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THE
NEW EDGE
OF INVESTMENT

2018
ANNUAL REPORT



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MESSAGE FROM CHAIRPERSON



Sadawut Taechaubol
Chairperson

Dear Shareholders,

In the year 2018, the whole economy is at risk with high degree of volatility and pressure, due to the US-China trade war and Thailand's political uncertainty. This results in slowdown and lower than expected growth for Thailand's economy. Country Group Holdings PCL's net income from the Separate Financial Statement 2018 was 42.05 million baht. However, the net income from Consolidated Financial Statement 2018 was -34.95 million baht, which mainly come from lower in share of profit from investments in associates by -85% (34.39 million baht in 2018 vs. 243.06 million baht in 2017) and higher finance cost from issuance of debenture of 1,079.8 million baht in 2017. As a result, the performance and results in 2018 was lower-than-expected.

Furthermore, Country Group Securities (CGS), which is our core business, showed significant improvement in both revenue and market share in 2018. This happen

due to the strategic decision in 2015 to diversify its business from being a pure retail brokerage business. Although change in business strategy had negative impacts in short run, we began to see significant increased income from the securities brokerage, financial advisory services, and other services in 2018. Moreover, CGS's market share also significantly improved. While CGS was in the rank 23th in the industry for TFEX products in 2017, the market share magnificently rose to the rank 8thin 2018. In 2019, CGS will provide new financial products for our clients, such as Derivative Warrants and Structured Note, to booth the revenue and diversify more product line into higher margin product.

On the other hand, currently, Padaeng Industry (PDI) had completely depleted its mine and the company's main income for the year 2018 only came from its 50 MW of operating solar farms in Thailand and Japan.

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*For the year 2019,
I optimistically expect the businesses
to grow in better direction*

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Despite of this situation, the company still has a strong balance sheet. Moreover, under business transformation process, it will continue to explore acquisition targets to bring immediate and income into the company.

Another noteworthy was the opening of Chao Phraya project in 2019 for Country Group Development (CGD), a leading real estate development company. The opening would to introduce two world class hotels which are Asia's first waterfront Four seasons private residences. As a result, this project would CGD to realize strong profits and increase the value of our investment significantly.

For the year 2019, I optimistically expect the businesses to grow in better direction and help Country Group Holdings PCL to grow sustainably and generate strong return in long-run for our shareholders.



MESSAGE FROM CHIEF EXECUTIVE OFFICER



Tommy Taechaubol
Chief Executive Officer

Dear Shareholders,

Country Group Holdings Public Company Limited ("CGH")'s net income for the year 2018 was -34.9 million baht, which resulted in a reduction of net equity by -0.6%.

The performance of the company in 2018 was impacted by three major factors. First of all, it was the volatile financial markets which made investment trading at the CGH difficult throughout the entire year. In 2018, the Thai SET Index dropped -10.8% from 1,753.7 to 1,563.9 with ongoing volatility throughout the year. Interest rates in both the US from 1.5% to 2.5% and Thai from 1.5% to 1.75% increased during the year, creating challenges for fixed income investments. In 2018, CGH recorded gains from investments of 27.6 million baht down from 77.1 million baht, a decrease of -64.2%. Although income from interest and dividends increased to 36.7 million baht from 15.7 million baht, an increase of +133.7%, the overall trading result was lower than expected for the year.

The second major factor impacting the performance in 2018 was the reduction in income from its core subsidiary. The operating result for the core subsidiary, Country Group Securities Public Company Limited ("CGS"), was 17.3 million baht, down from 45.7 million baht in 2017, a reduction of -62.1%. Although the company recorded significant growth in virtually all product departments, it recorded 42.0 million baht in provisions for client's derivative positions which had a significant accounting impact on its final net income.

In 2018, CGH recorded a share of income in associated companies of 34.4 million baht down from 243.1 million baht, a reduction of -85.9%. The majority of the impact came from the performance of Padang Industries (PDI), which had a

significant reduction in net income due to the ceasing of mining operations. The net income of PDI in 2018 was -41.8 million baht, down from 905.3 million baht in 2017, reflecting a decrease of -104.6%.

Despite of this result, CGH is well placed for future growth. The company maintains a very strong balance sheet with its shareholders equity of 6,434.9 million baht, and low long-term debt of 1,079.8 million baht, or interest bearing DE ratio of only 0.16. Its subsidiaries and affiliates have completed their respective corporate restructuring tasks and continue to look for expansion opportunities. The next section will elaborate more on two of the exciting companies within the portfolio that have had significant changes in the year, and their respective opportunities.

Country Group Securities Public Company Limited ("CGS")

In 2018, CGS experienced considerable growth in almost all of its business lines and is in the process of introducing several more in its vision to be a full-service brokerage. Its main brokerage increased to 212.5 million baht from 189.7 million baht (growth of +12.1% yoy) through the acquisition of marketing teams. Its tfex revenues increased to 82.5 million baht from 9.5 million baht (growth of +765.1% yoy) through the acquisition of marketing teams and through the introduction of the block trade business. Special emphasis was given to dormant business lines, such as debenture underwriting, bond trading, selling agent all of which performed strongly. Additionally, in 2018, CGS expanded its infrastructure and human resources to allow the service of Securities Borrowing and Lending (SBL) and became licensed for new business lines of Private Fund Management, Structured Notes and Derivative

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In the coming year, CGH expects that the businesses within its portfolio should improve following major structural changes.

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Warrants. These new businesses are now in operation and expected to contribute additional income in 2019. With its front line to back line staff ratio increasing from 1.29 to 1.65 in 2017 to 2018, the company is well positioned for growth.

Padaeng Industry Public Company Limited (“PDI”)

In 2018, PDI recorded a net loss of -41.8 million baht a decrease of 947.0 million baht or decrease of -104.6%. This was an expected result due to the ceasing of mining operations and additional provisions associated with the closure of mining operations. The company’s main income going forward will come from its 50 MW of operating solar farms in Thailand and Japan. The company has reduced its operating costs significantly and the number of full-time employees is 75 and reducing. PDI currently has a strong balance sheet with 4,703.2 million baht in shareholders’ equity of which the majority is in near cash assets and non-core mining assets available for sale. It continues to explore acquisition targets that can bring immediate income to the company.

In the coming year, CGH expects that the businesses within its portfolio should improve following major structural changes. It will continue to prudently look for investments in well established companies or assets that can contribute to its operating performance immediately. On behalf of the management team I would like to thank all our stakeholders for their continued support. The management team is fully dedicated to realizing our 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.



BOARD
OF DIRECTORS



Sadawut
Taechaubol

Chairperson and Chairperson
of the Executive Board
of Director

Surabhon
Kwunchaithunya

Vice Chairperson

Tommy
Taechaubol

Director and Chief
Executive Officer

Dej
Namsirikul

Independent Director



Pol.Gen. Werapong
Chuenpagdee
Independent Director

Nippon
Wisityuthasart
Independent Director

Jitmanee
Suwannapool
Independent Director

Pisuth
Viriyamettakul
Director

Dr.Veeraphat
Phetcharakupt
Director

DETAIL OF THE BOARD OF DIRECTORS



Mr. Sadawut Taechaubol

Chairperson and Chairperson of the Executive Board of Director

Age (Years) 66

Position

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

Education

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

Shareholding (%)

- 13.94%

Family Relationship

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

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

- Director Accreditation Program (DAP), Class 66/2007
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 14/2016
- 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

Last 5 years experience

• Director of 4 Listed Companies

1 Dec 2018 - Present	Acting Managing Director Padaeng Industry PCL, Resource
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

• Other important of 1 positions

23 Nov 2017 - Present	Advisor to the Minister of Labor Ministry of Labour, Government
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• Director of 8 Non-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
2006 - Present	Director Baan Rai Taechaubol Co., Ltd. Property Development
1994 - Present	Chairperson Country Group Co., Ltd. Property Development



Mr. Surabhon Kwunchaithunya

Vice Chairperson

Age (Years) 67

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)

Education

- Master of Business Administration (MBA)
(sponsored by the University's scholarship),
University of Washington, USA
- Bachelor of Industrial Engineering
(sponsored by the University's
scholarship), University of Washington, USA
- Bachelor of 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), Class 14/2004
- Director Certification Program (DCP), Class 44/2004
- Role of the Chairperson Program (RCP), Class 32/2013
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 8/2015
- Securitization, Fannie Mae of USA
- Certificate for High Level Executive, Capital Market Academy 11 (CMA11), Class 11/2010
- Finance and Banking by HSBC (Hongkong)

Last 5 years experience

• Director of 4 Listed Companies

2016 - 2018	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

DETAIL OF THE BOARD OF DIRECTORS



Mr. Tommy Taechaubol

Director and Chief Executive Officer

Age (Years) 35

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)

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

Shareholding (%)

- 4.97%

Family Relationship

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

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

- Director Accreditation Program (DAP), Class 88/2011
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 13/2016
- Real Estate Development RE-CU, Class 40 by The Real Estate Executive Association of Chulalongkorn University

Last 5 years experience

• Director of 2 Listed Companies

2015 - Present	Director, Executive Committee Member 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 4 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 Yer 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

Age (Years) 83

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)

Education

- High School Diploma, Assumption Bangrak

Shareholding (%)

- None

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

- Director Accreditation Program (DAP), Class 98/2012
- Director Certification Program (DCP), Class 225/2016
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 5/2015

Family Relationship

- None

Last 5 years experience

• Director of 2 Listed Companies

2014 - Present	Independent Director, Chairperson of the Nomination and Remuneration Country Group Holdings PCL, Holding
1993 - Present	Committee and Member of the Good Corporate Governance Committee Director Vejthani Hospital PCL, Hospital

• Director of 4 Non-Listed Companies

2010 - Present	Chairperson, Unicca Pattaya Properties Co.,Ltd., Property
2006 - Mar 2016	Independent Director, Member of the Audit Committee and Vice Chairman, 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

DETAIL OF THE BOARD OF DIRECTORS



Pol.Gen. Werapong Chuenpagdee

Independent Director

Age (Years) 60

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)

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), Class 86/2010
- Director Certification Program (DCP), Class 146/2011
- Audit Committee Program (ACP), Class 34/2011
- Financial Statements for Directors Program (FSD), Class 12/2011
- Role of the Compensation Committee Program (RCC), Class 13/2011
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 8/2015

Last 5 years experience

- Director of 3 Listed Companies

2018 - Present	Deputy Chairman and Independent Director, Triton Holding PCL, Holding
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 5 Non-Listed Companies

Oct 2018 - Present	Independent Director and Chairperson of the Audit Committee, Tribeca Co., Ltd., Property
Aug 2017 - Present	Chairperson and Independent Director, Arinsiri Land PCL, Property
2012 - Present	Independent Director and Chairperson of the Audit Committee, Thai Hua Rubber PCL, Rubber
2012 - Present	Director, Foo Sin Mining Industry Co., Ltd., Metal
2010 - Present	Director, Independent Director and Chairperson of the Audit Committee, Sing Sian Yee Pao Co. Ltd., Newspaper
2017 - 2018	Chairperson, Strega PCL, Construction
2017 - 2018	Special Advisor, The Royal Thai Police, Government
2016 - 2017	Assistant of Commissioner, The Royal Thai Police, Government



Mr. Niphon Wisityuthasart

Independent Director

Age (Years) 79

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)

Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Law, Thammasart University

Shareholding (%)

- None

Family Relationship

- None

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

- Director Accreditation Program (DAP), Class 43/2005
- Corporate Governance for Capital Market Intermediaries Program (CGI)

- 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
- Advance Master Management Program (AMM)
- AC HOT UPDATE : Ready to New CG towards sustainability, FAP

Last 5 years experience

- Director of 2 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 - Sep 2018 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 1 Non-Listed Companies

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

DETAIL OF THE BOARD OF DIRECTORS



Mrs. Jitmanee Suwannapool

Independent Director

Age (Years) 65

Position

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

Education

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor Degree in Business Law, Ramkhamhaeng University
- Bachelor of Business Administration Program in Account Ramkhamhaeng University

Shareholding (%)

- None

Family Relationship

- None

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

- Director Certification Program (DCP), Class 197/2014

- AC HOT UPDATE : Ready to New CG towards sustainability, FAP

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 1 Non-Listed Companies

May 2018 - Present	Consultants, Thailand Privilege Card Co., LTd., Providing foreign tourist facilities that are members in tourism in Thailand.
2015 - April 2018	Independent Director and Chairperson of the Audit Committee, Thailand Privilege Card Co., LTd., Providing foreign tourist facilities that are members in tourism in Thailand.

- Other important of 3 positions

2018 - Present	Member of the Audit Committee, Eastern Economic Corridor (EEC)
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

Age (Years) 37

Position

- Director (Appointed on 28/07/2015)

Education

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

Shareholding (%)

- 0.12%

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

- Director Accreditation Program (DCP), Class 178/2013
- Director Financial Statements For Directors Program (FSD), Class 31/2016

Family Relationship

- None

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

DETAIL OF THE BOARD OF DIRECTORS



Dr. Veeraphat Phetcharakupt

Director

Age (Years) 38

Position

- Director (Appointed 4/5/2016)

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

Shareholding (%)

- None

Family Relationship

- None

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

- Director Accreditation Program (DAP), Class 113/2014
- Corporate Governance for Capital Market Intermediaries Program (CGI), Class 19/2018

Last 5 years experience

- Director of 2 Listed Companies

2016 - Present Director, Country Group Holdings PCL, Holding

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

- Director of 5 Non-Listed Companies

Nov 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

DETAIL OF MANAGEMENT TEAM & COMPANY SECRETARY

AS OF DECEMBER 31, 2018

Mr. Annop Kettratad

Vice President, Corporate Strategy Division

Age (Years) 36

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., Technology

Mr. Kaweewat Pothanun

Vice President, Investment Division

Age (Years) 40

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. Voradej Suruchugul*

Vice President, Finance and Accounting Division

Age (Years) 40

Education

- Master Degree in Business Administration, National Institute of Development Administration

Last 5 years experience

2018 - Present	Vice Presiden, Country Group Holdings PLC, Holding
2016 - 2018	Vice President, Country Group Securities PLC, Brokerage
2012 - 2015	Fund Manager, MFC Asset Management PLC, Financial

Miss Nataporn Ratanachumnong**

Vice President, Human Resource Division

Age (Years) 45

Education

- Master Degree in Arts (Information Science), Burapha University

Last 5 years experience

2018 - Present	Vice President, Country Group Holdings PLC, Holding
2015 - 2018	Senior HR Manager, Country Group Holdings PLC, Holding
2008 - 2015	HR Specialist, National ITMX Co., Ltd, Technology

Mr. Pitakphol Roongrojsuwan

Vice President, BOD Secretaty and Legal Division

Age (Years) 27

Education

- Bachelor Degree of Laws, Thammasat University

Last 5 years experience

2017 - Present	Vice President and Company Secretary, Country Group Holdings PLC, Holding
2015 - 2017	Manager and Company Secretary, Country Group Securities PLC, Financial
2014 - 2015	Assistant Company Secretary, Buriram Sugar PLC, Agriculture

Remarks *Effective for Vice President of Accounting Division as of October 1, 2018

**Effective for Vice President of Humaan Division as of August 1, 2018

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 diversified investment companies in Thailand. We utilize our extensive network and market insights to make investments and our synergistic infrastructure to enhance their performance.

MISSION

To deliver sustainable growth by making strategic long-term acquisitions and actively managing them to enhance performance

Strategic Acquisition:

- Identify untapped opportunities across targeted industries through our well-established group network
- Diversify investment across strategic industries to minimize risk while maximizing returns
- Capitalize resources across our synergistic affiliated companies to gain unique insights in identifying stable and sustainable investment deals

Build for sustainable growth:

- Professional team, process, and experiences across several regions and industries provide us with a well-established operational capability to proactively and strategically manage our portfolio companies to deliver sustained growth and consistent returns
- Capitalize on our unique ability to unlock all potential value from under-performing assets

FINANCIAL SUMMARY

Unit: Million Baht

FINANCIAL STATEMENTS	31 DECEMBER 2018	31 DECEMBER 2017	31 DECEMBER 2016
FINANCIAL DATA			
Assets	9,160.12	8,803.73	7,925.21
Liabilities	3,273.38	2,614.11	1,903.72
Equity	5,886.74	6,170.26	6,001.61
Paid-up Capital	4,336.91	4,336.77	4,336.77
Total revenues	582.12	850.50	1,357.63
Net Profit	(34.95)	234.63	391.33
Earning per share (Baht)	(0.0081)	0.0540	0.0902
STATISTICS AS OF*			
Last Price(Baht)	0.96	1.35	1.61
Market Cap. (Million Baht)	4,163.43	5,854.64	6,982.20
F/S Period (As of date)	30/09/2018	30/09/2017	30/09/2016
P/E (Times)	77.85	30.41	23.11
P/BV (Times)	0.69	0.97	1.17
Book Value per share (Baht)	1.39	1.39	1.37
Dvd. Yield(%)	3.65	2.05	2.86

* Reference from Stock Exchange of Thailand

FINANCIAL RATIO

		2018	2017	2016
PROFITABILITY RATIO				
Gross profit	%	69.11	84.30	90.00
Net profit (loss)	%	(5.69)	27.55	28.82
Return on equity	%	(1.16)	7.68	6.62
Return on investment	%	8.61	18.13	10.21
EFFECIENCY RATIO				
Return on asset	%	0.78	5.94	5.73
Asset Turnover	Time	0.14	0.20	0.18
FINANCIAL RATIO				
Liquid assets to borrowing	Time	4.63	4.57	*
Earning assets to borrowing	Time	6.20	4.43	*
Liquid assets to total asset ratio	%	63.02	63.52	60.94
Earning assets to total asset ratio	%	67.42	61.62	73.91
Debt to equity	Time	0.56	0.42	0.32
Dividend payout	%	-	40.21**	25.21**
OTHERS RATIO				
Securities investment to total assets	Time	67.44	67.47	57.27
Net capital ration (NCR) - CGS	Time	99.02	132.35	93.10
PER SHARE				
Earnings per share	Baht	(0.0081)	0.0540	0.0902
Dividends	Baht	-	0.0277	0.0460
Book Value	Baht	1.35	1.42	1.38
GROWTH RATE				
Total assets	%	4.05	11.09	14.38
Total liabilities	%	25.22	37.32	74.74
Securities buisness income	%	(2.70)	(35.29)	(21.83)
Operating expenses	%	7.85	(32.62)	(12.88)
Net profit (loss)	%	(114.97)	(40.12)	545.70

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

** Dividend payout ratio is only CGH

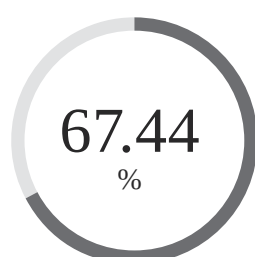


HIGHLIGHT OF OUR PORTFOLIO IN 2018

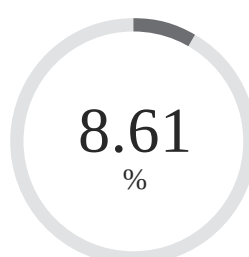
COUNTRY GROUP HOLDINGS (CGH)

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.

