under Investment Committee's approval. The Board has approved the investment policy No.1/2015 dated 15 May 2015 that allows the investment in equity market and provide guidelines on Company's investment to ensure highest benefits, good internal control and efficient risk management.
- Approve the Company's investment in business expansion or joint venture that bring highest benefits to the Company and its subsidiary.
- Establish business ethics and consistently communicate such practice to director, management and all employees along with developing corporate culture in order to prevent corruption and monitoring the result regularly.
- Establish good internal control and audit to protect the information and assets of the Company and its subsidiaries, clients, shareholders and stakeholders. Ensuring accurate accounting and finance to certify appropriate business operation with reasonable returns. Conduct annual evaluation on internal control and provide advices accordingly.
- Establish risk management practice within the Company and its subsidiaries by assigning Risk Management Committee to set up policy concerning risk management in every business aspect as well as conduct reviews and evaluations with respect to the specified policy at least once a year.

- Endorse the Company's financial statements presented in annual report.
 - Appoint the Chief Executive Officer and Managing Director and monitor their performances with respect to entitled authorities and scope of responsibilities.
 - Provide secretaries to the Company to comply with the regulations of the supervisory organization as well as to oversee the activities of the Board and examine the Company's performance with respect to the policies set by the Board. With additions of promoting the practice of Good Governance, securing documents and information and communicating with shareholders and supervisory organizations.
 - Provide effective communication channels between the Company and shareholders, stakeholders as well as the public.
 - Evaluate performance of the Company's board of directors annually to jointly examine the result and concerns in order to develop efficient solutions.
 - Manage and monitor its subsidiaries as the Company's unit – oversee their operations with respect to the Company's regulations.
- **Roles and responsibilities of the Audit Committee**
 - Ensure accuracy and transparency on financial reports of the Company and its Subsidiary together with the Company's Auditor and the concerned Management.
 - Ensure compliance with the law concerning the Securities Company Act, SET regulations, and other applicable laws.
 - Ensure accountable internal controls within the Company and its Subsidiaries. Ensure independence of Internal Audit Unit and oversee its operation as proposed by Management. Provide approval on transfers, removal, and evaluations of the Internal Audit Manager.
 - Select and appoint the Company's Auditor as well as the remunerations.
 - Ensure legal compliance concerning related transactions or transactions with conflicts of interest to maintain the Company's benefit.
 - Prepare and disclose Audit Committee reports in the annual reports that are endorsed by the Chairperson of the Audit Committee. The reports must consist of the following:
 - Observations on financial information disclosure in terms of accuracy and accountability
 - Observations on the Company's internal controls
 - Observations on the appropriateness of the auditors
 - Observations on compliance with SEC and SET regulations and any other applicable laws
 - Observations on the Company's conflicts of interest
 - Observations on any transactions concerning interests of shareholders or investors within the scope of authorities provided by the Board.
 - Conduct any other responsibilities as deemed appropriate by the Board.

In 2017, the Audit Committees held four meetings in total.

- **Roles and responsibilities of the Nomination and Remuneration Committee**
 - Recruit eligible persons and nominate them as the Company's Directors, members of sub-committees, CEO/Managing Director candidates to the Board or the shareholders, provided that the candidates are eligible in accordance with the qualifications set by the Board and the regulations of the supervisory organizations.
 - Nominate eligible persons as candidates for Independent Director by which the evaluations on their autonomy are conducted prior to the nominations.
 - Provide reliable advice on any amendments in the number of the Company's Directors to the Board of Directors as needed or deemed appropriate.
 - Review remuneration plans and policies of the Company and its Subsidiaries with respect to the Company's and its subsidiaries' annual business plans and benefits of shareholders
 - Develop policies and regulations concerning the remunerations of the Directors, the Sub-Committees, the CEO/Managing Director and propose them to meetings of the Board or shareholders for approval.
 - Develop remuneration structures for the Directors, the Sub-Committees, the CEO/Managing Director that relate with their responsibilities and are able to retain or attract qualified persons to the Company and propose them to meetings of the Board or shareholders for approval.

- Review remuneration structures of the employees in the Company and its Subsidiaries and propose suggestions to the Board to seek approval prior to annual remuneration.
- Review contract fees and other benefits for management and employees holding significant positions (if any) as well as the agreements on employment of authorities and make proposals to Management.

In 2017, the Nomination and Remuneration Committee held two meetings in total.

- **Roles and responsibilities of the Good Governance Committee**

- Define the boundaries of the good governance of the Company and its Subsidiaries as well as recommend the guidelines of good governance and make proposals to the Board.
- Monitor the operations of the Board and management to ensure compliance with the good governance practice stated by the Company and the supervisory organizations.
- Review and revise the good governance guidelines of the Company and its Subsidiaries to keep up with international standards and make proposals to the Board.
- Review the autonomy of the Board and any conflicts of interest that may occur.
- Propose methods for evaluating the Board and Sub-Committees as well as overseeing the evaluation and reporting to the Board for future improvement.
- Review the performance evaluation process of the Board and the Sub-Committees annually.

In 2017, the Good Governance Committee held two meetings in total.

- **Roles and responsibilities of the Risk Management Committee**

- Provide assistance to the Board in managing risk and set up risk management policies, strategies, and risk control measures in every aspect of the Company and its Subsidiaries to guarantee systematic risk control.
- Define risk control practice to each unit of the Company and its Subsidiaries, as well as monitor and manage risk within the specified realm and ensure compliance with the risk management principles stated by supervisory organizations.
- Ensure adequate risk assessments and risk management - from internal and external factors - for the Company and its Subsidiaries, as well as conducting an analysis and proposing solutions.
- Monitor and evaluate risk management in each department, and ensure that the Company and its Subsidiaries possess sufficient infrastructure, resources, and adequate risk control systems.
- Review the Company and its Subsidiaries' risk management systems to ensure total coverage of all business transactions, as well as assigning individuals or sub-committees to oversee and manage large-scale risk and report to the Risk Management Committee.
- Prepare annual performance evaluation reports for the Risk Management Committee, set up performance targets for the following year, and make proposals to the Board.
- Conduct any other responsibilities as deemed appropriate by the Board and the Risk Management Committees.

In 2017, the Risk Management Committee held four meetings in total.

- **Roles and responsibilities of the Investment Committee**

- Define the Company and its Subsidiary's investment plans that comply with the Board policies approved during Board Meeting Number 1/2015 on May 15, 2015.
- Define and review the investment policy of the Company and its Subsidiaries corresponding with the investment conditions to maximize the Company's interests and make proposals to the Board.
- Review risk management policies and measures so they match the Company's policies on investment.
- Oversee the Company's investment policy to comply with the policy set by the Board.
- Review the Company's annual investment plan and make proposals to the Board.
- Conduct a study on targeted businesses or enterprises in order to ensure maximum returns and make proposals to the Board.
- Is authorized to utilize the Company's expenses to invite or employ external experts as advisors for joint investment.
- Nominate the Company's representative for election as Director or Executive of the invested company upon the Board's approval.

- Oversee investments with respect to the Company's guidelines and report on the performance of the investment to the Board.
- Propose a change in capital investment or a termination of a joint investment to the Board.
- Conduct any other responsibilities as deemed appropriate by the Board and the Risk Management Committees.

In 2017, the Investment Committee held six meetings in total.

- **Roles and responsibilities of the CEO**

- Studying the goals, business direction, and investment policies, as well as the Company and its Subsidiary's business strategy for the purpose of presenting it to the Board.
- Studying, approving, monitoring, and regulating the Company's operations so that they comply with the policies, plans, and investment strategy that the Board has approved with the approval of the Executive Board.
- Screening the annual budget as the Company, the Subsidiary, or Affiliated Companies within the Group prepare and present their proposals to the Board for approval with the agreement of the Executive Board.
- Ordering/ coordinating policies or business strategies that the Board has approved to Management and the Subsidiary so that they may fulfil their expected duties.
- Monitoring and supervising operations and the risk management process. Following up on assessments of the Company and the Subsidiary's Management to ensure that they are following set policies.
- Studying and providing suggestions, consultation, and advice for establishing solutions to problems, as well as endorsing the development of procedures in the Company and its Subsidiary.
- Studying and providing advice about rules, discipline, and regulations in the Subsidiary's major business operations so that they comply with the Company's policies.
- Having the power to issue orders, set regulations, make announcements, and keep records so that business operations are in order and follow Company policies, with this benefiting the Company in terms of corporate governance and internal corporate discipline.
- Appointing or relocating personnel depending on their work, examining the Company and its Subsidiary's Management's goodwill and remuneration and presenting them to the Board for approval with the Executive Board's agreement.
- Handling other duties as assigned by the Board or as is necessary.

Nomination and Appointment of Directors and Executives

Nomination of Directors

As concluded by the Board Meeting No. 2/2014 on June 24, 2014, the Nomination and Remuneration Committee was appointed to examine the appropriateness of the structure of the Company's Board of Directors as well as to specify the qualifications and eligibilities of Directors and top executives and their evaluations.

According to the Company's Articles of Association, a shareholder has one vote per share as stated by the Public Limited Companies Act of B.E. 2535 (1992). The selection of directors in Articles 17 – 38 of Section 5 of the Company's Articles of Association can be summarized as follows:

- The Board consists of at least five, but no more than 12 Directors, with at least half of the total number having to be residents of Thailand. The Board members are not required to hold shares.
- The qualifications for Directors are as follows:
 - They must be natural, sui juris persons
 - They must not be bankrupt or incapable
 - They must never have been imprisoned for charges concerning illegal asset possession
 - They must never have been punished, fired, or removed from positions as a civil servants or government officers due to charges of fraudulent practices
- If any Director lacks qualifications mentioned in item 2 or the Shareholder's Meeting resolves to remove him or her from the position, the Director must leave his or her position. Resignation notices should be presented to the Company and are considered effective on the date they are received.

- The selection of Directors is carried out during Shareholder's Meetings following the regulations below.
 - Each shareholder has one vote per share.
 - The candidates may receive votes as individuals or as groups at a time depending on the decisions of Shareholder's Meetings. In each voting session, shareholders have to exercise all their existing votes without breaking down to vote for different candidates or groups of candidates.
 - Candidates are appointed to vacant positions in respect to the number of votes they receive. In case of a tie, the Chairman of the meeting has casting the vote.
- In every Annual Shareholder Meeting, one-third of Directors should leave their positions. If the concurrent number of Directors are not divisible by three, the approximation can be applied. Directors who have left their positions may be re-elected. During the first two years after the Company's registration, Directors are randomly chosen and asked to leave their positions, whereas the Directors with the longest office terms are to leave their positions afterward.
- Apart from serving a complete term, a Director is to leave his or her position in cases of:
 - Death
 - Resignation
 - Lacking qualifications or possessing any conditions prohibited by the Public Limited Companies Act;
 - Resolution of Shareholder's Meetings in relation to item 8
 - Removal by court orders
- Any Director who wishes to resign should submit their resignation letter to the Company. The resignation is effective on the date the letter is received.
- The Shareholder's Meeting resolves to remove Directors from their position by votes of more than three quarters of the number of shareholders attending the meeting with voting rights by which the total number of shares accounts for more than half of the overall number of shares held by the attending shareholders with voting rights.
- In cases where a Director position has been left vacant due to reasons other than the expiration of the associated term, the Board is to appoint a qualified individual who is not prohibited from the position due to the Public Limited Company Act B.E. 2535 (1992) or the Securities and Exchange Act B.E. 2535 (1992) to serve as a substitute for the Director at the next Board meeting. Barring cases where the remaining tenure of the position is less than two months, the individual replacing the Director will stay in the title only until the term expires. The Board Resolution indicated in the first paragraph must be made with no less than three quarters of the remaining Directors.
- In cases where the position of Director is vacant, leaving the number of remaining Directors insufficient for Board Meetings, the rest of the Directors can only act on behalf of the Board in setting up Shareholder's Meetings in order to select new Directors to fill the vacant positions. As per the first paragraph, such meetings must take place within a month of the day in which the Director positions were left vacant to the extent which there were an insufficient number of Directors officially a Board Meeting. The individuals filling the vacant positions as per the first paragraph will stay in those positions until the end of the previous Director's remaining term.
- In cases where all the Directors have left their positions, they are to hold the title of 'Acting Director' to continue running the Business as is necessary until a new set of Directors take over the positions, barring cases where courts of law have otherwise ordered the removal of the Board. The Company must arrange a Shareholder's Meeting to select a new Board within a month of the old one having left their positions. The invitations for the meeting must be sent to shareholders no less than 14 days prior to the event.
- Directors have the right to receive no more than 10 percent of the Company's net profit as remuneration. This is within their discretion, and they are also entitled to attendance fees, transportation fees, benefits, and other forms of compensation, as well as reimbursement for entertainment and other work-related expenses as per Company regulations. The text in the first paragraph does not impact the rights of Directors selected from staff and any of the Company's employees to receive compensation or benefits as staff members or employees of the Company.
- The Board is to directly elect one of their members as its Chairperson as the Board sees fit, and can select one or more Directors to hold the position of Vice-Chairperson. The Chairperson will assign the new Vice-Chairperson their duties according to regulations.

- At least two-thirds of all Directors must attend a meeting for it to meet the quorum. The Chairperson acts as the head of Board Meetings. In cases where the Chairperson is unable to attend or fulfill their duties, if the Vice Chairperson is present, they will head the meeting. However, if they are not present or unable to fulfill the duty, the Directors attending the meeting are to choose one Director who will act as the head of the meeting. Decisions of Board Meetings come from majority votes. One Director has one vote with the exception of those with a vested interest in an issue, who cannot vote on that item. If the votes in favor and those against are equal in number, the head of the meeting will have an extra vote in order to make casting the vote.
- When calling for meetings, the Chairperson or appointed individuals must send meeting invitations to the Directors no less than seven days prior to the meeting except in urgent cases. In order to protect the Company's rights and benefits, the notifications are to be done via other means, with it being possible to set meetings even earlier than that.
- Directors must fulfill their duties according to the law, objectives, articles of association, and Shareholder's Meeting resolutions with honesty, integrity, and care for the sake of the Company.
- Directors are prohibited from operating similar types of businesses and competing directly with the Company or being partners in a limited partnership or other PLC that operates in the same business and is competing with the Company regardless of whether it is done for their own benefit or that of others unless the Shareholder's Meeting is notified prior to the appointment of the relevant Directors.
- Directors must notify the Company immediately in cases where they directly or indirectly benefit from any contracts that the Company has made or when the number of the Company or its Affiliate's shares or debentures that the Director is holding increases or decreases.
- The Board must hold meetings at least every three months in the province of its headquarters, or in nearby provinces, or at other locations with set times, dates, and sites based upon the Chairperson's discretion. Two or more Directors may make a request for the Chairperson to call a Board Meeting. In such cases, the Chairperson or a Director appointed by the Chair person will set a meeting date within 14 days of the date the request was made.
- When signing (in a legally binding manner) on behalf of the Company, either the Chairperson or Executive Chairperson will sign and stamp the Company's seal, or two other Directors can jointly sign and stamp the seal. The Board has the power to study and change Directors empowered to sign legally binding documents on behalf of the Company.
- If a Director purchases Company assets, sells assets to the Company, or operates any businesses dealing with the Company, if they do not have approval from the Board, any transactions will not be binding to the Company whether the Director does so in their own or another person's name.
- Directors are to notify the Company immediately when they hold stock or debentures in the Company or its Affiliates by indicating the increase or decrease in their total value during the fiscal year.

Nomination of Independent Directors

On the appointment of independent director, the Board shall consider the candidate's eligibility in accordance with the minimum requirements of the SEC and assigned responsibilities stated within the announcement on Eligibilities and Scope of Audit Committee of the SET as follow:

- Holds shares of no more than one percent of the number of shares with voting rights of the Company, its subsidiaries, affiliates, or related companies. The shareholding also includes those shares held by the Independent Director's related parties.
- Does not hold or has never held a position in the Company as a Director involved in employee management, or a position/ consultant receiving a salary or any other significant positions of the Company unless they were out of such a position for a least two years prior to the latest appointment. The aforementioned condition does not apply to Independent Directors with former experience as civil servants of a public sector with major shareholding proportions.
- Is not a close family member, by blood or by law, i.e. parents, spouses, siblings, children and their spouses, of a member of Management, major shareholders with significant control over the Company, or candidates of such positions in the Company and its Subsidiaries.

- Has never had business relationship with the Company, its Subsidiaries, Affiliates, major shareholders, or individuals who have authority to control the Company in any way that impacts judgement. In addition to never having been a major shareholder of the Company, its Subsidiaries, its Affiliates, or individuals with direct control over the Company's business, unless the candidate has been out of such a position for at least two years prior to the appointment.
- Has never been an auditor of the Company, its Subsidiaries, Affiliates, major shareholders, significant authorities, or a partner of the audit service provider unless the individual has been out of such a position for at least two years prior to the appointment.
- Has never worked in any service profession that includes legal or financial counseling that receive service fees greater than two million baht per year from the Company, its Subsidiaries, Affiliates, major shareholders, shareholders/individuals with the authority to control, or partners of service professions unless the candidate has been out of such a position for at least two years prior to the appointment.
- Is not an Independent Director who has been appointed on behalf of the Company's Directors, major shareholders, or shareholders with relations to major shareholders.
- Is not in a business with similar objectives or in competition with the Company and its Subsidiaries. Is not a partner or a director involved in employee management, or a position or Consultant receiving salary, or a shareholder with more than one percent of the total number of shares with voting right of any company with similar objectives or in competition with the Company and its Subsidiaries.
- Not being in any other conditions that may affect judgment regarding the Company's operations.

Board Diversity Policy

In its nomination of directors, the Company emphasizes various factors. It has prepared a Board Skill Matrix to set and inspect the qualifications of potential Directors, considering skills and the lack of them, including those qualities that might comply with the Organization's business strategies.

The Company also has to consider Board diversity. The Board sets criteria for its Director's education levels, knowledge, ability, skills, careers, working experience, and areas of expertise. Furthermore, they must have leadership skills and vision, both of which are useful in business operations. Other criteria include honesty, integrity, and ethics, while race, languages, and religion are not issues.

Number of Listed Company of Directors Entitlement Policy

To ensure that Directors devote their time to working efficiently. The Board limits Directors to holding positions in no more than five registered companies.

Number of Listed Company of Chief Executive Office entitlement Policy

The Executive Chairperson is encouraged to devote their time to fulfilling their duties efficiently. The Board allows for the holding of director positions in no more than five other registered companies.

Director's Meeting Attendance policy

Board Meetings are held every three months, with special meetings possibly being held whenever necessary. To encourage Directors to regularly attend Board Meetings, the Board requires that meetings and votes require at least two-thirds of Directors must attend to meet the quorum. Each Director should attend at least 75 percent of all meetings in a year. The Company prepares Board Meeting schedules a year in advance and sends out meeting invitations with agendas five working days before meetings so that Directors have sufficient time to prepare.

Directors who are not members of Management, Independent Directors, and Audit Directors can meet between themselves as deemed appropriate to discuss issues regarding parts of their areas of interest without having Management in attendance.

When necessary, Directors who are unable to attend any Board Meetings can give notification of their reasons for doing so to the Chairperson at the first opportunity before the meeting.

Corporate Governance of Subsidiaries and Affiliated Companies

The Company's Board of Directors has imposed a policy regarding the regulation and monitoring of Subsidiary and Affiliated Companies in order to secure accountability and transparency. This is to ensure efficient control over the business directions of Subsidiary and Affiliated Companies as they are monitored and regulated by the Company's internal unit, by which investors and stakeholder's benefits credibility are secured.

Through the appointment of the Company's Executives, who are eligible and qualified under the regulations of the Capital Market Supervisory Board, as members of the Boards of Directors of the Subsidiary and Affiliated Companies, their performances are well monitored in addition to the use of standardized practices on information disclosures, data mining, and accounting systems to facilitate the composition of consolidated financial reports within time limits.

Transaction approval

After the resolution of Board Meeting Number 1/2559 (1/2016) on January 26, 2016, the Board resolved to modify the authority to approve asset acquisitions and dispositions by the Company in accordance with Notification Number 2/2558 (2/2015) Re: Authority to approve items related to expenses and purchases of assets by the Company in order to create more flexibility in business operations. This was effective as of February 1, 2016. Details are as follows:

- The Chairperson is in charge of approving expenses or purchases within the annual budget, which is approved by the Board.
- The Chairperson or CEO must handle approval of expense or asset purchase transactions that are not in the annual budget or over the budget by no more than three million baht. In cases where they are over by more than three million baht, requests for increased budgets must be made to the Board.
- The CEO has authority over approval of staff compensation barring expenses that are prescribed by welfare regulations or the Company's other regulations. The Board in turn is in charge of approving the CEO's expenses.
- For expenses that are incurred according to the rules and/or division-regulated parts of the Company's business, the relevant division is to serve as their inspector and approval must be requested from the CEO.
- The highest-ranking executive is to handle approval of recurring expenses in which cash amounts of no more than 1000 baht are advanced.
- To prepare the Company's capital for investment, the Investment Division is to present a plan for approval at an Investment Committee Meeting and at a Board Meeting.
- The Company will proceed according to the law, announcements, regulations, measures, and rules of relevant agencies when preparing acquisitions and dispositions of assets.

Audit Fees

As per the resolution of the Annual Shareholders' Meeting in 2017, the auditor from Deloitte Touche Tohmatsu Jaiyos Co., Ltd was appointed as the Company's Auditor. The audit fee for 2017 was set at 1.18 million baht, with the fees for 2016 and 2017 consisting of the Company's Auditor's fees and other services with the following details:

Unit: Millions of Baht

TRANSACTIONS	2017	2016
Audit Fees	1.08	1.10
Other services	None	None
Total	1.08	1.10

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company and its affiliates recognize the importance of and have given attention to supporting efforts at corporate social responsibility (CSR) and combating corruption, including the following of good corporate governance principles in companies registered with the SET. The Company believes that practicing business with fairness under good corporate governance will create trust with its stakeholders.

However, any business operation expects some sort of return, namely profit, and wishes for stability, advancement, or growth. For a business to grow sustainably though, this must not be based solely on the organizations benefit or profit, but also on consideration for returning its earnings in the form of positive outcomes to society. A fair business with social considerations working under good corporate governance should experience sustainable success.

The Board of Directors therefore feels that it must set up guidelines for all departments with the following policies and procedures:

8.1 FAIR BUSINESS PRACTICES

The Company supports and strictly fair business practice rules and regulations, with attention to the legal and ethical dimensions, as well as transparency, without concern to benefits that might otherwise be earned through improper actions. It does so as follows:

- Setting up guidelines of responsibility for its Board of Directors and executives to work within based on the principles of fair competition and business practices that utilize rightfulness and fairness; for example, not engaging in immoral actions that would harm competitors, as well as not taking advantage of personnel and subordinates.
- Establishing business practice guidelines with partners and associates that strictly follow the law and mutually set agreements, not procuring competitor's sensitive information through illegal means, as well as not attempting to defame them.
- Collection of fees from general clients must strictly follow the rules and regulations regarding commission rates for security trading set by the SET and SEC.

8.2 ANTI-CORRUPTION

The Company has firmly established policies regarding morals, ethics, and transparency in its business practices, including anti-corruption efforts within the organization. Reviews of measures for internal procedures and thorough risk assessments are carried out at least once a year. During the previous year, the Board reviewed its policies and procedures twice. At Meeting Number 1/2017 on February 26, 2017 and Meeting Number 5/2017 on August 16, 2017, the Board, through the Company's organizational structure and good corporate governance, indicated its intention of combating corruption and all types of graft.

- Setting anti-corruption policies, regulations, and guidelines under the Anti-Money Laundering Act that are to be followed strictly by management, personnel, and all associated companies.

The Company's anti-corruption policies are as follows:

- A policy preventing the giving or acceptance of gifts, valuables, or any other benefits such as entertainment or unreasonable expenses that do not meet the Company's rules from customers and business associates.
- A policy against bribes aimed at facilitating or promoting relationships in business directly and indirectly.
- A procurement policy requiring fairness and transparency according to the proper regulations and guidelines.
- Supporting the Free Trade policy by avoiding fraudulent activities or any actions that might infringe upon copyright or intellectual property.
- A policy regarding donations and all types of support funds that requires that they be carried out with complete transparency and follow the laws of any involved nations.

In 2017 the Company participated in the following anti-corruption activities:

- CGH set up training for both its personnel and some from subsidiaries in the form of the “Anti-Corruption and Bribery 2017 Policy and related policies” program on September 15, 2017.
- The Company joined the Anti-Corruption Organization of Thailand to support the fight against graft. It sent personnel to participate in the “Fighting Corruption Day” event under the “New Government, Old Corruption” theme on Wednesday, September 6, 2017.



- On September 29, 2017, CGH submitted a request for certification from Thailand's Private Director Collective Action Coalition Against Corruption (CAC) for its ethics handbook for combating corruption. This was done to improve the standards of its executives and personnel's work processes under good corporate governance, its efforts at countering bribery and corruption in order to be a part of the reforming force driving society and the nation.
- Pol.Gen. Werapong Chuenpagdee attended the ‘Anti-Corruption: The Practical Guide’ training course organized by the Thai Institute of Directors (IOD).