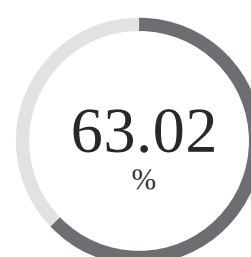
We focus on the acquisition of controlling stakes in established businesses that can be improved by implementing our management expertise and drawing from the Group's synergistic advantages.



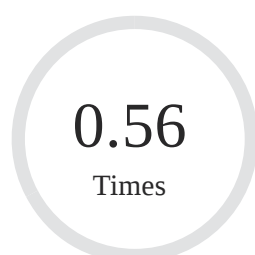
Securities investment
to total assets



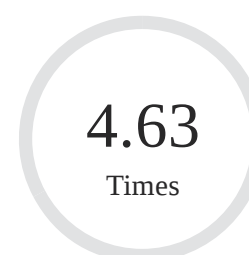
Return on
Investment



Liquid assets to
total asset ratio



Debt to equity ratio



Liquid assets to
borrowing ratio



Certificate from
Thailand's Private
Sector Collective
Action Coalition
against Corruption

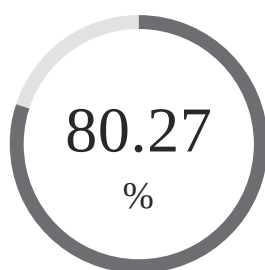


BBB+

HIGHLIGHT OF OUR PORTFOLIO IN 2018

COUNTRY GROUP SECURITY (CGS)

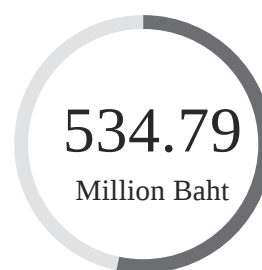
Country Group Securities PCL (CGS) is a leading, full-service securities brokerage firm in Thailand. CGS is a well-known securities company with 40 years of experience in the industry and nine consecutive years of profit.



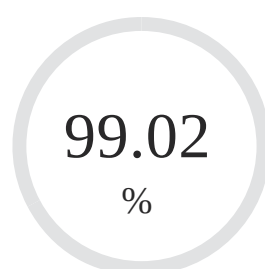
Gross profit



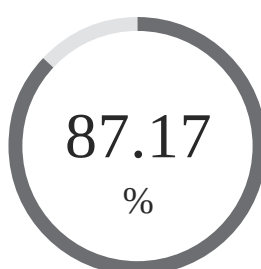
Total Assets



Total Revenue



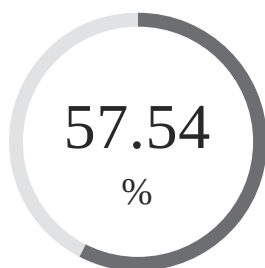
Net Capital Ratio
(NCR)



Earning assets to
total assets ratio



Debts to equity



Liquid assets
to total assets ratio

```
        bpy.context.scene.objects.active = modifier_ob
        print("Selected" + str(modifier_ob))
        #mirror_ob.select = 0
        #one = bpy.context.selected_objects
        #bpy.data.objects[one.name].select

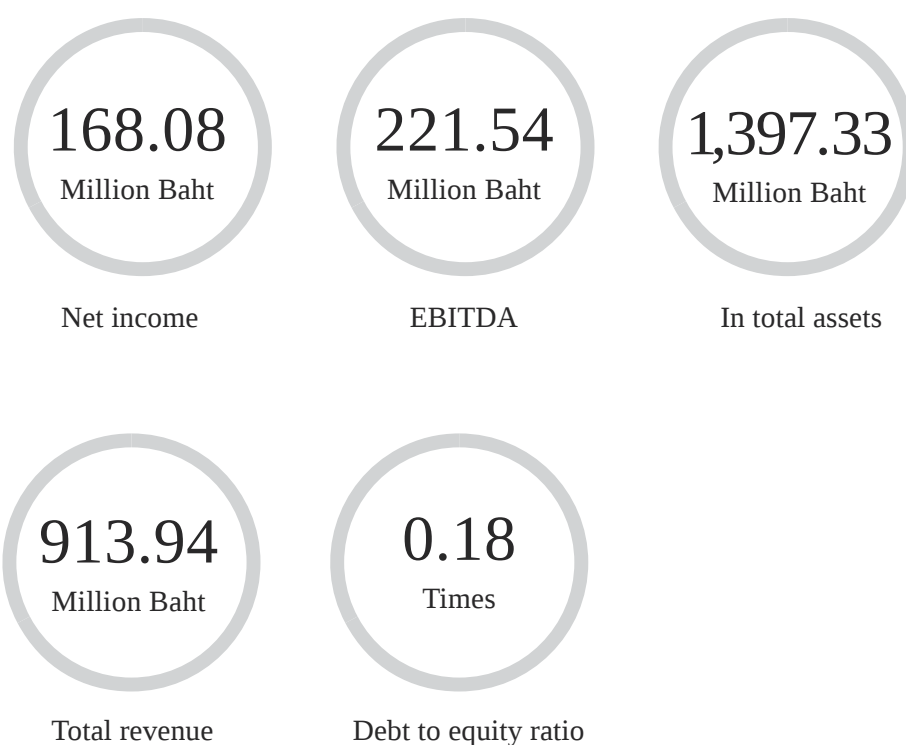
    except:
        print("please select exactly two objects")
```




HIGHLIGHT OF OUR PORTFOLIO IN 2018

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.



HIGHLIGHT OF OUR PORTFOLIO IN 2018

PADAENG INDUSTRY PCL (PDI)

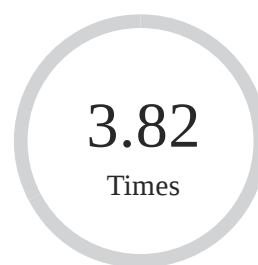
Padaeng Industry Public Company Limited (PDI) is a leading producer of special high-grade zinc metal and customized zinc alloys. In 2014, PDI has restructured its operations to move towards Green Business and bring sustainable growth to the Company by establishing three groups of businesses: PDI Energy,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



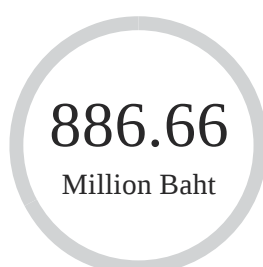
Total revenue



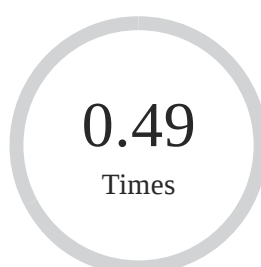
EBITDA



Current ratio



Net cash



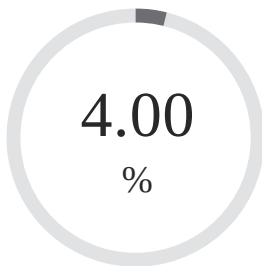
Debt to equity ratio



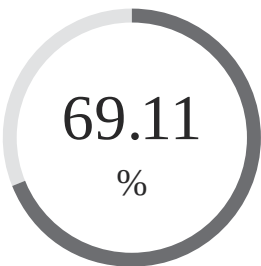


CGH INITIATIVES IN 2018

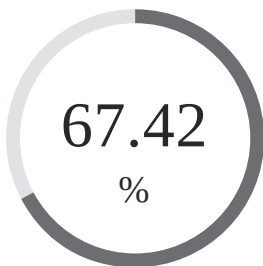
COUNTRY GROUP HOLDINGS (CGH)



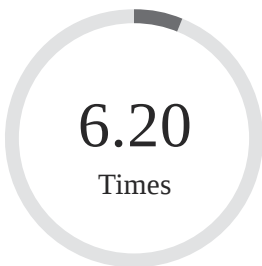
Total asset growth



Gross profit margin



Earning assete to
total asset ratio



Earning assets to
borrowing

01

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 6,143,905,902 baht in registered capital and 4,336,906,384 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 the company to restructure its business operations at the 2014 General Shareholders' 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 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

To deliver sustainable growth by making strategic long-term acquisitions, and actively managing them to enhance their performance

Strategic Acquisition:

- Identify untapped opportunities across targeted industries through our well-established group network
- Diversify investment across strategic industries to minimize risk while maximizing returns
- Capitalize resources across our synergistic affiliated companies to gain unique insights in identifying stable and sustainable investment deals

Build for sustainable growth:

- Professional team, process, and experiences across several regions and industries provide us with a well-established operational capability to proactively and strategically manage our portfolio companies to deliver sustained growth and consistent returns
- Capitalize on our unique ability to unlock all potential value from under-performing assets

Business Objective

CGH's vision is 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 is leader in its 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- 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 to 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 an insightful equities analysis report.

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.

2 Major changes and developments in the past three years

YEAR	MAJOR CHANGES AND DEVELOPMENTS
2016	<ul style="list-style-type: none"> • The headquarters were relocated to 132 Sinthorn Tower 3, 20th floor, Wireless Road, Tambon Lumpini, Prathumwan District, Bangkok Metropolitan on May 1, 2016. • Establishment of Genki Power on Feb 1, 2016 with capital of 100-Million-Baht. • Appointment of Suraphon Kwanchaithany as the titles of Vice Chairman and Director (non-authorized director) and Dr. Veeraphat Phetcharakupt as Director (authorized director) effective as of May 4, 2016. • Sadawut Taechaubol could sign using the Company's seal, or 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. • Increased shareholding in Padaeng Industry PCL, with the Company holding 24.9 percent of paid registered capital as of the end of 2016. • 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). • Issued and offered of 430 million General Mandate common shares at one baht per share were 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. • Appointment of Jitramanee Suwanpool in the position of Independent Director and Auditing Director on November 11, 2016 to replace 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"> Somkad Sueptrakul resigned from the Board of Directors, his role as Chairman of the Investment Committee, and 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 1000 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.
2018	<ul style="list-style-type: none"> Reduced the Company's registered capital from 6,075,927,916 baht to 4,698,271,244 baht by cancelling 1,277,656,672 unsold Company shares valued at one baht per share, while also amending Clause 4 of its Memorandum of Association (MOA) to comply with the reduction in registered capital. Issued and offered for sale warrants to purchase ordinary shares of the Company (CGH-W3) amounting to no more than 1,445,634,658 units to be allocated to existing shareholders in proportion to shares held. Increased registered capital from 4,698,271,244 baht to 6,143,905,902 baht by issuing 1,445,634,658 ordinary shares with a par value of one baht per share, as well as modifying Clause 4 of the Company's MOA to comply with the increase in registered capital. At present, the Company's registered capital amounts to 6,143,905,902 baht, with paid capital of 4,336,906,384 baht.

1.2 BUSINESS GROUP STRUCTURE



Business Policy of the Company and its Subsidiaries

In 2018, the business policies of the Company and its subsidiaries were as follows:

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 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's majority shareholder – having over 99.30 percent of the CGS's 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.

02

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	:	02-256-7999
Fax	:	02-256-7888
Website	:	www.cgholdings.co.th
Registered Capital	:	6,143,905,902 baht
Paid-up Capital	:	4,336,906,384 baht
Type of Shares	:	4,336,906,384 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, 3 rd Floor and Sindhorn Tower 3, 18 th , 20 th Floor Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330
Type of Business	:	Securities
Registration Number	:	0107537000572
Telephone	:	02-205-7000
Fax	:	02-205-7171
Website	:	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 Floors, Ratchadapisek Road, Khlong Toei, Bangkok 10110
Type of Business	:	Financial
Registration Number	:	0107536001371
Telephone	:	02-649-2000
Fax	:	02-649-2100
Website	:	www.mfcfund.com
Registered Capital	:	180,000,000 baht
Paid-up Capital	:	125,615,708 baht
Type of Shares	:	125,615,708 ordinary shares at par value of 1 baht per share

Name	:	Padaeng Industry Public Company Limited (PDI)
Address	:	191/18-25 CTI Tower, Floor 26 th -27 th , Ratchadaphisek Road, Klong Toei, Bangkok, 10110
Type of Business	:	Resources
Registration Number	:	0107537000467
Telephone	:	02-695-9499
Fax	:	02-695-9495
Website	:	www.padaeng.com
Registered Capital	:	3,013,333,330 baht
Paid-up Capital	:	2,260,001,000 baht
Type of Shares	:	226,000,100 ordinary shares at par value of 10 baht per share

Name	:	Genki Capital Company Limited
Address	:	132 Sindhorn Tower 3, 20 th Floor Wireless Road, Lumpini, Pathumwan Bangkok, Thailand 10330
Type of Business	:	Energy
Registration Number	:	0105559018324
Telephone	:	02-256-7999
Fax	:	02-256-7888
Website	:	None
Registered Capital	:	100,000,000 baht
Paid-up Capital	:	25,000,000 baht
Type of Shares	:	10,000,000 shares 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	:	Tel. : 02-009-9000
Debt-holder Representative	:	None
Auditor	:	Wonlop Vilaivaravit, CPA Number 6797
Address	:	11/1 AIA, Sathorn Tower, Floor 23 rd -27 th , South Sathorn Road, Yannawa, Sathorn Bangkok 10120 Telephone: 02-676-57000 Fax: 02-676-5757
Advisors or Management under Management Contracts	:	None

03

NATURE OF BUSINESS

3.1 Revenue structure of the company and its subsidiary

Unit : Million Baht

REVENUES	FOR THE YEARS ENDED DECEMBER 31,					
	2018		2017		2016	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Brokerage fees	300.17	48.69	214.22	25.19	541.63	39.92
Fee and services income	75.62	12.27	52.13	6.13	79.06	5.83
Interest on margin loans	28.63	4.64	14.28	1.68	34.88	2.57
Gain (loss) on investment and derivatives	56.19	9.11	59.51	7.00	77.46	5.71
Interest and dividends	106.14	17.22	220.75	25.96	167.15	12.32
Share of profit from investments						
in associated companies	34.39	5.58	243.06	28.58	134.74	9.93
Income from the partial transfer of retail						
securities business	-	-	-	-	306.00	22.56
Gain on classified investment in associate						
to investment held as available for sale	-	-	21.61	2.54	-	-
Other income	15.35	2.49	24.95	2.93	15.71	1.16
Total revenues	616.51	100.00	850.51	100.00	1,356.63	100.00

3.2 Products and service

The majority of CGH's revenue comes from its gain on equity investment from its subsidiary and associated companies (Holding company). 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

CGS has been approved by the SEC to Derivatives Business Sor 1 to operate the following four businesses:

1. Derivatives broker
2. Derivatives dealer
3. Derivatives advisor
4. Derivatives fund 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 Conditions 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 to focus on 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 2018, CGS has 56,068 trading accounts, of which 9,904 accounts are actively traded.

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

Unit : Million

TRADING VALUE	2018	2017	2016
SET	27,640,439.54	23,304,622.95	24,519,544.99
mai	619,715.89	1,150,873.16	1,112,973.03
Trading Value of CGS	275,797.92	185,243.91	388,773.74
Market share (%)	1.11	0.85	1.69

Policy on approving client credit lines

CGS sets clear policies on setting appropriate credit limits for clients. Such clear policies and guidelines help CGS to 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 also mandates that IC should be aware of their customer's investment profiles prior to providing investment advice and to opening a new account. 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 Baht 150 million	Executive Committee

The Credit Committee consists of the following members:

1. Chief Executive Officer
2. Chief Operation Officer
3. Head of Securities Business Division
4. Head of Operation Division
5. Head of Risk Management Division

A credit line is "approved" when at least half of the attending committee members give their approval.

Policy on setting marginable securities

CGS's policy only allow trading of marginable securities 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, 2018, CGS had a market share of 5.03 percent. In 2018, it expanded its business by commencing block trading in single stock futures, 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 2019, CGS has set a target of increasing its market share of the derivatives business to 4.00 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 2019 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, which later was becoming a member of the Investment Banking Club (IB) on January 23, 2007. In addition, as of March 21, 2017, it received additional permits from the SEC 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 assisting a variety of clients, ranging from small to large including both domestic and international clients. 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 and acquisitions for interested parties, public offerings, find suitable investors for joint ventures, analysis of a business' competitiveness, establish a proper financial structure, and provide 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 also provides services in the issuance and offering of securities to the public, the issuance and offering of convertible debentures, research 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, emphasizing service and maintaining positive relationships with customers, and 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 while clients who wish to borrow securities 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, Cash Balance and Credit Balance.
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 2018 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 for 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, 2018, CGS act as 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 suitable levels of risk and match the length of investment period suited for their purposes.

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 to act 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 clients, institutional clients, and juristic persons for the management of funds amounting to a minimum of 10 million baht. As of 31 December 2018, Asset under management amount to 104,367,654.39 million baht which increased by 184.44% YOY, compared to 36,693,405.18 million baht on 31 December 2017.

CGS emphasizes on presenting a diverse set of new investment portfolios in order to satisfy financial needs and create the best possible return for clients with client-established degrees of risk under the work of highly experienced and skilled teams 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 2018 Private fund business has significant growth because of strong marketing strategy with consistent investment seminars which held by our worldwide qualified fund managers (CFA certified) for customers.

In 2019, CGS initiate plan to invest more assets worldwide and variety of financial products, such as structured product and derivatives, to diversify risk and deliver enhanced return for our clients. While the liquidity management services is also available for customers to satisfy their future needed of fund, the Investment policy and allocation also can be flexibly changed by clients anytime. Asset under management is expected to grow to approximately 1,000 million baht within 3 years.

Income Structure of CGS

INCOME	SEPARATE FINANCIAL STATEMENTS					
	FOR THE YEAR ENDING DECEMBER 31,					
	2018		2017		2016	
	MILLION BAHT	PERCENTAGE	MILLION BAHT	PERCENTAGE	MILLION BAHT	PERCENTAGE
Brokerage Fee	317.91	59.44	224.25	42.91	548.32	50.02
Fee and Service Income	75.86	14.18	61.64	11.80	79.06	7.21
Interest on margin loan	29.18	5.46	14.27	2.73	34.88	3.18
Gain and return on financial instruments	98.92	18.50	197.50	37.79	111.90	10.21
Share of gain from investment in wich equity method is applied	-	-	-	-	-	-
Profit from sales of investments in associated companies						
Income from the partial transfer of retail securities business	-	-	-	-	306.00	27.92
Other Income	12.92	2.42	24.91	4.77	16.03	1.46
Total revenue	534.79	100.00	522.57	100.00	1,096.19	100.00

Note: 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, 2018, CGS was able to maintain its NCR at 99.02 percent.

Competitive Conditions

The Thai stock market's main gauge, Set index closed at 1,563 point on the last trading day of 2018, obtaining an annual loss of 10.8% from the start point at 1,753. The gauge climbed up gradually to reach an all-time-high level on 27th February before moved downward to its trough of the year on the last trading session.



SET Index

SET Index Value at Closing of 2018	1,563.88 points
Change in value from the previous year	Decreased by 190 points (-10.8% YoY)
Highest Index Value	1,852.51
Lowest Index Value	1,546.62
Average trading value	5.6 billion baht/day

Key investment related factors in 2018

Federal Reserve Banks (FED) raised the interest rate 4 times in March, June, September and December respectively (25 basis points each time) to a range of 2.25-2.5%. FED chairman, Jerome Powell also added that, the current policy rate is approaching the neutral rate in long-run, which imply a slower pace of increment in 2019 with a possibility of 2-3 times rate hike.

US president, Donald Trump announced tax cut program for corporates from 35% to 21% in order to stimulate investment and spending for private sector while raising up labor wages. In consequence, Dow Jones lift up on the back of solid earnings reports.

US Ten-year treasury yield jumped to its peak in the past eight year at around 3.2% in early October after FED chairman, Jerome Powell announced that, there would be some more space for late hike. However, he changed his tone toward less hawkish in late November as he proclaimed the current policy interest rate is imminent to neutral rate.

Trade dispute has erupted after US president, Donald Trump announced 25% tariffs on imported goods from China worth of US\$34 billion on 6th July. Following the prior measure, Trump lifted 25% tariffs for another batch of imported goods from China worth of US\$16 billion on 23th August. In aggregate, 1,102 items of goods in the list were imposed. Following to the US measures, China retaliated US with 25% tax on 659 items of imported goods from USA worth of US\$50 billion. Trade war has escalated again after Trump imposed another 10% tariffs on 6,000 units of goods ranging from minerals, food products and apparels with a terms to increase further to 25% in January 2019. However, Chinese officials struck back with a moderate measure at 5-10% on US\$6 billion worth of imported goods from USA. Trade war has slightly cooled off since Xi J inping, the president of the People's Republic of China held a trade talk during G20 summit in early December, resulting in 90-day suspension of all measures from both sides.

Result from the US mid-term elections held in early November showed that, Donald Trump's Republican party still retained control of the senate. However, Democrats took control of the House of representatives after won the vote by inches (Democrats 218: 198 Republican).

Thailand's economy output indicated by Gross domestic product (GDP) in 3Q18 grew by 4.3%YoY, the highest growth rate in the past 18 quarters. This prompted the Thai central bank (BOT) to upgrade annual growth rate to 3.9% from the prior forecast at 3.8%

Key events in 2018

First half of 2018: SET index headed upward to 1,813 point along the US stocks rally in the first month of 2018 until the beginning of February when US Department of Labor published a stronger-than-anticipated numbers on nonfarm payroll employment and hourly wages, giving concerns over investors regarding acceleration of FED to increase the rate in an upcoming FOMC meeting. In a consequence, Dow dropped 666 points on Friday of 2nd February, extending a loss session to Monday of 5th February when the index fell 1,175 points together with SET index which contracted more than 40 points during the same period. SET index started to recover gradually along satisfied corporate earnings announced in late February. The Thai gauge experienced a sideways move until a heavy selloff on 4th April after Trump declared a trade war with China via imported tariffs for goods worth of US\$50 billion. The market turmoil still went on as disappointed 1Q18 earnings for Thai corporates announced (grew at 3%YoY vs market anticipation at 10%YoY). Both factors pressured SET index down to close at 1,585 points, erasing all gains from the rally since the end of September 2017.

Second half of 2018: SET index fell off to test the trough in the past 1 year at 16x trailing PE, luring investors to take long position in SET while waiting for 2Q18 earnings results to be published. Banking sector's earnings announced first while beating most of an analyst estimates, led to heavy inflow of funds to push SET more than 100 points before other sectors announce their quarterly earnings. SET100 performed well, grabbing a solid 13%YoY growth in bottom-line. However, 6M18 results remained tame as its under consensus estimates at +5.6% (Consensus +8%YoY). SET index fluctuated in narrow border during month of August until the Thai government gazette published by Royal endorsement on 12th September unveiling that, there will be the election day by 150 days or by 19th May of 2019. SET index rose more than 100 points to around 1,750 before moved on a sideways pace, waiting for 3Q18 to be announced. 3Q18 earnings did not make any positive surprises to investors as it met estimates at +10%YoY growth rate both on quarterly and 9M19 basis. Few days after that, ministry of commerce published export data for the month of September, a YoY contraction of 5.2%, opposing prior forecast at 5% expansion. This factor trimmed SET index down before testing the main resistance at 1,600 points in late November. Silver-lining seemed to shine off again after meeting between Trump and Xi Jinping during G20 meeting held in 30th November as they arrived with the deal of 90-day suspension for bilateral imported-tariffs, surging SET index up for just 1 trading day before it fell off and beached the resistance level below 1,600 points over the concern of China's manufacturing activities as PMI fell on three consecutive quarters. Rapid fall in crude oil price to around US\$50/barrel is another major factor that pressured down SET index to close at the bottom of the year at 1,563 mark.

Foreign investors are the key contributor for an annual drop in SET index as they held a net-sell position at 287 billion baht. Domestic institutions and retail investors held a net-buy positions at 184 billion baht and 18 billion baht respectively. Meanwhile, proprietary trading or brokerage accounts held a net-sell position of 15 billion baht. Furthermore, there were only seven new listed company in 2018, compared to 38 stocks in 2017. This partially due to high volatility of overall stock markets and mild slowdown for domestic economic activities in 2H18.

Investors' total trading values per year and per month in 2018

YEAR	INSTITUTIONAL INVESTORS	PROPRIETARY TRADING	FOREIGN INVESTORS	LOCAL INVESTOR	MONTH IN 2018	INSTITUTIONAL INVESTORS	FOREIGN INVESTORS	LOCAL INVESTOR	PROPRIETARY TRADING
2006	(12,757)	1,084	83,446	(71,772)	January	5,430	(5,700)	(5,115)	5,384
2007	3,764	(1,601)	55,018	(57,181)	February	834	(3,749)	45,164	(4,616)
2008	45,177	924	(162,346)	116,246	March	9,812	(11,035)	(1,278)	2501
2009	(2,303)	1,388	38,231	(37,316)	April	15551	(21,449)	7,234	(1,336)
2010	(15,200)	(449)	81,724	(66,075)	May	3,515	(51,859)	(27,464)	1,227
2011	(29,149)	1,307	(5,119)	32,962	June	22,175	(48,650)	40,808	(1,263)
2012	(24,302)	7,256	76,388	(59,342)	July	34,095	(10,622)	(17,798)	(5,674)
2013	108,163	(1,723)	(193,911)	87,471	August	12,611	(-10,418)	(6,835)	4,642
2014	71,424	3,582	(36,584)	(38,421)	September	23,284	(7,756)	(16,496)	7,298
2015	79,055	(6,418)	(154,346)	81,709	October	23,284	(7,296)	(377)	2,151
2016	(8,656)	25,372	77,927	(94,642)	November	14,676	(13,992)	(2,035)	1,351
2017	103,632	16,747	(25,755)	(94,624)	December	5,671	(292)	2,532	(7,911)
2018	184,264	(15,270)	(-287,458)	118,465					

Key indicators

	2018	2017	2016	2015	2014
GDP Growth (%YoY)	4.2%(F)	3.9%	3.2%	2.8%	0.8%
Market Capitalization (Btm)	16,493,767	17,587,433	15,079,272	12,282,755	13,856,283
Market Turnover (Btm)	10,679,263	11,652,311	12,259,772	9,997,372	10,193,179
Number of registered companies	544	538	522	517	502
Newly registered companies	7	22	11	23	17
Average daily trading (SET)	57,209	47,755	50,245	41,141	41,604
Index at Closing Time (High)	1,830	1,753	1,558	1,616	1,600
Index at Closing Time (Low)	1,563	1,535	1,220	1,262	1,224
Price-earnings ratio (P/E Ratio)	15.24	19.06	18.55	22.57	17.81
Dividend Yield (%)	3.12	2.70	3.04	3.36	2.94

Securities trading business outlook in 2019

Nowadays, the securities trading industry especially retail investor business unit still confronting with high intensity of competition, client's bargaining power to lower commission fee down, frequent rotation for marketing officers (brokers) and number of ongoing technologies that could disrupted the industry. As a consequence, some of the firms reduce exposure or ceasing expansion in retail business unit. In order to alleviate such an impacts, the securities firms should adapt their strategies and services toward more on portfolio management for corporates sector, private wealth management, new investment products that relating to derivative warrants, private funds, equity link note and etc.

04

RISK MANAGEMENT AND RISK FACTORS

4.1 Risk Management Overview

The Company recognizes the importance of risk management by establishing 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 Risk Management Overview

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:

- **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 with acceptable risk appetites and providing opportunities for future growth.

- **Risk from operating in the investment**

The Company's investment risk is that such an investment may not generate the return as 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 this will help to ensure that the Company gets the maximum return on investment with proper risk taking, but also to ensure that the Company is acting in accordance with the regulations and frameworks set up by the Board of Directors.

- **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 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 developing 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. For example, domestic and foreign institutional businesses, proprietary trading, bonds, single stock futures (Block Trade), private funds and Derivatives sale license, which the Company has been licensed by the Securities and Exchange Commission (SEC) to establish a Derivatives sale business by the end of 2018. 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:

- Recruiting high-caliber human resources: The Company focuses on recruiting only veterans of Securities and similar industries.
- Expanding the customer base and stimulate higher trading volume: The Company: a) Develops its marketers' 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.
- Developing strong information technology infrastructure: The Company continuously updates its information technology infrastructure to be up-to-date and be capable of meeting customer demand.

- **Risk from defaults**

As of December 31, 2018, the Company has business receivables total 388.08 million baht. However, the Company has already reserved a contingency fund ("allowance for doubtful accounts") amounting to total receivables fewer collateral values in the case of default. The Company currently has a policy of reducing the risks of defaults from Securities payments and from additional placing a 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 would have to take the necessary legal actions.

- **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, 2018, the Company has a total of 56,068 accounts, of which 9,904 accounts were actively traded. The total brokerage fee contributed to 58.44 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 Industry") to minimize the risk of our clients switching out.

- **Risk from Depending Upon Major Clients or a Limited Number of Clients**

In 2017 and 2018, the Company's top ten major clients amounted to 45.58 percent and 43.10 of the Company's total securities trading value respectively. Losing such clients would impact its income as fees from the clients' securities. However, with the recognition of the risk of depending on major clients, the Securities Company 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.

- **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 on building strong employee training and development programs and a competitive compensation and benefits package.

- **Risk from investments in securities**

There is the risk that the Company could not be able to achieve the returns as expected. Thus, it 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 investing in securities that have low risk with a strong fundamental and adapting 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).

- **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 of 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 this risk, 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.

- **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, 2018, the Company's receivables account (money lent out to clients for the purpose of purchasing securities) amounted to 522.24 million baht, a increase of 43.96 percent from the year before. The increase was caused from the increase of customers.

- **Risk from Derivatives Brokerage Business**

The risks of the Securities Company serving as a derivatives broker have been caused from insufficiency of clients' 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 clients' trading activities, account balances, and credit limits are frequently reviewed. Strict control is also kept over clients' collateral (in regard to whether it is sufficient) to avoid suffering major losses in clients' accounts. Should clients fail to comply with the Securities Company's regulations, the contract will be forced closed of the derivatives in the market.

- **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 of block trading clients to prevent from insufficiency of clients' collateral. Moreover, the Securities Company are monitoring and controlling the risk of own accounts that receive position from the block trading clients.

- **Risk from Private Fund Management Business**

At present, the fund managers have expanded their customer base and continued to open new accounts. Some of these accounts have also undergone proper investment under the fund managers. 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.

- **Risk of business impacts from crises**

The Company emphasizes on managing risks from crises such as natural disasters, riots, and other shocks. In such cases, the Company has already created preventive and safety plan with the annual review of the contingency plans annually. In addition, the Company has been insured for a variety of crises, including natural disasters, with the total insured value worth 146.00 million baht, on 31th December 2018.

05

SHAREHOLDING STRUCTURE

5.1 Company's share

As of December 31, 2018

A registered capital:	6,143,905,902 shares
A paid-up capital:	4,336,906,384 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 1.59 percent and held by foreigners is approximately at 15.25 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, 2018 were as follows:

NO.	NAME	NO. OF SHARES	%
1.	Mr. Sadawut Taechaubol	604,490,326	13.94
2.	Mr. Pijit Viriyamettakul	451,400,000	10.41
3.	LGT BANK (SINGAPORE) LTD	284,862,100	6.57
4.	Mr. Samroeng Manoonphol	241,907,822	5.58
5.	Mr. Tommy Taechaubol	215,617,414	4.97
6.	Mr. Ben Taechaubol	209,449,954	4.83
7.	Country Group Development PCL	153,061,800	3.53
8.	Ms. Atjima Pakanam	125,000,000	2.88
9.	UOB KAY HIAN (HONG KONG) LIMITED – Client Account	120,978,100	2.79
10.	STATE STREET BANK EUROPE LIMITED	89,265,200	2.06
11.	Others	1,840,873,668	42.44

As of March 30, 2018, the Company had free float of 48.30 percent

The Securities Company

The top ten major shareholders as of December 31, 2018 were as follows:

NO.	NAME	NO. OF SHARES	%
1.	Country Group Holdings PCL	2,571,992,475	99.32
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	8,201,409	0.32

5.3 Other issuance of securities

In 2018, the Company approved of issuing new shares and offering them in order to increase its capital.