8.3 RESPECTING HUMAN RIGHTS AND GIVING THE WORKFORCE FAIR TREATMENT

The Company supports and respects the protection of human rights by treating customers and all stakeholders equally and fairly. This includes proper development of personnel advancement at every level:

- Setting up benefits for personnel such as a Provident Fund (PVD), medical treatment and yearly health inspections, life and accident insurance, funeral assistance for employees and their families, and childbirth allowances.
- Ensuring the equal and fair treatment of all employees and providing suitable compensation according to their education, ability, responsibilities, and work performance. This is done through use of the KPI system as a means to assess performance to make decisions regarding compensation, yearly bonuses, and promotions.
- The Company has set up:
 - “Management meets staff” events every three months in order to provide opportunities for personnel to make comments about new innovations or suggestions about the organization directly to executives. Employees are to be treated equally and fairly at such events.
 - ‘Happy Friday’ activities every Friday evening
 - Corporate lunches
 - Staff birthday parties
 - New Year celebrations to promote unity among staff members and provide opportunities for executives and employees to interact outside work. They aim to reduce working gaps between management and personnel and improve their working relationship. Furthermore, they serve to improve morale and continue the process of bonding employees to the organization.

- The Securities Company supports activities to boost employee morale such as setting up promotions for marketing personnel who have opened up the most customer accounts and engaged in the most overall trading (of securities and bonds), as well as arranging yearly staff parties to express gratitude to the staff.
- Transparency and fairness in the hiring process with consideration of human and labor rights without bias in regards to race, sex, age, religion, physical condition, wealth, or social status.
- Encouraging new ideas and innovations, harmony and unity, as well as respecting privacy rights and engaging in defamation.
- Giving attention to employee safety and health in the workplace in addition to ensuring its cleanliness and tidiness. This includes following the 5S method, with focus given to yearly check-ups and having basic medical supplies on hand in the office.
- Emphasizing training and development of personnel to improve their abilities year after year by encouraging and supporting them in their efforts to advance their own education, knowledge, capabilities, and skills that may prove beneficial in providing service to the Company's customers. This should also serve to support business growth in the context of constant and rapid change.

8.4 RESPONSIBILITY TO CONSUMERS

The Company aims to deliver its clients the highest possible satisfaction by being attentive, ensuring their benefits, and offering excellent products and services. This includes ensuring customers' information remains confidential, fair and transparent treatment in consumer relations, developing formats and channels of service, as well as offering a variety of products by emphasizing complete accuracy and useful information that does not distort any facts. In order to offer the best possible service to clients, such a thing is done within the shortest time frame possible in order to keep abreast with the situation.

Furthermore, the Company and the Securities Company give the utmost importance to maintaining their customers, business associates, and stakeholder's benefits and confidential information with honesty and integrity. They have prepared channels for these group's complaints, providing information, and setting up clear processes to expedite efficiency, fairness, and trustworthiness. They have also joined a process to settle disputes through the SEC.

8.5 ENVIRONMENTAL CONSERVATION

Although the Company's work processes do not significantly impact the environment, it still recognizes the importance of properly managing natural resources and effectively reducing energy consumption. The Company has policies on providing knowledge about and staff training regarding the environment:

1. Strictly obeying the law and regulations regarding the environment.
2. Encouraging and rallying personnel to aid each other in saving electricity, conserve the environment, and continually adjust their work processes to preserve it.
3. Realizing effective water consumption by regularly inspecting water pipes and meters.
4. Providing training through the "Conserving Nature and the Environment" program to employees, particularly in regard to using natural resources with complete understanding of their value and reducing waste. This includes methods for environmentally-friendly lifestyles, as well as reducing toxic substances in the household and office.

8.6 COMMUNITY AND SOCIAL DEVELOPMENT

The Company is aware of its role and responsibility in caring for communities through activities that comply with its business and operations, especially in terms of supporting education, cultivating religion, and societal improvement. In 2017, it set up the Grow Together project to encourage social and environmental responsibility under the theme of the Company growing alongside society and the environment.

Education

The Company's policy has always been to emphasize engagement in social development along with business operations and development, particularly in improving education, which is an essential part in developing young Thai's capabilities and quality, so that they are able to push the country forward in the future and carry on the ideals of sustainable development espoused by HM the late

King Bhumibol Adulyadej. It initiated the “Education on Wheels by CGH” project, which is aimed at improving the quality of education of prathom suksha students (grades 1-6). Also worth noting is the Memorandum of Understanding (MOU) between the Company, Office of Basic Education Commission (OBEC), and the Office of Vocational Education (OVEC) under the Ministry of Education, which had the groups unite in the task of improving the ability of young adults to find careers, increase their knowledge, and provide opportunities in vocational education throughout the country. It aims to increase the number of quality students in vocational fields to support the demands of the Thai labor market, which is expected to expand in the future.

The “Education on Wheels by CGH” project’s goal is to improve the abilities and broaden the educational opportunities of students completing the prathom suksha/ elementary level in Thailand, particularly at “ICU” (Intensive Care Unit) schools or schools in educational crisis, while also supporting the government’s “less school time, more learning time” policy. This policy was born from the cooperation between the state and private entities under the concept of “sustainable education investment” with the aim of increasing opportunities for vocational education among youths lacking educational supplies. The curriculum is divided into three areas:

General technical work (plumbing, carpentry, smithing, etc.)

basic maintenance and tending to primary resources within the school, especially in regards to plumbing and carpentry, helping student recycle resources to the maximum degree, improving education, and sustainably developing skills and capabilities.

Computers

laying the educational groundwork of the computing field, learning proper usage, maintenance and basic repairs so students are able to fix and maximize the utility of the limited number of computers available given their status as a channel of learning and research.

Agriculture

the principles of household gardening or crofts within a limited area through use of simple gadgets available around the house; students can use this for raw materials in preparing their lunches and may sell any surplus vegetables to raise funds for their schools.

Skills training for these fields is to be done under courses developed by the OVE, which selected students at the Vocational Certificate and High Vocational Certificate levels. These students will receive additional training in vocation and skill development prior to going out into the field and passing on knowledge and hands-on demonstrations to younger students (finishing prathom suksha) from 50 schools throughout the country. Furthermore, this program serves as a training course that also includes directly developing the abilities of vocational students to become individuals with quality educations down the line. The schools participating in the program are divided as follows:

-	Nakhorn Pathom	7	schools
-	Kanchanaburi	7	schools
-	Chachoengsao	6	schools
-	Nan	7	schools
-	Phayao	8	schools
-	Nong Khai	7	schools
-	Nong Bua Lam Phu	8	schools

The project began in June, ending in September 2017, with the training schedule being as follows:

Development of basic computer repair skills

ORDER OF SEQUENCE	CONTENT	LENGTH OF TIME
1	Recognizing computer components and their individual functions	3 Hours
2	Assembling and disassembling a computer	3 Hours
3	Recognizing out of order machines and basic repairs	3 Hours
4	Testing understanding (disassembly and repairs)	3 Hours
5	Steps of maintenance and usage (loading programs)	3 Hours
6	Assessment and certificate ceremony	3 Hours

Development of basic general repair skills

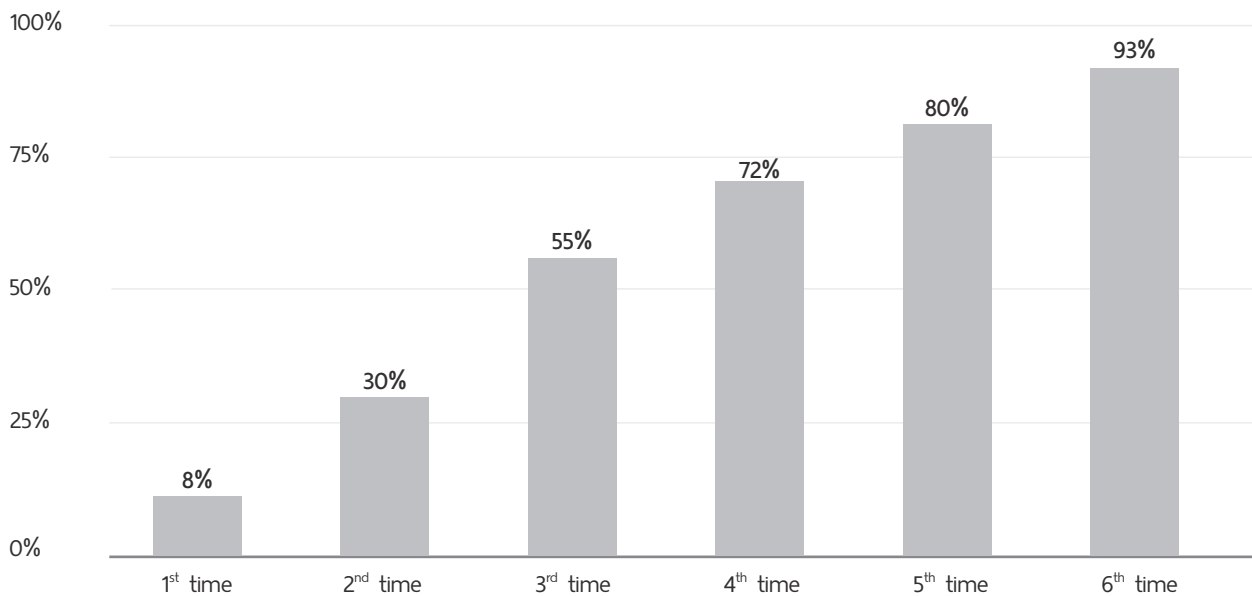
ORDER OF SEQUENCE	CONTENT	LENGTH OF TIME
1	Recognizing pipe damage and basic repairs	3 Hours
2	Recognizing damage to chairs and basic repairs	3 Hours
3	Recognizing damage to tables and basic repairs	3 Hours
4	Test of understanding (repairing pipes, chairs, and tables)	3 Hours
5	Maintenance methods (polishing and painting)	3 Hours
6	Assessment and certificate ceremony	1 Hours

Development of agricultural skills

ORDER OF SEQUENCE	CONTENT	LENGTH OF TIME
1	Growing morning glories in baskets, growth and cultivation methods	3 Hours
2	Growing mushrooms in baskets, growth and cultivation methods	3 Hours
3	Harvesting mushrooms	3 Hours
4	Harvesting morning glories	3 Hours
5	Test of understanding (growing morning glories and mushrooms, cultivation and harvesting)	3 Hours
6	Assessment and certificate ceremony	1 Hours

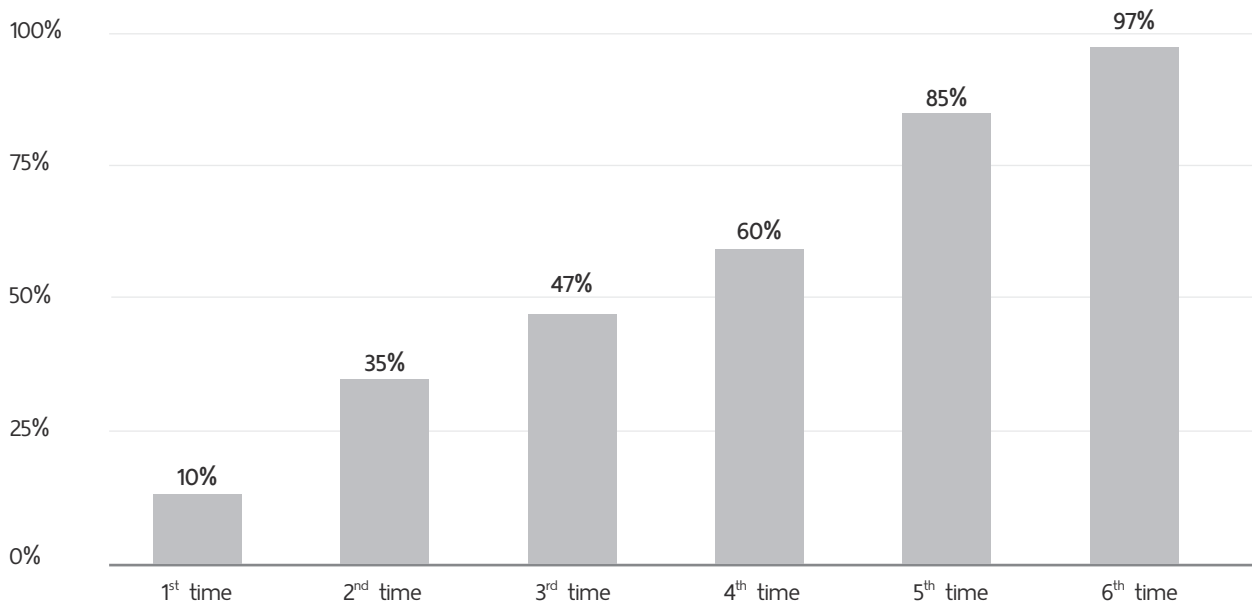
Assessments of the teaching and learning experience are made using testing forms after the courses (teaching, learning, and training) in each of the fields:

Survey results of understanding and implementation of basic computer repair skills



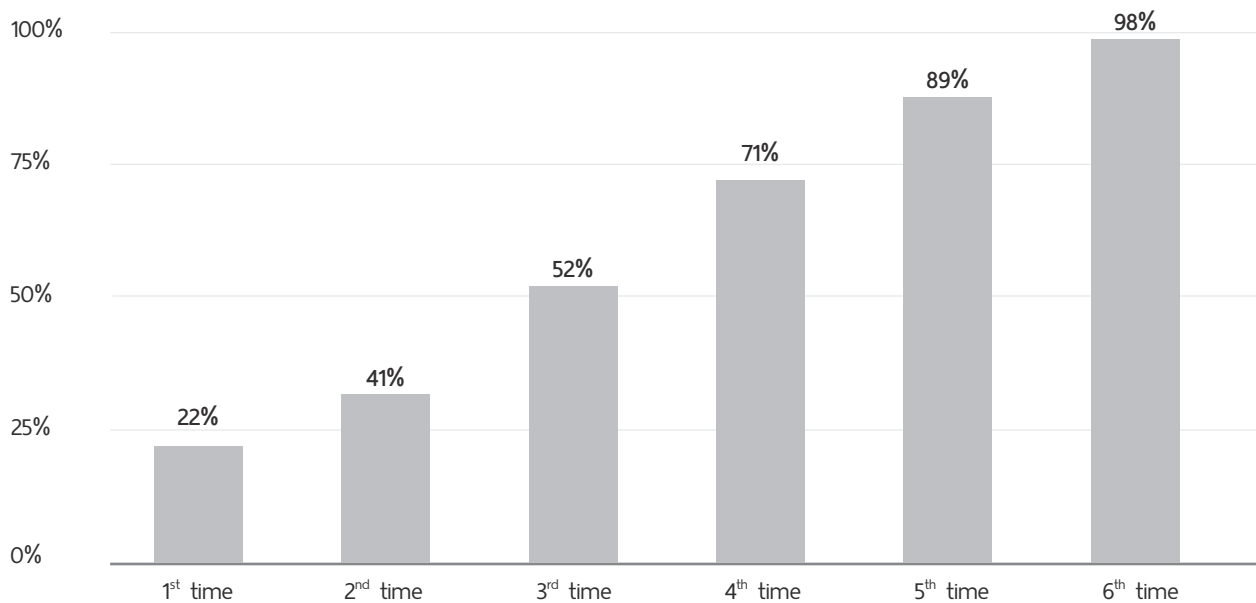
Total: 500 students, Age: between 9-12 years, Schooling level: (Prathom sukka) 4-6, Number of times the survey was carried out: 6

Survey results of understanding and implementation of basic general repair skills



Total: 500 students, Age: between 9-12 years, Schooling level: (Prathom sukka) 4-6, Number of times the survey was carried out: 6

Survey results of understanding and implementation of skills in the agricultural field



Total: 500 students, Age: between 9-12 years, Schooling level: (Prathom suksa) 4-6, Number of times the survey was carried out: 6

- Religious Cultivation
 - Participated in the Thod Kathin ceremony at Wat Santi Dhambanpot (Poo Noi), Na Klang, Nong Bua Lam Phu, on October 15, 2017
 - Participated in the Thod Kathin ceremony at Wat Indra Praeng-ong, Amphoe Muang, Phisanulok, on Saturday, October 21, 2017
 - Engaged in the royal Thod Kathin ceremony under HM King Maha Vajiralongkorn Bodindradebayavarangkun) with the Office of the Education Council, Ministry of Education, at the royal temple, Wat Dhammabucha, Surat Thani, on Saturday, October 21, 2017
 - Joined the annual royal Thod Kathin ceremony under HM King Maha Vajiralongkorn Bodindradebayavarangkun) with the Ministry of Finance and Revenue Department, at Wat Traimitr Withayaram, Khet Samphanthawong, Krung Thep Maha Nakhon (Bangkok), on Wednesday, November 1, 2017
- Societal Improvement
 - Served as one of the hosts for the 100-day merit making ceremonies for the royal funeral for HM King Bhumibol Adulyadej Mahitalathibej Ramathibodi Chakrinarubodin Sayamindrathiraj Borommanajbaphit, on January 20, 2017 at Wat Yannawa, Charoenkrung Road, Bangkok
 - Served as one of the hosts for the merit making ceremony for the royal funeral of HM King Bhumibol Adulyadej Mahitalathibej Ramathibodi Chakrinarubodin Sayamindrathiraj Borommanajbaphit, at 10.00 on August 20, 2017 at the Royal Palace, Bangkok

INTERNAL CONTROLS AND RISK MANAGEMENT

9.1 THE BOARD OF DIRECTOR'S OPINIONS

The Company has assigned the Audit Committee, an independent group whose duty is to review the sustainability of each step in internal control system operations, to report, monitor, and disclose sufficient, thorough, and accurate information in order to ensure that its internal auditing of operation and systematic development reviews prove consistently effective. Meetings are held between management and the licensed auditor in order to prevent and correct mistakes with the proper criteria and effectiveness. Each quarter, the Company sets up at least one meeting of the Audit Committee. In 2017, there were four such meetings.

The Board carried out an assessment of the sufficiency of its internal control system and assessment form with three members of the Audit Committee in attendance. The review consisted of analyzing information and different reports, along with question-and-answer sessions by management regarding the efficiency of five areas in particular:

- The organization and environment
- Risk management
- Management operation control
- Information and communication systems
- The monitoring system

Following the assessment, the Board decided that the Company already possessed a proper and sufficient internal control system with enough personnel to proceed efficiently under such a system. Wanlop Vilaivaravit of Deloitte Touche Tohmatsu Jaiyos Co. Ltd, the Company's auditor for the quarter and 2017 in general, did not reveal any errors within the interior control system in the audit report. Furthermore, the Company has also established a control mechanism to oversee its subsidiaries and affiliates through having its agents serve as members of their individual Boards of Directors at proportions matching the stakes held in each company. This serves to allow administration and monitoring of their work processes to ensure that they are following Company policy, as well as set up preventative and risk-reducing mechanisms within these groups' activities in order to avoid damages or losses that may otherwise occur. In addition, it also allows for the carrying out of regular monitoring and assessments at least once a quarter, with the Company having insured the directors, personnel, and the firm's own responsibilities to the amount of 100 million baht to reduce and soften the impact of possible risks from the Group's business activities.

9.2 HEAD OF THE AUDITOR AND COMPLIANCE DIVISION

The Company's Audit and Internal Audit Division's duties are to ensure that its business activities and related work follow the law and its policies by reporting directly to the Audit Committee, including senior executives, and serve in an advisory role in regard to rules and regulations. Following Meeting Number 4/2017 on November 13, 2017, the Committee appointed Pitakphol Roongrojsuwan to oversee the business processes of the Company and its subsidiaries in order to ensure that they follow the rules and regulations under its policy.

RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and Company by common shareholders or directors.

Details of significant related parties' transactions of the Company in 2017 are as follows:

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2017	2016	
Country Group Securities Public Company Limited	Trade and other current receivables	189,562,641	122,803,750	Entrance into securities trading transactions fall within the normal course of business for the Company and its subsidiary.
	Trade and other current payables	76,010,073	8,318,730	
	Other current liabilities	841,914	373,788	
	Fee and service expenses	19,535,553	6,702,858	This is done at the market price, which offers the same rates as general clients.
	Interest income	189,506	135,574	
	Other expenses	468,126	373,788	
	Investment in subsidiary company	3,463,422,524	3,463,249,978	Entrance into investments is within the normal course of business for the Company.
	Short-term loan from Subsidiary company	5,000,000	400,000,000	Short-term loan from subsidiary company is a form of financial support that falls under the normal course of business for the company and its subsidiary.
	Finance costs	9,902,055	1,345,753	
	Dividend income	97,728,944	200,586,573	Dividend income is in line with the Company's normal investment procedures.

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2017	2016	
MFC Asset Management Public Company Limited	Dividend paid	273	453	Dividend payments were per the resolution from the Annual General Shareholders' Meeting.
	Investment in associated company	675,007,169	648,905,950	Entrance into investments is within the normal course of business for the Company.
	Dividend income	47,811,796	49,340,775	Dividend income is in line with the Company's normal investment procedures.
	Dividend paid	1,192,820	2,188,527	Dividend payments were per the resolution from the Annual General Shareholders' Meeting.
	Accrued expenses Fee and service fees Other expenses	56,753 950,792 266,738	67,690 715,325 185,308	Management fees are part of the Company's normal business procedures.
Padang Industry Public Company Limited	Investment in associated company	827,441,950	827,441,950	Entrance into investments is within the normal course of business for the Company.
	Dividend income	56,499,900	7,642,280	Dividend income is in line with the Company's normal investment procedures.
	Dividend paid	437,967	200,059	Dividend payments were per the resolution from the Annual General Shareholders' Meeting.

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2017	2016	
Country Group Development Public Company Limited	Investment in associated company	-	821,379,627	Entrance into investments is within the normal course of business for the Company.
	Investment held as available for sale	985,233,060	-	
	Dividend paid	4,245,934	7,040,843	Dividend payments were per the resolution from the Annual General Shareholders' Meeting.
Genki Capital Co., Ltd.	Investment in subsidiary company	25,000,000	25,000,000	Entrance into investments is within the normal course of business for the Company.
	Trade and other receivables	311,100	310,500	Entrance into investments is within the normal course of business for the Company.
Genki Power One Co., Ltd.	Trade and other current receivables	2,640,260	2,639,660	
Tech Reform Co., Ltd.	Trade and other current receivables	629,160	797,640	
Solar Technic Co., Ltd.	Trade and other current receivables	629,160	797,640	

Details of significant related parties' transactions of the Subsidiary (CGS) in 2017 are as follows:

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2017	2016	
Ben Taechaubol	Brokerage fee - Securities	6,640	75,261	Entrance into securities trading transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Securities business receivables	2,523,935	2,377,308	
	Interest income	146,627	605,091	
Tommy Taechaubol	Brokerage fee - Securities	185,902	202,005	
	Brokerage fee - Derivatives	416,716	-	
	Securities business receivables	16,777,309	-	
	Interest income	320,310	-	
Mutual fund managed by associate	Brokerage fee - Securities	74,039,866	81,578,666	Entrance into investments is within the normal course of business for the Subsidiary Company.
	Investment - net	62,192,546	60,850,762	
Country Group Development Public Company Limited	Deposit for customer's account	5,479	50,125,977	Entrance into securities trading transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Interest expense	306,256	633,466	
EDP Enterprise Company Limited	Other expenses	1,365,600	1,333,821	Warehouse rental expenses are in the normal course of the Subsidiary Company.

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2017	2016	
Sing Sian Yee Pao Company Limited	Other expenses	925,550	925,550	Advertising expenses are in the normal course of the Subsidiary Company.
MFC Asset Management Public Company Limited	Ongoing fee	479,314	377,163	Ongoing fee is in the normal course of business for the Subsidiary Company. At the market price which is the same rate as general clients.
	Fee and service fees income	308,110	281,252	Fee and service fees are in the normal course of business for the Subsidiary Company. At the market price which is the same rate as general clients.
	Fee and service fees income	103,500	102,900	Fee income from services provided as an agent of stock warrant acceptance fall within the Company's normal course of business procedures.
	Fee and service fees expense	217,636	-	Management fee is in the normal course of business for the Subsidiary Company.
Padang Industry Public Company Limited and group	Securities business payables	195,963,289	206,497,922	Entrance into securities trading transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2017	2016	
	Dividend income	-	2,260,000	Dividend income is in line with the Company's normal investment procedures.
	Debts issued and borrowings	89,616,530	-	Financing activity is in line with the Company's normal investment procedures.
	Interest expense	1,064,511	-	Transactions for the purpose of bond trading are within the Company's normal business procedures, and rates are fixed to the market rate.
Country Group Holdings Public Company Limited	Deposit for customer's account	40,069,134	13,767,073	Entrance into securities trading transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price, which offers the same rates as general clients.
	Brokerage fee - Securities	8,479,418	6,728,197	
	Brokerage fee - Derivatives	1,121,510	-	
	Securities business receivables	21,391,371	7,003,662	
	Securities business payables	97,925,719	2,342,124	
	Interest expense	180,707	140,824	
	Short-term loan to the Parent company	16,265,843	401,347,945	Short-term loans to the Parent Company is a form of financial support that falls under the normal course of business for the Company and its subsidiary.
	Interest income	9,917,898	1,345,753	
	Income from Fee and service fees	8,884,800	-	Agent fee is in the normal course of business for the Subsidiary Company. At the market price which is the same rate as general clients.