- **Warrants to Purchase Ordinary Shares No. 3 (CGH-W3)**

The 2018 Annual General Meeting held on April 27, 2018 approved the issuance and offering of the warrants to purchase ordinary shares of the Company No. 3 ("Warrants No. 3" or "CGH-W3") not exceeding 1,445,634,658 units to existing shareholders on a pro rata basis to their respective shareholdings, at no cost, at the allocation ratio of 3 existing ordinary shares per 1 unit of Warrants No. 3. The details of the warrants are set out as follows:

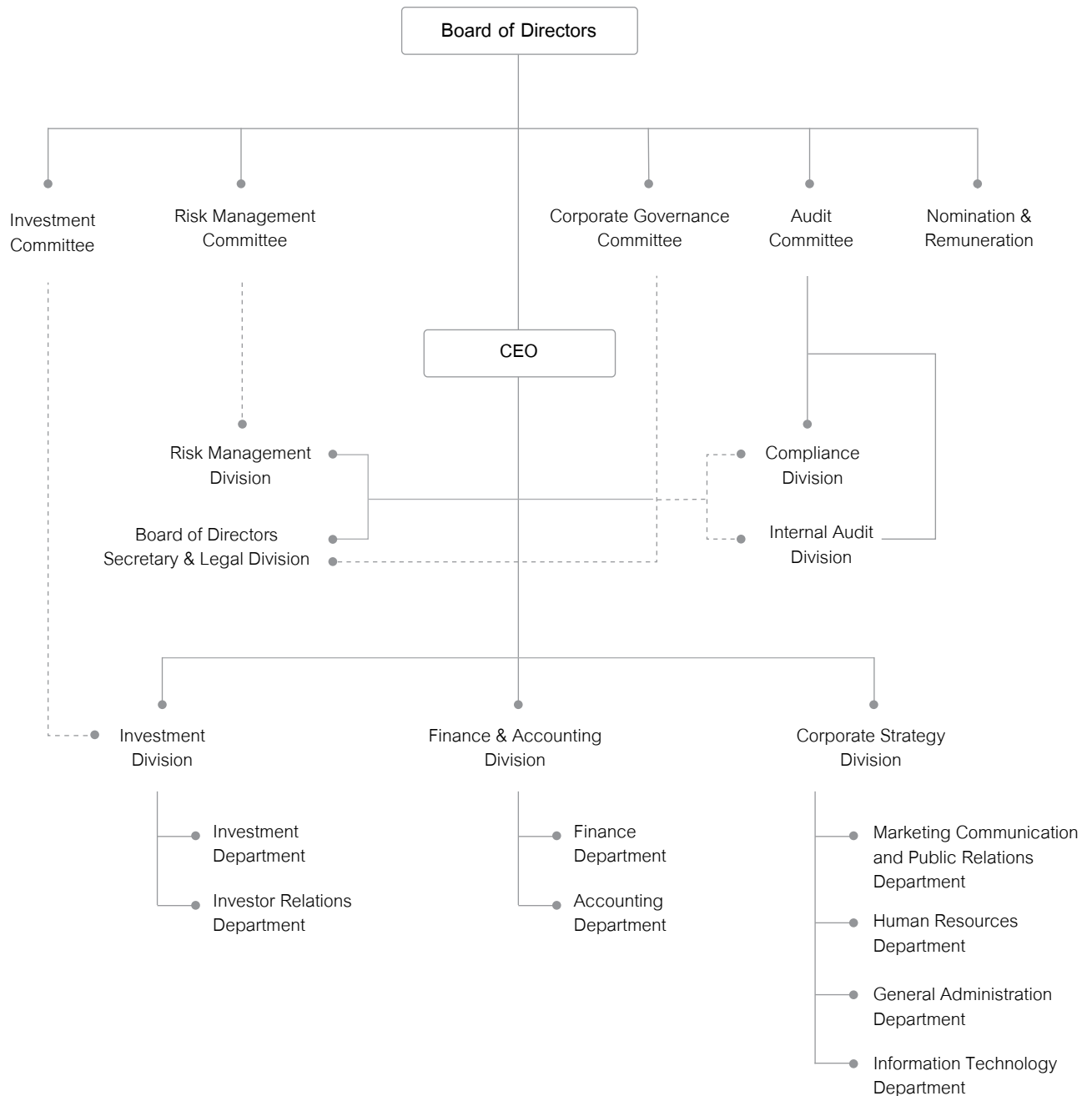
TYPE OF WARRANT	IN NAMED CERTIFICATE AND TRANSFERABLE
Number of warrants issued	Not exceeding 1,445,634,658 units
Number of ordinary shares reserved to accommodate the exercising of the warrant	1,445,634,658 shares at the par value of 1 baht per share
Offer Price per unit	0 baht per unit
Term of the warrant	3 years from the issuance and offering date
Issuance Date	May 31, 2018
	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 Ratio	2.00 baht per share, unless the exercise price is adjusted as a result of a rights adjustment.
Exercise Price	Warrant No. 3 holders shall be entitled to exercise their rights under Warrant 3 to purchase the Company's ordinary shares on the last business day every six months. The first exercise date will be on November 30, 2018 and the last exercise date will be on May 28, 2021.
Exercise Date	None
Transfer Restrictions	The Stock Exchange of Thailand
Secondary Market of Warrant Registrar	Thailand Securities Depository Company Limited (TSD)

5.4 Dividend Policy

CGH and its Subsidiaries' 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 takes 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.

06

MANAGEMENT STRUCTURE



Organization Chart as October 8, 2018



6.1 Board of Directors and Sub-Committees

- Board of Directors

The Company

As of December 31, 2018, 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. Dej Namsirikul	Independent Director
5. Pol.Gen. Werapong Chuenpagdee	Independent Director
6. Mr. Nipon Wisityuthasart	Independent Director
7. Mr. Pisuth Viriyamettakul	Director
8. Dr.. Veeraphat Phetcharakupt	Director
9. Mrs. Jitmanee Suwannapool	Independent Director

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.

- Audit Committee

As at December 31, 2018, 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

- **Nomination and Remuneration Committee**

As of December 31, 2018, there are total of 3 Nomination and Remuneration Committees, which have 3 independent directors as follows:

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

- **Risk Management Committee**

As of December 31, 2018, 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

- **Good Corporate Governance Committee**

As of December 31, 2018, 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

- **Investment Committee**

As of December 31, 2018, 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 Directors' meeting and vote in it, the Company requires a quorum of two-thirds of directors to participate. The schedules for Board of Directors' meetings and sub-committees' 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 2018, there were 9 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, 7 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	9/9					
2. Mr. Surabhon	Kwunchaithunya	9/9			7/7		4/4
3. Mr. Tommy	Taechaubol	9/9			7/7		
4. Mr. Dej	Namsirikul	7/9		2/2		2/2	
5. Pol.Gen. Werapong	Chuenpagdee	9/9	4/4	2/2		2/2	
6. Mr. Nipon	Wisityuthasart	9/9	4/4	2/2			
7. Mr. Pisuth	Virayamettakul	9/9					
8. Dr. Veeraphat	Phetcharakupt	9/9					
9. Mrs. Jitmanee	Suwannapool	8/9	4/4				

6.2 The Securities Company

- **Board of Directors**

As of December 31, 2018, the CGS's structure consisted of 7 directors as follows:

NAME	POSITION
1. Mr. Surabhon Kwunchaithunya	Chairperson
2. ACM. Permkiat Lavanamal*	Independent Director and Chairperson of Audit Committee
3. Mr. Vasu Chewprecha	Independent Director and Audit Committee
4. Mr. Pat Jungkankul**	Independent Director and Audit Committee
5. Mr. Procham Anranyakananda***	Independent Director
6. Dr.. Veeraphat Phetcharakupt	Director and Chief Executive Officer
7. Mr. Thanachote Rungsitivat	Director

Note: * Was appointed, effective February 1, 2018

**Was appointed, effective January 23, 2018

***Was appointed, effective February 1, 2018

- **Authorized Directors**

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

- **Board of Directors' meetings**

In 2018, there were the meetings of the Board of Directors. The details of the meetings amount are as follows:

NAME	POSITION
1. Mr. Surabhon Kwunchaithunya	8/8
2. ACM Permkiat Lavanamal	5/6
3. Mr. Vasu Chewprecha	8/8
4. Mr. Pat Jungkankul	6/7
5. Mr. Porcham Aranyakananda	6/6
6. Dr. Veeraphat Phetcharakupt	8/8
7. Mr. Thanachote Rungsitivat	8/8

6.3 Management

- The Company

As of December 31, 2018, 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. Kaweewat Pothanun	Vice President of Investment
4. Mr. Pitakphol Roongrojsuwan	Vice President of BOD Secretary and Legal
5. Ms. Nataporn Ratanachumnong	Vice President of Human Resources
6. Mr. Voradej Suruchugul	Head of Finance and Accounting

- The Securities Company

As of December 31, 2018, Management of the Securities Company consists of the following 9 members:

NAME	POSITION
1. Dr. Veeraphat Phetcharakupt	Chief Executive Officer
2. Mr. Chamras Kuanha	Managing Director of Fixed Income Business Division
3. Mr. Sumritchai Thangharat	Managing Director of Fixed Income Business Division
4. Mr. Preechavut Khumsab	Managing Director Investment Banking Division 1
5. Mr. Tanapatra Boontarapong	Managing Director Brokerage Retail Division 12
6. Ms. Nattcharinphon Jesadapisit	Managing Director of Investment management Division
7. Mr. Ekkhapon Siripun	Managing Director Derivatives Business Division
8. Ms. Netchanok Anawan	Vice Managing Director of Accounting and Finance Division

6.4 Company Secretary

- 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.

Name	Mr. Pitakphol Roongrojsuwan (27 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.

6.5 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 2018 Annual General Meeting held on April 27, 2018 approved of an increase in remunerations for the Board of Directors from the 2017 rates, while Sub-Committee remuneration rates remained the same as the previous year, with these policies becoming effective as of May 2018. 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) 2018
Chairperson	100,000
Vice Chairperson	55,000
Director	45,000
Chairperson of Audit Committee	30,000
Member of Audit Committee	20,000
Other sub-committees	
- Chairperson	30,000
- Directors	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 2018 after the approval of the 2017 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 2018 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 2018 business year (from January 1-December 31, 2018).

Details of remuneration payments in 2018 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	385,000.00	-	-	180,000.00	-	120,000.00	275,000.00	960,000.00
Mr. Tommy Taechaubol	315,000.00	-	-	-	-	-	180,000.00	495,000.00
Mr. Dej Namsirikul	315,000.00	-	60,000.00	-	20,000.00	-	225,000.00	620,000.00
Pol. Gen. Werapong Chuenpagdee	315,000.00	80,000.00	40,000.00	-	30,000.00	-	225,000.00	690,000.00
Mr. Nipon Wisiyuthasart	315,000.00	120,000.00	40,000.00	-	-	-	225,000.00	700,000.00
Mr. Pisuth Viriyamettakul	315,000.00	-	-	-	-	-	180,000.00	495,000.00
Dr. Veeraphat Phetcharakupt	315,000.00	-	-	-	-	-	180,000.00	495,000.00
Mrs. Jitmanee Suwannapool	315,000.00	80,000.00	-	-	-	-	180,000.00	575,000.00
Total	3,290,000.00	280,000.00	140,000.00	180,000.00	50,000.00	120,000.00	2,070,000.00	6,130,000.00

6.6 Remuneration for Directors and Management

- **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 2018 consisted of salaries, bonuses, and other remunerations to the total of 30.21 million baht.

- **Other Remuneration**

The Company established a provident fund during the year 2018, contributing a provident fund for 6 managements totaling 1.29 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)
1. Mr. Surabhon Kwunchaithunya	1.40
2. ACM. Permkiat Lavanamal*	0.61
3. Mr. Wasu Chewpreecha	0.52
4. Mr. Pat Jungkankul**	0.48
5. Mr. Porcham Aranyakananda***	0.36
6. Dr. Veeraphat Phetcharakupt	0.40
7. Mr. Thanachote Rungsititvat	0.40
8. Mr. Hong Chye Sim****	0.24
9. Pol. Gen. Somchai Vanichsenee*****	0.10

Noted: *Appointed ACM. Permkiat Lavanamal as a member of the Board, effective 1 February 2018

**Appointed Mr. Pat Jungkanku as a member of the Board, effective 23 January 2018

*** Appointed Mr. Porcham Aranyakananda as a member of the Board, effective 1 February 2018

**** Vacated from position due to pass away on 6 December 2018

***** Resigned from position with effective date on 1 February 2018

Remuneration for Directors and Management

- **Remuneration for Directors and Management**

In 2019, the remunerations for 3 directors and 9 directors paid as salaries, bonuses, and other remuneration (excluding meeting allowances mentioned above.) amounted to 37.78 million baht.

- **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 2019, 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

- **Number of employees**

As of December 31, 2018, the Company and its subsidiaries had the following numbers of employees and forms of compensation between 2017 – 2018:

DIVISIONS	NUMBER OF EMPLOYEES	
	2018	2017
1. Management Division	4	4
2. Corporate Strategy Division	4	4
3. Investment Division	15	12
4. Company Secretary and Legal Division	2	2
5. Internal Audit and Compliance Division	-	-
6. Financial and Accounting Division	2	2
7. Subsidiaries' employees	345	259
Total	372	283
Compensation (MB)	524	303

- **Significant changes in the number of employees in the past 1 year**

- As of December 31, 2018, the Company's the number of employees increased by 3 employees from 2017 in the Investment Division which was not a significant change.
- As of December 31, 2018, The Securities Company's the number of employees increased by 86 employees from 2017.

- **Serious labor disputes in the past three years**

- none –

- **Staff development policy**

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

07

CORPORATE GOVERNANCE

7.1 Corporate Governance Policy

The Board of Directors recognize the significance of good corporate governance which one of is the crucial factor for business to operations with effective management systems. Good corporate governance is also the foundation of businesses' sustainable growth for the long-term benefit of shareholders. Thus, the Board of Directors encourages and promotes the continuation of good governance system for all business units and their staffs whom covers the principles of integrity, transparency, being auditable, avoidance of conflicts of interest, timely information disclosures, and accuracy. The good governance system also includes being cautious and maintaining the equality of the interest of customers, shareholders and all stakeholders and 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/>. As a result, 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 the details of the step 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 Shareholders' Meetings at appropriate times and locations to facilitate the maximum number of shareholders to be 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 Shareholders' 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 of 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.
- Independent individual shall be appointed and presented to count or determine votes during Shareholders' Meetings and to disclose such information in meetings. This will be recorded and included 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 2018, the Company set up one Shareholders' Meeting - the annual General Shareholders' 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, 2018. 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, was present to answer any questions. An external auditor from Deloitte Touche Tohmatsu, Mr. Wonlop Vilaivaravith and Miss Jarunya Anantachai, and an independent external legal advisor from Weerawong, Chinnavat and Peangpanor Ltd, Miss Chadamarn Rattajarungporn, 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 deliver 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 meetings' 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 shareholders' 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 the 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.

7.3 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 Directors' 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.

7.4 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 of related transactions that require approval from the shareholders according to the SET's regulations prior to carrying out the transaction, the Company will disclose the details and reasons for the transaction to the shareholders in advance of the transaction. 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 about 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).

7.5 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 which do not lead to transfers of benefits.

Given the restructuring process, there could be an increase in number of persons who may be classified as related parties, hence there could be an increasing connected party transaction 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. Otherwise, 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. Additionally, the Article of Association of CGS has amended inconsistent with the mentioned policy. CGS shall strictly comply with.

7.6 Roles of Stakeholders

The Board of Directors have a responsibility to protect all stakeholders' 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.

In 2018, there were no workplace accidents, which resulted in zero absenteeism rate from workplace accidents. In addition, there were also no records of work-related illnesses.

- **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 2018, the Company arranged several training courses both inside and outside its offices. Courses provided outside for staff included:

- **Training for Directors**

- Dr. Veeraphat Phetcharakupt attend anti-corruption seminars under the concept of 'Thai awareness and combatting corruption' (Kon Thai Tuen Roo Su Kong) arranged by the Thai Institute of Directors (IOD).
- Dr. Veeraphat Phetcharakupt attend anti-corruption seminars, "Thailand's 9th National Conference on Collective Action against Corruption" arranged by the Thai Institute of Directors (IOD).

- **New Directors' orientations and new staff**

- orientation for new director 0 time (No new directors)
- orientation for new staff 1 time

- **Staff training**

- internal training sessions 3 times

- **Anti-Corruption Course**

Training was provided so that personnel would develop an improved understanding of good governance, morals and ethics, and knowledge and comprehension of prevention and suppression of corruption, all so that they would be able to apply this information to their work within the organization.

- 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 15 times**

(Average hours (per staff) of training 10 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, which help 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 competitors' secrets through any unethical or illegal means. Furthermore, the Company will not try to harm competitors' 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 for developing and maintaining long term relationship with such business partners who share 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, including contracts during the prices of goods and services in the aspect of paying the principal, interests, protecting the collateral and making payment for such goods and services.

Moreover, the Company also manages its capital to be sufficient for its loan repayment and its liquidity to ensure the ability to repay its loan obligation, as per repayment schedule.

- **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.

7.7 Policy on Anti-corruption

Following the resolution of Board of Directors' 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, which are 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:

- **Goals**

This policy aims to ensure that the Company, its subsidiaries, and personnel proceed as follows:

- Stating the intentions and determination of the Company, its subsidiaries, and personnel to engage in all kinds of anti-bribery and corruption activities.
- Establishing rules and using them as procedural guidelines for directors, management, and personnel to follow in such efforts, and setting up measures so that no one disobeys said rules or guidelines.
- Preparing rules as procedural guidelines in the auditing and monitoring of all processes to ensure that they follow this policy.
- Encouraging personnel to be vigilant and to report any bribery or corruption through safe communication channels.

- **Scope**

This policy applies to the Company's directors, management, and all other personnel.