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2017	2016	
	Securities business receivables	50,974,988	-	Entrance into debt instruments trading transactions fall within the normal course of business for the Subsidiary Company.
	Securities business payables	51,566,870	106,694,553	This is done at the market price, which offers the same rates as general clients.
	Dividend income	273	453	Dividend income is in line with the Company's normal investment procedures.
	Dividend paid	97,728,944	200,586,573	Dividend payments were per the resolution from the Annual General Shareholders' Meeting.

The audit committee has opinion that all aforementioned transactions have pricing policies and conditions in line with the normal business, necessity, appropriate and reasonable. Moreover, accuracy and completion of information disclosure related to these transaction are completed with the SET regulations.

Measures and procedures for Related Party Transactions

The Company has set up measures for controlling related party transactions between the Company and its subsidiaries, and others who may have conflicts of interest, personal interest, or possible future conflicts of interest in accordance with the notifications of the SEC or SET. The Audit Committee will provide opinions about the necessity of transactions and the appropriate market price, as well as comparing prices with those outside the Company.

In the event that the Audit Committee lacks the expertise to handle any related party transactions, the Company will arrange for an independent expert or the Company's Auditor to comment on such transactions in order to provide comments to those of the Audit Committee and/or the Board of Directors and/or shareholders, depending on the situation. Those with conflicts of interest or personal interests will not be able to vote on resolutions regarding related party transactions.

Furthermore, the Company will disclose information on connected transactions and vital asset acquisitions or dispositions of the Company and its Subsidiaries in accordance with the notifications of the SEC and the SET, as well as the accounting standards of the Federation of Accounting Professions under the Royal Patronage of his Majesty the King (FAP).

Policies or tendencies for future Related Party Transactions

The Company and its subsidiaries may enter into related party transactions with the potential for conflicts of interest down the line. In the event of normal business transactions and normal business supporting transactions under general trade conditions with individuals who may have conflicts of interest, the Company has set a policy for preparing prices which can be compared with those from outsiders. This operates according to and strictly follows Board-approved guidelines under the Securities and Exchange Act B.E. 2535 (1992). Prices must be set clearly and fairly, and terms must not lead to any transfers of benefits. Because more people may have potential conflicts of ties increase after the restructuring is complete. The majority of such transactions will be business deals related to securities trading.

However, in the event of new transactions or changing conditions, the Internal Audit and Compliance Department will review the information and prepare and submit a report to the Audit Committee so that the latter may consider it and make decisions regarding the appropriateness of prices and reasonableness of transactions on the quarterly basis. In the case of normal business transactions, normal business support transactions, and other related party transactions, the Company and its subsidiaries will follow the above measures to control related party transactions.

FINANCIAL STATEMENTS AND PERFORMANCE

FINANCIAL STATEMENTS

11.1 AUDITOR OF THE COMPANY AND IT'S SUBSIDIARY

2017: Mr. Wonlop Vilaivaravit, CPA Number 6797 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

2015 and 2016: Mr. Chavala Tienpasertkij, CPA Number 4301 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

11.2 SUMMARY OF AUDITOR OPINION AUDITOR OF THE COMPANY AND IT'S SUBSIDIARY IN THE PAST THREE YEARS

2017: Unqualified opinion

2016: Unqualified opinion

2015: Unqualified opinion

11.3 AUDITOR'S REMUNERATION

1. AUDIT FEE AUDITOR OF THE COMPANY AND IT'S SUBSIDIARY

1.1 AUDIT FEE OF THE COMPANY

- In 2017, the Company received approval from Annual Ordinary Shareholders' Meeting Number 1/2560 (1/2017)'s Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2017 at 1.18 million baht.
- In 2016, the Company received approval from Annual Ordinary Shareholders' Meeting Number 1/2559 (1/2016)'s Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2016 at 1.00 million baht.
- In 2015, the Company received approval from Annual Ordinary Shareholders' Meeting Number 1/2558 (1/2015)'s Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2015 at 1.00 million baht.

1.2 AUDIT FEE OF THE SUBSIDIARY COMPANY (CGS)

- In 2017, the Subsidiary received approval from the Annual Ordinary Shareholders' Meeting Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2017 at 2.32 million baht.
- In 2016, the Subsidiary received approval from the Annual Ordinary Shareholders' Meeting Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2016 at 2.50 million baht.
- In 2015, the Subsidiary received approval from the Annual Ordinary Shareholders' Meeting Resolution to appoint an auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to serve as their own auditor, as well as to set the audit fee in 2015 at 2.50 million baht.

1.3 Non Audit Fee

- None -

11.4 CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES STATEMENT OF FINANCIAL POSITION

Unit: Baht

ASSETS	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31,					
	2017	%	2016	%	2015	%
CURRENT ASSETS						
Cash and cash equivalents	1,236,650,168	14.05	1,480,778,898	18.68	1,471,718,445	21.24
Current investments	3,125,103,946	35.50	1,972,029,814	24.88	1,199,059,939	17.31
Trade and other current receivables	67,507,410	0.77	112,669,546	1.42	77,804,084	1.12
Receivables from Clearing House and broker - dealers	440,349,433	5.00	866,529,737	10.93	46,596,468	0.67
Securities business receivables	722,323,919	8.20	452,024,236	5.70	1,241,190,339	17.91
Others	-	-	-	-	2,501,691	0.04
Total Current Assets	5,591,934,876	63.52	4,884,032,231	61.63	4,038,870,966	58.29
NON-CURRENT ASSETS						
Investment held as available for sale	1,131,327,322	12.85	259,261,232	3.27	316,499,534	4.57
Investments in associates	1,677,881,395	19.06	2,356,418,849	29.73	2,105,960,716	30.39
Other long-term investments	5,488,750	0.06	5,488,750	0.07	20,265,204	0.29
Property, premises and equipment	101,276,414	1.15	125,416,567	1.58	140,230,038	2.02
Intangible assets	106,603,085	1.21	104,479,469	1.32	102,408,524	1.48
Deferred tax assets	98,674,661	1.12	103,731,849	1.31	106,711,815	1.54
Other non-current assets	90,541,722	1.03	86,382,153	1.09	97,934,651	1.41
Total Non-Current Assets	3,211,793,349	36.48	3,041,178,869	38.37	2,890,010,482	41.71
TOTAL ASSETS	8,803,728,225	100.00	7,925,211,100	100.00	6,928,881,448	100.00

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Unit: Baht

LIABILITIES AND SHAREHOLDERS' EQUITY	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31,					
	2017	%	2016	%	2015	%
CURRENT LIABILITIES						
Trade and other current payables	114,722,321	1.30	88,023,860	1.11	124,880,505	1.80
Payables to Clearing House and broker-dealers	-	-	44,607,750	0.56	235,432,799	3.40
Securities business payables	1,255,813,366	14.26	1,747,949,290	22.06	674,374,173	9.73
Debts issued and borrowings	144,215,456	1.64	-	-	-	-
Current income tax payable	262,800	0.00	6,898,662	0.09	-	-
Total Current Liabilities	1,515,013,943	17.21	1,887,479,562	23.82	1,034,687,477	14.93
NON-CURRENT LIABILITIES						
Debentures	1,079,800,000	12.27	-	-	-	-
Provisions for employee benefits	17,472,190	0.20	12,930,291	0.16	49,214,920	0.71
Deferred tax liabilities	-	-	-	-	2,655,447	0.04
Other non-current liabilities	1,819,018	0.02	3,313,503	0.04	2,900,668	0.04
Total Non-Current Liabilities	1,099,091,208	12.48	16,243,794	0.20	54,771,035	0.79
TOTAL LIABILITIES	2,614,105,151	29.69	1,903,723,356	24.02	1,089,458,512	15.72

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Unit: Baht

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31,					
	2017	%	2016	%	2015	%
SHAREHOLDERS' EQUITY						
SHARE CAPITAL						
Authorized share capital						
6,075,927,916 ordinary shares of						
Baht 1 each	6,075,927,916		6,075,927,916			
7,015,571,370 ordinary shares of						
Baht 1 each					7,015,571,370	
Issued and paid share capital						
4,336,768,278 ordinary shares of						
Baht 1 each, fully paid	4,336,768,278	49.26	4,336,768,278	54.72	4,336,768,278	62.59
Ordinary shares held by subsidiary	(9,850)	(0.0001)	(9,850)	(0.0001)	(9,850)	(0.0001)
Share premium	668,977,138	7.60	668,977,138	8.44	668,977,138	9.65
Other component of shareholders' equity	32,878,735	0.37	(21,779,738)	(0.27)	(1,703,300)	(0.02)
Retained earnings						
Appropriated - Statutory reserve	144,519,183	1.64	137,020,743	1.73	117,530,063	1.70
Unappropriated	987,126,368	11.21	880,636,165	11.11	697,317,879	10.06
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	6,170,259,852	70.09	6,001,612,736	75.73	5,818,880,208	83.98
NON-CONTROLLING INTERESTS	19,363,222	0.22	19,875,008	0.25	20,542,728	0.30
TOTAL SHAREHOLDERS' EQUITY	6,189,623,074	70.31	6,021,487,744	75.98	5,839,422,936	84.28
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,803,728,225	100.00	7,925,211,100	100.00	6,928,881,448	100.00

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Unit: Baht

CONSOLIDATED FINANCIAL STATEMENTS						
FOR THE YEARS ENDED DECEMBER 31,						
	2017	%	2016	%	2015	%
REVENUES						
Brokerage fees	214,219,937	25.19	541,614,653	39.92	867,145,686	73.12
Fees and services income	52,131,088	6.13	79,064,695	5.83	60,636,783	5.11
Interest on margin loans	14,274,809	1.68	34,881,568	2.57	46,334,794	3.91
Interest and dividend income	59,513,311	7.00	77,461,729	5.71	63,166,408	5.33
Gain on investments and derivatives	220,746,723	25.95	167,152,484	12.32	114,263,126	9.64
Share of profit from investments in associated companies	243,063,723	28.58	134,744,849	9.93	18,386,210	1.55
Income from the partial transfer of retail securities business	-	-	306,002,957	22.56	-	-
Gain on classified investments in associated to investment held as available for sale	21,612,253	2.54	-	-	-	-
Other income	24,945,596	2.93	15,713,518	1.16	15,943,893	1.34
TOTAL REVENUES	850,507,440	100.00	1,356,636,453	100.00	1,185,876,900	100.00
EXPENSES						
Employee benefits expenses	345,806,059	40.66	542,371,846	39.98	669,226,592	56.43
Fee and service expenses	67,106,054	7.89	109,397,514	8.06	101,779,176	8.58
Finance costs	11,624,630	1.37	11,268,766	0.83	19,650,346	1.66
Bad debt and doubtful accounts	192,075,267	1.29	255,776,625	0.92	281,863,532	(0.30)
Other expenses	10,952,493	22.58	12,503,674	18.85	(3,501,740)	23.77
TOTAL EXPENSES	627,564,503	73.79	931,318,425	68.65	1,069,017,906	90.15
INCOME BEFORE INCOME TAX	222,942,937	26.21	425,318,028	31.35	116,858,994	9.85
INCOME TAX (EXPENSES)	11,688,395	1.37	(33,248,282)	(2.45)	(56,140,381)	(4.73)
NET INCOME FOR THE YEARS	234,631,332	27.59	392,069,746	28.90	60,718,613	5.12
Total other comprehensive income (loss) for the years - net of tax	54,660,315	6.43	(9,028,519)	(0.67)	517,242	0.04
TOTAL COMPREHENSIVE INCOME FOR THE YEARS	289,291,647	34.01	383,041,227	28.23	61,235,855	5.16

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Unit: Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	FOR THE YEARS ENDED DECEMBER 31,					
	2017	%	2016	%	2015	%
PROFIT ATTRIBUTABLE TO						
Owners of parent	234,315,235	27.55	391,333,066	28.85	60,188,160	5.08
Non-controlling interests	316,097	0.04	736,680	0.05	530,453	0.04
NET PROFIT FOR THE YEARS	234,631,332	27.59	392,069,746	28.90	60,718,613	5.12
TOTAL COMPREHENSIVE INCOME						
ATTRIBUTABLE TO						
Owners of parent	288,973,708	33.98	382,230,120	28.17	60,753,173	5.12
Non-controlling interest	317,939	0.04	811,107	0.06	482,682	0.04
TOTAL COMPREHENSIVE INCOME						
FOR THE YEARS	289,291,647	34.01	383,041,227	28.23	61,235,855	5.16
EARNINGS PER SHARE						
Basic earnings per share	0.0540		0.0902		0.0166	
Diluted earnings per share	0.0540		0.0902		0.0166	

MANAGEMENT DISCUSSION AND ANALYSIS

The significant financial information for Country Group Holdings Public Company Limited and its subsidiaries (“the Company”) is as follows:

Units : Million baht

FINANCIAL SUMMARY	2017	2016	2015
TOTAL ASSETS	8,803.73	7,925.21	6,928.88
TOTAL LIABILITIES	2,614.11	1,903.72	1,089.46
TOTAL SHAREHOLDERS' EQUITY	6,189.62	6,021.49	5,839.42
TOTAL REVENUES	850.51	1,356.64	1,185.88
TOTAL EXPENSES	627.56	931.32	1,069.02
NET PROFIT	234.63	392.07	60.72

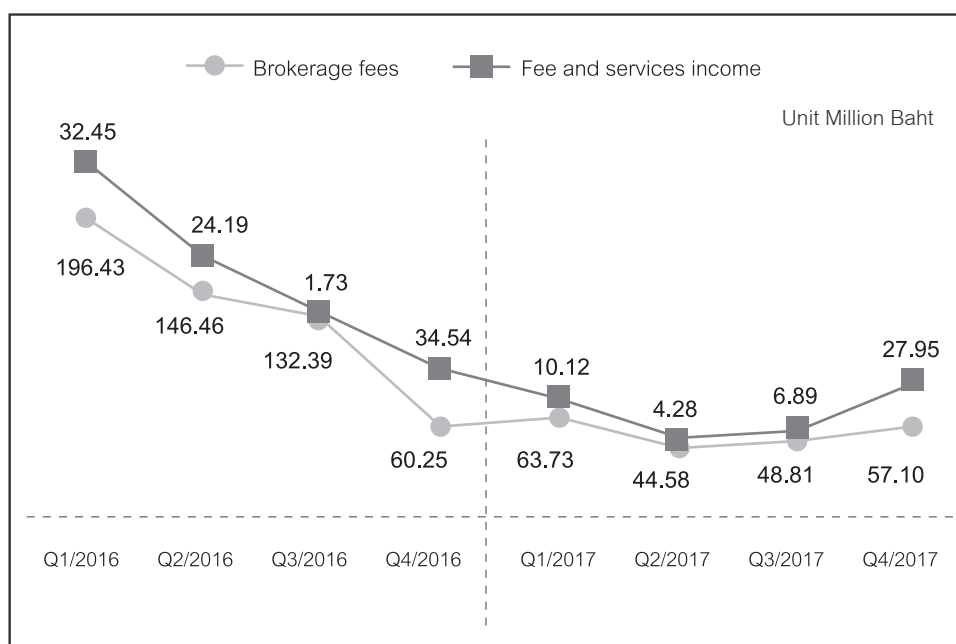
FINANCIAL RATIO	2017	2016	2015
Net profit margin (Percentage)	27.55	28.82	5.06
Liquid assets to total assets (Percentage)	63.52	60.94	42.11
Earning assets to total assets (Percentage)	61.62	73.91	78.41
Debt-to-equity ratio (times)	0.42	0.32	0.19

Company Performance Analysis

The Company's main source of income consisted of brokerage fees, fees and services income, gain on investments and derivatives, Interest and dividend income, interest from margin loans, and shares of profits from investments in associated companies. The proportion of each major source of income, including the growth of each, is as follows:

REVENUES	2017		2016		2015	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Brokerage fees	214.22	25.19	541.63	39.92	867.15	73.12
Fees and services income	52.13	6.13	79.06	5.83	60.64	5.11
Interest on margin loans	14.28	1.68	34.88	2.57	46.33	3.91
Gain (losses) on investments and derivatives	59.51	7.00	77.46	5.71	63.17	5.33
Interest and dividends income	220.75	25.96	167.15	12.32	114.26	9.64
Share of profit from investments in associated companies	243.06	28.58	134.74	9.93	18.39	1.55
Income from the partial transfer of retail securities business	-	-	306.00	22.56	-	-
Gain on classified investments in associated to available-for-sale investments	21.61	2.54	-	-	-	-
Other income	24.95	2.93	15.71	1.16	15.94	1.34
TOTAL	850.51	100.00	1,356.63	100.00	1,185.88	100.00

The Company was successful in the restructuring of CGS through its transfer of parts of the brokerage business to a securities company, for which the Company acknowledged the transaction's revenues of 306.00 million baht during the third quarter of 2016. The Company's brokerage fees, fees and services income displayed a trend of increasing from the second quarter of 2017 onward.



The Company would like to announce the operating results for the year ended December 31, 2017, which has been audited by auditor as follows:

Units: Million baht

INCOME STATEMENTS	FOR THE YEARS ENDED DECEMBER 31,			
	2017	2016	CHANGES	%
REVENUES	607.44	1,221.90	(614.46)	(50.29)
EXPENSES	627.56	931.32	(303.76)	(32.62)
SHARE OF PROFIT FROM INVESTMENTS IN ASSOCIATED COMPANIES	243.06	134.74	108.32	80.39
INCOME BEFORE INCOME TAX	222.94	425.32	(202.38)	(47.58)
INCOME TAX (EXPENSE)	11.69	(33.25)	44.94	(135.16)
NET INCOME FOR THE YEARS	234.63	392.07	(157.44)	(40.16)

The Company posted net profits of 234.63 million baht, a decrease of 157.44 million baht (40.16 percent) compared to the previous year's listing of 392.07 million baht. The primary causes of this change were:

1. Revenues amounted to 607.44 million baht, down 614.46 million baht (50.29 percent) from the previous value of 1,221.90 million baht. This was due to the following:
 - Revenue from commission decreased by 327.41 million baht, while interest income from securities trading decreased by 20.61 million baht. One reason for this was the successful sale of part of the brokerage business to a securities company and acknowledging the 306 million baht in earnings from the transaction during the third quarter of the previous year. In addition, the average daily trading value of its subsidiary also decreased.
 - Income from fees and services fell by 26.93 million baht, mostly due to reductions in the revenue from financial consultants that amounted to 31.55 million baht. The Company also made 13.08 million baht more in revenue from sales of securities compared to the previous year.
 - Gain on investments and derivatives rose by 53.60 million baht mostly as a result of a 120.70 million baht increase in profits from investments. This was in spite of the Company having profits (losses) from derivatives and interest and dividend income decreasing by 67.10 million and 17.95 million baht, respectively.
2. The Company's total expenses amounted to 627.56 million baht, a decrease of 303.76 million baht (32.62 percent) from the previous year's 931.32 million baht. The major reason for this was the transfer of marketing staff and assets from some of its subsidiary's branches to a securities company during the third quarter of the previous year. As a result, the Company's expenses (employee benefits and costs regarding buildings and equipment) fell 196.56 million and 55.24 million baht, respectively. Furthermore, fees and services expenses fell by 42.29 million baht.
3. The Company's share of profits from investments in associated companies came out to 243.06 million baht, an increase of 108.32 million baht (80.39 percent). This increase stemmed from its associates higher annual net profits compared to the year before.

COMPANY'S NAME	2017		2016	
	SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD (MILLION BAHT)	PERCENTAGE OF TOTAL REVENUES	SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD (MILLION BAHT)	PERCENTAGE OF TOTAL REVENUES
MFC Asset Management Public Company Limited	35.53	4.2	46.51	3.4
Padaeng Industry Public Company Limited	227.75	26.8	112.43	8.3
Country Group Development Public Company Limited	(20.22)	(2.4)	(24.20)	(1.8)
TOTAL	243.06		134.74	

- For the year ending December 31, 2017, the Company had corporate income tax income of 11.69 million baht, a decrease of 44.94 million baht (135.16 percent) compared the previous year which the Company have tax expense in amount of 33.25 million baht. The Company used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2017 and 2016. Income tax expense is calculated from income before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.
- The Company's net profit (owners of the parent company) came out to 234.32 million baht (0.0540 baht in earnings per share), a decrease of 157.01 million baht (40.12 percent) compared to the previous year (which had a reported value of 391.33 million baht in net profit, or 0.0902 baht in earnings per share).

STATEMENT OF FINANCIAL POSITION	Units: Million baht			
	2017	2016	CHANGES	%
TOTAL ASSETS	8,803.73	7,925.21	878.52	11.09
TOTAL LIABILITIES	2,614.11	1,903.72	710.39	37.32
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	6,170.26	6,001.61	168.65	2.81
NON-CONTROLLING INTERESTS	19.36	19.88	(0.52)	(2.62)
TOTAL SHAREHOLDERS' EQUITY	6,189.62	6,021.49	168.13	2.79
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,803.73	7,925.21	878.52	11.09

TOTAL ASSETS

As of December 31, 2017, the Company possessed total assets worth 8,803.73 million baht, an increase of 878.52 million baht (or 11.09 percent) compared to the same time last year, which totaled to 7,925.21 million baht.

Major changes in the Company's assets were as follows:

SIGNIFICANT ASSETS	2017		2016	
	AMOUNT	%	AMOUNT	%
Cash and cash equivalents	1,236.65	14.05	1,480.78	18.68
Temporary investments, Investment held as available for sale and Other long-term investments	4,261.92	48.41	2,236.78	28.22
Receivables from Clearing House and broker - dealers	440.35	5.00	866.53	10.93
Securities business receivables	722.32	8.20	452.02	5.70
Investments in associated companies	1,677.88	19.06	2,356.42	29.73
Others	464.61	5.28	532.68	6.72
TOTAL	8,803.73	100.00	7,925.21	100.00

1. As of December 31, 2017, the Company possessed cash and cash equivalents amounting to 1,236.65 million baht. This was a decrease of 244.13 million baht (16.49 percent) compared to the year before, which was made up mostly of cash and cash equivalents, along with deposits in the form of cash and short-term deposits within the Company's financial institutions, so that they would be flexible enough for use as working capital for daily operations
2. As of December 31, 2017, the Company had current investments, Investment held as available for sale and other long-term investments totaling 4,261.92 million baht, an increase of 2,025.14 million baht (90.54 percent) compared to the previous year.

DETAILS OF INVESTMENTS	2017		2016	
	AMOUNT	%	AMOUNT	%
Current investments				
Unit trusts	46.4		170.48	
Listed securities	1,108.53		393.19	
Debt instruments	1,901.22		1,261.15	
Debt instruments held to maturity	14.71		33.44	
Available-for-sale investments	-		59.53	
Deposits at financial institutions	54.24		54.24	
Investment held as available for sale				
Available-for-sale investments	1,131.33		259.26	
Other long-term investments				
General investments	5.49		5.49	
TOTAL	4,261.92		2,236.78	

The majority of the investments are in listed securities, debt instruments, and unit trusts that are in demand.

The Company set up an Investment Committee to oversee securities investments for the Company's accounts and those of its subsidiaries, who will be responsible for establishing circumspect investment guidelines. The Company and its subsidiaries also solidified a complete readjustment of the allowance for changes in value and allowance for impairment loss according based on accordance with accounting standards and SEC announcements.

- As of December 31, 2017, the Company possessed 440.35 million baht in receivables from clearing house and broker-dealers, a reduction of 426.18 million baht (49.18 percent) compared to the previous year. The receivables from clearing house and broker-dealers were made up of the value of net sales to customers and subsidiary's accounts during the last three days of the year.
- As of December 31, 2017, the Company's securities business receivables came out to 722.32 million baht, 270.30 million baht (59.80 percent) increase from the previous year. This was mostly due to increases in loans (for debtors to trade securities) of 232.97 million baht. This was the net value of securities business receivables in the last three business days of the year.

Bad Debts and Doubtful Accounts

In regards to policies for allowances for doubtful accounts, subsidiary have their own for establishing such allowances through their assessment of individual debtors' financial status. Such assessments include consideration for the risk of repayment and the value of any collateral used. Subsidiaries have set allowances for doubtful accounts based on principals and interest. Their debt is also classified according to the Office of the SEC's Notifications Number KorThor. 33/2543 and 5/2544, dated August 25, 2000 and February 15, 2001, respectively.

As of December 31, 2017 and 2016, the subsidiary recorded an allowance for doubtful accounts for outstanding loans that came out to 375.78 million baht and 364.83 million, respectively.

TOTAL LIABILITIES

As of December 31, 2017, the Company had total liabilities amounting to 2,614.11 million baht, an increase of 710.39 million baht (37.32 percent) compared to the year before (1,903.72 million baht).

The significant changes in the Company's liabilities were as follows:

Units: Million baht

SIGNIFICANT LIABILITIES	2017		2016	
	AMOUNT	%	AMOUNT	%
Trade and other current payables	144.99	4.40	94.92	4.99
Debts issued and borrowings	144.22	5.52	-	-
Securities business payables	1,255.81	48.04	1,747.95	91.82
Debentures	1,079.80	41.31	-	-
Others	19.29	0.74	60.85	3.20
TOTAL	2,614.11	100.00	1,903.72	100.00

- As of December 31, 2017, the Company had trade accounts payable and other current payables totaling 114.99 million baht, an increase of 20.07 million baht (21.14 percent) compared to the previous year. This stemmed from a reduction in accrued expenses such as income tax payable and compensation for marketing staff/payable shares of profits from the securities trading team and branch offices.
- As of December 31, 2017, the Company had debt securities issued and other loans - bills of exchange (with a maturity of less than one year) totaling 144.22 million baht, with interest rates of 3.2 to 3.5 percent per annum.
- As of December 31, 2017, the Company had securities business payables of 1,255.81 million baht, a decrease of 492.14 million baht (28.16 percent) from the previous year. The net value of securities business payables is the total sales value of clients' trading activities of within the last three business days of the year.

4. On December 1, 2017, the Company issued unsubordinated and unsecured debentures amounting to 1,079.80 million baht, which specify the names of their holders and representatives. This was done for the purpose of expansion in order to support its investments and the principal is to be repaid in full on June 1, 2020, with a fixed interest rate of 6.25 percent per annum. The interest fund is to be distributed every three months on March 1, June 1, September 1, and December 1 throughout each year of the life of the debentures.

The Company had registered the debentures with the Thai Bond Market Association (Thai BMA) and with the SET on December 1, 2017.

SHAREHOLDERS' EQUITY

As of December 31, 2017, the Company had total shareholders' equity of 6,189.62 million baht, an increase of 168.13 million baht (2.79 percent) from the 6,021.49 million baht of the previous year.

Units: Million baht

	TOTAL OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Outstanding balance as of January 1, 2017	6,001.61	19.88	6,021.49
Changes in non-controlling interests from			
additional purchases of Share of subsidiary	0.01	(0.19)	(0.18)
Dividends Paid	(120.30)	(0.67)	(120.97)
Total comprehensive income for the year	288.94	0.34	289.28
Balance as of December 31, 2017	6,170.26	19.36	6,189.62

LIQUIDITY AND SUFFICIENCY OF CAPITAL

The majority of the sources of capital in business operations came from the Company's own funds. Furthermore, its credit line stemmed from various commercial banks serving as sources of turnover/working capital and supporting business operations. The net capital ratios of the Company's subsidiaries as of December 31, 2017 and 2016 were 132.40 percent and 93.10 percent, respectively. This was quite high compared to the seven percent minimum rate mandated by the SEC that securities companies must maintain.

SUMMARY

The Company is known for its financial strength and high liquidity. As of December 31, 2017, it possessed cash and cash equivalents amounting to 1,236.65 million baht, 13.98 percent of the Company's total assets. In addition, its ratio of liquid assets to total assets was 63.52 percent, with the earning assets to total assets ratio being 61.62 percent, and the ratio of debt to shareholders' equity coming to 0.42 times.

The Company has three main strategies that drive its success:

- 1) Efficient asset management,
- 2) Restructuring of its affiliates with emphasis on producing better returns, and
- 3) Acquiring businesses with high growth potential.

For the year ending December 31, 2017, net profits decreased by 157.44 million baht due to an equivalent decrease in securities brokerage fees in amount of 327.41 million baht, including those from one-time sales of retail securities trading businesses to the amount of 306.00 million baht to a securities firm during the third quarter the previous year. However, the Company's net profit margin was similar to that of the previous year. In 2017 and 2016, the net profit margins amounted to 27.55 percent and 28.82 percent, respectively. The Company also continues to engage in diverse investments as part of its strategy. As a result, its profit shares from investments in associated companies as of December 31, 2017 came out to 243.06 million baht, an increase of 108.32 million baht (80.39 percent). In addition, the Company got gain on investment and derivatives of 53.60 million baht (32.07 percent) compared to the previous year.

THE BOARD OF DIRECTORS' REPORT ON ITS RESPONSIBILITY TO FINANCIAL REPORT

The Board of Directors is responsible for the consolidated financial statements of Country Group Holdings Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Country Group Holdings Public Company Limited (the "Company"), including financial information as appeared in this annual report. The financial statements were stated in accordance with generally accepted accounting principles, applying the appropriate accounting policies and consistently adhered with careful discretion and best estimation in the preparation. Besides, significant information was disclosed sufficiently in the notes accompanying the financial statements for the benefit of shareholders and investors in a transparent manner.

The Board of Directors has provided and maintained the appropriate and efficient internal control system to reasonably ensure that the accounting data are accurate, complete, and sufficient to maintain its assets and to prevent fraud and materially irregular operation.

In this regard, the Board of Directors has appointed the Audit Committee to review the accounting policies, the quality of the financial reports, the internal control, and internal audit systems. The opinions of the Audit Committee with regard to the matters, which appear in the Report of the Audit Committee, are already shown in this annual report.

The consolidated financial statements and the separate financial statements of the Company have been audited by the Company's Auditor, namely Deloitte Touche Tohmatsu Jaiyos Co. Ltd. In auditing, the Board of Directors provided all relevant information and documents to enable the Auditor to examine and express his opinion in conformity with generally accepted auditing standards. The Auditor's opinion, which appears in the auditor's report, is already shown in this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company is satisfactory and can bring about reasonable confidence that the consolidated financial statements and the separate financial statements of the Company for the year ending December 31, 2017 were reliable and prepared in conformity with generally accepted accounting principles and carried out accurately in accordance with law and all relevant rules and regulations and were sufficiently disclosed.



(Mr. Sadawut Taechaubol)
Chairperson



(Mr. Tommy Taechaubol)
Chief Executive Officer

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Country Group Holdings Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Country Group Holdings Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Country Group Holdings Public Company Limited and its subsidiaries and of Country Group Holdings Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	KEY AUDIT PROCEDURES
<p>Revenue recognition - Brokerage fee of subsidiary</p> <p>Brokerage fees are fees from securities business and derivatives business which have terms and conditions to charge the fees based on trading volume. Key audit matter is whether the brokerage fees are occurrence and have been completely and accurately recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of revenue recognition, the details of brokerage fees and operating segment information were disclosed in Note 3.1, Note 29 and Note 43 to the financial statements respectively.</p>	<p>Our audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understand the revenue recognition process and related internal control procedures • Review the design and implementation of the internal control procedures • Perform the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system • Perform substantive testing as follows: <ul style="list-style-type: none"> - Examine the trading volume information of securities and derivative of the customers and brokerage fees rates, recalculate the brokerage fees and examine the related supporting documents of those revenues whether the brokerage fees are occurrence and have been completely and accurately recognized - Perform substantive analytical procedures relating to the brokerage fees.
<p>Impairment of investment</p> <p>Investments consist of investments in trading securities, investments in available for sale securities, general investments and investments in subsidiary and associated companies. The Group's managements have to consider the impairment indicators and estimate the impairment provision of those investments. The consideration is depended on the management judgement and key assumptions. Therefore, the key audit matter is whether the valuation of investment and the impairment have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of investments in debt and equity securities and investments in subsidiary and associated companies and the details of investments in debt and equity securities and investments in subsidiary and associated companies were disclosed in Note 3.6, Note 3.9, Note 6, Note 10 and Note 11 to the financial statements respectively.</p>	<p>Our audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understand the impairment consideration process and related internal control procedures • Review the design and implementation of the internal control procedures • Perform the operating effectiveness testing over the internal control procedures around impairment consideration process • Perform substantive testing as follows: <ul style="list-style-type: none"> - Examine the supporting documents in relation to the management consideration of impairment indicators for investment - Assess the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for investment.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Group.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Wonlop Vilaivaravit

Certified Public Accountant (Thailand)

Registration No. 6797

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 28, 2018

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION AS
AT DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	1,236,650,168	1,480,778,898	241,714,556	226,550,837
Current investments	6.1	3,125,103,946	1,972,029,814	1,383,717,909	618,482,445
Trade and other current receivables	7	67,507,410	112,669,546	209,828,885	191,375,112
Receivables from Clearing House and broker - dealers	8	440,349,433	866,529,737	-	-
Securities business receivables	9	722,323,919	452,024,236	-	-
Total Current Assets		5,591,934,876	4,884,032,231	1,835,261,350	1,036,408,394
NON-CURRENT ASSETS					
Investment held as available for sale	6.2	1,131,327,322	259,261,232	985,963,682	99,131,417
Investments in associates	10	1,677,881,395	2,356,418,849	1,502,449,120	2,297,727,528
Investment in subsidiaries	11	-	-	3,488,422,524	3,488,249,978
Other long-term investments	6.3	5,488,750	5,488,750	-	-
Property, premises and equipment	12	101,276,414	125,416,567	13,935,504	17,718,278
Intangible assets	13	106,603,085	104,479,469	-	-
Deferred tax assets	14	98,674,661	103,731,849	-	150,437
Other non-current assets	15	90,541,722	86,382,153	1,442,882	1,442,882
Total Non-Current Assets		3,211,793,349	3,041,178,869	5,992,213,712	5,904,420,520
TOTAL ASSETS		8,803,728,225	7,925,211,100	7,827,475,062	6,940,828,914

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION (CONTINUED)
 AS AT DECEMBER 31, 2017

Unit : Baht

		NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2017	2016	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Trade and other current payables	16	114,722,321	88,023,860	113,303,195	19,843,245	
Payables to Clearing House and broker-dealers	17	-	44,607,750	-	-	
Securities business payables	18	1,255,813,366	1,747,949,290	-	-	
Debts issued and borrowings	19	144,215,456	-	-	-	
Short-term loan from related company	20	-	-	5,000,000	400,000,000	
Current income tax payable		262,800	6,898,662	-	1,032,660	
Total Current Liabilities		1,515,013,943	1,887,479,562	118,303,195	420,875,905	
NON-CURRENT LIABILITIES						
Debentures	21	1,079,800,000	-	1,079,800,000	-	
Provisions for employee benefits	22	17,472,190	12,930,291	1,586,097	375,911	
Deferred tax liabilities	14	-	-	4,234,728	-	
Other non-current liabilities		1,819,018	3,313,503	-	-	
Total Non-Current Liabilities		1,099,091,208	16,243,794	1,085,620,825	375,911	
TOTAL LIABILITIES		2,614,105,151	1,903,723,356	1,203,924,020	421,251,816	

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	23				
Authorized share capital					
6,075,927,916 ordinary shares of Baht 1 each		6,075,927,916	6,075,927,916	6,075,927,916	6,075,927,916
Issued and paid share capital					
4,336,768,278 ordinary shares of Baht 1 each, fully paid		4,336,768,278	4,336,768,278	4,336,768,278	4,336,768,278
Ordinary shares held by subsidiary		(9,850)	(9,850)	-	-
Share premium	24	668,977,138	668,977,138	1,421,639,782	1,421,639,782
Other component of shareholders' equity	6.5	32,878,735	(21,779,738)	97,660,549	(301,019)
Retained earnings					
Appropriated					
Statutory reserve	28	144,519,183	137,020,743	53,343,832	48,093,144
Unappropriated		987,126,368	880,636,165	714,138,601	713,376,913
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		6,170,259,852	6,001,612,736	6,623,551,042	6,519,577,098
NON-CONTROLLING INTERESTS		19,363,222	19,875,008	-	-
TOTAL SHAREHOLDERS' EQUITY		6,189,623,074	6,021,487,744	6,623,551,042	6,519,577,098
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,803,728,225	7,925,211,100	7,827,475,062	6,940,828,914

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
REVENUES					
Brokerage fees	29	214,219,937	541,614,653	-	-
Fees and services income	30	52,131,088	79,064,695	-	-
Interest on margin loans		14,274,809	34,881,568	-	-
Interest and dividend income	31	59,513,311	77,461,729	217,770,955	296,806,085
Gain on investments and derivatives	32	220,746,723	167,152,484	77,120,831	97,222,992
Income from the partial transfer of retail securities business	33	-	306,002,957	-	-
Gain on classified investments in associated to investment held as available for sale	10	21,612,253	-	-	-
Other income	34	24,945,596	15,713,518	504,072	55,021
Total revenues		607,443,717	1,221,891,604	295,395,858	394,084,098
EXPENSES					
Employee benefits expenses		345,806,059	542,371,846	69,484,941	40,009,063
Fee and service expenses		67,106,054	109,397,514	31,300,315	11,712,296
Finance costs		11,624,630	11,268,766	15,633,870	1,345,753
Bad debt and doubtful accounts		10,952,493	12,503,674	-	-
Other expenses	37	192,075,267	255,776,625	72,767,632	30,093,280
Total expenses		627,564,503	931,318,425	189,186,758	83,160,392
Share of profit from investments in associated companies	2.3.3	243,063,723	134,744,849	-	-
INCOME BEFORE INCOME TAX		222,942,937	425,318,028	106,209,100	310,923,706
INCOME TAX (EXPENSES)	39	11,688,395	(33,248,282)	20,105,228	(10,223,450)
NET INCOME FOR THE YEARS		234,631,332	392,069,746	126,314,328	300,700,256

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
OTHER COMPREHENSIVE INCOME					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans		-	13,047,695	-	-
Share of other comprehensive income of associates		-	608,593	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	39	-	(2,609,539)	-	-
		-	11,046,749	-	-
Components of other comprehensive income that will be reclassified to profit or loss					
Gains on re-measuring investments held as available for sale		101,379,466	36,233,531	122,075,686	29,853,879
Adjustment surplus (deficit) on re-measuring investments held as available for sale disposed during the years		(310,828)	(43,666,681)	376,274	(43,582,181)
Share of other comprehensive loss of associates		(21,851,442)	(14,128,748)	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	39	(24,556,881)	1,486,630	(24,490,392)	2,745,660
		54,660,315	(20,075,268)	97,961,568	(10,982,642)

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Total other comprehensive income (loss)					
for the years - net of tax		54,660,315	(9,028,519)	97,961,568	(10,982,642)
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		289,291,647	383,041,227	224,275,896	289,717,614
PROFIT ATTRIBUTABLE TO					
Owners of parent		234,315,235	391,333,066	126,314,328	300,700,256
Non-controlling interests		316,097	736,680	-	-
NET PROFIT FOR THE YEARS		234,631,332	392,069,746	126,314,328	300,700,256
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of parent		288,973,708	382,230,120	224,275,896	289,717,614
Non-controlling interest		317,939	811,107	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		289,291,647	383,041,227	224,275,896	289,717,614
EARNINGS PER SHARE					
Basic earnings per share (Baht)	40	0.0540	0.0902	0.0291	0.0693
Diluted earnings per share (Baht)	40	0.0540	0.0902	0.0291	0.0693

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

NOTES	CONSOLIDATED FINANCIAL STATEMENTS								
	OWNERS OF THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' EQUITY	
	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENT OF SHAREHOLDERS' EQUITY	RETAINED EARNINGS	TOTAL OWNERS OF THE PARENT				
			SURPLUS ON RE-MEASURING INVESTMENTS	SHARE OF LOSS ON OTHER COMPREHENSIVE INCOME OF ASSOCIATED COMPANIES	APPROPRIATED STATUTORY RESERVE	UNAPPROPRIATED			
Balance as at January 1, 2016	4,336,758,428	668,977,138	(1,703,300)	-	117,530,063	697,317,879	5,818,880,208	20,542,728	5,839,422,936
Change in shareholders' equity during the year									
Changes in non-controlling interests	-	-	-	-	-	24,973	24,973	(101,283)	(76,310)
Dividends paid	-	-	-	-	-	(199,491,270)	(199,491,270)	(1,408,839)	(200,900,109)
Statutory reserve	-	-	-	-	19,490,680	(19,521,975)	(31,295)	31,295	-
Total comprehensive income	-	-	(5,981,646)	(14,094,792)	-	402,306,558	382,230,120	811,107	383,041,227
Balance as at December 31, 2016	4,336,758,428	668,977,138	(7,684,946)	(14,094,792)	137,020,743	880,636,165	6,001,612,736	19,875,008	6,021,487,744

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

NOTES	CONSOLIDATED FINANCIAL STATEMENTS								
	OWNERS OF THE COMPANY						NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' EQUITY	
	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENT OF SHAREHOLDERS' EQUITY	RETAINED EARNINGS	TOTAL OWNERS OF THE PARENT				
			SURPLUS ON RE-MEASURING INVESTMENTS	SHARE OF LOSS ON OTHER COMPREHENSIVE INCOME OF ASSOCIATED COMPANIES	APPROPRIATED STATUTORY RESERVE	UNAPPROPRIATED			
Balance as at January 1, 2017	4,336,758,428	668,977,138	(7,684,946)	(14,094,792)	137,020,743	880,636,165	6,001,612,736	19,875,008	6,021,487,744
Change in shareholders' equity during the year									
Changes in non-controlling interests from									
additional purchases of share of subsidiary	-	-	-	-	-	11,692	11,692	(193,682)	(181,990)
Dividends paid	-	-	-	-	-	(120,301,952)	(120,301,952)	(672,375)	(120,974,327)
Statutory reserve	-	-	-	-	7,498,440	(7,534,772)	(36,332)	36,332	-
Total comprehensive income	-	-	76,509,915	(21,851,442)	-	234,315,235	288,973,708	317,939	289,291,647
Balance as at December 31, 2017	4,336,758,428	668,977,138	68,824,969	(35,946,234)	144,519,183	987,126,368	6,170,259,852	19,363,222	6,189,623,074

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	NOTES	SEPARATE FINANCIAL STATEMENTS					
		ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENT OF SHAREHOLDERS' EQUITY	RETAINED EARNINGS		TOTAL SHAREHOLDERS' EQUITY
					APPROPRIATED STATUTORY RESERVE	UNAPPROPRIATED	
				SURPLUS (DEFICIT) ON RE-MEASURING INVESTMENTS			
Balance as at January 1, 2016		4,336,768,278	1,421,639,782	10,681,623	33,058,131	627,202,940	6,429,350,754
<u>Change in shareholders' equity during the year</u>							
Dividends paid	27	-	-	-	-	(199,491,270)	(199,491,270)
Statutory reserve		-	-	-	15,035,013	(15,035,013)	-
Total comprehensive income		-	-	(10,982,642)	-	300,700,256	289,717,614
Balance as at December 31, 2016		4,336,768,278	1,421,639,782	(301,019)	48,093,144	713,376,913	6,519,577,098
Balance as at January 1, 2017		4,336,768,278	1,421,639,782	(301,019)	48,093,144	713,376,913	6,519,577,098
<u>Change in shareholders' equity during the year</u>							
Dividends paid	27	-	-	-	-	(120,301,952)	(120,301,952)
Statutory reserve		-	-	-	5,250,688	(5,250,688)	-
Total comprehensive income		-	-	97,961,568	-	126,314,328	224,275,896
Balance as at December 31, 2017		4,336,768,278	1,421,639,782	97,660,549	53,343,832	714,138,601	6,623,551,042

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		222,942,937	425,318,028	106,209,100	310,923,706
Adjustments					
Depreciation and amortization		27,113,064	40,092,062	4,003,916	1,653,024
Bad debt and doubtful accounts		10,952,493	12,503,674	-	-
Unrealized (gain) loss on re-measuring investments		598,308	4,986,863	5,922,208	(3,884,281)
Loss from impairment on general investments		-	15,000,000	-	-
(Gain) loss on disposal and written off equipment and intangible assets		(2,366,262)	13,622,617	-	-
Share of profit from investment for using equity method		(243,063,723)	(134,744,849)	-	-
Gain on classified investments in associated to investment held as available for sale		(21,612,253)	-	-	-
Employee benefits expense		5,401,899	17,172,459	1,210,186	375,911
Finance costs		11,624,630	11,268,766	15,633,870	1,345,753
Interest and dividends income		(73,788,120)	(112,343,297)	(217,770,955)	(296,806,085)
Gain (loss) from operating activities before changes in operating assets and liabilities		(62,197,027)	292,876,323	(84,791,675)	13,608,028
(Increase) decrease in operating assets					
Deposits at financial institutions		-	15,070,000	-	-
Trade and other current receivables		56,162,203	73,764,925	(19,850,037)	(21,997,716)
Receivables from Clearing House and broker - dealers		426,180,304	(819,933,269)	-	-
Securities business receivables		(281,252,176)	776,662,429	-	-
Trading investments		(1,231,565,501)	(1,064,303,016)	(828,166,233)	(90,380,331)
Other non-current assets		(4,159,569)	14,960,024	-	(1,442,882)

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase (decrease) in operating liabilities					
Trade and other current payables		21,156,152	(33,264,931)	78,045,105	9,104,585
Payables to Clearing House and broker - dealers		(44,607,750)	(190,825,049)	-	-
Securities business payables		(493,697,132)	1,074,371,102	-	-
Provisions for employee benefits		(860,000)	(40,409,393)	-	-
Other non-current liabilities		(1,494,485)	2,285,935	-	-
Cash received (paid) from operating activities		(1,616,334,981)	101,255,080	(854,762,840)	(91,108,316)
Cash received from interest		28,504,712	60,792,639	2,532,988	851,371
Cash paid for interest		(6,866,864)	(10,058,586)	-	(30,685)
Cash paid for corporate tax		(13,035,300)	(29,683,803)	(1,282,866)	(9,265,972)
Net cash flows provided by (used in) operating activities		(1,607,732,433)	122,305,330	(853,512,718)	(99,553,602)

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchases of investment held as available for sale		(398,941,799)	(1,579,587,232)	(351,833,414)	(807,253,023)
Cash received from sales of investment held as available for sale		491,485,225	1,802,866,197	426,057,146	1,143,845,903
Cash received from bill of exchange		60,000,000	-	40,000,000	-
Cash paid for purchase of investments in associates		(24,600,979)	(188,476,494)	(24,600,979)	(541,785,923)
Cash paid for purchase of investments in subsidiary		-	-	-	(25,000,000)
Cash paid for purchase of share of subsidiary from non-controlling interests		(181,990)	(76,310)	(172,546)	(90,061)
Cash received from dividend of investments in associates		104,311,696	59,243,055	104,311,696	56,983,055
Cash received from dividend of investment in subsidiaries		-	-	97,728,944	200,586,573
Cash received from dividend of investments in securities		30,436,143	36,532,512	12,908,684	31,721,897
Cash paid for purchases of premises and equipment and intangible assets		(12,577,332)	(71,731,966)	(221,142)	(18,389,538)
Cash received from sales of premises and equipment and intangible assets		9,847,067	28,885,470	-	-
Net cash flows provided by investing activities		259,778,031	87,655,232	304,178,389	40,618,883
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from short-term loan from related company		-	-	-	420,000,000
Cash paid for short-term loan from related company		-	-	(395,000,000)	(20,000,000)
Cash received from debentures	21	1,079,800,000	-	1,079,800,000	-
Cash received from debts issued and borrowings	19	145,000,000	-	-	-
Cash paid for dividends	27	(120,974,328)	(200,900,109)	(120,301,952)	(199,491,270)
Net cash flows provided by (used in) financing activities		1,103,825,672	(200,900,109)	564,498,048	200,508,730
Net increase (decrease) in cash and cash equivalents		(244,128,730)	9,060,453	15,163,719	141,574,011
Cash and cash equivalents as at January 1,		1,480,778,898	1,471,718,445	226,550,837	84,976,826
Cash and cash equivalents as at December 31,	5	1,236,650,168	1,480,778,898	241,714,556	226,550,837

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

1.1 The Company's general information

Country Group Holdings Public Company Limited (the "Company") was registered as a Public Limited Company under Thai laws on May 15, 2014. The registered office is located at 132, Sindhorn Tower 1, 9th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. And as at May 4, 2016, the Company has changed its registered office to 132, Sindhorn Tower 3, 20th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

The Company has extensive transactions and relationships with the related company. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

1.2 General information of Country Group Securities Public Company Limited

Country Group Securities Public Company Limited (the "subsidiary"), is incorporated in Thailand since 1993. The subsidiary converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act on February 17, 1994. The head office is located at 132, Sindhorn Tower 1, 2nd Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. And as at May 4, 2016, the subsidiary has changed its registered office to 132, Sindhorn Tower 3, 20th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

As at December 31, 2017 and 2016, the subsidiary has 7 branches and 15 branches, respectively.

On October 22, 2008, the Ministry of Finance had approved the securities business license type Kor No. Lor Kor-0002-01 and cancelled the old securities business licenses No. 51/2517 and No. 18/2547. The securities business license type Kor is the license that undertakes securities business in various categories consisting of

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory Service
5. Mutual Fund Management
6. Private Fund Management
7. Securities Borrowing and Lending
8. Venture Capital Management.

The subsidiary was granted a license No. 0007/2551 on August 13, 2008 to undertake the derivatives agent from the Office of the Securities and Exchange Commission which has been effective since July 31, 2008.

The subsidiary was granted a license on July 12, 2010 to undertake the securities borrowing and lending business as the Principal from the Office of the Securities and Exchange Commission.