- **Definition**

Corruption is defined as the offering, promising, guaranteeing, demanding, or taking of money, assets, or other benefits in manners inappropriate for state agencies, government agencies, private agencies, or individuals, directly or indirectly causing them to act or to refrain from performing their duties in order to obtain or maintain a business. In addition, this extends to work toward making recommendations aimed at benefiting the Company, as well as acquiring or maintaining certain benefits that are inappropriate. This definition may not apply in cases where local laws, rules, regulations, restrictions, traditions, or trading practices allow such activities

Bribery is defined as the offering, promising, guaranteeing, demanding, or taking of money, assets, or any inappropriate benefits as motivation to behave in manners considered immoral, dishonest, and against the law.

Giving or taking bribes or other forms of corruption may be done in various ways including:

- Political contributions
- Charitable contributions and sponsorships
- Gifts and hospitality

Political contributions are defined as assistance, whether in terms of lending money or other types of assistance, in order to support political activities.

- **Roles and Responsibilities**

- The duties and responsibilities of the Board of Directors are to establish and to approve the Anti-Bribery and Corruption policy to support the associated system. This will help to ensure that the Company's business operations are carried out according to the law, rules, regulations, and good ethics. Management has recognized and emphasized the importance of Anti-Bribery and Corruption efforts.
- The Audit and Corporate Governance Committees' duties and responsibilities are carrying out assessments to ensure that the Company has been properly regulated and ensuring that operations follow the Anti-Bribery and Corruption policy.
- The Chairperson, directors, management, and personnel are responsible for fully utilizing the Anti-Bribery and Corruption policy. A system has been established in work procedures to support, encourage, and control so that all divisions will follow the policy.
- The Compliance team is responsible for auditing and assessing to guarantee that procedures are carried out properly according to policy and the concerned laws. This is done to ensure that the Company possesses an adequate and appropriate internal control system and reports to the Audit Committee.
- Personnel must perform their duties according to this policy. In the case of any questions or disobedience, they must report to their supervisors or notify the Company through an established channel.

- **Policy and procedural guidelines**

- **The Anti-Bribery and Corruption policy**

Personnel of the Company and its subsidiaries are prohibited from operating, accepting, or participating in any form of bribery or corruption, whether directly or indirectly. The Company and its subsidiaries' business operations will be regularly reviewed to ensure that they do not violate the policy by engaging in bribery or corruption. The directors and management are responsible for reviewing the procedures and regulations of the policy in order to comply with changes in business, rules, regulations, and laws.

- **Political contributions**

Political contribution must be handled in accordance with laws regarding bribery and corruption. The Company has no policy on supporting or providing assistance in politics and will not participate in or encourage political activity. Examples of such include donating goods or services, advertising to support or encourage a political entity, purchasing of event tickets for fundraising, donating to organizations with a close relationship to political parties, providing technology services with free of charge, and using the working time spent by employees to gain a business advantage. The Company's policy toward political assistance is as follows:

- The Company will operate its business without any prejudices, not showing any affinity for politics or any particular politicians or political parties.
- All personnel will have complete freedom in political participation under the Constitution; however, they must not act as employees of the Company or utilize its assets, equipment, or tools in any political activities. If they do take part in such activities, they must proceed with caution so that there are no misunderstandings suggesting that their actions were done on behalf of the Company, which might in turn lead to the public having misconceptions about the Company's neutral stance on politics.
- In the event that the Company wishes to display political support, such actions must not go against any relevant laws or be done with the expectation of certain benefits. Prior to engaging in such support, a report indicating the name of those supported and the goal of said support, along with complete accompanying documents, must be submitted for approval by the Board of Directors.

- **Donations or contributions**

Donations or contributions to good causes must be carried out with full transparency and in accordance with the law. To ensure that the Donations or contributions will not be used as a front for bribery, the receiver's name and donation or cause's goal must be clearly specified. In addition, they also must comply with the Company's ethics, regulations, orders, or any relevant laws.

- **Facilitating Payments**

Payment made in exchange for convenience to state agencies for the purpose of expediting procedures is prohibited.

- **Gifts, services, and other benefits**

Giving or taking gifts, special privileges, entertainment, and other expenses or exchanged benefits are allowed and considered as normal business practices, traditions, or fitting in the context of local festivals if there is no effects on the Company's business operations and no risk in bribery and corruption. This is allowed as long as they are complying with standard business practices, ethics, regulations, orders, and relevant laws, including the conflict of interest policy set within the Corporate Governance policy.

The CEO shall set out guidelines for giving or receiving gifts, as well as any other benefits so that all employees may be able to follow them.

- **Policy, reviewing risk assessment measures, hedging procedures, and reporting events in which the Company may be involved in corruption**

- Setting up the policies, measures, and risk prevention process in bribery and corruption reviews, as well as developing procedures for receiving complaints and reporting bribery and performing corruption reviews once a year so that they will be more comprehensive and effective.
- The Risk Management Department is to set up risk assessment procedures for bribery and corruption and evaluate the risks of each, as well as report the results to the Risk Management Committee and the Board of Directors at least once every quarter.
- The Compliance and Internal Audit staff are to report any events wherein the Company may have had involvement in bribery or corruption to the Audit Committee and the Board at least once a quarter.

- **Human Resource Management**

This Anti-Bribery and Corruption policy covers all human resource processes such as recruiting, training, and evaluating of work compensation and promotion. The policy is to be used as part of the disciplinary methods of the Company's personnel management.

The Company is to set up training courses to communicate the Anti-Bribery and Corruption policy whenever possible at the appropriate times and occasions.

- **Communication with employees and customers**

The Company is to announce the Anti-Bribery and Corruption Policy to every employee and to broadcast it through different channels:

- All personnel will receive a copy of this policy by e-mail, the Company's internal, and external channels to ensure that they know and understand it.
- This policy will be part of the documents newly hired employees must sign to signify their acknowledgment of the rules and connected policies prior to assuming their positions.
- The Company will announce the policy on its website, as well as communicate it to its business associates, stakeholders, and individuals associated with it.

In 2018, the Company arranged for all its employees to attend anti-corruption seminars under the concept of 'Thai awareness and combatting corruption' (Kon Thai Tuen Roo Su Kong) to promote awareness of anti-corruption efforts and bribery for the purpose of gaining unfair advantages in business.

- **Protection for directors, executives, and other employees**

The Company assures its employees that they will receive fair treatment and protection stemming from refusal of bribes or any actions that would be considered corruption, as well as in cases where they alert the Company about incidents of bribery and corruption. While rejections of the sort could potentially cost the Company some business opportunities, it believes that the absolute refusal to accept bribery and its corruption policy will serve to create value for it in the long run.

If any personnel are threatened or intimidated due to their refusal to participate in what is considered bribery or corruption, they are to immediately notify their supervisor, management, or the compliance and internal audit staff. In the event that the problem is not rectified, they are to report through the proper channels under this policy.

- **Disobeying the policy**

The Company will punish any directors, members of management, or personnel who disobey these policies, including direct supervisors for disregarding or inaction in the face of any wrongdoing or failure to acknowledge such wrongdoing with disciplinary actions. Penalties can range up to dismissal and/or removal from a position. Furthermore, employees cannot use ignorance (of these policies and/or any relevant laws) as an excuse for disobedience.

- **Reporting clues or complaints**

If directors, management, employees, or other individuals have suspicions or evidence of directors, management, personnel, or others engaging in corruption on behalf of the Company, they must report the incident or make a complaint to the Company. The Company will keep information regarding the individuals making the report confidential and will use this knowledge in administration and interior operations, but may disclose it if issued orders by authorities such as courts of law, the SEC, or other relevant regulatory bodies.

The individuals notifying the Company must do so with good intentions. If the Company finds any evidence of dishonesty in the message or finds that it was made with malicious intent to damage, defame, or otherwise harm others, it will take the appropriate further actions.

Directors, management, personnel, and stakeholders are able to directly submit a complaint personally or in writing through the following channels:

- Telephone: 02-256-7999 ext. 1108
- Facsimile: 02-256-7888
- E-mail: CompanySec@cgholdings.co.th
- Letters indicating the sender's first name, last name, and telephone number with the complaint, must be sent to the recipient of the complaint at the following address:

Country Group Holdings PCL

132 Sindhorn Tower 3. 20th Floor, Wireless Road Lumpini, Pathumwan Bangkok 10330

The recipient of the complaint may be one of the following four:

- Chairperson of the Board
- Chairperson of the Audit Committee
- Chief Executive Officer
- Head of Compliance and Internal Audit

Action on Complaints

- Collecting information from the complaint to present to the Audit Committee and advise the informant of the complaint's status.
- The Audit Committee will follow the scrutiny process in accordance with the established rules and regulations within seven days.
- Providing guidelines to the sub-committees concerned and the Board of Directors, respectively, to resolve the issue.
- If the accusation is found to be true, the Company will apply a punishment consistent with its regulations or according to any relevant laws.

Protection for Parties Making Complaints

The receiver of complaints must keep the whistleblower's information and details given to the Company confidential and not disclose them to any outside parties.

In 2018 the Company did not find any significant complaints from any of its directors, executives, employees, or stakeholders.

7.8 Social responsibilities policy and practice

The Company is aware of our role in social responsibilities to the community that we are a part of and 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 with three focusing areas including education, religion, and quality of life. Additional details will be presented 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 use resources efficiently and effectively.
- 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 in a 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

7.9 Disclosure and Transparency

• Information Disclosure

- Provide accurate and updated information in both English and Thai. Disclosure should be 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 investors' decision making and other beneficial actions through the Investor Relations Division or the Company Secretary's Office.
- 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, Directors' opinions, including policies on Directors' and senior executives' remuneration in the annual report and the Company's website in accordance with the minutes of Board of Directors' 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 Auditors' 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 2018, 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 which may impact on share prices and investor sentiment. Therefore, the information must be provided in a timely and consistently manner 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's 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. The Investor Relations team will also 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 Company Secretary's Office by telephone at 0-2256-7999 ext. 1707, or by e-mail at CompanySec@cgholdings.co.th.

7.10 Policy on Internal information usage

The Company has set a policy to control and regulate internal information usage, so there are measures 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:

- The Board of Directors and Management, along with spouse and underage children, must report their assets according to SEC and SET regulations.
- 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.
- 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.

- Disclosing information to public requires approval from the Chairperson, executives, division, or appointed individuals.
- 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.

7.11 Responsibilities of the Board of Directors

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

• Structure of the Boards

- The Board consists of at least five but not more than twelve directors who are skilled, experienced, dedicated, and equipped with knowledge and independent judgment to constructively discuss opinions in Board meetings. Furthermore, each director must possess qualifications specified by law. In addition, 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, 2018, four of the nine members of the Board of Directors were Independent (with one woman). The Company's Secretary has taken the role of the efforts between the Directors and Management as well as overseeing and coordinating with the Legal Division and any relevant regulations or other tasks according to the Board of Directors' resolution.
- 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.
- Clearly define the power and authorities of Chairperson and Chief Executive Officer who must not be the same person.
- 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.
- Appoints the Company's Secretary to advise on rules and regulations that the Board of Directors must be aware of in order to perform 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. The duties and responsible also cover the actions to ensure 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 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 and repeatedly evaluating such systems in Board of Directors' 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, seeking opportunities, receiving information from being Directors or employees of the Company for pursuing personal interests, 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 competitors' 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 Directors' 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 Directors' 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 23.08 percent (excluding independent directors), with CGH owning over 24.96 percent of MFC's shares following the restructure.

In the resolution for Board of Directors' 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.

Since Mr. Sim Hong Chye, the director, passed away on December 6, 2018, there are currently seven people on the Subsidiary's Board of Directors.

- | | |
|--------------------------------|----------------------|
| 1. Mr. Surabhon Kwunchaithunya | Chairperson |
| 2. ACM. Permkiat Lavanamal | Independent Director |
| 3. Mr. Vasu Chewprecha | Independent Director |
| 4. Mr. Pat Jungkankul | Independent Director |
| 5. Dr. Porcham Aranyakananta | Independent Director |
| 6. Dr. Veeraphat Phetcharakupt | Director and CEO |
| 7. Mr. Thanachote Rungsitivat | Director |

The Company's representatives represent 42.86 percent of its Subsidiary's directors, while Independent Directors make up 57.14 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 2018 in advance so that Directors would be able to prepare their schedules with convenience. There were also three irregular meetings, leading to a total of nine meetings of the Board.
- At least two-thirds Directors must be present for meetings to qualify as official Board of Directors' Meetings. The Company's Chairperson has to approve the agenda by discussing 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 Directors' 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.

- **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:

- **Subject of evaluation**

- Board structure and Qualifications
- Roles, duties, and responsibilities
- Board Meetings
- Director's duties
- Relationship with Management
- Self-development and executive development

- **Scoring Method**

- Completely disagree or nothing was done
- Disagree or little action was taken
- Agree or some action was taken
- Generally agree or considerable action was taken
- Fully agree or excellent action was taken

- **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:

- Leadership,
- Strategy,
- Implementation of strategy,
- Planning and financial procedures,
- Relationship with directors,
- Relationship with outsiders,
- Management and relationship with Personnel,
- Line of succession,
- Knowledge of Product and Service, and
- Personal qualifications.

In 2018, 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 13, 2018 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 Directors' remuneration in regard to attendance fees, the compensation for which received approval at the Annual General Shareholders' 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 Shareholders' Meeting on April 27, 2018. The Board intends to act transparently and according to Good Governance principles, with Directors receiving remuneration abstaining from voting on the matter.

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**

- 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.
- Any first-time directors will be informed of the Company's regulations and Director's Manual.

In 2018, the Company did not arrange any orientations for new directors, as there were none that year.

7.12 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 Directors' 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 Shareholders' 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**

- Directing the Company's business under the specified scope of objectives in compliance with regulations and laws and the shareholders' resolution with honesty and regard to maintain highest benefits of the shareholders.
- Setting 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.
- Developing corporate good governance practice within the Company by documenting, reviewing and evaluating the performance annually.
- Approving 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.
- Approving 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.
- Approving the Company's investment in business expansion or joint venture that bring highest benefits to the Company and its subsidiary.
- Establishing 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.
- Establishing 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.
- Establishing 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.
- Endorsing the Company's financial statements presented in annual report.
- Appointing the Chief Executive Officer and Managing Director and monitor their performances with respect to entitled authorities and scope of responsibilities.
- Providing 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.
- Providing effective communication channels between the Company and shareholders, stakeholders as well as the public.
- Evaluating performance of the Company's board of directors annually to jointly examine the result and concerns in order to develop efficient solutions.
- Managing and monitoring its subsidiaries as the Company's unit - oversee their operations with respect to the Company's regulations.

In 2018, the Board of Directors held nine meetings in total.

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

- Ensuring accuracy and transparency on financial reports of the Company and its Subsidiary together with the Company's Auditor and the concerned Management.
- Ensuring compliance with the law concerning the Securities Company Act, SET regulations, and other applicable laws.
- Ensuring 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.
- Selecting and appoint the Company's Auditor as well as the remunerations.
- Ensuring legal compliance concerning related transactions or transactions with conflicts of interest to maintain the Company's benefit.
- Preparing and disclosing Audit Committee reports in the annual reports that are endorsed by the Chairperson of the Audit Committee.

The reports must consist of the following:

- Observing on financial information disclosure in terms of accuracy and accountability
- Observing on the Company's internal controls
- Observing on the appropriateness of the auditors
- Observing on compliance with SEC and SET regulations and any other applicable laws
- Observing on the Company's conflicts of interest
- Observing on any transactions concerning interests of shareholders or investors within the scope of authorities provided by the Board.
- Conducting any other responsibilities as deemed appropriate by the Board.

In 2018, the Audit Committees held four meetings in total.

- **Roles and responsibilities of the Nomination and Remuneration Committee**

- Recruiting 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.
- Nominating eligible persons as candidates for Independent Director by which the evaluations on their autonomy are conducted prior to the nominations.
- Providing reliable advice on any amendments in the number of the Company's Directors to the Board of Directors as needed or deemed appropriate.
- Reviewing 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
- Developing 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.
- Developing remuneration structures for the Directors, the Sub-Committees, the CEO/Managing Director that correlate 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.
- Reviewing remuneration structures of the employees in the Company and its Subsidiaries and propose suggestions to the Board to seek approval prior to annual remuneration.
- Reviewing 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 2018, the Nomination and Remuneration Committee held two meetings in total.

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

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

In 2018, the Good Governance Committee held one meeting in total.

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

- Providing 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.
- Defining 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.
- Ensuring 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.
- Monitoring and evaluating risk management in each department, and ensure that the Company and its Subsidiaries possess sufficient infrastructure, resources, and adequate risk control systems.
- Reviewing 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.
- Preparing annual performance evaluation reports for the Risk Management Committee, set up performance targets for the following year, and make proposals to the Board.
- Conducting any other responsibilities as deemed appropriate by the Board and the Risk Management Committees.

In 2018, the Risk Management Committee held four meetings in total.

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

- Defining 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.
- Defining 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.
- Reviewing risk management policies and measures so they match the Company's policies on investment.
- Overseeing the Company's investment policy to comply with the policy set by the Board.
- Reviewing the Company's annual investment plan and make proposals to the Board.
- Conducting 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.
- Nominating the Company's representative for election as Director or Executive of the invested company upon the Board's approval.
- Overseeing investments with respect to the Company's guidelines and report on the performance of the investment to the Board.
- Proposing a change in capital investment or a termination of a joint investment to the Board.
- Conducting any other responsibilities as deemed appropriate by the Board and the Risk Management Committees.

In 2018, the Investment Committee held seven 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 ensuring 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.