The Office of the Securities and Exchange Commission has approved the subsidiary to act as the financial advisory from March 21, 2017 to March 20, 2022.

The Company was granted a license on June 8, 2017 to undertake the private fund (except provident fund) from the Office of the Securities and Exchange Commission.

The mutual fund management and the venture capital management shall be commenced only after the subsidiary is granted the approval from the Office of the Securities and Exchange Commission.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Country Group Holdings Public Company Limited and its subsidiaries (the “Group”) maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2016) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2017 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No.2) B.E. 2559” dated October 11, 2016.

The additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission. No. Sor Tor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No.2)”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards.

The financial statements for the year ended December 31, 2016 have been reclassified accordingly.

The statements of financial position as at December 31, 2016 have been reclassified to conform to the classification used in the statements of financial position as at December 31, 2017 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	PREVIOUS CLASSIFICATION	NEW CLASSIFICATION
	BAHT	BAHT		
Deposits with restriction	54,240,000	-	Deposits at financial institution	Current investments
Accrued corporate income tax	6,898,662	1,032,660	Trade and other payables	Current income tax payable

The statements of profit or loss and other comprehensive income for the year ended December 31, 2016 have been reclassified to conform to the classification used in the statements of profit or loss and other comprehensive income for the year ended December 31, 2017 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	PREVIOUS CLASSIFICATION	NEW CLASSIFICATION
	BAHT	BAHT		
Gain on investments	168,147,614	97,141,992	Gain on investments	Gain on investment and derivatives
Gain (loss) on derivatives	(995,130)	81,000	Gain on derivatives	Gain (loss) on investment and derivatives
Personnel expenses	530,321,846	34,424,063	Personnel expenses	Employee benefit expenses
Directors' remuneration	12,050,000	5,585,000	Directors' remuneration	Employee benefit expenses
Property, plant and equipment expenses	132,830,613	6,781,801	Property, plant and equipment expenses	Other expenses

In addition, the brief particulars in the financial statements for the years ended December 31, 2017 and 2016 have been changed to conform to the Department of Business Development, dated October 11, 2016 that have been significant changed as follows:

FINANCIAL STATEMENT	PREVIOUS BRIEF PARTICULARS	NEW BRIEF PARTICULARS
The statements of financial position	Employee benefit obligations	Provisions for employee benefits

2.3 The consolidated financial statements include the financial statements of Country Group Holdings Public Company Limited and its subsidiaries, which the subsidiaries detailed as following:

COMPANY'S NAME	NATURE OF BUSINESS	COUNTRY OF INCORPORATION	PERCENTAGE OF SHAREHOLDING		ASSETS AS A PERCENTAGE TO THE CONSOLI- DATED TOTAL ASSETS		REVENUES AS A PERCENTAGE TO THE CONSOLIDATED TOTAL REVENUES	
			AS AT DECEMBER 31,		AS AT DECEMBER 31,		FOR THE YEARS ENDED DECEMBER 31,	
			2017 PERCENT	2016 PERCENT	2017 PERCENT	2016 PERCENT	2017 PERCENT	2016 PERCENT
Subsidiaries								
Country Group Securities	Securities							
Public Company Limited	business	Thailand	99.3	99.3	51.4	62.1	61.6	81.6
Genki Capital Co., Ltd.	Energy	Thailand	100.0	100.0	0.0	0.0	-	-
Genki Power One Co., Ltd.	Energy	Thailand	100.0	100.0	0.0	0.0	-	-

- 2.3.1 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.3.2 The financial statements of the subsidiaries for the year ended December 31, 2017 included in the consolidated financial statements were audited.
- 2.3.3 Share of profit (loss) from investments for using equity method expressed as a percentage of total revenues of the Company and its subsidiaries presented in the consolidated financial statements for the years ended December 31, 2017 and 2016 as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	2017		2016	
	SHARE OF PROFIT (LOSS) FROM INVESTMENT FOR USING EQUITY METHOD	PERCENTAGE OF TOTAL REVENUES (LOSS)	SHARE OF PROFIT (LOSS) FROM INVESTMENT FOR USING EQUITY METHOD	PERCENTAGE OF TOTAL REVENUES (LOSS)
	BAHT	PERCENT	BAHT	PERCENT
MFC Asset Management Public Company Limited	35,536,213	4.2	46,515,290	3.4
Padaeng Industry Public Company Limited	227,750,312	26.8	112,431,558	8.3
Country Group Development Public Company Limited	(20,222,802) ⁽¹⁾	(2.4)	(24,201,999)	(1.8)
Total	243,063,723		134,744,849	

(1) The Company realized share of profit (loss) from investments for using equity method for the year ended December 31, 2017 from such company until September 21, 2017 which is the date of transferring investments from investment in associate to investment held as available for sale. (see Note 10)

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements

During the year, the Group has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

Significant accounting policies adopted by the Company and its subsidiaries are summarized below:

3.1 Revenue recognition

Brokerage fees

Brokerage fees from securities business and derivatives business are recognized as income on the transaction date.

Fees and services income

Fees income is recognized on an accrual basis and services income is recognized on the basis of percentage of completion, as specified in the service agreement.

Gain (loss) on investments and derivatives

Gain (loss) on investments and derivatives are recognized as income or expenses on trading date.

Interest on margin loans

Interest is recognized on an accrual basis, but where there is uncertainty as to the collectability of loans and interest, the subsidiary stops using an accrual basis.

In the following cases, collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralized.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
- 3) Installment loans with repayments scheduled over than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- 4) Problem financial institution.
- 5) Other receivables from which interest payment is overdue for 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

Interest and dividend on investments

Interest on investments is recognized as income on an accrual basis. Dividend on investments is recognized as income when the dividend is declared.

3.2 Expenses recognition

Expenses are recognized on an accrual basis.

Operating leases

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor, payments made under operating leases are recognized in the statements of profit or loss and other comprehensive income on a straight - line basis over the term of the lease. Lease incentives received are recognized in the statements of profit or loss and other comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statements of profit or loss and other comprehensive income in the accounting period in which they are incurred.

3.3 Recognition and amortization of customer deposits

Money which customers have placed with the subsidiary in cash accounts, cash balance and credit balance for securities trading and derivatives trading is recorded as the asset and liability of the subsidiary. As at the statement of financial position date, the subsidiary writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the subsidiary.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current deposit accounts, saving deposit accounts, time deposit with maturities not later than 3 months from acquisition date, and without commitments, call notes receivables and term promissory notes with maturities within 3 months from acquisition date. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

3.5 Deposits at financial institutions

Deposits at financial institutions include fixed deposit accounts, promissory notes with maturities over 3 months from acquisition date, deposit used as collateral and certificate of deposit with maturities within 3 months from acquisition date which the Company and its subsidiaries intends to hold to roll over it.

3.6 Investments

Investments in marketable securities held for trading are stated at fair value, with any resultant gain or loss on re-measuring investments recognized in the statements of profit or loss and other comprehensive income.

Investments in debt securities that the Company and its subsidiaries intends and is able to hold to maturity are stated at amortized cost less impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Investments in debt securities and marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale investments and are stated at fair value, with any resultant gain or loss on re-measuring investments being recognized as other component of owners' equity in owners' equity. The exception is impairment losses, which is recognized in the statements of profit or loss and other comprehensive income. When these investments are disposed, the cumulative gain or loss previously recognized directly in other component of owners' equity in owners' equity is recognized in the statements of profit or loss and other comprehensive income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in the statements of profit or loss and other comprehensive income.

Investments in equity securities which are not marketable are stated at cost, net allowance for impairment (if any).

The fair value of marketable security is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of unit trusts of closed - end fund is determined from their net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments in securities. The first in-first out method is used for computation of the cost of investments in derivatives.

Impairment

Loss on impairment (if any) of investments is recognized in the statements of profit or loss and other comprehensive income when the carrying amount exceeds its recoverable value.

3.7 Receivables and payables from/to Clearing House and broker-dealers

Net balances of receivable and payable incurred from settlement of securities and derivatives trading each day through Thailand Securities Depository Co., Ltd., and net balances of receivable and payable included from settlement of foreign securities trading each day through foreign securities companies, are presented as net balance receivables or payables from/to Clearing House in accordance with the Notification of the Office of the Securities and Exchange Commission No. SorTor. 22/2559 regarding "The Forms of Financial Statements for Securities Companies (No.2)" dated June 2, 2016.

3.8 Securities and derivatives business receivables

Securities and derivatives business receivables are the net balance after deducting allowance for doubtful accounts.

Securities business receivables comprise 3 categories which are receivables from securities businesses of cash accounts, margin loans and other receivables. Receivables from securities businesses of cash accounts are the receivables that were derived from cash settlements within 3 working days for equity securities business receivables and agreed payment for debt securities business receivables, after the securities purchasing date. Margin loans are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue securities and derivatives receivables of cash accounts and securities and derivatives receivables which are the subject of legal proceedings, are undergoing restructuring or are settling in installments.

The allowance for doubtful accounts is based on the assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission's Notifications No. KorThor. 33/2543 and KorThor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

Such debt classifications and provisions are in accordance with guidelines by the Office of the Securities and Exchange Commission as follows:

- a) Assets classified as bad debt are to satisfy the following criteria:
 - 1) Loans balances which the Company and its subsidiaries has already made every effort to collect, but which remain unpaid and which the Company and its subsidiaries has already written off in accordance with tax law.
 - 2) Loans balances which the Company and its subsidiaries has forgiven.
- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
 - 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance.
 - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
 - 3) Installment loans with repayments scheduled over than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- c) Sub-standard debt is defined as the collateralized portion of loans which meet the criteria in b).

Loans classified as bad debt will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the doubtful debt balance.

3.9 Investments in subsidiary and associated companies

Investments in associated companies is accounted for in the consolidated financial statements using the equity method.

Investment in subsidiaries and associated companies is accounted for in the separate financial statements using the cost method less allowance for impairment loss (if any).

An associate is an entity over which the Company and its subsidiaries has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Any excess of the cost of acquisition over the carrying amount of the identifiable assets, liabilities and contingent liabilities of an associated company recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

Loss on impairment (if any) of investments in subsidiaries and associated companies is recognized in the statements of profit or loss and other comprehensive income.

3.10 Property, premises and equipment

Property is stated at cost. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation is charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item from the date that premises and equipment are available to use.

The estimated useful lives are as follows:

Premises	20 years
Premises/leasehold improvement	5 years
Furniture and office equipment	3 - 5 years
Vehicles	5 years

Leased assets

Leases in terms of which the Company and its subsidiaries assumes substantial the risk and rewards of ownership other than legal title are classified as finance leases. Leased asset acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses (if any). Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

Impairment

Premises and equipment are tested for impairment when indicators of impairment are identified.

Gain and loss on disposals are determined by comparing proceeds with carrying amount and are included in the statements of profit or loss and other comprehensive income.

3.11 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization is charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of an item from the date that intangible assets with definite useful life are available for use.

The estimated useful lives are as follows:

Using derivatives business fee	1 - 5 years
Computer software	5 years

Some computer software have an indefinite useful life when there are no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Company.

Intangible assets with indefinite useful life are tested for impairment when indicators of impairment are identified, and allowance for impairment is recognized (if any).

3.12 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, the Company and its subsidiaries' management anticipates the sale is highly probable and the assets are available for immediate sale in its present condition.

Assets held for sale consist of immovable properties which is stated at the lower of cost amount or fair value after deducting costs of sales.

3.13 Leasehold right

Leasehold right is stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization is charged to the statements of profit or loss and other comprehensive income on a straight-line basis over the period of the lease term.

3.14 Investment property

Investment property is stated at cost less accumulated depreciation and allowance for impairment (if any).

3.15 Securities business payables

Securities business payables are the obligations of the subsidiary in respect of its securities and derivatives businesses with outside parties.

3.16 Derivatives liabilities

Derivative warrants are recorded as liabilities items and the changes in fair value are recorded in the statements of profit or loss and other comprehensive income. The fair value of derivative warrants is based on the latest offer price of the last working day of the year as quoted on the Stock Exchange of Thailand.

3.17 Borrowings

Borrowings are recognized initially at fair value of proceeds received. Borrowings are subsequently stated at amortized cost using the effective yield method any difference between proceeds and the redemption value is recognized in the statements of profit or loss and other comprehensive income over the period of borrowings.

3.18 Provision for liabilities

The Company and its subsidiaries recognizes provision as liabilities in the financial statements when the amount of the liability can be reliably estimated and as commitments when it is likely that loss of resources which are of economic benefit to the Company and its subsidiaries will result from settlement of such commitments.

3.19 Financial instruments

Financial instruments carried in the statement of financial position include cash and cash equivalents, current investments, trade and other current receivables, receivables from Clearing House, securities business receivables, investment held as available for sale, other long-term investments, trade and other current payables, payables to Clearing House and broker-dealers, debts issued and borrowings, short-term loan from related company, debentures, securities business payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.20 Employee benefits

3.20.1 Provident fund

The contribution for employee provident fund is recorded as expense when incurred.

3.20.2 Employee benefits obligation

The Company and its subsidiaries calculated the post-employment benefits obligation under the Thai Labor Protection Act based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate which calculates the post-employment benefit obligation based on yield rate of government bond.

The expenses for the defined post-employment benefits plan are recognized as personnel expenses in the statement of profit or loss and other comprehensive income.

Actuarial gains on defined post-employment benefits are recognized in other comprehensive income (loss).

3.21 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable

profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognizes deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company and its subsidiaries reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiaries records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

3.22 Basic and diluted earnings per share

Basic earnings per share is determined by dividing net income attributable to owners of the Company for the year by the weighted average number of ordinary shares held by outside parties outstanding during the year. And diluted earnings per share was calculated based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.23 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at rates of exchange on transaction dates. Monetary assets and liabilities in foreign currencies at the date of the financial statements are converted at the reference exchange rates established by the Bank of Thailand at that date. Gains or losses on exchange arising on translation and settlement is recognized as income or expense in the statements of profit or loss and other comprehensive income.

3.24 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.25 Use of accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company and its subsidiaries' management to exercise judgments in order to determine the accounting policies, estimates and as assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these

estimates. Accounting estimates are as follows:

Fair value measurements and valuation processes

Some of the Company and its subsidiaries' assets and liabilities are measured at fair value for financial reporting purposes. The Company and its subsidiaries' management has to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Company and its subsidiaries uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company and its subsidiaries engages third party qualified valuers to perform the valuation. The Company and its subsidiaries' management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model and reports the valuation committee's findings to the board of directors of the Company and its subsidiaries every quarter to explain cause of fluctuations in the fair value of the assets and liabilities.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 44.6.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Non-cash items are as follows:

During the years ended December 31, 2017 and 2016, the Company and its subsidiaries recognized gain on re-measuring investments held as available for sale and adjustment (surplus) deficit on re-measuring investments held as available for sale disposed during the years - net of tax, which were presented as addition (deduction) from other component of shareholders' equity amounting to approximately Baht 54.66 million and Baht (20.07) million, respectively in the consolidated financial statements and approximately Baht 97.96 million and Baht (10.98) million, respectively in the separate financial statements.

During the year, the Company transferred the investments from investments in associated to investments held as available for sale which occurred the gain on classified investments amounting to Baht 21.61 million in statements of profit or loss and other comprehensive income for the year ended December 31, 2017. (see Note 10)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Cash, short-term deposits and promissory notes with maturities not later than 3 months from acquisition date	1,509,327,486	2,148,222,315	241,714,556	226,550,837
(Less) Deposits for customers' account*	(272,677,318)	(667,443,417)	-	-
Total	1,236,650,168	1,480,778,898	241,714,556	226,550,837

(* Deposit accounts for the customers were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.)

6. INVESTMENTS

6.1 Current investments as at December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	AS AT DECEMBER 31, 2017		AS AT DECEMBER 31, 2016	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Trading investments				
Equity securities:				
Unit trusts	46,514,885	46,396,440	170,113,497	170,476,822
Listed securities	1,124,103,845	1,108,533,194	400,158,782	393,190,356
(Less) Allowance for revaluation	(15,689,096)	-	(6,605,101)	-
Total Equity securities	1,154,929,634	1,154,929,634	563,667,178	563,667,178
Debt instruments:				
Bond	9,946,577	9,946,577	111,378,988	109,503,888
Debentures	1,880,953,008	1,891,272,385	1,154,341,875	1,151,647,429
Add (Less) Allowance for revaluation	10,319,377	-	(4,569,546)	-
Total debt instruments	1,901,218,962	1,901,218,962	1,261,151,317	1,261,151,317
Total trading investments	3,056,148,596	3,056,148,596	1,824,818,495	1,824,818,495
Investment held as available for sale				
Equity securities:				
Listed securities	16,927,666	14,715,350	34,510,000	33,440,000
(Less) Allowance for revaluation	(2,212,316)	-	(1,070,000)	-
Total investments held as available for sale	14,715,350	14,715,350	33,440,000	33,440,000

CONSOLIDATED FINANCIAL STATEMENTS				
	AS AT DECEMBER 31, 2017		AS AT DECEMBER 31, 2016	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Investments with held-to-maturity				
Debt instruments:				
Bill of exchange	139,000,000		199,000,000	
(Less) Unearned discount	-		(468,681)	
Allowance for loss on impairment	(139,000,000)		(139,000,000)	
Total debts instruments	-		59,531,319	
Deposits in financial instruments:				
Fixed deposit	200,231,033		1,025	
Deposits with restriction	54,010,000		54,240,000	
(Less) Deposits in customers' account*	(200,001,033)		(1,250)	
Total deposits in financial instruments	54,240,000		54,240,000	
Total investments with held-to-maturity	54,240,000		113,771,319	
Total	3,125,103,946		1,972,029,814	

* Deposit accounts for the customers were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

The above investments excluded customer's securities which were deposited with the subsidiary for customers' securities brokerage purpose.

As at December 31, 2017 and 2016, the subsidiary had investments in debt instruments amounting to Baht 139.0 million which the subsidiary has fully provided allowance for loss on impairment.

SEPARATE FINANCIAL STATEMENTS				
	AS AT DECEMBER 31, 2017		AS AT DECEMBER 31, 2016	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Trading investments				
Equity securities:				
Unit trusts	46,514,885	46,396,440	170,113,497	170,476,822
Listed securities	314,522,446	298,378,543	381,856,115	374,883,356
(Less) Allowance for revaluation	(16,262,348)	-	(6,609,434)	-
Total Equity securities	344,774,983	344,774,983	545,360,178	545,360,178
Debt instruments:				
Bond	9,946,577	9,946,577	-	-
Debentures	1,009,875,808	1,014,280,999	-	-
Add Allowance for revaluation	4,405,191	-	-	-
Total debt instruments	1,024,227,576	1,024,227,576	-	-
Total trading investments	1,369,002,559	1,369,002,559	545,360,178	545,360,178
Investment held as available for sale				
Equity securities:				
Listed securities	16,927,666	14,715,350	34,510,000	33,440,000
(Less) Allowance for revaluation	(2,212,316)	-	(1,070,000)	-
Total Investment held as available for sale	14,715,350	14,715,350	33,440,000	33,440,000
Investment with held-to-maturity				
Debt instruments:				
Bill of exchange	-		40,000,000	
(Less) Unearned discount	-		(317,733)	
Total Investment with - held - to - maturity	-		39,682,267	
Total	1,383,717,909		618,482,445	

6.2 Investment held as available for sale as at December 31, 2017 and 2016 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENTS				
	AS AT DECEMBER 31, 2017		AS AT DECEMBER 31, 2016	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Investment held as available for sale				
Equity securities:				
Unit trusts	67,419,360	69,353,641	135,479,329	135,424,042
Listed securities	948,202,320	1,061,973,681	132,002,980	123,837,190
Add (Less) Allowance for revaluation	115,705,642	-	(8,221,077)	-
Total	1,131,327,322	1,131,327,322	259,261,232	259,261,232

SEPARATE FINANCIAL STATEMENTS				
	AS AT DECEMBER 31, 2017		AS AT DECEMBER 31, 2016	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Investment held as available for sale				
Equity securities:				
Unit trusts	-	-	67,417,047	67,403,227
Listed securities	861,675,679	985,963,682	31,020,644	31,728,190
Add Allowance for revaluation	124,288,003	-	693,726	-
Total	985,963,682	985,963,682	99,131,417	99,131,417

6.3 Other long-term investments as at December 31, 2017 and 2016 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
	COST	COST
	BAHT	BAHT
General investments		
Unit trusts	47,318,514	47,318,514
(Less) Allowance for loss on impairment	(41,829,764)	41,829,764)
Total	5,488,750	5,488,750

6.4 Investments in debt instruments by remaining period

	CONSOLIDATED FINANCIAL STATEMENT			
	AS AT DECEMBER 31, 2017			
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
	BAHT	BAHT	BAHT	BAHT
Fixed deposits	200,231,033	-	-	200,231,033
Deposits with restriction	54,010,000	-	-	54,010,000
(Less) Deposits in customers' account*	(200,001,033)	-	-	(200,001,033)
Total	54,240,000	-	-	54,240,000

	CONSOLIDATED FINANCIAL STATEMENT			
	AS AT DECEMBER 31, 2016			
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
	BAHT	BAHT	BAHT	BAHT
Bill of Exchange	59,531,319	-	-	59,531,319
Fixed deposit	1,025	-	-	1,025
Deposits with restriction	54,240,000	-	-	54,240,000
(Less) Deposits in customers' account*	(1,025)	-	-	(1,025)
Total	113,771,319	-	-	113,771,319

* Deposit accounts for customer were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

	SEPARATE FINANCIAL STATEMENT			
	AS AT DECEMBER 31, 2016			
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
	BAHT	BAHT	BAHT	BAHT
Bill of Exchange	39,682,267	-	-	39,682,267

6.5 Unrealized gain (loss) on re-measuring investment held as available for sale recognized in other component of owners' equity in owners' equity

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Balance at beginning of the years	(21,779,738)	(1,703,300)	(301,019)	10,681,623
Change in the years				
- From re-measuring of investments	101,379,466	36,233,531	122,075,686	29,853,879
- Adjustments relating to the disposal of surplus (deficit) on re-measuring investments disposed during the year*	(310,828)	(43,666,681)	376,274	(43,582,181)
- Share of profit (loss) on other comprehensive income of associated companies	(21,851,442)	(14,128,748)	-	-
- Income tax relating to components of other comprehensive income (loss)	(24,556,881)	1,486,630	(24,490,392)	2,745,660
Non-controlling interests	(1,842)	(1,170)	-	-
Balance at end of the years	32,878,735	(21,779,738)	97,660,549	(301,019)

(* The above transactions were previously recognized gain from re-measuring of investments in other comprehensive income in the prior years. Such investments were sold and recognized as gain or loss on investments in the statements of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016.)

6.6 The subsidiary company has investments in companies that have financial position and performance problems as follows:

CONSOLIDATED FINANCIAL STATEMENT						
	AS AT DECEMBER 31, 2017			AS AT DECEMBER 31, 2016		
	COST	FAIR VALUE	ALLOWANCE FOR LOSS ON IMPAIRMENT	COST	FAIR VALUE	ALLOWANCE FOR LOSS ON IMPAIRMENT
	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT
Ordinary shares	41,829,764	-	41,829,764	41,829,764	-	41,829,764

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Guarantee for securities receivables	64,942	45,085,384	41,533,349	58,852,457
Receivable from sales of securities and derivatives	8,921,147	-	158,413,735	109,036,677
Prepaid expenses	5,327,554	5,260,517	751,735	762,414
Accrued income	44,125,356	31,000,749	3,668,566	56,020
Deposit receivable	1,224,109	4,424,951	-	-
Others	7,844,302	26,897,945	5,461,500	22,667,544
Total	67,507,410	112,669,546	209,828,885	191,375,112

8. RECEIVABLES FROM CLEARING HOUSE AND BROKER-DEALERS

Receivables from clearing house and broker-dealers as at December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
	BAHT	BAHT
Receivables from Clearing House	488,200,069	798,602,090
Receivables from foreign securities companies	-	76,020,814
(Less) Receivables from Clearing House for the customers*	(47,850,636)	(7,826,652)
Receivables from foreign securities companies for the customers*	-	(266,515)
Total	440,349,433	866,529,737

* Receivables from Clearing House accounts for the customers and receivables from foreign securities companies for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

9. SECURITIES BUSINESS RECEIVABLES

Securities business receivables as at December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
	BAHT	BAHT
Securities business receivables		
Customers' cash accounts	266,183,271	251,670,199
Margin loans	362,788,094	137,592,990
Guarantee deposit receivables	71,880,000	30,336,000
Other receivables		
- Receivables under litigation	396,739,119	396,739,119
- Past due and other receivables	513,182	513,182
Total securities business receivables	1,098,103,666	816,851,490
(Less) Allowance for doubtful account	(375,779,747)	(364,827,254)
Total	722,323,919	452,024,236

Customers' cash accounts are classified as normal receivables

As at December 31, 2017 and 2016, the subsidiary have ceased to recognize the interest income from securities approximately Baht 397.2 million for consolidated financial statements of which the allowance for doubtful accounts was fully set up for doubtful status in accordance with the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 33/2543, regarding "The accounting preparation for sub-standard receivables of securities companies" dated August 25, 2000, which is updated by the Notification No. Kor Thor. 5/2544 dated February 15, 2001.

The subsidiary have classified securities business receivables including related accrued interest receivables according with the Notification of the Office of the Securities and Exchange Commission regarding "The accounting preparation for sub-standard receivables of securities company". Securities business receivables were classified as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	AS AT DECEMBER 31, 2017			AS AT DECEMBER 31, 2016		
	SECURITIES BUSINESS RECEIVABLES AND ACCRUED INTEREST RECEIVABLES	ALLOWANCE FOR DOUBTFUL ACCOUNTS	SECURITIES BUSINESS RECEIVABLES	SECURITIES BUSINESS RECEIVABLES AND ACCRUED INTEREST RECEIVABLES	ALLOWANCE FOR DOUBTFUL ACCOUNTS	SECURITIES BUSINESS RECEIVABLES
Normal debts	700.9	-	700.9	419.6	-	419.6
Substandard debts	21.5	-	21.5	32.4	-	32.4
Doubtful of loss debts	375.7	(375.7)	-	364.8	(364.8)	-
Total	1,098.1	(375.7)	722.4	816.8	(364.8)	452.0

ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowance for doubtful accounts as at December 31, 2017 and 2016 were as follows:

CONSOLIDATED FINANCIAL STATEMENTS		
	2017	2016
	BAHT	BAHT
Balance at beginning of the years	364,827,254	352,323,580
Add Doubtful Accounts	10,952,493	12,503,674
Balance at ending of the years	375,779,747	364,827,254

10. INVESTMENTS IN ASSOCIATES

As at December 31, 2017 and 2016, the Company and its subsidiaries had investment in associated companies for using equity method presented in the consolidated financial statements as follows:

Unit : Million Baht

COMPANY'S NAME	NATURE OF BUSINESS	COUNTRY OF INCORPORATION	SHAREHOLDING (PERCENTAGE)		EQUITY METHOD		COST METHOD	
			2017	2016	2017	2016	2017	2016
MFC Asset Management Public Company Limited	Mutual fund	Thailand	24.98	24.71	527.7	532.1	675.0	648.9
Padaeng Industry Public Company Limited	Zinc mine and a zinc smelter	Thailand	24.99	24.99	1,150.2	978.9	827.4	827.4
Country Group Development Public Company Limited	Property development	Thailand	8.23 ⁽¹⁾	9.35 ⁽¹⁾	-	845.4	-	821.4
Total					1,677.9	2,356.4	1,502.4	2,297.7

Unit : Million Baht

COMPANY'S NAME	DIVIDENDS	
	2017	2016
MFC Asset Management Public Company Limited	47.8	49.3
Padaeng Industry Public Company Limited	56.5	9.9
Total	104.3	59.2

Details financial information summarized from the audited financial statements of the associated companies were as follows:

The statements of financial position as at December 31, 2017 and 2016 were as follows:

Unit : Million Baht

COMPANY'S NAME	PAID-UP SHARE CAPITAL		TOTAL ASSETS		TOTAL LIABILITIES	
	2017	2016	2017	2016	2017	2016
MFC Asset Management						
Public Company Limited	125.5	120.1	1,514.0	1,616.8	251.8	277.9
Padaeng Industry						
Public Company Limited	2,260.0	2,260.0	7,030.5	5,592.5	2,227.9	1,575.5
Country Group Development						
Public Company Limited	8,266.1 ⁽¹⁾	7,336.3	16,782.3 ⁽¹⁾	12,667.3	10,868.2 ⁽¹⁾	6,694.3

The statements of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 were as follows:

Unit : Million Baht

COMPANY'S NAME	TOTAL REVENUES		NET INCOME		TOTAL COMPREHENSIVE INCOME	
	2017	2016	2017	2016	2017	2016
MFC Asset Management Public						
Company Limited	908.6	918.0	142.7	187.5	69.7	195.5
Padaeng Industry Public Company						
Limited	6,332.5	5,148.5	911.0	477.8	911.0	480.2
Country Group Development Public						
Company Limited	1,107.6 ⁽¹⁾	590.1	(193.4) ⁽¹⁾	(355.8)	(264.3) ⁽¹⁾	(543.5)

- (1) As at December 31, 2016, the Company has investment in Country Group Development Public Company Limited less than 20 percent, but the Company has significant influence because the Company has the representative in the board of directors of such company. Therefore, the Company classified such investment as investment in associated in accordance with TAS 28 (Revised 2016) Investments in Associates and Joint Ventures. On September 21, 2017, the representative of the Company resigned from directors of such company, which caused to the Company has no significant influence. Then, the Company transferred the investments from investments in associated to investments held as available for sale which the Company already recorded gain on classified investments amounting to Baht 21.61 million in statements of profit or loss and other comprehensive income.

11. INVESTMENT IN SUBSIDIARIES

The Company has investment in subsidiaries which are accounted for under the cost method in the separate financial statements as at December 31, 2017 and 2016 as follows:

Unit : Million Baht

COMPANY'S NAME	PERCENTAGE OF SHAREHOLDING (%)		PAID-UP SHARE CAPITAL		COST METHOD	
	2017	2016	2017	2016	2017	2016
Country Group Securities Public Company Limited	99.3	99.3	2,589.7	2,589.7	3,463.4	3,463.2
Genki Capital Co., Ltd.	100.0	100.0	25.0	25.0	25.0	25.0
Total					3,488.4	3,488.2

Unit : Million Baht

COMPANY'S NAME	DIVIDENDS	
	2017	2016
Country Group Securities Public Company Limited	97.7	200.6

12. PROPERTY, PREMISES AND EQUIPMENT

Property, premises and equipment as at December 31, 2017 and 2016 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENTS					
	BALANCE AS AT DECEMBER 31, 2016	ADDITIONS	DECREASES	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2017
	BAHT	BAHT	BAHT	BAHT	BAHT
Cost :					
Property	30,293,000	-	-	-	30,293,000
Premises	19,572,300	-	-	-	19,572,300
Premises/leasehold improvement	120,454,634	3,199,140	(32,652,349)	-	91,001,425
Furniture and office equipment	199,757,616	4,116,268	(26,910,682)	-	176,963,202
Vehicles	21,224,038	-	(4,928,000)	-	16,296,038
Total cost	391,301,588	7,315,408	(64,491,031)	-	334,125,965
Accumulated depreciation :					
Premises	(17,194,491)	(343,950)	-	-	(17,538,441)
Premises/leasehold improvement	(59,264,021)	(15,206,693)	29,080,396	-	(45,390,318)
Furniture and office equipment	(166,926,941)	(11,562,421)	25,153,990	-	(153,335,372)
Vehicles	(21,224,027)	-	4,927,998	-	(16,296,029)
Total accumulated depreciation	(264,609,480)	(27,113,064)	59,162,384	-	(232,560,160)
Leasehold improvement during construction	-	980,000	-	-	980,000
Allowance for impairment	(1,275,541)	-	6,150	-	(1,269,391)
Total	125,416,567				101,276,414

CONSOLIDATED FINANCIAL STATEMENTS

	BALANCE AS AT DECEMBER 31, 2015	ADDITIONS	DECREASES	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2016
	BAHT	BAHT	BAHT	BAHT	BAHT
Cost :					
Property	30,293,000	-	-	-	30,293,000
Premises	19,572,300	-	-	-	19,572,300
Premises/leasehold improvement	271,599,033	38,096,621	(200,997,108)	11,756,088	120,454,634
Furniture and office equipment	359,347,124	18,541,046	(178,130,554)	-	199,757,616
Vehicles	21,256,000	-	(31,962)	-	21,224,038
Total cost	702,067,457	56,637,667	(379,159,624)	11,756,088	391,301,588
Accumulated depreciation :					
Premises	(16,849,598)	(344,893)	-	-	(17,194,491)
Premises/leasehold improvement	(204,185,119)	(23,642,038)	168,563,136	-	(59,264,021)
Furniture and office equipment	(319,398,021)	(15,201,978)	167,673,058	-	(166,926,941)
Vehicles	(20,625,722)	(630,267)	31,962	-	(21,224,027)
Total accumulated depreciation	(561,058,460)	(39,819,176)	336,268,156	-	(264,609,480)
Leasehold improvement during construction	572,450	11,183,638	-	(11,756,088)	-
Allowance for impairment	(1,351,409)	-	75,868	-	(1,275,541)
Total	140,230,038				125,416,567
Depreciation for the years ended					
December 31,					
2017				Baht	27,113,064
2016				Baht	39,819,176

As at December 31, 2017 and 2016, the subsidiary certain premises and equipment items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those premises and equipment amounted to totaling approximately Baht 173.5 million and approximately Baht 206.5 million, respectively, in consolidated financial statements.

SEPARATE FINANCIAL STATEMENTS

	BALANCE AS AT DECEMBER 31, 2016	ADDITIONS	DECREASES	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2017
	BAHT	BAHT	BAHT	BAHT	BAHT
Cost :					
Premises/leasehold improvement	12,985,889	-	-	-	12,985,889
Furniture and office equipment	6,477,910	221,142	-	-	6,699,052
Total cost	19,463,799	221,142	-	-	19,684,941
Accumulated depreciation :					
Premises/leasehold improvement	(895,953)	(2,598,569)	-	-	(3,494,522)
Furniture and office equipment	(849,568)	(1,405,347)	-	-	(2,254,915)
Total accumulated depreciation	(1,745,521)	(4,003,916)	-	-	(5,749,437)
Total	17,718,278				13,935,504

SEPARATE FINANCIAL STATEMENTS

	BALANCE AS AT DECEMBER 31, 2015	ADDITIONS	DECREASES	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2016
	BAHT	BAHT	BAHT	BAHT	BAHT
Cost :					
Premises/leasehold improvement	20,009	1,209,792	-	11,756,088	12,985,889
Furniture and office equipment	481,802	5,996,108	-	-	6,477,910
Total cost	501,811	7,205,900	-	11,756,088	19,463,799
Accumulated depreciation :					
Premises/leasehold improvement	(3,526)	(892,427)	-	-	(895,953)
Furniture and office equipment	(88,971)	(760,597)	-	-	(849,568)
Total accumulated depreciation	(92,497)	(1,653,024)	-	-	(1,745,521)
Work in proceed	572,450	11,183,638	-	(11,756,088)	-
Total	981,764				17,718,278
Depreciation for the years ended December 31,					
2017				Baht	4,003,916
2016				Baht	1,653,024

13. INTANGIBLE ASSETS

Intangible assets as at December 31, 2017 and 2016 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT						
	USEFUL LIFE	BALANCE AS AT DECEMBER 31, 2016	ADDITIONS	DISPOSALS	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2017
		BAHT	BAHT	BAHT	BAHT	BAHT
Cost:						
Using derivatives business fee	1 - 5 years	1,541,350	-	-	-	1,541,350
Computer software	5 years and indefinite useful life	110,798,722	3,902,536	(2,542,419)	399,145	112,557,984
Securities license	-	2,657,500	-	-	-	2,657,500
Derivative business membership	-	15,945,000	-	-	-	15,945,000
Total cost		130,942,572	3,902,536	(2,542,419)	399,145	132,701,834
Accumulated amortization:						
Using derivatives business fee	1 - 5 years	(1,541,346)	-	-	-	(1,541,346)
Computer software	5 years	(26,719,658)	-	390,577	-	(26,329,081)
Securities license	-	-	-	-	-	-
Derivative business membership	-	-	-	-	-	-
Total accumulated amortization		(28,261,004)	-	390,577	-	(27,870,427)
Computer software in process		4,026,196	372,922	-	(399,145)	3,999,973
Allowance for impairment		(2,228,295)	-	-	-	(2,228,295)
Intangible assets		104,479,469				106,603,085

CONSOLIDATED FINANCIAL STATEMENT

		USEFUL LIFE	BALANCE AS AT DECEMBER 31, 2015	ADDITIONS	DISPOSALS	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2016
			BAHT	BAHT	BAHT	BAHT	BAHT
Cost:							
Using derivatives business fee	1 - 5 years		1,541,350	-	-	-	1,541,350
Computer software	5 years and indefinite useful life		107,860,829	1,423,533	(378,780)	1,893,140	110,798,722
Securities license	-		2,657,500	-	-	-	2,657,500
Derivative business membership	-		15,945,000	-	-	-	15,945,000
Total cost			128,004,679	1,423,533	(378,780)	1,893,140	130,942,572
Accumulated amortization:							
Using derivatives business fee	1 - 5 years		(1,541,346)	-	-	-	(1,541,346)
Computer software	5 years		(26,719,658)	-	-	-	(26,719,658)
Securities license	-		-	-	-	-	-
Derivative business membership	-		-	-	-	-	-
Total accumulated amortization			(28,261,004)	-	-	-	(28,261,004)
Computer software in process			4,893,144	1,048,662	(22,470)	(1,893,140)	4,026,196
Allowance for impairment			(2,228,295)	-	-	-	(2,228,295)
Intangible assets			102,408,524				104,479,469
Amortization for the years ended December 31,							
2017						Baht	-
2016						Baht	-

Intangible assets of the subsidiary have an indefinite useful life such as derivative business membership, securities license and computer software when there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the entity.

As at December 31, 2017 and 2016, the subsidiary certain intangible assets have been fully amortized but are still in use. The original cost, before deducting accumulated amortization, of those intangible assets amounted to totaling approximately Baht 11.3 million.

14. DEFERRED TAX ASSETS/ LIABILITIES

Deferred tax assets/liabilities as at December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets	124,566,504	103,731,849	21,657,115	150,437
Deferred tax liabilities	(25,891,843)	-	(25,891,843)	-
Deferred tax assets (liabilities) - net	98,674,661	103,731,849	(4,234,728)	150,437

Movements in Deferred tax assets/liabilities during the years were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	BALANCE AS AT JANUARY 1, 2017	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHEN- SIVE INCOME (LOSS)	BALANCE AS AT DECEMBER 31, 2017
	BAHT	BAHT	BAHT	BAHT
<i>Deferred tax assets</i>				
Temporary differences				
Allowance for doubtful accounts	68,300,912	2,190,499	-	70,491,411
Allowance for impairment on investments	30,800,000	-	-	30,800,000
Loss carry forward income tax	-	21,300,577	-	21,300,577
Provisions for employee benefits	2,586,058	908,380	-	3,494,438
Surplus (deficit) on re-measuring investments	1,858,216	(4,899,081)	(24,556,882)	(27,597,747)
Others	186,663	(681)	-	185,982
Total	103,731,849	19,499,694	(24,556,882)	98,674,661

CONSOLIDATED FINANCIAL STATEMENTS

	BALANCE AS AT JANUARY 1, 2016	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHEN- SIVE INCOME (LOSS)	BALANCE AS AT DECEMBER 31, 2016
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets				
Temporary differences				
Allowance for doubtful accounts	65,800,177	2,500,735	-	68,300,912
Allowance for impairment on investments	27,800,000	3,000,000	-	30,800,000
Provisions for employee benefits	9,842,984	(4,647,387)	(2,609,539)	2,586,058
Surplus (deficit) on re-measuring investments	3,041,991	-	(1,183,775)	1,858,216
Others	226,663	(40,000)	-	186,663
Total	106,711,815	813,348	(3,793,314)	103,731,849

SEPARATE FINANCIAL STATEMENTS

	BALANCE AS AT JANUARY 1, 2017	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHEN- SIVE INCOME (LOSS)	BALANCE AS AT DECEMBER 31, 2017
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets				
Temporary differences				
Loss carry forward income tax	-	21,300,578	-	21,300,578
Provisions for employee benefits	75,182	242,037	-	317,219
Surplus (deficit) on re-measuring investments	75,255	-	(75,255)	-
Others	-	39,318	-	39,318
Total	150,437	21,581,933	(75,255)	21,657,115
Deferred tax liabilities				
Temporary differences				
Deficit on re-measuring investments	-	(1,476,705)	(24,415,138)	(25,891,843)
Total	-	(1,476,705)	(24,415,138)	(25,891,843)
Total	150,437			(4,234,728)

SEPARATE FINANCIAL STATEMENT				
	BALANCE AS AT JANUARY 1, 2016	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHEN- SIVE INCOME (LOSS)	BALANCE AS AT DECEMBER 31, 2016
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets				
Temporary differences				
Provisions for employee benefits	-	75,182	-	75,182
Surplus on re-measuring investments	-	-	75,255	75,255
Total	-	75,182	75,255	150,437
Deferred tax liabilities				
Temporary differences				
Surplus (deficit) on re-measuring investments	(2,655,447)	-	2,655,447	-
Total	(2,655,447)	-	2,655,447	-
Total	(2,655,447)			150,437

The Company and its subsidiaries used a tax rate of 20% for calculation of deferred tax for the years ended December 31, 2017 and 2016.

15. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Clearing fund	57,436,612	53,492,476	-	-
Advance receivables	90,477	103,669	-	-
Investment property - net	24,066,779	24,066,779	-	-
Deposits	8,625,701	8,374,577	1,442,882	1,442,882
Accrued income	-	22,500	-	-
Others	322,153	322,152	-	-
Total	90,541,722	86,382,153	1,442,882	1,442,882

As at December 31, 2017 and 2016, such investment property - net is mortgaged as collateral for credit facility from a local financial institution.

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Trade payables	6,777,026	3,213,811	2,476,656	521,200
Securities payable	1,529,424	-	73,895,782	7,003,662
Accrued bonuses	35,276,686	28,291,656	12,808,070	7,068,800
Accrued marketing incentive	873,570	1,629,109	-	-
Accrued profit sharing from branches/ marketing teams management	34,543,213	25,198,756	-	-
Withholding tax and specific business tax payable	3,785,042	4,396,958	1,460,722	1,537,754
Value-added-tax payable	2,460,706	1,545,473	-	-
Other payables	5,516,795	2,927,769	1,342,453	63,200
Accrued other expenses	23,959,859	20,820,328	21,319,512	3,648,629
Total	114,722,321	88,023,860	113,303,195	19,843,245

17. PAYABLES TO CLEARING HOUSE AND BROKER-DEALERS

Payables to Clearing House and broker-dealers as at December 31, 2017 and 2016 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
	BAHT	BAHT
Payables from foreign securities brokers	-	44,607,750

18. SECURITIES BUSINESS PAYABLES

Securities business payables as at December 31, 2017 and 2016 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
	BAHT	BAHT
Payables under cash accounts	1,206,643,110	1,727,730,990
Payables under securities borrowing and lending business	49,170,256	20,218,300
Total	1,255,813,366	1,747,949,290

19. DEBTS ISSUED AND BORROWINGS

Debts issued and borrowings as at December 31, 2017 consisted of the following: (As at December 31, 2016 : nil)

CONSOLIDATED FINANCIAL STATEMENT				
AS AT DECEMBER 31, 2017				
	INTEREST RATE PER ANNUM (PERCENT)	REMAINING PERIODS TO MATURITY		
		WITHIN 1 YEAR BAHT	1 - 5 YEARS BAHT	TOTAL BAHT
Debts issued and borrowings				
Bill of exchange	3.2 - 3.5	144,215,456	-	144,215,456
Total		144,215,456	-	144,215,456

20. SHORT-TERM LOAN FROM RELATED COMPANY

As at December 31, 2017 and 2016, short-term loan from related company in the separate financial statements was a loan from subsidiary company amounting to Baht 5 million and 400 million, respectively due at call, carrying interest rate at 3.0% per annum and no collateral.

21. DEBENTURES

On December 1, 2017, the Company issued Baht 1,079.80 million unsubordinated and unsecured debentures in registered name form and unsecured debentures with debenture holder's representative, which had the objective to increase the Company investment. Debenture was fully repayable on June 1, 2020, which bear interest at the fixed rate of 6.25% per annum. Interest payment term which be paid every three-month on March 1, June 1, September 1, and December 1 of each year through the terms of debenture.

These debenture was registered with the Thai Bond Market Association and the Stock Exchange of Thailand on December 1, 2017.

22. PROVISIONS FOR EMPLOYEE BENEFITS

The Company and its subsidiaries operates post-employment benefits plan under the Thai Labor Protection Act, which were considered as unfunded defined benefit plans.

Provisions for employee benefits as at December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Post-employment benefit obligations	17,472,190	12,930,291	1,586,097	375,911
Total	17,472,190	12,930,291	1,586,097	375,911

Amounts recognized in the statement of profit or loss and other comprehensive income for post-employment benefits for the years ended December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Current service cost	4,985,963	15,606,519	1,197,066	373,123
Interest cost	415,936	1,565,940	13,120	2,788
Employee transferred	-	(26,111,459)	-	-
Components of employee benefit costs recognized in profit or loss	5,401,899	(8,939,000)	1,210,186	375,911
Actuarial gain of company and its subsidiaries	-	(13,047,695)	-	-
Actuarial gain of associated companies	-	(608,593)	-	-
Components of employee benefit costs recognized in other comprehensive income	-	(13,656,288)	-	-
Total	5,401,899	(22,595,288)	1,210,186	375,911

Movements in the present value of the post-employment benefits obligation for the years ended December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Beginning balance of employee				
benefits obligation	12,930,291	49,214,920	375,911	-
Current service cost	4,985,963	15,606,519	1,197,066	373,123
Interest cost	415,936	1,565,940	13,120	2,788
Employee transferred	-	(26,111,459)	-	-
Actuarial gains on defined post-employment				
benefits plan	-	(13,047,695)	-	-
(Less) Employee benefits paid during the years	(860,000)	(14,297,934)	-	-
Balance at end of the years	17,472,190	12,930,291	1,586,097	375,911

The principle actuarial assumptions used to calculate the obligation under the defined benefits plan as at December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	(% P.A.)	(% P.A.)	(% P.A.)	(% P.A.)
Financial assumptions				
Discount rate	3.0 - 3.5	3.0 - 3.5	3.5	3.5
Employee turnover	0 - 24.0	0 - 24.0	0 - 20.0	0 - 20.0
	Subject to the range of age of employees	Subject to the range of age of employees	Subject to the range of age of employees	Subject to the range of age of employees
Expected rate of salary increase	0 - 5.0	0 - 5.0	0 - 5.0	0 - 5.0

Significant actuarial assumptions for the determination of the Provisions for employee benefits are discount rate, expected salary increase rate and mortality rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Impact on the Provisions for employee benefits increases (decreases) as at December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Discount rate - increase by 1%	(1,719,427)	(1,327,709)	(132,964)	(62,496)
Discount rate - decrease by 1%	1,994,453	1,540,395	162,033	76,915
Salary increase rate - increase by 1%	2,140,61	1,507,969	176,134	75,638
Salary increase rate - decrease by 1%	(1,871,275)	(1,327,023)	(147,413)	(62,723)
Life expectancy - increase by 1 year	142,078	107,975	10,558	4,653
Life expectancy - decrease by 1 year	(140,779)	(107,016)	(10,421)	(4,588)

The sensitivity analysis presented above may not be representative of the actual change in the Provisions for employee benefits as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Provisions for employee benefits have been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

23. SHARE CAPITAL

Country Group Holdings Public Company Limited was established under the business restructuring plan of the Country Group Securities in order to engage in the business of investment and to hold the shares of the Country Group Securities. The Company had made a tender offer for all the securities of the Country Group Securities by exchanging them for the securities of the same type of the Company, with the exchange rate of 1 ordinary share of the Country Group Securities per 1 ordinary share of the Company.

On May 6, 2014, the Statutory Meeting passed a resolution to have the Company's authorized capital 10,000 shares at the par value of Baht 1.00 per share and initially pay for paid-up share capital in the amount of Baht 10,000. On May 15, 2014, the Company registered the authorized capital at the department of Business Development of the Ministry of Commerce. As the result, the Company's authorized and issued and paid-up share capital were 10,000 shares at the par value of Baht 1.00 per share, amounting in total to Baht 10,000.

On June 12, 2014, the Extraordinary General Shareholders' Meeting No. 1/2014 passed resolutions to approve the following:

1. Approval of the business restructuring plan, and other related actions and making a tender offer for all the securities of Country Group Securities according to the business restructuring plan. And also, the Board of Director or Executive Committee or the person authorized by the Board of Director or Executive Committee are authorized to take any actions in order to complete the business restructuring plan.
2. Approval the issuance of the warrants to buy ordinary shares of the Company to the existing shareholders by the proportion of the amount of shares held by each shareholder in accordance with the business restructuring plan which are the shareholders who have exchanged their shares in process of a tender offer for all the securities of Country Group Securities. The Company will issue the warrants in the amount not exceeding 863,247,828 units to the existing shareholders whose names appear in the share register book as the date which will be specified by the Board of Directors and/or the Executive Committee or the person authorized by the Board of Director or the Executive Committee and that specify date should be the day after the end of tender offer period and the Company has registered the increase of paid-up share capital with the Ministry of Commerce. The Company will

issue the proportion of 3 swapped ordinary shares per 1 unit of warrant, free of charge, and fraction will be rounded down. In exercising the right of the warrants, 1 unit of warrant is eligible for buying 1 ordinary share of the Company at the exercise price Baht 1.80 per share.