7.13 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 Shareholders' 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 Shareholders' 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 Shareholders' 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 Shareholders' 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 Shareholders' 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 Shareholders' 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 Directors' 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 Shareholders' 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 Shareholders' 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 Shareholders' 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 Affiliates' 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 Chairperson 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 Director purchases Company assets, sells assets to the Company, or operates any businesses dealing with the Company without 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.

7.14 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 Directors' 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.

7.15 Number of Listed Company of Chief Executive Office 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.

7.16 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.

7.17 Directors' 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.

7.18 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 stakeholders' 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.

7.19 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.

7.20 Audit Fees

As per the resolution of the Annual Shareholders' Meeting in 2018, the auditor from Deloitte Touche Tohmatsu Jaiyos Co., Ltd was appointed as the Company's Auditor. The audit fee for 2018 was set at 1.18 million baht, with the fees for 2017 and 2018 consisting of the Company's Auditor's fees and other services with the following details:

Unit: Millions of Baht		
TRANSACTIONS	2018	2017
Audit Fees	1.18	1.18
Other services	None	None
Total	1.18	1.18

08

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company and its affiliates recognize the importance of and have given attention to support efforts at corporate social responsibility (CSR) and combat 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.

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 follow:

- 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 competitors' sensitive information through illegal means, as well as not attempting to defame them.
- Collecting 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 2018 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 2018 Policy and related policies" program on May 11, 2018.



- 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 "Awakening Thais to Fight with Anti-Corruption" theme on September 6, 2018 at Bhiraaj room, Bitec Bangna.



- On November 6, 2018, the Thai Institute of Directors (IOD), acting as the Secretary of the Board of Directors of Thailand's Private Sector Collective Action Coalition against Corruption (CAC), announced that at Board Meeting Number 3/2018 on November 5, 2018, it had decided to approve Country Group Holdings PCL as a member. It also issued a certificate of approval that will be valid for three years from the date of approval.
- Police Lt. Gen. Werapong Chuenpagdee attended the 'Anti-Corruption: The Practical Guide' training course organized by the Thai Institute of Directors.

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 on Friday evening twice a month
 - 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 regard 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 stakeholders' benefits and confidential information with honesty and integrity. They have prepared channels for these groups' 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:

- Strictly obeying the law and regulations regarding the environment.
- Encouraging and rallying personnel to aid each other in saving electricity, conserve the environment, and continually adjust their work processes to preserve it.
- Realizing effective water consumption by regularly inspecting water pipes and meters.
- 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 2018, 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.

- **Environmental Conservation**

- CGH and CGS jointly participated in beach cleaning activities in the “Conserve the Sea and the Beach” event at Ban Amphur Beach, Sattahip, Chonburi Province, on Friday, November 23, 2018. Fifty volunteers from the CGH staff participated with the intent to promote a sense of conservation and preservation of the environment. Furthermore, the activity promoted good relations between the two companies.



- **Religious Cultivation**

- Hosted the Royal Kathin ceremony at Wat Phra In Plaeng, Amphoe Mueang, Nakhon Phanom on November 10, 2018, at the expense of 10,000 baht.
- Donated 50,000 baht toward the Thod Kathin ceremony for the building of a sermon hall at Wat Santitham Banpot, Tambon Na Klang, Amphoe Na Klang, Nong Bua Lamphu on November 18, 2018.

- **Societal Improvement**

- Hosted funeral rites for Gen. Akaradej Sasiprapa on April 2, 2018 at Wat Sommanat at the expense of 50,000 baht.

09

INTERNAL CONTROLS AND RISK MANAGEMENT

9.1 The Board of Directors' 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 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 2018, 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. Wonlop Vilaivaravit of Deloitte Touche Tohmatsu Jaiyos Co. Ltd, the Company's auditor for the quarter and 2018 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 Divisions' 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.

10

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 are as follows:

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2018	2017	
Country Group Securities Public Company Limited	Trade and other receivables	46,234,047	189,562,641	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
	Trade and other payables	20,795,920	76,851,987	
	Fee and service expenses	17,982,983	19,535,553	
	Interest income	360,480	189,506	
	Other expenses	-	468,126	
	Investment in subsidiary company	3,463,625,181	3,463,422,524	Entrance into investments is within the normal course of business for the Company
	Debenture	42,979,554	-	
	Short-term loan from related company	16,178,082	5,000,000	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	1,088,325	9,902,055	
	Dividend income	-	97,728,944	Dividend payments were per the resolution from the Annual General Shareholders' Meeting
	Dividend paid	345	273	

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2018	2017	
MFC Asset Management Public Company Limited	Investment in associated company	675,007,170	675,007,170	Entrance into investments is within the normal course of business for the Company
	Dividend income	43,900,990	47,811,796	Dividend payments were per the resolution from the Annual General Shareholders' Meeting
	Dividend paid	1,505,000	1,192,820	
	Accrued expenses	-	56,753	Management fees are part of the Company's normal business procedures at estimated market price
	Fee and service fees	620,713	950,792	
	Dividend paid	11,679,938	-	Dividend payments were per the resolution from the Annual General Shareholders' Meeting
Mutual fund under management by associated company				
Related persons	Dividend paid	25,417,978	7,496,694	
Director	Dividend paid	28,703,771	22,751,176	
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	84,749,850	56,499,900	Dividend payments were per the resolution from the Annual General Shareholders' Meeting
	Dividend paid	621,705	437,967	
Country Group Development Public Company Limited	Investment held as available for sale	952,261,248	985,233,060	Entrance into investments is within the normal course of business for the Company
	Dividend paid	5,357,163	4,245,934	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
		2018	2017	
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	311,100	Entrance into transaction is within the normal course of business for the Company
Genki Power One Co., Ltd.	Short term loan to subsidiary company	69,132,650	-	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
	Trade and other receivables	2,710,718	2,640,260	Entrance into transaction is within the normal course of business for the Company
Tech Reform Co., Ltd.	Trade and other receivables	629,160	629,160	
Solar Technic Co., Ltd.	Trade and other receivables	629,160	629,160	

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

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2018	2017	
Ben Taechaubol	Brokerage fee - Securities	406,206	6,640	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	69,222,821	2,523,935	
	Interest income	1,907,389	146,627	
Tommy Taechaubol	Brokerage fee - Securities	494,691	185,902	
	Brokerage fee - Derivatives	1,461,788	416,716	
	Deposit for customer's account	8,875,292	12,983,092	
	Securities business receivables	116,647,745	16,777,309	
Mutual fund managed by associate	Interest income	3,460,652	320,310	Entrance into investments is within the normal course of business for the Subsidiary Company.
	Brokerage fee - Securities	57,849,357	74,039,866	
	Investment - net	71,687,553	62,192,546	
Country Group Development Public Company Limited	Brokerage fee - Securities	-	-	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.
	Deposit for customer's account	5,523	5,479	
	Financial cost	44	306,256	
	Investment	42,996,969	-	

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2018	2017	
	Fee and service expense	14,850,000	-	Underwriting fee and bond representative fee 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.
	Other liabilities	1,050,000	-	
EDP Enterprise Company Limited	Premises and equipment expenses	1,365,600	1,365,600	Warehouse rental expenses are in the normal course of the Subsidiary Company.
Sing Sian Yer Pao Company Limited	Other expenses	449,400	925,550	Advertising expenses are in the normal course of the Subsidiary Company.
	Other liabilities	-	74,900	
MFC Asset Management Public Company Limited	Selling agent fee	576,344	479,314	Selling 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.
	Fee and service fees income	227,066	308,110	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	26,300	103,500	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	140	217,636	Management fee is in the normal course of business for the Subsidiary Company.
	Fee and service expense	180,062	-	Entrance into SBL transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price.

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2018	2017	
Padang Industry Public Company Limited and group	Securities business receivable	17,080,580	-	Entrance into SBL transactions fall within the normal course of business for the Subsidiary Company. This is done at the market price.
	Other assets	-	26,857	Entrance into transactions fall within the normal course of business for the Subsidiary Company.
	Securities business payables	362,085,228	195,963,289	Transactions for the purpose of bond trading are within the Company's normal business procedures, and rates are fixed to the market rate.
	Debt issued and borrowings	89,692,103	89,616,530	Entrance into finance transactions fall within the normal course of business for the Subsidiary Company.
Country Group Holdings Public Company Limited	Financial cost	2,611,716	1,064,511	
	Deposit for customer's account	35,016,161	40,069,134	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	17,184,731	8,479,418	
	Brokerage fee - Derivatives	615,272	1,121,510	
	Securities business receivables	20,733,600	21,391,371	
	Securities business payables	11,189,797	97,925,718	
	Financial cost	351,310	180,707	
	Interest income	554,263	-	
	Investment	42,979,554	-	Entrance into investments is within the normal course of business for the Company

CONNECTED PARTIES	NATURE OF TRANSACTION	AMOUNT (BAHT)		NECESSITY AND REASONABILITY OF TRANSACTION ACCORDING TO THE AUDIT COMMITTEE'S OPINION
		2018	2017	
	Short-term loan to the Parent company	16,751,185	16,265,843	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	485,342	9,917,898	
	Fee and service income	-	8,884,800	Underwriting 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 income	236,641	-	SBL fee is in the normal course of business for the Subsidiary Company. At the market price which is the same rate as general clients.
	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	This is done at the market price, which offers the same rates as general clients.
	Other assets	419,731	271,848	Entrance into transactions fall within the normal course of business for the Subsidiary Company.
	Dividend paid	-	97,728,944	Dividend payments were per the resolution from the Annual General Shareholders' Meeting
	Dividend income	345	273	Dividends 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, its subsidiary, 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 subsidiary 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 will follow the above measures to control related party transactions.

11

FINANCIAL STATEMENTS AND PERFORMANCE

FINANCIAL STATEMENTS

11.1 AUDITOR

2018 and 2017 Mr. Wonlop Vilaivaravit, CPA Number 6797 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

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

11.2 SUMMARY OF AUDITOR OPINION IN THE PAST THREE YEARS

2018: Unqualified opinion

2017: Unqualified opinion

2016: Unqualified opinion

11.3 AUDITOR'S REMUNERATION

1. AUDIT FEE

1.1 AUDIT FEE OF THE COMPANY

- In 2018, the Company received approval from Annual Ordinary Shareholders' Meeting Number 1/2561 (1/2018)'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 2018 at 1.18 million baht.
- 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.

1.2 AUDIT FEE OF THE SUBSIDIARY COMPANY (CGS)

- In 2018, 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 2018 at 2.32 million baht.
- 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.

1.3 Non Audit Fee

- None -

11.4 CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

Unit: Baht

ASSETS	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31,					
	2018	%	2017	%	2016	%
CURRENT ASSETS						
Cash and cash equivalents	764,689,492	8.35	1,236,650,168	14.05	1,480,778,898	18.68
Current investments	3,342,601,363	36.49	3,125,103,946	35.50	1,972,029,814	24.88
Trade and other current receivables	102,297,975	1.12	67,507,410	0.77	112,669,546	1.42
Receivables from Clearing House and broker - dealers	241,386,690	2.63	440,349,433	5.00	866,529,737	10.93
Securities business receivables	1,322,103,550	14.43	722,323,919	8.20	452,024,236	5.70
Others	-	-	-	-	-	-
Total Current Assets	5,773,079,070	63.02	5,591,934,876	63.52	4,884,032,231	61.63
NON-CURRENT ASSETS						
Investment held as available for sale	1,264,041,786	13.80	1,131,327,322	12.85	259,261,232	3.27
Investments in associates	1,565,180,722	17.09	1,677,881,395	19.06	2,356,418,849	29.73
Other long-term investments	5,745,550	0.06	5,488,750	0.06	5,488,750	0.07
Property, premises and equipment	177,697,617	1.94	101,276,414	1.15	125,416,567	1.58
Intangible assets	114,444,851	1.25	106,603,085	1.21	104,479,469	1.32
Deferred tax assets	148,428,682	1.62	98,674,661	1.12	103,731,849	1.31
Other non-current assets	111,497,749	1.22	90,541,722	1.03	86,382,153	1.09
Total Non-Current Assets	3,387,036,957	36.98	3,211,793,349	36.48	3,041,178,869	38.37
TOTAL ASSETS	9,160,116,027	100.00	8,803,728,225	100.00	7,925,211,100	100.00

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Unit: Baht

LIABILITIES AND SHAREHOLDERS' EQUITY	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31,					
	2018	%	2017	%	2016	%
CURRENT LIABILITIES						
Trade and other current payables	124,722,303	1.36	114,722,321	1.30	88,023,860	1.11
Payables to Clearing House and broker-dealers	246,173,586	2.69	-	-	44,607,750	0.56
Securities business payables	1,630,005,282	17.79	1,255,813,366	14.27	1,747,949,290	22.06
Debts issued and borrowings	211,166,928	2.31	144,215,456	1.64	-	-
Short-term loan from a subsidiary	-	-	262,800	0.00	6,898,662	0.09
Total Current Liabilities	2,212,068,099	24.15	1,515,013,943	17.21	1,887,479,562	23.82
NON-CURRENT LIABILITIES						
Debentures	1,036,820,446	11.32	1,079,800,000	12.26	-	-
Provisions for employee benefits	22,662,774	0.25	17,472,190	0.20	12,930,291	0.16
Deferred tax liabilities	-	-	-	-	-	-
Other non-current liabilities	1,825,455	0.02	1,819,018	0.02	3,313,503	0.04
Total Non-Current Liabilities	1,061,308,675	11.59	1,099,091,208	12.48	16,243,794	0.20
TOTAL LIABILITIES	3,273,376,774	35.74	2,614,105,151	29.69	1,903,723,356	24.02

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Unit: Baht

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)	CONSOLIDATED FINANCIAL STATEMENTS					
	AS AT DECEMBER 31,					
	2018	%	2017	%	2016	%
SHAREHOLDERS' EQUITY						
SHARE CAPITAL						
Authorized share capital						
6,143,905,902 ordinary shares						
of Baht 1 each	6,143,905,902					
6,075,927,916 ordinary shares						
of Baht 1 each			6,075,927,916		6,075,927,916	
Issued and paid-up share capital						
4,336,906,384 ordinary shares						
of Baht 1 each, fully paid	4,336,906,384	47.35				
4,336,768,278 ordinary shares						
of Baht 1 each, fully paid			4,336,768,278	49.26	4,336,768,278	54.72
Ordinary shares held by subsidiary	(9,850)	(0.0001)	(9,850)	(0.0001)	(9,850)	(0.0001)
Share premium	669,063,234	7.30	668,977,138	7.60	668,977,138	8.44
Other component of shareholders' equity	(83,205,867)	(0.91)	32,878,735	0.37	(21,779,738)	(0.27)
Retained earnings						
Appropriated - Statutory reserve	148,552,970	1.62	145,584,211	1.66	137,020,743	1.73
Unappropriated	796,305,191	8.69	986,061,340	11.20	880,636,165	11.11
EQUITY ATTRIBUTABLE TO OWNERS	5,867,612,062	64.05	6,170,259,852	70.09	6,001,612,736	75.73
OF THE PARENT						
NON-CONTROLLING INTERESTS	19,127,191	0.21	19,363,222	0.22	19,875,008	0.25
TOTAL SHAREHOLDERS' EQUITY	5,886,739,253	64.26	6,189,623,074	70.31	6,021,487,744	75.98
TOTAL LIABILITIES AND						
SHAREHOLDERS' EQUITY	9,160,116,027	100.00	8,803,728,225	100.00	7,925,211,100	100.00

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Unit: Baht

CONSOLIDATED FINANCIAL STATEMENTS						
FOR THE YEARS ENDED DECEMBER 31,						
	2018	%	2017	%	2016	%
REVENUES						
Brokerage fees	300,170,937	48.69	214,219,937	25.19	541,614,653	39.92
Fees and services income	75,623,939	12.27	52,131,088	6.13	79,064,695	5.83
Interest on margin loans	28,632,002	4.64	14,274,809	1.68	34,881,568	2.57
Interest and dividend income	106,141,337	17.22	59,513,311	7.00	77,461,729	5.71
Gain on investments and derivatives	56,193,881	9.11	220,746,723	25.95	167,152,484	12.32
Share of profit from investments in associates	34,387,189	5.58	243,063,723	28.58	134,744,849	9.93
Income from the partial transfer of retail securities business	-	-	-	-	306,002,957	22.56
Gain on classified investments in associate to investment held as available for sale	-	-	21,612,253	2.54	-	-
Other incomes	15,357,135	2.49	24,945,596	2.93	15,713,518	1.16
TOTAL REVENUES	616,506,420	100.00	850,507,440	100.00	1,356,636,453	100.00
EXPENSES						
Employee benefits expenses	352,408,305	57.16	345,806,059	40.66	542,371,846	39.98
Fee and service expenses	92,899,852	15.07	67,106,054	7.89	109,397,514	8.07
Finance costs	82,200,842	13.33	11,624,630	1.37	11,268,766	0.83
Bad debt and doubtful accounts (Reversal)	(10,248,364)	(1.66)	10,952,493	1.29	12,503,674	0.92
Other expenses	159,592,913	25.89	192,075,267	22.58	255,776,625	18.85
TOTAL EXPENSES	676,853,548	109.79	627,564,503	73.79	931,318,425	68.65
INCOME (LOSS) BEFORE INCOME TAX	(60,347,128)	(9.79)	222,942,937	26.21	425,318,028	31.35
INCOME TAX INCOME	25,399,227	4.12	11,688,395	1.37	(33,248,282)	(2.45)
NET INCOME (LOSS) FOR THE YEARS	(34,947,901)	(5.67)	234,631,332	27.58	392,069,746	28.90
Total other comprehensive income (loss)						
for the year – net of tax	(116,211,882)	(18.84)	54,660,315	6.43	(9,028,519)	(0.67)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	(151,115,614)	(24.51)	289,291,647	34.01	383,041,227	28.23