3. Approval the increase in the authorized share capital of the Company Baht 4,052,991,312 from the existing authorized share capital of Baht 10,000 to Baht 4,053,001,312 by issuing 4,052,991,312 shares, at the par value of Baht 1.00 per share to reserve for the tender offer and the exercise of the warrants to buy ordinary shares of the Company in accordance with CGH-ESOP 1 and for the exercise of warrants that are issued to existing shareholders of the Company in accordance with the business restructuring plan.
4. Approval to allocate new ordinary shares of the Company accordance with the resolution of the meeting to increase the authorized share capital of the Company Baht 4,052,991,312 by issuing of 4,052,991,312 new ordinary shares at the par value of Baht 1.00 per share as follows:
 - 4.1 To allocate not exceeding 2,589,743,484 new ordinary shares for payment share subscription to the shareholders of Country Group Securities in the proportion of 1 new ordinary share of the Company at the par value of Baht 1.00 per share to 1 share of Country Group Securities at the par value of Baht 1.00 per share without paying cash.
 - 4.2 To allocate not exceeding 600,000,000 new ordinary shares at the par value of Baht 1.00 per share, in order to reserve for the exercise of the warrants that are issued and offered to directors, managements, employees and/or advisors of the Company and Country Group Securities at the exercise price Baht 1.80 per share in accordance with CGH-ESOP1.
 - 4.3 To allocate not exceeding 863,247,828 new ordinary shares at the par value of Baht 1.00 per share, in order to reserve for the exercise of the warrants that are issued to existing shareholders of the Company by the proportion in the amount of shares held by each shareholder at the exercise price Baht 1.80 per share.

On October 17, 2014, the Office of The Securities and Exchange Commission allow the Company to make a tender offer for all the securities of the Country Group Securities.

On December 25, 2014, the Company reported that as a result of the tender offer, the Company had acquired 2,566,219,121 shares or 99.1% of the total number of paid up shares of Country Group Securities by exchanging them for the securities of the same type of the Company. As a result, the Company is the major shareholder of the Country Group Securities. In addition, the ordinary shares of the Company is the securities listed on the Stock Exchange in place of the ordinary shares of the Country Group Securities which is simultaneously delisted from being the securities listed on the Stock Exchange on January 8, 2015.

On January 6, 2015, the Company allocated warrants of the Company (CGH-W1) 855,408,275 units to the existing shareholders whose names were in the share registration book from December 30, 2014 to January 5, 2015, and the warrants have been listed on the Stock Exchange since February 13, 2015. Trading commencement is on February 16, 2015.

On January 8, 2015, the ordinary shares of the Company were the securities listed on the Stock Exchange in place of the ordinary shares of the Country Group Securities which were simultaneously delisted from being the securities listed on the Stock Exchange.

On March 11, 2015, the Extraordinary General Meeting of Shareholders No. 1/2015 passed resolutions to approve the following:

1. Approve the decrease of the registered capital of the Company by the amount of Baht 31,363,916 from the existing registered capital of Baht 4,053,001,312 to Baht 4,021,637,396 by canceling the unissued shares by the amount of 31,363,916 shares, at the par value of Baht 1.00 per share, which are shown as following detail;
 - 1.1 The remaining shares from allocation for the payment to the shareholders of the Country Group Securities in tender offer at the amount of 23,524,363 shares.
 - 1.2 The remaining shares from allocation to reserve for the rights to exercise the warrants that are issued to the existing share holders of the Company at the amount of 7,839,553 shares.
2. Approval the increase in the registered capital of the Company, by issuing the amount of Baht 2,566,229,121 from the existing registered capital of Baht 4,021,637,396 to Baht 6,587,866,517 by issuing of 2,566,229,121 newly ordinary shares, at the par value of Baht 1.00 per share to accommodate the allocation of newly issued ordinary shares to the shareholders proportionate to

their shareholding (Right offering) and specific person and/or institution investor and/or other investors (Private Placement).

On March 23, 2015 The Company has registered the decrease in registered capital in the amount of Baht 31,363,916 and the increase in the registered capital in the amount of Baht 2,566,229,121 at the Department of Business Development of the Ministry of Commerce, making the registered capital of the Company to 6,587,866,517 shares at the par value of Baht 1.00 per share, amounting in total to Baht 6,587,866,517.

3. Approval the allocation of the newly issued ordinary shares of the Company by issuing of 2,566,229,121 newly issued ordinary shares at the par value of Baht 1.00 per share to the existing shareholders proportionate to their shareholding (Right Offering), in the ratio of 1 existing ordinary share per 1 new ordinary share, at the offering price Baht 1.30 per share. The existing shareholders shall not subscribe in excess of their allocated shares and in the case where there are remaining shares from the allocation as above mentioned, the Company will allocate and offer the shares remaining to specific person and/or Institution Investor and/or other investors (Private Placement) at the price which will not be lower than Baht 1.66. The offering period shall be done within 12 months after the date that the Extraordinary General Meeting of Shareholders No.1/2015 resolves to issue and offer the newly ordinary shares. It shall be whether single or sequential allocation depends on the suitability of money market and capital market.

On April 29, 2015, The Annual General Shareholders' Meeting for the year 2015 passed resolutions to approve the following:

1. Approval the ESOP warrants program CGH-ESOP1 and issuance and offering of warrants to purchase the ordinary shares of the Company to the directors, executives, employees and/or advisors of the Company and/or the Country Group Securities under ESOP warrants program CGH-ESOP1. The details of warrants are as in Note. 24.
2. Approval an issuance of warrants to buy ordinary shares of the Company No.2 (CGH-W2) to allocate to the existing shareholders of the Company. The Company will issue the warrants in the amount not exceeding 427,704,853 units to the existing shareholders of the Company whose name are in the share register book on the record date, determined by the Company's Board of Directors. The record date shall be the day after the accomplishment of the issuance and offering of newly issued shares to existing shareholders proportionate to their shareholding (Right Offering) and the amendment of the Company's registered capital with the Ministry of Commerce. The Company will issue the warrants to the existing shareholders in the ratio of 12 existing shares per 1 unit of warrant, free of charge, and fraction thereof will be rounded down. 1 unit of warrant has the right to purchase 1 new ordinary share with the exercise price of Baht 1.60.
3. Approval the decrease of the registered capital of the Company in the amount of Baht 2,566,229,121 from the existing registered capital of Baht 6,587,866,517 to Baht 4,021,637,396 by canceling the unissued shares of the Company at the amount of 2,566,229,121 shares, at the par value of Baht 1.00 per share. According to Section 136 of the Public Limited Companies Act B.E. 2535 (as amended) states that the Company will be entitled to increase its registered capital only after all of its shares have been issued and the corresponding payment of shares has been made, or in case of some shares still remain unissued, those shares must be reserved for the convertible debentures or warrants. As such, since the Company has already registered the increase of capital according to the resolution of the Extraordinary General Meeting of Shareholders No.1/2015 at the Ministry of Commerce, the registered capital of the Company will be Baht 6,587,866,517 divided into 6,587,866,517 shares, for which 2,566,229,121 shares are unissued and not for accommodating the convertible debentures or warrants (these shares are for the offer for sale of RO). The Company is unable to proceed to increase its registered capital in the amount of Baht 427,704,853 immediately as it is not in compliance with Section 136 of the Public Limited Companies Act B.E. 2535 (as amended) but the Company must proceed to reduce its registered capital by canceling the unissued shares prior to doing so.
4. Approval the increase of the registered capital of the Company to accommodate the newly issued ordinary shares according to the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2015 with the amount of Baht 2,566,229,121 and the exercise of warrants (CGH-W2) offered to the existing shareholders with the amount of Baht 427,704,453, which total is Baht 2,993,933,974. Therefore, the company shall increase its registered capital from Baht 4,021,637,396 to Baht 7,015,571,370, by issuing 2,993,933,974 newly issued ordinary shares at the par value of Baht 1.00 per share.
5. Approval the allocation of the newly issued ordinary shares of the Company in the amount not exceeding 2,993,933,974 newly issued ordinary shares at the par value of Baht 1.00 per share by allocating in the amount not exceed 2,566,229,121 newly issued ordinary

shares to the existing shareholders proportionate to their shareholding (Right Offering). Besides, in the case which there are remaining shares from the allocation, the Company will allocate and offer the shares remaining to specific person and/or Institution Investor and/or other investors (Private Placement). The details of the abovementioned was approved by the Extraordinary General Meeting of Shareholders No. 1/2015 on March 11, 2015 and the allocation of the newly issued ordinary shares in the amount not exceeding 427,704,853 newly issued ordinary shares to accommodate the exercise of warrants (CGH-W2) offered to the existing shareholders proportionate to their shareholding

Moreover, On April 29, 2015, The Annual General Shareholders' Meeting for the year 2015 passed a resolution to approve the allocation of 2,566,229,121 newly issued ordinary shares at the par value of Baht 1.00 per share to the existing shareholders proportionate to their shareholding (Right Offering), in the ratio of 1 existing ordinary share per 1 new ordinary share, at the offering price Baht 1.30 per share. Due to the offered price of new ordinary share is lower than 90 percent of the market price per share of the Company's ordinary shares (weighted average market price per share of the Company's ordinary share during a period of 7 consecutive business days prior to the first day that the SET post an XR sign is Baht 1.616 per share), therefore, the Company has to adjust the exercise ratio and exercise price for the warrants CGH-W1 to comply with the condition for the right adjustment. The new exercise ratio is 1 unit of warrant to purchase 1.108 ordinary shares at the exercise price of Baht 1.624 per share to be effective on May 7, 2015 onwards

The last day for the subscription of the newly issued ordinary shares of the Company is on May 28, 2015. The existing shareholder subscribed for new ordinary shares in the amount of 1,770,539,157 shares at the offering price of Baht 1.30 per share, totalling Baht 2,301,700,904. The Company has already registered the increase in paid up capital from Baht 2,566,229,121 to Baht 4,336,768,278 with the Ministry of Commerce on June 9, 2015. The newly issued ordinary shares of the Company were listed on the Stock Exchange and start trading on June 24, 2015.

On July 15, 2015, the Company has allocated the warrants to purchase the newly issued ordinary shares of the Company no.2 (CGH-W2) in the amount of 361,367,269 units to the existing shareholders of the Company whose name appeared on the date for closing of the Company's share registration on July 8, 2015. The Stock Exchange has approved such warrants to purchase the newly issued ordinary shares of the Company as listed securities and trading date started on August 24, 2015.

On April 29, 2016, the Annual General Shareholders' Meeting for the year 2016 passed resolutions to approve the following:

1. The decrease of Company's registered capital from the existing registered capital of Baht 7,015,571,370 to Baht 5,553,543,822 by eliminating the unsubscribed ordinary shares in total of 1,462,027,548 shares with the par value of Baht 1.
2. For issuing and offering the newly ordinary share in total of 92,384,094 shares, with the par value of Baht 1, in order to issue in accommodation to exercise of the warrant to purchase the ordinary share of the Company (CGH-W1).
3. For issuing and offering of the newly ordinary shares of the Company under General Mandate, in amount of 430,000,000 shares with the par value Baht 1 by issuing and offering the ordinary share for Private Placement. The meeting granted the Board of Directors empower to define the condition and details related to the offering share such as person who will be allotment, offering price, number of issuing and offering ordinary shares such as determine the purpose, offering price and conditions in order to maintain the best benefit of the Company regarding to the right and fair treatment of the shareholders. In this regards, to authorize the Board of Directors and/or the authorized person who appointing by Board of Directors empower to perform and empower to consider and execute on any related documentation and authorized to conduct the necessary and appropriated relevant to the offering the newly share, including to provide information and submitting the evidence to related agency. Additional, to perform any transaction as approved by the meeting with the votes more than three-fourths of the total number of votes of the share holders.
4. The increase of the Company's registered capital from the existing registered capital of Baht 5,553,543,822 to Baht 6,075,927,916 by issuing 522,384,094 newly issued ordinary shares with a par value of Baht 1 per share. The weighted average number of ordinary shares for the years ended December 31, 2017 and 2016, is calculated as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	SHARES	SHARES	SHARES	SHARES
Number of ordinary shares				
outstanding as at January 1,	4,336,758,428	4,336,758,428	4,336,768,278	4,336,768,278
Weighted average number of increased (decreased)				
shares during the years	-	-	-	-
Weighted average number				
of ordinary shares for the years	4,336,758,428	4,336,758,428	4,336,768,278	4,336,768,278

24. SHARE PREMIUM

The premium on share capital account is set up under the provisions of Section 51 of the Public Companies Act B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

25. WARRANT GRANTED UNDER THE EMPLOYEE STOCK OWNERSHIP PROGRAM

On April 29, 2015, The Annual General Shareholders' Meeting for the year 2015 passed a resolution to approve the ESOP warrants program CGH-ESOP1 an issuance and offering of warrants to purchase ordinary shares of the Company to the directors, executives, employees and/or advisors of the Company and/or the Country Group Securities under ESOP warrants program CGH-ESOP1. The warrants is specified the name of the holder and non-transferable in the amount not exceeding 600,000,000 units, free of charge, with the period of warrants not more than 3 years from the date of issuance of offering of the warrants, 1 units of warrant is entitled to buy 1 ordinary share. The exercise price is Baht 1.80 per share. The warrant holder can exercise the rights to purchase the ordinary shares of the Company after 6 months since the issuance date of the warrants. The warrant holders can exercise the right to purchase ordinary shares of the Company every 6 months of the last working day of March and September until the last exercise date. In addition, these warrants are not registered to be traded on the Stock Exchange but the new share capital from exercised warrants will be registered to be traded on the Stock Exchange.

On April 29, 2016, the Annual General Shareholders' Meeting for the year 2016 passed resolutions to approve the cancellation of the warrants to purchase the Company's ordinary shares to director, executives, employees and/or the advisors of the Company and its Subsidiaries (CGH-ESOP 1).

26. CAPITAL MANAGEMENT

The Company and its subsidiaries' objectives in managing capital are to safeguard the Company and its subsidiaries' ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure.

27. DIVIDENDS PAID

On April 26, 2016, the Annual General Shareholders' Meeting for the year 2016 of the subsidiary company passed resolutions to approve the profit allocation as the statutory reserve to the amount of Baht 85,225,676 and approve the dividend payment for the

year 2015 at the rate of Baht 0.238 per share, totaling Baht 616,358,949. The subsidiary company had already made an interim dividend payment on August 26, 2015 at the rate of Baht 0.16 per share to the shareholders. Therefore, the remaining dividend payment for the year 2015 is Baht 0.078 per share, totaling Baht 201,981,656. Such dividend was already paid on May 19, 2016.

On April 29, 2016, the Annual General Shareholders' Meeting for the year 2016 of the Company passed a resolution to approve the profit allocation as the statutory reserve to the amount of Baht 33,058,131 and approve the dividend payment for the year 2015 at the rate of Baht 0.046 per share, totaling Baht 199,491,270. Such dividend was already paid on May 25, 2016.

On April 26, 2017, the Annual General Shareholders' Meeting for the year 2017 of the subsidiary company passed resolutions to approve the profit allocation as the statutory reserve to the amount of Baht 89,712,393 and approve the dividend payment for the year 2016 at the rate of Baht 0.038 per share, totaling Baht 98,401,320. Such dividend was already paid on May 19, 2017.

On April 27, 2017, the Annual General Shareholders' Meeting for the year 2017 of the Company passed a resolution to approve the profit allocation as the statutory reserve to the amount of Baht 15,035,013 and approve the dividend payment for the year 2016 at the rate of Baht 0.02774 per share, totaling Baht 120,301,952. Such dividend was already paid on May 25, 2017.

28. STATUTORY RESERVE

The Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital according to the Public Limited Companies Act B.E. 2535, section 116. The statutory reserve could not be used for dividend payment.

29. BROKERAGE FEES

Brokerage fees for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
	BAHT	BAHT
Brokerage fees from securities business	205,854,982	522,060,309
Brokerage fees from derivatives business	8,364,955	19,554,344
Total	214,219,937	541,614,653

30. FEES AND SERVICES INCOME

Fees and services income for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
	BAHT	BAHT
Underwriting fee	20,808,360	7,734,262
Financial advisory fee	28,198,094	59,752,150
Investment advisory fee	308,110	281,252
Others	2,816,524	11,297,031
Total	52,131,088	79,064,695

31. INTEREST AND DIVIDEND INCOME

Interest and dividend income for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Interest income	29,097,468	40,899,612	2,841,929	7,484,955
Dividend income	30,415,843	36,562,117	214,929,026	289,321,130
Total	59,513,311	77,461,729	217,770,955	296,806,085

32. GAIN ON INVESTMENTS AND DERIVATIVES

Gain on investments and derivatives for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Gain (loss) on investments				
Unrealized gain (loss) on re-measuring trading investments	800,047	(4,867,914)	(4,523,853)	3,803,280
Gain on sale of trading investments	284,434,638	155,980,421	68,482,573	62,845,193
Gain on sale of investment held as available for sale	3,607,448	32,035,107	200,527	30,574,519
Loss from impairment on general investments	-	(15,000,000)	-	-
Total gain on investments	288,842,133	168,147,614	64,159,247	97,222,992
Gain (loss) on derivatives				
Gain (loss) on derivatives	(68,095,410)	(995,130)	12,961,584	-
Total	220,746,723	167,152,484	77,120,831	97,222,992

33. INCOME FROM THE PARTIAL TRANSFER OF RETAIL SECURITIES BUSINESS

On May 16, 2016, the Board of Directors' Meeting No. 4/2016 of the subsidiary company had passed a resolution to approve the partial transfer of retail securities business of the subsidiary company by entering into the Asset Purchase Agreement dated May 16, 2016 with a securities company, to transfer its retail securities business which resulted in the transfer of the employment of certain marketing officers and related fixed assets and lease contracts relevant to the business transferred of the subsidiary company. And on August 8, 2016, both parties has already executed according to the Agreement. The subsidiary company had already transferred some of its branch offices, assets, lease contracts and employees in relation to its retail securities business of those branches to such securities company. The subsidiary company received income from transfer of such business of Baht 306.0 million in the third quarter of 2016.

34. OTHER INCOME

Other income for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Gain on disposal assets	2,366,262	-	-	-
Income from the overdue payment charge	74,204	249,857	-	-
Others	22,505,130	15,463,661	504,072	55,021
Total	24,945,596	15,713,518	504,072	55,021

35. KEY MANAGEMENT BENEFIT EXPENSES

Benefits payable to management of the Company both monetary and non-monetary were presented as part of "Employee benefits expenses".

Management benefit expenses for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Short term employee benefits	68,223,702	79,605,692	33,562,113	19,747,856
Post-employment benefits	1,687,029	878,054	1,159,989	217,736
Total	69,910,731	80,483,746	34,722,102	19,965,592

36. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company and its subsidiaries' directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration was approved by the ordinary shareholders' meeting of the Company and its subsidiaries.

36. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company and its subsidiaries' directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration was approved by the ordinary shareholders' meeting of the Company and its subsidiaries.

37. OTHER EXPENSES

Other expenses for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Property, premises and equipment expense	77,590,586	132,830,613	11,424,815	6,781,801
Professional and other fees	27,143,438	17,515,689	12,726,920	1,831,579
Information and communication expenses	18,653,379	24,524,675	180,484	147,015
Advertising and promotion expenses	13,987,212	11,693,587	9,945,065	5,599,068
Entertainment expenses	8,271,516	14,240,696	2,744,971	2,961,238
Gasoline and travelling expenses	4,866,097	10,208,223	1,374,202	1,160,996
Stationery and office supplies	1,843,457	3,348,813	448,979	446,130
Taxes and duties	1,304,678	2,368,396	5,644	31,885
Loss on exchange rate	30,656,390	8,564,979	30,479,697	8,547,501
Loss on sale of assets	-	13,622,617	-	-
Others	7,758,514	16,858,337	3,436,855	2,586,067
Total	192,075,267	255,776,625	72,767,632	30,093,280

38. PROVIDENT FUND

On November 1, 2002 and July 14, 2014, the Company and its subsidiaries set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company and its subsidiaries matches the individuals' contributions. At the present, the provident fund is managed by MFC Asset Management Public Company Limited, authorized financial institution in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2017 and 2016, the Company and its subsidiaries has contributed approximately Baht 6.48 million and Baht 10.1 million, respectively, to the fund.

39. INCOME TAX

Income tax for the years ended December 31, 2017 and 2016 were as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Current income tax for the years	7,811	34,061	-	10,298
Deferred tax	(19,499)	(813)	(20,105)	(75)
Total income tax	(11,688)	33,248	(20,105)	10,223

Reconciliation between income tax expenses and the produce of accounting profits for the years ended December 31, 2017 and 2016 and applicable tax rates can be shown as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				SEPARATE FINANCIAL STATEMENTS			
	2017		2016		2017		2016	
	(THOUSAND BAHT)	RATE (%)	(THOUSAND BAHT)	RATE (%)	(THOUSAND BAHT)	RATE (%)	(THOUSAND BAHT)	RATE (%)
Income before income tax	222,943	20	425,318	20	106,209	20	310,924	20
Income tax at the domestic								
tax rate	44,588		85,064		21,242		62,185	
Deferred tax relating to								
origination and reversal								
of temporary differences	(19,499)		(813)		(20,105)		75	
Tax effect of income and								
expenses that are not								
taxable and not								
deductible for tax purposes	(36,777)		(51,003)		(21,242)		(51,887)	
Expense (income) corporate								
income tax as statements of								
profit or loss and other								
comprehensive income	(11,688)	(5.24)	33,248	7.82	(20,105)	(18.93)	10,223	3.28

The Company used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2017 and 2016. Income tax expense is calculated from income before tax, added back transactions which were non-deductible expenses and deducted income or expense exemption under the Revenue Code.

CONSOLIDATED FINANCIAL STATEMENTS

	2017			2016		
	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT
	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT
Surplus (deficit) on						
re-measuring investments	101,068,639	(24,556,881)	76,511,758	(7,433,150)	1,486,630	(5,946,520)
Actuarial gain (loss) on defined						
post-employment benefit plans	-	-	-	13,047,695	(2,609,539)	10,438,156
Total	101,068,639	(24,556,881)	76,511,758	5,614,545	(1,122,909)	4,491,636

SEPARATE FINANCIAL STATEMENTS

	2017			2016		
	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT	BEFORE-TAX AMOUNT	TAX (EXPENSE) BENEFIT	NET-OF-TAX AMOUNT
	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT
Surplus (deficit) on						
re-measuring investments	122,451,960	(24,490,392)	97,961,568	(13,728,302)	2,745,660	(10,982,642)
Total	122,451,960	(24,490,392)	97,961,568	(13,728,302)	2,745,660	(10,982,642)

40. BASIC AND DILUTED EARNINGS PER SHARE

The calculations of earnings per share for the years ended December 31, 2017 and 2016 were based on the income for the years attributable to ordinary shareholders of the Company and the number of weighted ordinary shares outstanding during the years held by shareholders as follows:

Basic and diluted earnings per share for the years ended December 31, 2017 and 2016, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Basic earnings per share				
Income attributable to owners of the Company (Baht)	234,315,235	391,333,066	126,314,328	300,700,256
Weighted average number of ordinary shares (shares)	4,336,758,428	4,336,758,428	4,336,768,278	4,336,768,278
Basic earnings per share (Baht)	0.0540	0.0902	0.0291	0.0693
Diluted earnings per share				
Weighted average number of ordinary shares				
used in calculation of basic earnings per share (shares)	4,336,758,428	4,336,758,428	4,336,768,278	4,336,768,278
Effect of exercised warrants to purchase				
ordinary shares	-	-	-	-
Weighted average number of ordinary shares				
used in the calculation of diluted earnings				
per share (shares)	4,336,758,428	4,336,758,428	4,336,768,278	4,336,768,278
Diluted earnings per share (Baht)	0.0540	0.0902	0.0291	0.0693

Diluted earnings per share occurred from warrants to purchase ordinary shares described in the condensed notes to the financial statements No. 25.

41. COMMITMENTS AND CONTINGENT LIABILITIES

41.1 As at December 31, 2017 and 2016 the Company and its subsidiaries had operating lease commitments for office building and vehicles as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Not later than 1 year	32.3	50.3	6.1	6.6
Later than 1 year but not later than 5 years	13.8	52.8	1.9	8.0
Total	46.1	103.1	8.0	14.6

The operating lease agreements of the Company and its subsidiaries were recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	BAHT	BAHT	BAHT	BAHT
Operating lease agreements	33.1	56.1	6.9	4.7

41.2 As at December 31, 2017 and 2016, the Company and its subsidiaries have the outstanding commitment in respect of benefit paid to employees which the Company had already entered of approximately Baht 2.4 million and approximately Baht 1.0 million, respectively.

42. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and Company by common shareholders or directors. Transactions with related parties are conducted at the pricing policy based on the normal course of business conditions.