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

Unit: Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	FOR THE YEARS ENDED DECEMBER 31,					
	2018	%	2017	%	2016	%
NET INCOME (LOSS) FOR THE YEAR						
ATTRIBUTABLE TO						
Owners of the Company	(35,066,631)	(5.69)	234,315,235	27.55	391,333,066	28.85
Non-controlling interests	118,730	0.02	316,097	0.03	736,680	0.05
NET INCOME (LOSS) FOR THE YEAR	(34,947,901)	(5.67)	234,631,332	27.58	392,069,746	28.90
NET COMPREHENSIVE INCOME (LOSS)						
FOR THE YEAR ATTRIBUTABLE TO						
Owners of the Company	(151,107,065)	(24.51)	288,973,708	33.98	382,230,120	28.17
Non-controlling interests	(8,549)	(0.001)	317,939	0.03	811,107	0.06
NET COMPREHENSIVE INCOME (LOSS)						
FOR THE YEAR	(151,115,614)	(24.51)	289,291,647	34.01	383,041,227	28.23
EARNINGS PER SHARE						
Basic earnings per share	(0.0081)		0.0540		0.0902	
Diluted earnings per share	(0.0081)		0.0540		0.0902	

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MANAGEMENT DISCUSSION AND ANALYSIS

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

Unit: Million Baht

	2018	2017	2016
TOTAL ASSETS	9,160.12	8,803.73	7,925.21
TOTAL LIABILITIES	3,273.38	2,614.11	1,903.72
TOTAL SHAREHOLDERS' EQUITY	5,886.74	6,189.62	6,021.49
TOTAL REVENUES	616.50	850.50	1,356.63
TOTAL EXPENSES	676.85	627.56	931.32
NET PROFIT	(34.95)	234.63	392.07

FINANCIAL RATIO	2018	2017	2016
Net profit margin (Percentage)	(5.69)	27.55	28.82
Liquid assets to total assets (Percentage)	63.02	63.52	60.94
Earning assets to total assets (Percentage)	84.51	61.62	73.91
Debt-to-equity ratio (times)	0.56	0.42	0.32

Company Performance Analysis

The Company's main source of income consisted of brokerage commissions, fees and services, profits, and returns on financial instruments (profit from investments, interest, and dividends), interest from margin loans (from securities trading), 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:

Units: Million baht

REVENUES	2018		2017		2016	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Brokerage fees	300.17	48.69	214.22	25.19	541.63	39.92
Fees and services income	75.63	12.27	52.13	6.13	79.06	5.83
Interest on margin loans	28.63	4.64	14.28	1.68	34.88	2.57
Interest and dividends	106.14	17.22	59.51	7.00	77.46	5.71
Gain (losses) on investments and derivatives	56.19	9.11	220.75	25.95	167.15	12.32
Share of profit from investments in associated companies	34.38	5.58	243.06	28.58	134.74	9.93
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	15.36	2.49	24.94	2.93	15.71	1.16
TOTAL	616.50	100.00	850.50	100.00	1,356.63	100.00

The Company would like to announce the operating results for the year ended December 31, 2018, which has been audited by auditor as follows:

Units: Million baht

INCOME STATEMENTS	FOR THE YEARS ENDED DECEMBER 31,			
	2018	2017	CHANGES	%
REVENUES	582.12	607.44	(25.32)	(4.17)
EXPENSES	676.85	627.56	49.29	7.85
SHARE OF PROFIT FROM INVESTMENTS IN ASSOCIATED COMPANIES	34.38	243.06	(208.68)	(85.85)
INCOME BEFORE INCOME TAX	(60.35)	222.94	(283.29)	(127.07)
INCOME (EXPENSE) TAX	25.40	11.69	13.71	117.28
NET INCOME FOR THE YEARS	(34.95)	234.63	(269.58)	(114.90)

According to audited financial statement as at 31 December 2018, The Company posted net loss of 34.95 million baht, compared to the previous year's net profit of 234.63 million baht. The primary causes of this change were:

1. Revenues amounted to 582.12 million baht, down 25.32 million baht (4.17 percent) from the previous value of 607.44 million baht. This was due to the following:
 - Revenue from commission increased by 85.96 million baht (40.12 percent) because of increasing trading volume in equity and derivative product.
 - Income from fees and services up by 23.49 million baht (45.06 percent), mostly due to underwriting fee.
 - Interest Income on margin loan up by 14.36 million baht (100.56 percent), mostly due to increasing lending amount.
 - Interest and dividends up by 46.63 million baht (78.36 percent), mostly due to increased investment portfolio.
 - Gain on investments and derivatives down by 164.56 million baht (74.55 percent) mostly as a result of gain on trading portfolio which decrease.
2. Expense amounted to 676.85 million baht, up 49.29 million baht (7.85 percent) from the previous value of 627.56 million baht. This was due to the following:
 - Employee benefit expense increased by 6.60 million baht (1.91 percent) because of the number of employees increasing
 - fees and services expense up by 25.79 million baht (38.43 percent), mostly due to increased fee based on increasing trading volume in equity and derivative product.
 - Financial cost up by 70.58 million baht (607.40 percent), mostly because at 1 December 2017, the Company issued debenture of 1,079.8 million baht with interest rate 6.25% p.a.
 - Reversal of bad debt and doubtful accounts of 10.25 million baht due to increasing collateral of the clients
 - Other expense down by 32.49 million baht (16.91 percent), mostly due to decreasing FX loss.
3. The Company's share of profits from investments in affiliates came out to 34.38 million baht, an decrease of 208.68 million baht (85.85 percent) from the previous value of 243.06 million baht due to an associate company's net loss.

Consolidated financial statement of financial position

Units: Million baht				
STATEMENT OF FINANCIAL POSITION	2018	2017	CHANGES	%
TOTAL ASSETS	9,160.12	8,803.73	356.39	4.05
TOTAL LIABILITIES	3,273.38	2,614.11	659.27	25.22
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	5,867.61	6,170.26	(302.65)	(4.90)
NON-CONTROLLING INTERESTS	19.13	19.36	(0.23)	(1.19)
TOTAL SHAREHOLDERS' EQUITY	5,886.74	6,189.62	(302.88)	(4.89)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,160.12	8,803.73	356.39	4.05

TOTAL ASSETS

As of December 31, 2018, the Company possessed total assets worth 9,160.12 million baht, an increase of 356.39 million baht (or 4.05 percent) from 8,803.73 million baht in 2017.

The changes in total assets were mainly attributable to the following factors:

Units: Million baht				
SIGNIFICANT ASSETS	2018	%	2017	%
Cash and cash equivalents	764.69	8.35	1,236.65	14.05
Temporary investments, Investment held as available for sale and Other long-term investments	4,612.39	50.35	4,261.92	48.41
Receivables from Clearing House	241.39	2.64	440.35	5.00
Securities and derivatives business receivables - net	1,322.10	14.43	722.32	8.20
Investments in associated companies	1,565.18	17.09	1,677.88	19.06
Others	654.37	7.14	464.61	5.28
TOTAL	9,160.12	100.00	8,803.73	100.00

- As of December 31, 2018, the Company possessed cash and cash equivalents amounting to 764.69 million baht, a decrease of 471.96 million baht (38.16 percent) from 1,236.65 million baht in 2017. Furthermore, the cash and cash equivalents were mostly made up 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
- As of December 31, 2018, the Company had short and long-term investments in the amount of 4,612.39 million baht, an increase of 350.47 million baht (8.22 percent) compared to 4,261.92 million baht in 2017.

Units: Million baht		
DETAILS OF INVESTMENTS	2018	2017
Current investments		
Unit trusts	167.60	46.40
Listed securities	766.69	1,108.53
Debt instruments	2,352.06	1,901.22
Available-for-sale investments	2.04	14.71
Debt instruments held to maturity	-	-
Deposits at financial institutions	54.21	54.24
Investment held as available for sale		
Available-for-sale investments	1,264.04	1,131.33
Other long-term investments		
General investments	5.75	5.49
TOTAL	4,261.92	4,261.92

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.

3. As of December 31, 2018, the Company possessed 241.39 million baht in receivables from clearing house, a reduction of 198.96 million baht (45.18 percent) compared to the previous year. The receivables from clearing house were made up of the value of net sales to customers and subsidiaries' accounts during the last two days of the year.
4. As of December 31, 2018, the Company's net securities and derivatives business receivables came out to 1,322.10 million baht, an increase of 588.78 million baht (83.04 percent) compared to the previous year, which mainly due to increases in receivables from debtors' deposit of 329.91 million baht and increases in loans (for debtors to trade securities) of 159.45 million baht. This was the net value of securities business receivables and derivatives business receivables in the last two business days of the year.

Bad Debts and Doubtful Accounts

Regarding to policies for allowances for doubtful accounts, subsidiaries 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, 2018, and 2017, the subsidiaries recorded an allowance for doubtful accounts for outstanding loans that came out to 359.64 million baht and 375.78 million, respectively.

TOTAL LIABILITIES

As of December 31, 2018, the Company had total liabilities amounting to 3,273.38 million baht, an increase of 659.27 million baht (25.22 percent) compared to the previous year at 2,614.11 million baht).

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

Units: Million baht				
SIGNIFICANT LIABILITIES	2018	%	2017	%
Payables to Clearing House and broker-dealers	246.17	7.52	-	-
Debts issued and borrowings	211.17	6.45	144.22	5.52
Securities business payables	1,630.01	49.80	1,255.81	48.04
Debentures	1,036.82	31.67	1,079.80	41.30
Others	149.21	4.56	134.28	5.14
TOTAL	3,273.38	100.00	2,614.11	100.00

1. As of December 31, 2018, the Company had trade accounts payable and other payables totaling 246.17 million baht, an increase of 246.17 million baht (100.00 percent) compared to the previous year. trade accounts payable came from buy value of clients' trading activities in subsidiary within last two business days of the year
2. As of December 31, 2018, the Company had debt securities issued and other loans with a maturity of less than one year totaling 211.17 million baht, with interest rates of 3.1 to 3.5 percent per annum.
3. As of December 31, 2018, the Company had securities business payables of 1,630.01 million baht, a increase of 374.20 million baht (29.30 percent) from the previous year at 1,255.81 million baht. A increase came mainly from SBL transaction
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, 2018, the Company had total shareholders' equity of 5,886.74 million baht, an decrease of 302.88 million baht (4.89 percent) from the 6,189.62 million baht of the previous year.

Units: Million baht

DETAILS OF INVESTMENTS	TOTAL OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Outstanding balance as of January 1, 2018	6,170.26	19.36	6,189.62
Changes in non-controlling interests from additional purchases of common subsidiary shares	0.02	(0.22)	(0.20)
Issue common share	0.23	-	0.23
Dividends Paid	(151.79)	-	(151.79)
Total comprehensive income (loss) for the year	(151.11)	(0.01)	(151.12)
Balance as of December 31, 2018	5,867.61	19.13	5,886.74

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. Additionally, 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 of investment

The net capital ratios of the Company's subsidiaries as of December 31, 2018 and 2017 were 99.02 percent and 132.35 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, 2018, it possessed cash and cash equivalents amounting to 764.69 million baht (18.35 percent of the Company's total assets). Moreover, it also had the total investment amount of 4,612.39 million baht (50.35 percent of the Company's total assets). In addition, the company had the ratio of liquid assets to total assets at 63.02 percent, the earning assets to total assets ratio at 67.42 percent, and the ratio of debt to shareholders' equity at 0.56 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, 2018, despite of net loss of 34.95 million baht due to lower profit from and investments and derivatives assets (164.56 million baht) and lower share of profits from investments in affiliates (208.68 million baht), the company still had strong revenue from commission, income from fees and services, interest Income on margin loan up, and interest and dividends up, which increased by 170.43 million baht from 340.14 million baht in 2017 to 510.57 million baht in 2018.

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, 2018 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)
Director and 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, 2018, 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, 2018, 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 a 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 42 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 and • 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 11, and Note 12 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 and • 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.

BANGKOK

February 26, 2019



Wonlop Vilaivaravit

Certified Public Accountant (Thailand)

Registration No. 6797

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	764,689,492	1,236,650,168	221,317,567	241,714,556
Current investments	6.1	3,342,601,363	3,125,103,946	1,077,435,106	1,383,717,909
Trade and other current receivables	7	102,297,975	67,507,410	64,882,680	209,828,885
Receivables from Clearing House and broker - dealers	8	241,386,690	440,349,433	-	-
Securities business receivables	9	1,322,103,550	722,323,919	-	-
Short-term loan to a subsidiary	10	-	-	69,132,650	-
Total Current Assets		5,773,079,070	5,591,934,876	1,432,768,003	1,835,261,350
NON-CURRENT ASSETS					
Investments held as available for sale	6.2	1,264,041,786	1,131,327,322	1,109,281,627	985,963,682
Investments in associates	11	1,565,180,722	1,677,881,395	1,502,449,120	1,502,449,120
Investments in subsidiaries	12	-	-	3,488,625,181	3,488,422,524
Other long-term investments	6.3	5,745,550	5,488,750	-	-
Property, premises and equipment	13	177,697,617	101,276,414	10,043,248	13,935,504
Intangible assets	14	114,444,851	106,603,085	-	-
Deferred tax assets	15	148,428,682	98,674,661	39,851,211	-
Other non-current assets	16	111,497,749	90,541,722	1,442,882	1,442,882
Total Non-Current Assets		3,387,036,957	3,211,793,349	6,151,693,269	5,992,213,712
TOTAL ASSETS		9,160,116,027	8,803,728,225	7,584,461,272	7,827,475,062

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, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	17	124,722,303	114,722,321	49,852,788	113,303,195
Payables to Clearing House and broker-dealers	18	246,173,586	-	-	-
Securities business payables	19	1,630,005,282	1,255,813,366	-	-
Debts issued and borrowings	20	211,166,928	144,215,456	-	-
Short-term loan from a subsidiary	21	-	-	16,178,082	5,000,000
Current income tax payable		-	262,800	-	-
Total Current Liabilities		2,212,068,099	1,515,013,943	66,030,870	118,303,195
NON-CURRENT LIABILITIES					
Debentures	22	1,036,820,446	1,079,800,000	1,079,800,000	1,079,800,000
Provisions for employee benefits	23	22,662,774	17,472,190	3,735,480	1,586,097
Deferred tax liabilities	15	-	-	-	4,234,728
Other non-current liabilities		1,825,455	1,819,018	-	-
Total Non-Current Liabilities		1,061,308,675	1,099,091,208	1,083,535,480	1,085,620,825
TOTAL LIABILITIES		3,273,376,774	2,614,105,151	1,149,566,350	1,203,924,020

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	24				
Authorized share capital					
6,143,905,902 ordinary shares of Baht 1 each		6,143,905,902		6,143,905,902	
6,075,927,916 ordinary shares of Baht 1 each			6,075,927,916		6,075,927,916
Issued and paid-up share capital					
4,336,906,384 ordinary shares of Baht 1 each, fully paid		4,336,906,384		4,336,906,384	
4,336,768,278 ordinary shares of Baht 1 each, fully paid			4,336,768,278		4,336,768,278
Ordinary shares held by subsidiary		(9,850)	(9,850)	-	-
Share premium	25	669,063,234	668,977,138	1,421,725,878	1,421,639,782
Other component of shareholders' equity	6.4	(83,205,867)	32,878,735	18,516,606	97,660,549
Retained earnings					
Appropriated					
Statutory reserve	28	148,552,970	145,584,211	56,511,529	54,408,860
Unappropriated		796,305,191	986,061,340	601,234,525	713,073,573
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		5,867,612,062	6,170,259,852	6,434,894,922	6,623,551,042
NON-CONTROLLING INTERESTS		19,127,191	19,363,222	-	-
TOTAL SHAREHOLDERS' EQUITY		5,886,739,253	6,189,623,074	6,434,894,922	6,623,551,042
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,160,116,027	8,803,728,225	7,584,461,272	7,827,475,062

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, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
REVENUES					
Brokerage fees	29	300,170,937	214,219,937	-	-
Fees and services income	30	75,623,939	52,131,088	-	-
Interest on margin loans		28,632,002	14,274,809	-	-
Interest and dividend income	31	106,141,337	59,513,311	165,395,654	217,770,955
Gain on investments and derivatives	32	56,193,881	220,746,723	27,605,913	77,120,831
Gain on classified investments in associate to investment held as available for sale	11	-	21,612,253	-	-
Other incomes	33	15,357,135	24,945,596	2,438,758	504,072
Total revenues		582,119,231	607,443,717	195,440,325	295,395,858
EXPENSES					
Employee benefits expenses		352,408,305	345,806,059	60,302,139	69,484,941
Fee and service expenses		92,899,852	67,106,054	22,975,112	31,300,315
Finance costs		82,200,842	11,624,630	68,575,825	15,633,870
Bad debt and doubtful accounts (Reversal)		(10,248,364)	10,952,493	-	-
Other expenses	36	159,592,913	192,075,267	25,833,828	72,767,632
Total expenses		676,853,548	627,564,503	177,686,904	189,186,758
Share of profit from investments in associates	2.3.3	34,387,189	243,063,723	-	-
INCOME (LOSS) BEFORE INCOME TAX		(60,347,128)	222,942,937	17,753,421	106,209,100
INCOME TAX INCOME	38	25,399,227	11,688,395	24,299,953	20,105,228
NET INCOME (LOSS) FOR THE YEARS		(34,947,901)	234,631,332	42,053,374	126,314,328