The pricing policies for particular types of transactions are explained further below:

	Pricing policies
Brokerage fees	At market price which is the same rate as general client
Fees and services income	At agreed price which approximates market value
Expenses	At market price

Significant transactions with related parties for the years ended December 31, 2017 and 2016 were as follows:

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
RELATIONSHIP		2017	2016	2017	2016
		BAHT	BAHT	BAHT	BAHT
Brokerage fees from securities and derivatives business					
Mutual fund managed by associate	Associate	74,039,866	81,578,666	-	-
Related persons	Related persons	618,847	335,781	-	-
Total		74,658,713	81,914,447	-	-
Ongoing fee					
MFC Asset management Public company Limited	Associate	479,314	377,163	-	-
Fees and services income					
MFC Asset Management Public Company Limited	Associate	411,610	384,152	-	-
Dividend income					
Country Group Securities Public Company Limited	Subsidiary	-	-	97,728,944	200,586,573
MFC Asset Management Public Company Limited	Associate	-	-	47,811,796	49,340,775
Padaeng Industry Public Company Limited	Associate	-	-	56,499,900	4,642,280
Total		-	-	202,040,640	254,569,628

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
RELATIONSHIP		2017	2016	2017	2016
		BAHT	BAHT	BAHT	BAHT
Interest income					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	189,506	135,574
Related persons	Related persons	466,937	605,091	-	-
Total		466,937	605,091	189,506	135,574
Finance costs					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	9,902,055	1,345,753
Padaeng Industry Public					
Company Limited	Associate	1,064,511	-	-	-
Country Group Development Public					
Company Limited	Related company	306,256	633,466	-	-
Related persons	Related persons	29,215	9,025	-	-
Total		1,399,982	642,491	9,902,055	1,345,753
Fee and service expenses					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	19,535,553	6,702,858
MFC Asset Management Public					
Company Limited	Associate	1,168,428	715,325	950,792	715,325
Total		1,168,428	715,325	20,486,345	7,418,183
Premises and equipment expenses					
EDP Enterprise Company Limited	Related company	1,365,600	1,333,821	-	-
Other expenses					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	468,126	373,788
MFC Asset Management Public					
Company Limited	Associate	226,738	185,308	266,738	185,308
Sing Sian Yer Pao Company Limited	Related company	925,550	925,550	-	-
Total		1,152,288	1,110,858	734,864	559,096

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
RELATIONSHIP		2017	2016	2017	2016
		BAHT	BAHT	BAHT	BAHT
Dividend paid					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	273	453
MFC Asset Management Public					
Company Limited	Associate	1,192,820	2,188,527	1,192,820	2,188,527
Padaeng Industry Public					
Company Limited	Associate	437,967	200,059	437,967	200,059
Country Group Development Public					
Company Limited	Related company	4,245,934	7,040,843	4,245,934	7,040,843
Related persons	Related persons	7,496,694	9,910,035	7,496,694	9,910,035
Related persons	Directors	22,751,176	37,724,956	22,751,176	37,724,956
Total		36,124,591	57,064,420	36,124,864	57,064,873

Significant balances with related parties as at December 31, 2017 and December 31, 2016 were as follows:

RELATIONSHIP		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
		BAHT	BAHT	BAHT	BAHT
Deposits for customers' account					
Country Group Development Public					
Company Limited	Related company	5,479	50,125,977	-	-
Related persons	Related persons	13,045,513	117,499	-	-
Total		13,050,992	50,243,476	-	-
Trade and other current receivables					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	189,562,641	122,803,750
Genki Capital Co., Ltd.	Subsidiary	-	-	311,100	310,500
Genki Power One Co., Ltd.	Indirect subsidiary	-	-	2,640,260	2,639,660
Tech Reform Co., Ltd.	Common director	629,160	797,640	629,160	797,640
Solar Technic Co., Ltd.	Common director	629,160	797,640	629,160	797,640
Total		1,258,320	1,595,280	193,772,321	127,349,190

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
RELATIONSHIP		2017	2016	2017	2016
		BAHT	BAHT	BAHT	BAHT
Securities business receivables					
Related persons	Related persons	19,301,243	2,377,308	-	-
Investments held as available for sale					
Country Group Development Public					
Company limited	Related company	985,233,060	-	985,233,060	-
Investments in associates					
MFC Asset Management Public					
Company Limited	Associate	527,722,128	532,091,738	675,007,169	648,905,950
Padaeng Industry Public					
Company Limited	Associate	1,150,159,267	978,901,856	827,441,950	827,441,950
Country Group Development Public					
Company Limited	Associate ⁽¹⁾	-	845,425,255	-	821,379,627
Total		1,677,881,395	2,356,418,849	1,502,449,119	2,297,727,527
Investment in subsidiaries					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	3,463,422,524	3,463,249,978
Genki Capital Co., Ltd.	Subsidiary	-	-	25,000,000	25,000,000
Total		-	-	3,488,422,524	3,488,249,978
Other long-term investments					
Mutual fund managed by associate	Associate	62,192,546	60,850,762	-	-
Other non-current assets					
MFC Asset Management Public					
Company Limited	Associate	26,857	27,713	-	-
Trade and other current payables					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	76,010,073	8,318,730

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
RELATIONSHIP		2017	2016	2017	2016
		BAHT	BAHT	BAHT	BAHT
Securities payables					
Padaeng Industry Public					
Company Limited	Associate	195,963,289	206,497,922	-	-
Debts issued and borrowings					
Padaeng Industry Public					
Company Limited	Associate	89,616,530	-	-	-
Short-term loan from related company					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	5,000,000	400,000,000
Accrued expenses					
MFC Asset Management Public					
Company Limited	Associate	56,753	67,690	56,753	67,690
Sing Sian Yer Pao Company Limited	Related company	74,900	149,800	-	-
Total		131,653	217,490	56,753	67,690
Other current liabilities					
Country Group Securities Public					
Company Limited	Subsidiary	-	-	841,914	373,788

- (1) As at December 31, 2016, the Company has investment in Country Group Development Public Company Limited less than 20 percent, but the Company has significant influence because the Company has the representative in the board of directors of such company. Therefore, the Company classified such investment as investment in associated in accordance with TAS 28 (Revised 2016) Investments in Associates and Joint Ventures. On September 21, 2017, the representative of the Company resigned from directors of such company, which caused to the Company has no significant influence. Then, the Company transferred the investments from investments in associated to investments held as available for sale which the Company already recorded gain on classified investments amounting to Baht 21.61 million in statements of profit or loss and other comprehensive income.

43. OPERATING SEGMENT INFORMATION

The Company and its subsidiaries discloses operating segments information in accordance with the Thai Financial Reporting Standard No. 8 (Revised 2016) “Operating Segments” and under the same basis as internal management reports presented to the Company’s chief operating decision maker for resources allocation to and performance evaluation of various segments.

The Company and its subsidiaries’ business operations involve 3 principal segments: securities and derivatives brokerage segment, investment banking segment and securities and derivatives trading segment. These operations are carried on in Thailand. Below is the operating segment of the Company and its subsidiaries information for the years ended December 31, 2017 and 2016 were as follows:

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS

	SECURITIES AND DERIVATIVES BROKERAGE SEGMENT		INVESTMENT BANKING SEGMENT		SECURITIES AND DERIVATIVES TRADING SEGMENT		OTHER		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues:										
Brokerage fees	214,220	541,590	-	-	-	25	-	-	214,220	541,615
Fees and services income	7,274	11,459	18,813	67,606	25,861	-	183	-	52,131	79,065
Interest on margin loans	14,275	34,881	-	-	-	-	-	-	14,275	34,881
Interest and dividends	-	-	-	-	13,510	7,169	46,003	70,293	59,513	77,462
Gain (loss) on investments and derivatives	3,672	(16,073)	-	-	157,774	85,820	59,301	97,405	220,747	167,152
Income from the partial transfer of retail securities business	-	-	-	-	-	-	-	306,003	-	306,003
Gain on classified investments in associated to investment held as available for sale	-	-	-	-	-	-	21,612	-	21,612	-

CONSOLIDATED FINANCIAL STATEMENTS

	SECURITIES AND DERIVATIVES BROKERAGE SEGMENT		INVESTMENT BANKING SEGMENT		SECURITIES AND DERIVATIVES TRADING SEGMENT		OTHER		TOTAL
	2017	2016	2017	2016	2017	2016	2017	2016	
Other income	-	-	-	-	-	-	24,946	15,713	15,713
Share of profit from investments in associated companies	-	-	-	-	-	-	243,064	134,745	34,745
Total revenues	239,441	571,857	18,813	67,606	197,145	93,014	395,109	624,159	1,356,636
Expenses							(627,565)		(931,318)
Income before income tax									425,318
Income tax (Expense)									(33,248)
Net income for the years									392,070

Assets classified by segment in consolidated financial statements

Unit : Thousand Baht						
ASSETS BY SEGMENT	SECURITIES AND DERIVATIVES BROKERAGE SEGMENT	INVESTMENT BANKING SEGMENT	SECURITIES AND DERIVATIVES TRADING SEGMENT	TOTAL SEGMENTS	UNALLOCATED ASSETS	TOTAL
As at December 31, 2017	1,119,435	24,483	2,148,185	3,292,103	5,508,871	8,800,974
As at December 31, 2016	1,448,635	14,332	1,567,569	3,030,536	4,894,675	7,925,211

44. RISK MANAGEMENT

44.1 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Company and its subsidiaries to incur a financial loss. The financial assets of the Company and its subsidiaries were not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statements of financial position.

44.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Company and its subsidiaries and its cash flows.

CONSOLIDATED FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS
REPRICING OR MATURITY DATES

	FLOATING RATE	LESS THAN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NON- PERFORMING RECEIVABLES	NO INTEREST	TOTAL	INTEREST RATE (%)	
								FLOATING RATE	FIXED RATE
Financial assets									
Cash and cash equivalents	1,160.3	-	-	-	-	76.4	1,236.7	0.10-1.60	-
Current investments	-	1,950.0	-	-	-	1,175.1	3,125.1	-	2.50-3.60
Trade and other current receivables	-	-	-	-	-	67.5	67.5	-	-
Receivables from Clearing House and broker-dealers	-	-	-	-	-	440.3	440.3	-	-
Securities business receivables	362.8	-	-	-	-	359.5	722.3	6.25-18.00	-
Investment held as available for sale	-	-	-	-	-	1,131.3	1,131.3	-	-
Other long-term investments	-	-	-	-	-	5.5	5.5	-	-
Financial liabilities									
Trade and other current payables	-	-	-	-	-	114.7	114.7	-	-
Securities business payables	-	-	-	-	-	1,255.8	1,255.8	-	-
Debts issued and borrowings	144.2	-	-	-	-	-	144.2	-	3.20-3.50
Debentures	-	-	1,079.8	-	-	-	1,079.8	-	6.25

CONSOLIDATED FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS
REPRICING OR MATURITY DATES

	FLOATING RATE	LESS THAN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NON- PERFORMING RECEIVABLES	NO INTEREST	TOTAL	INTEREST RATE (%)	
								FLOATING RATE	FIXED RATE
Financial assets									
Cash and cash equivalents	1,316.4	-	-	-	-	164.4	1,480.8	0.05-1.10	-
Current investments	-	1,374.9	-	-	-	597.1	1,972.0	-	0.85-5.60
Trade and other current receivables	-	-	-	-	-	112.7	112.7	-	-
Receivables from Clearing House and broker-dealers	-	-	-	-	-	866.5	866.5	-	-
Securities business receivables	137.6	-	-	-	-	314.4	452.0	6.25-18.00	-
Investment held as available for sale	-	-	-	-	-	259.3	259.3	-	-
Other long-term investments	-	-	-	-	-	5.5	5.5	-	-
Financial liabilities									
Trade and other current payables	-	-	-	-	-	88.0	88.0	-	-
Payables to Clearing House and broker-dealers	-	-	-	-	-	44.6	44.6	-	-
Securities business payables	-	-	-	-	-	1,747.9	1,747.9	-	-

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS
REPRICING OR MATURITY DATES

	FLOATING RATE	LESS THAN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NON- PERFORMING RECEIVABLES	NO INTEREST	TOTAL	INTEREST RATE (%)	
								FLOATING RATE	FIXED RATE
Financial assets									
Cash and cash equivalents	238.8	-	-	-	-	2.9	241.7	0.10	-
Current investments	-	1,024.2	-	-	-	359.5	1,383.7	-	3.0-6.50
Trade and other current receivables	-	-	-	-	-	209.8	209.8	-	-
Investment held as available for sale	-	-	-	-	-	986.0	986.0	-	-
Financial liabilities									
Trade and other current payables	-	-	-	-	-	113.3	113.3	-	-
Short-term loan from related company	-	5.0	-	-	-	-	5.0	-	3.0
Debentures	-	-	1,079.8	-	-	-	1,079.8	-	6.25

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS
REPRICING OR MATURITY DATES

	FLOATING RATE	LESS THAN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NON- PERFORMING RECEIVABLES	NO INTEREST	TOTAL	INTEREST RATE (%)	
								FLOATING RATE	FIXED RATE
Financial assets									
Cash and cash equivalents	223.7	-	-	-	-	2.9	226.6	0.10	-
Current investments	-	39.7	-	-	-	578.8	618.5	-	3.50-5.50
Trade and other current receivables	-	-	-	-	-	191.4	191.4	-	-
Investment held as available for sale	-	-	-	-	-	99.1	99.1	-	-
Financial liabilities									
Trade and other current payables	-	-	-	-	-	19.8	19.8	-	-
Short-term loan from related company	-	400.0	-	-	-	-	400.0	-	3.0

The average yields on the average financial asset balances and the average cost of funds on average financial liabilities for interest bearing financial instruments were presented in the following table:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017			
	AVERAGE BALANCE	INTEREST INCOME/EXPENSES	AVERAGE YIELD (%)
Financial assets			
Cash and cash equivalents	801.9	11.2	1.4
Investments	1,382.8	16.8	1.2
Securities business receivables	206.5	14.3	6.9
Financial liabilities			
Debts issued and borrowings	117.2	1.6	3.3
Debentures	90.0	5.7	6.4

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENT

AS AT DECEMBER 31, 2016			
	AVERAGE BALANCE	INTEREST INCOME/EXPENSES	AVERAGE YIELD (%)
Financial assets			
Cash and cash equivalents	1,158.9	17.7	2.0
Investments	54.2	0.7	1.2
Securities business receivables	366.5	34.9	9.5
Investments - net	709.6	17.0	6.5

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017

	AVERAGE BALANCE	INTEREST INCOME/EXPENSES	AVERAGE YIELD (%)
Financial assets			
Cash and cash equivalents	139.8	0.6	0.4
Current investments	127.5	2.0	1.6
Financial liabilities			
Short-term loan from related company	301.3	9.9	3.3
Debentures	90.0	5.7	6.4

Unit : Million Baht

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2016

	AVERAGE BALANCE	INTEREST INCOME/EXPENSES	AVERAGE YIELD (%)
Financial assets			
Cash and cash equivalents	154.6	0.4	0.3
Current investments	141.7	6.7	4.7
Financial liabilities			
Short-term loan from related company	293.3	1.4	3.0

44.3 Liquidity risk

Under the Notification of the Office of the Securities and Exchange Commission No. KorTor 18/2549 regarding “Net Capital Ratio - NCR”, the securities company has to maintain its net capital requirement at the end of the day not less than Baht 15.0 million and not less than 7% of general liabilities.

The subsidiary was granted securities business licenses of derivatives agent under the Derivative Act. The subsidiary has to maintain its net liquid capital at the end of working day at least Baht 25.0 million and at least 7% of general liabilities and assets held as collateral except in case the Company discontinued its derivatives agent business and notified to the Office of the Securities and Exchange Commission, the Company has to maintain its net liquid capital as mentioned in the above paragraph.

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Members” regarding the “Qualification of an Associated Member”, the Associated Member is required to have total owners’ equity of not less than Baht 150.0 million and/or have a financial condition in accordance with the criteria prescribed by an agency in charge of overseeing the business operations of such juristic person under relevant law.

As December 31, 2017 and 2016, the subsidiary has net capital per requirement of approximately Baht 2,165.1 million and approximately Baht 1,842.9 million, respectively or 132.4% and 93.1% of general liabilities and assets held as collateral, respectively.

The periods of time from the statement of financial position date to the maturity dates of financial instruments as of December 31, 2017 and 2016 were as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS

	AT CALL	WITHIN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NO MATURITY	NON- PERFORMING RECEIVABLES	TOTAL
Financial assets							
Cash and cash equivalents	-	-	-	-	1,236.7	-	1,236.7
Current Investments	-	2,711.3	-	-	413.8	-	3,125.1
Trade and other current receivables	-	67.5	-	-	-	-	67.5
Receivables from Clearing House and broker-dealers	-	440.3	-	-	-	-	440.3
Securities business receivables	362.8	338.0	-	-	21.5	-	722.3
Investment held as available for sale	-	-	-	-	1,131.3	-	1,131.3
Other long-term investments	-	-	-	-	5.5	-	5.5
Financial liabilities							
Trade and other current payables	-	114.7	-	-	-	-	114.7
Securities business payables	-	1,255.8	-	-	-	-	1,255.8
Debts issued and borrowings	-	144.2	-	-	-	-	144.2
Debentures	-	-	1,079.8	-	-	-	1,079.8

CONSOLIDATED FINANCIAL STATEMENT

AS AT DECEMBER 31, 2016

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS

	AT CALL	WITHIN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NO MATURITY	NON- PERFORMING RECEIVABLES	TOTAL
Financial assets							
Cash and cash equivalents	-	-	-	-	1,480.8	-	1,480.8
Current Investments	-	1,339.0	-	-	633.0	-	1,972.0
Trade and other current receivables	-	112.7	-	-	-	-	112.7
Receivables from Clearing House and broker-dealers	-	866.5	-	-	-	-	866.5
Securities business receivables	130.6	289.0	-	-	32.4	-	452.0
Investment held as available for sale	-	-	-	-	259.3	-	259.3
Other long-term investments	-	-	-	-	5.5	-	5.5
Financial liabilities							
Trade and other current payables	-	88.0	-	-	-	-	88.0
Payables to Clearing House and broker-dealers	-	44.6	-	-	-	-	44.6
Securities business payables	-	1,747.9	-	-	-	-	1,747.9

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2017

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS

	AT CALL	WITHIN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NO MATURITY	NON- PERFORMING RECEIVABLES	TOTAL
Financial assets							
Cash and cash equivalents	-	-	-	-	241.7	-	241.7
Current Investments	-	1,024.2	-	-	359.5	-	1,383.7
Trade and other current receivables	-	209.8	-	-	-	-	209.8
Investment held as available for sale	-	-	-	-	986.0	-	986.0
Financial liabilities							
Trade and other current payables	-	113.3	-	-	-	-	113.3
Short-term loan from related company	5.0	-	-	-	-	-	5.0
Debentures	-	-	1,079.8	-	-	-	1,079.8

Unit : Million Baht

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2016

OUTSTANDING BALANCES OF NET FINANCIAL INSTRUMENTS

	AT CALL	WITHIN 1 YEAR	1-5 YEARS	OVER 5 YEARS	NO MATURITY	NON- PERFORMING RECEIVABLES	TOTAL
Financial assets							
Cash and cash equivalents	-	-	-	-	226.6	-	226.6
Current Investments	-	39.7	-	-	578.8	-	618.5
Trade and other current receivables	-	191.4	-	-	-	-	191.4
Other long-term investments	-	-	-	-	99.1	-	99.1
Financial liabilities							
Trade and other current payables	-	19.8	-	-	-	-	19.8
Short-term loan from related company	400.0	-	-	-	-	-	400.0

44.4 Market risk

The Company and its subsidiaries' exposure to market risk is the risk that volatility on the stock price and derivatives price that will substantially reduce the value of the Company's investments. However, the Company and its subsidiaries manages such risk at acceptable levels through risk management policies, and establishment of proper risk limits and parameters, as well as a market risk monitoring function.

44.5 Foreign exchange risk

As at December 31, 2017 and 2016, the Company and its subsidiaries had financial instruments in foreign currencies as follow;

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT				
AS AT DECEMBER 31, 2017				
	ASSETS		LIABILITIES	
	FAIR VALUE	CONTRACT VALUE	FAIR VALUE	CONTRACT VALUE
Trading investments - derivatives				
Forward contract	151,837	151,837	150,184	151,837
Total	151,837	151,837	150,184	151,837

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT				
AS AT DECEMBER 31, 2016				
	ASSETS		LIABILITIES	
	FAIR VALUE	CONTRACT VALUE	FAIR VALUE	CONTRACT VALUE
Trading investments - derivatives				
Forward contract	12,506	13,651	12,425	13,651
Total	12,506	13,651	12,425	13,651

44.6 Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and its subsidiaries in estimating fair values of financial instruments.

44.6.1 Financial assets and financial liabilities measured at fair value

Certain financial assets and financial liabilities of the Company and its subsidiaries were measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL ASSETS/ FINANCIAL LIABILITIES	FAIR VALUE AS AT DECEMBER 31,		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES AND KEY INPUTS
	2017	2016		
<u>Financial Assets</u>				
Current investments				
<u>Trading investments</u>				
Unit trusts	46,396	170,477	2	Net asset values of the last working day of the reporting period
Listed securities	1,108,533	393,190	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
<u>Debt instruments</u>				
Bond	9,947	109,504	2	Yield rate rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debentures	1,891,272	1,151,647	2	Yield rate rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
<u>Investment held as available for sale</u>				
Listed securities	14,715	33,440	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Investment held as available for sale				
<u>Investment held as available for sale</u>				
Unit trusts	69,354	135,424	2	Net asset values of the last working day of the reporting period
Listed securities	1,061,974	123,837	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand

SEPARATE FINANCIAL STATEMENTS

FINANCIAL ASSETS/ FINANCIAL LIABILITIES	FAIR VALUE AS AT DECEMBER 31,		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES AND KEY INPUTS
	2017	2016		
<u>Financial Assets</u>				
<u>Current investments</u>				
<u>Trading investments</u>				
Unit trusts	46,396	170,477	2	Net asset values of the last working day of the reporting period
Listed securities	298,379	374,883	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
<u>Debt instruments</u>				
Bond	9,947	-	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debentures	1,014,281	-	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
<u>Investment held as available for sale</u>				
Listed securities	14,715	33,440	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
<u>Investment held as available for sale</u>				
<u>Investment held as available for sale</u>				
Unit trusts	-	67,403	2	Net asset values of the last working day of the reporting period
Listed securities	985,964	31,728	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand

44.6.2 Financial assets and financial liabilities not measured at fair value

Fair value of Financial assets and financial liabilities which were not measured at fair value and their fair value hierarchy level classification were summarized as follows:

Unit: Thousand Baht

FINANCIAL ASSETS/ FINANCIAL LIABILITIES	CONSOLIDATED FINANCIAL STATEMENTS				FAIR VALUE HIERARCHY
	AS AT DECEMBER 31, 2017		AS AT DECEMBER 31, 2016		
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	
Financial assets					
Cash and cash equivalents	1,236,650	1,236,650	1,480,779	1,480,779	3
Trade and other current receivables	67,507	67,507	112,670	112,670	3
Receivables from Clearing House and broker-dealers	440,349	440,349	866,530	866,530	3
Securities business receivables	722,324	722,324	452,024	452,024	3
Debt securities held-to-maturity	-	-	59,531	59,531	3
Deposits at financial institutions	54,240	54,240	54,240	54,240	3
General Investment					
Unit trusts	-	-	60,851	60,851	3
Listed securities	5,489	5,898	5,489	5,758	3
Financial liabilities					
Trade and other current payables	114,722	114,722	88,024	88,024	3
Payables to Clearing House and broker-dealers	-	-	44,608	44,608	3
Securities business payables	1,255,813	1,255,813	1,747,949	1,747,949	3
Debts issued and borrowings	144,215	144,215	-	-	3
Debentures	1,079,800	1,079,800	-	-	3

FINANCIAL ASSETS/ FINANCIAL LIABILITIES	SEPARATE FINANCIAL STATEMENTS				FAIR VALUE HIERARCHY
	AS AT DECEMBER 31, 2017		AS AT DECEMBER 31, 2016		
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	
Financial assets					
Cash and cash equivalents	241,715	241,715	226,551	226,551	3
Trade and other current receivables	209,829	209,829	191,375	191,375	3
Debt securities held-to-maturity	-	-	39,682	39,682	3
Financial liabilities					
Trade and other current payables	113,303	113,303	19,843	19,843	3
Short-term loan from related company	5,000	5,000	400,000	400,000	3
Debentures	1,079,800	1,079,800	-	-	3

The fair values of the financial assets and financial liabilities above, which presented in statement of financial position were considered to approximate their respective carrying value since the fair value were predominantly subject to market interest rate and mature in the short-term except general investment in equity securities which use net asset value of invested company.

45. EVENTS AFTER THE REPORTING PERIOD

45.1 Exercise of Warrant

On January 5, 2018 the Warrant's holder bought ordinary shares for the first time in amount of 122,475 units (CGH-W1) and bought others Company's ordinary shares in amount of 135,697 shares. On January 17, 2018 the Company had increased their capital with The Ministry of Commerce.

45.2 Acquisition of shares in the Company.

On February 2, 2018, the board approved the acquisition of 250,000,000 ordinary shares, totaling 275,000,000 Baht. The Company will have a total of 435,395,500 ordinary shares of such company, or 12.18 percent of its paid-up capital.

46. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 28, 2018.

COUNTRY GROUP HOLDINGS PCL

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