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 (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income that					
will not be reclassified to profit or loss					
Share of other comprehensive income of associates		44,169	-	-	-
		44,169	-	-	-
Components of other comprehensive income that will be					
reclassified to profit or loss					
Gains (loss) on re-measuring					
investments held as available for sale		(129,610,646)	101,379,466	(100,722,917)	122,075,686
Adjustment (surplus) deficit on re-measuring					
investments held as available for sale disposed					
during the years		7,469,395	(310,828)	1,792,988	376,274
Share of other comprehensive loss of associates		(18,498,881)	(21,851,442)	-	-
Income tax relating to components of other					
comprehensive income that will be reclassified					
to profit or loss	38	24,428,250	(24,556,881)	19,785,986	(24,490,392)
		(116,211,882)	54,660,315	(79,143,943)	97,961,568
Other comprehensive income (loss) for the years - net of tax		(116,167,713)	54,660,315	(79,143,943)	97,961,568
TOTAL COMPREHENSIVE INCOME (LOSS)					
FOR THE YEARS		(151,115,614)	289,291,647	(37,090,569)	224,275,896

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, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of parent		(35,066,631)	234,315,235	42,053,374	126,314,328
Non-controlling interests		118,730	316,097	-	-
NET PROFIT (LOSS) FOR THE YEARS		(34,947,901)	234,631,332	42,053,374	126,314,328
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO					
Owners of parent		(151,107,065)	288,973,708	(37,090,569)	224,275,896
Non-controlling interest		(8,549)	317,939	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEARS		(151,115,614)	289,291,647	(37,090,569)	224,275,896
EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF PARENT					
Basic earnings (loss) per share	39	(0.0081)	0.0540	0.0097	0.0291
Diluted earnings (loss) per share	39	(0.0081)	0.0540	0.0097	0.0291

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

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 SHAREHOLDERS' EQUITY	RETAINED EARNINGS			TOTAL OWNERS OF THE PARENT			
					SURPLUS (DEFICIT) ON RE-MEASURING INVESTMENTS	SHARE OF LOSS ON OTHER COMPREHENSIVE INCOME OF ASSOCIATED COMPANIES	APPROPRIATED STATUTORY RESERVE				
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	27	-	-	-	-	-	(120,301,952)	(120,301,952)	(672,375)	(120,974,327)	
Statutory reserve		-	-	-	-	8,563,468	(8,599,800)	(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)	145,584,211	986,061,340	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, 2018

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 (DEFICIT)	SHARE OF LOSS ON OTHER COMPREHENSIVE INCOME OF ASSOCIATED COMPANIES	APPROPRIATED STATUTORY RESERVE				UNAPPROPRIATED
			ON RE-MEASURING INVESTMENTS							
Balance as at January 1, 2018	4,336,758,428	668,977,138	68,824,969	(35,946,234)	145,584,211	986,061,340	6,170,259,852	19,363,222	6,189,623,074	
Change in shareholders' equity during the year										
Changes in non-controlling interests from additional purchases of share of subsidiary	-	-	-	-	-	24,826	24,826	(227,482)	(202,656)	
Issued ordinary shares	138,106	86,096	-	-	-	-	224,202	-	224,202	
Dividends paid	-	-	-	-	-	(151,789,753)	(151,789,753)	-	(151,789,753)	
Statutory reserve	-	-	-	-	2,968,759	(2,968,759)	-	-	-	
Total comprehensive loss	-	-	(97,585,721)	(18,498,881)	-	(35,022,463)	(151,107,065)	(8,549)	(151,115,614)	
Balance as at December 31, 2018	4,336,896,534	669,063,234	(28,760,752)	(54,445,115)	148,552,970	796,305,191	5,867,612,062	19,127,191	5,886,739,253	

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

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
NOTES	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENT OF SHAREHOLDERS' EQUITY	RETAINED EARNINGS		TOTAL SHAREHOLDERS' EQUITY
				SURPLUS (DEFICIT) ON RE-MEASURING INVESTMENTS	APPROPRIATED STATUTORY RESERVE	
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	-	-	-	-	(120,301,952)	(120,301,952)
Statutory reserve	-	-	-	6,315,716	(6,315,716)	-
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	54,408,860	713,073,573	6,623,551,042
Balance as at January 1, 2018	4,336,768,278	1,421,639,782	97,660,549	54,408,860	713,073,573	6,623,551,042
<u>Change in shareholders' equity during the year</u>						
Issued ordinary shares	138,106	86,096	-	-	-	224,202
Dividends paid	-	-	-	-	(151,789,753)	(151,789,753)
Statutory reserve	-	-	-	2,102,669	(2,102,669)	-
Total comprehensive loss	-	-	(79,143,943)	-	42,053,374	(37,090,569)
Balance as at December 31, 2018	4,336,906,384	1,421,725,878	18,516,606	56,511,529	601,234,525	6,434,894,922

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, 2018

Unit : Baht

NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	(60,347,128)	222,942,937	17,753,421	106,209,100
Adjustments				
Depreciation and amortization	26,152,183	27,113,064	3,966,514	4,003,916
Bad debt and doubtful accounts (reversal)	(10,248,364)	10,952,493	-	-
Unrealized loss on re-measuring investments	61,418,090	598,308	18,012,707	5,922,208
Loss from reclassification investments	24,653,794	-	8,506,003	-
(Gain) loss on disposal and written off equipment and intangible assets	352,625	(2,366,262)	-	-
Share of profit from investment for using equity method	(34,387,186)	(243,063,723)	-	-
Gain on classified investments in associates to investment held as available for sale	-	(21,612,253)	-	-
Gains on disposal investment property	(200,000)	-	-	-
Employee benefits expense	7,789,494	5,401,899	2,149,383	1,210,186
Finance costs	82,200,842	11,624,630	68,575,825	15,633,870
Interest and dividends income	(134,773,339)	(73,788,120)	(165,395,654)	(217,770,955)
Gain (loss) from operating activities before changes in operating assets and liabilities	(37,388,989)	(62,197,027)	(46,431,801)	(84,791,675)
(Increase) decrease in operating assets				
Trade and other current receivables	(7,527,996)	56,162,203	148,038,351	(19,850,037)
Receivables from Clearing House and broker - dealers	198,962,743	426,180,304	-	-
Securities business receivables	(589,531,267)	(281,252,176)	-	-
Trading investments	(646,955,101)	(1,231,565,501)	71,174,989	(828,166,233)
Other non-current assets	(22,256,026)	(4,159,569)	-	-

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Increase (decrease) in operating liabilities				
Trade and other current payables	10,767,279	21,156,152	(53,033,726)	78,045,105
Payables to Clearing House and broker - dealers	246,173,586	(44,607,750)	-	-
Securities business payables	404,140,713	(493,697,132)	-	-
Provisions for employee benefits	(2,598,910)	(860,000)	-	-
Other non-current liabilities	(73,458)	(1,494,485)	-	-
Cash received (paid) from operating activities	(446,287,426)	(1,616,334,981)	119,747,813	(854,762,840)
Cash received from interest	66,737,330	28,504,712	24,894,212	2,532,988
Cash paid for interest	(15,949,273)	(6,866,864)	(326,922)	-
Cash paid for corporate tax	(9,294,204)	(13,035,300)	(233,849)	(1,282,866)
Net cash flows provided by (used in) operating activities	(404,793,573)	(1,607,732,433)	144,081,254	(853,512,718)

COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Baht

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchases of investment held as available for sale		(607,500,783)	(398,941,799)	(546,003,424)	(351,833,414)
Cash received from sales of investment held as available for sale		621,670,524	491,485,225	530,960,348	426,057,146
Cash received from bill of exchange		-	60,000,000	-	40,000,000
Cash paid for purchase of investments in associates		-	(24,600,979)	-	(24,600,979)
Cash paid for general investment		(256,800)	-	-	-
Cash paid for purchase of share of a subsidiary from non-controlling interests		(202,658)	(181,990)	(202,658)	(172,546)
Cash received from dividend of investments in associates		128,650,840	104,311,696	128,650,840	104,311,696
Cash received from dividend of investment in subsidiaries		-	-	-	97,728,944
Cash received from dividend of investments in securities		51,292,605	30,436,143	10,376,612	12,908,684
Cash paid for short-term loan to a subsidiary		-	-	(69,132,650)	-
Cash received from sales of investment property		1,500,000	-	-	-
Cash paid for purchases of property equipment and intangible assets		(110,767,778)	(12,577,332)	(74,258)	(221,142)
Cash received from sales of premises and equipment and intangible assets		-	9,847,067	-	-
Net cash flows provided by investing activities		84,385,950	259,778,031	54,574,810	304,178,389
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for short-term loan from a subsidiary		-	-	-	(395,000,000)
Cash received from issued ordinary shares		224,202	-	224,202	-
Cash received from debentures	4.2	-	1,079,800,000	-	1,079,800,000
Cash received from debts issued and borrowings	4.2	67,500,000	145,000,000	-	-
Cash paid for dividends	27	(151,789,753)	(120,974,328)	(151,789,753)	(120,301,952)
Interest paid		(67,487,502)	-	(67,487,502)	-
Net cash flows provided by (used in) financing activities		(151,553,053)	1,103,825,672	(219,053,053)	564,498,048
Net increase (decrease) in cash and cash equivalents		(471,960,676)	(244,128,730)	(20,396,989)	15,163,719
Cash and cash equivalents as at January 1,		1,236,650,168	1,480,778,898	241,714,556	226,550,837
Cash and cash equivalents as at December 31,	5	764,689,492	1,236,650,168	221,317,567	241,714,556

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, 2018

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 head 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 June 11, 2018, the subsidiary has changed its registered office to 132, Sindhorn Tower 1, 3rd Floor, Sindhorn Tower 3, 18th 20th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

As at December 31, 2018 and 2017, the subsidiary has 8 branches and 7 branches, respectively.

On October 22, 2008, the Ministry of Finance had approved the securities business license type Kor No. Lor Kor-0002-01 for the subsidiary 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 November 6, 2018 to undertake the derivatives dealer from the Office at the Securities and Exchange Commission.

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 subsidiary 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 2017) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2018 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.

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 CONSOLIDATED 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,	
			2018 PERCENT	2017 PERCENT	2018 PERCENT	2017 PERCENT	2018 PERCENT	2017 PERCENT
<u>Subsidiaries</u>								
Country Group Securities	Securities							
Public Company Limited	business	Thailand	99.3	99.3	55.5	51.4	86.8	61.6
Genki Capital Co., Ltd.	Energy	Thailand	100.0	100.0	0.0	0.0	0.0	-
<u>Indirect Subsidiaries</u>								
Genki Power One Co., Ltd.	Energy	Thailand	100.0	100.0	0.0	0.0	0.0	-

- 2.3.1 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3.2 The financial statements of the subsidiaries for the year ended December 31, 2018 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 Group presented in the consolidated financial statements for the years ended December 31, 2018 and 2017 as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018		2017	
	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	41,966,071	6.8	35,536,213	4.2
Padaeng Industry Public Company Limited	(7,578,882)	(1.23)	227,750,312	26.8
Country Group Development Public Company Limited	-	-	(20,222,802) ⁽¹⁾	(2.4)
Total	34,387,189		243,063,723	

(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 11)

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, 2018. 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

- 2.5.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

Thai Financial Reporting Standards ("TFRS")

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 22 Foreign Currency Transactions and Advance Consideration

There is the key change to the core principle of TFRS 15, which introduces a 5-step approach to revenue recognition, as follow:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied. TFRS 15 will supersede the Standards and Interpretations relating to revenue upon its effective date.

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. 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 reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standard No.28 (Revised 2018) "Investment in Associates and Joint Ventures" clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss, and clarifies the consideration about the impairment of an investment in an associate or a joint venture. This accounting standard requires retrospective method for such amendment.

Thai Accounting Standard No.40 (Revised 2018) "Investment Property" clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.2 (Revised 2018) "Share-based Payment" adds the requirements, which require prospective method for the amendment as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

Thai Financial Reporting Standard No.4 (Revised 2018) "Insurance Contracts" determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No.9 "Financial Instruments" ("TFRS 9"). An entity can elect to exempt from TFRS 9 for annual periods beginning before January 1, 2022 or before TFRS 17 is effective.

2.5.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These TFRSs will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

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 is in the process to assess the impact of these TFRSs 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 Group 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 Group 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 consist of receivables from securities businesses of cash accounts, margin loans, guarantee deposit receivables, Securities borrowing and lending receivables and other receivables. Receivables from securities businesses of cash accounts are the receivables that were derived from cash settlements within 2 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 subsidiaries has already made every effort to collect, but which remain unpaid and which the subsidiaries has already written off in accordance with tax law.
 - 2) Loans balances which the 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.

Borrowing and lending of securities

The Company is engaged in securities borrowing and lending, whereby the Company acts as a principal of the borrowers and lenders of securities.

The Company records its obligations to return borrowed securities which it has lent as “Payables under securities borrowing and lending business” in the statement of financial position. At the end of the reporting period, the balance of payables under securities borrowing and lending business are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day of the year. Gains or losses arising from such adjustment are included in part of profit or loss in the statement of comprehensive income. The Company records cash paid as collateral for securities borrowing as “Guaranteed deposit receivables”. Fees from borrowing are recognised on an accrual basis over the term of the lending.

3.9 Investments in subsidiaries and associates

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

Investment in subsidiaries and associates 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 Group 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 associate 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 associates 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 Group 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 - 10 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 annually or whenever there is an 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 Group's 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 Group 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 Group 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 a subsidiary, 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 Group 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 Group 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 Group 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 Group 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 Group 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 Significant accounting judgement and estimates

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Group's management to exercise judgments in order to determine the accounting policies, estimates and 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:

3.25.1 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group's 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 Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Group's

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 Group 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 43.6.

3.25.2 Employee benefit obligations

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and comprehensive income when the plan amendment is effective.

4. Supplementary disclosures of cash flow information

4.1 Non-cash items are as follows:

During the years ended December 31, 2018 and 2017, the Group recognized gain (loss) 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 (116.2) million and Baht 54.7 million, respectively in the consolidated financial statements and approximately Baht (79.1) million and Baht 98.0 million, respectively in the separate financial statements.

During the year ended December 31, 2017, the Company transferred the investments from investments in associates to investments held as available for sale which occurred the gain on classified investments amounting to Baht 21.6 million in statements of profit or loss and other comprehensive income for the year ended December 31, 2017. (see Note 11)

4.2 Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2018 and 2017 in consolidated financial statements consisted of the following:

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENT								
	AS AT JANUARY 1, 2018	CASH FLOWS			NON-CASH CHANGES			AS AT DECEMBER 31, 2018
		CASH RECEIVED	CASH PAID	MATURITY	RENEWAL	AMORTIZED	OTHER	
Debt issued and borrowings								
Bill of exchange	145,000	67,500	-	(545,000)	545,000	-	-	212,500
Discount on Bill of exchange	(785)	(6,518)	-	-	-	5,970	-	(1,333)
Total	144,215	60,982	-	(545,000)	545,000	5,970	-	211,167
Debentures	1,079,800	-	-	-	-	-	(42,980)	1,036,820
Total	1,224,015	60,982	-	(545,000)	545,000	5,970	(42,980)	1,247,987

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENT

	AS AT JANUARY 1, 2017	CASH FLOWS			NON-CASH CHANGES			AS AT DECEMBER 31, 2017
		CASH RECEIVED	CASH PAID	MATURITY	RENEWAL	AMORTIZED	OTHER	
Debt issued and borrowings								
Bill of exchange	-	145,000	-	(90,000)	90,000	-	-	145,000
Discount on Bill of exchange	-	(2,383)	-	-	-	1,598	-	(785)
Total	-	142,617	-	(90,000)	90,000	1,598	-	144,215
Debentures	-	1,079,800	-	-	-	-	-	1,079,800
Total	-	1,222,417	-	(90,000)	90,000	1,598	-	1,224,015

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2018 and 2017 in separate financial statements consisted of the following:

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENT

	AS AT JANUARY 1, 2018	CASH FLOWS			NON-CASH CHANGES			AS AT DECEMBER 31, 2018
		CASH RECEIVED	CASH PAID	MATURITY	RENEWAL	AMORTIZED	OTHER	
Short-term loan from								
a subsidiary	5,000	-	-	-	-	-	11,178	16,178
Debentures	1,079,800	-	-	-	-	-	-	1,079,800
Total	1,084,800	-	-	-	-	-	11,178	1,095,978

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENT

	AS AT JANUARY 1, 2017	CASH FLOWS			NON-CASH CHANGES			AS AT DECEMBER 31, 2017
		CASH RECEIVED	CASH PAID	MATURITY	RENEWAL	AMOR- TIZED	OTHER	
Short-term loan from								
a subsidiary	400,000	-	(395,000)	-	-	-	-	5,000
Debentures	-	1,079,800	-	-	-	-	-	1,079,800
Total	400,000	1,079,800	(395,000)	-	-	-	-	1,084,800

5. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Cash, short-term deposits and promissory notes with maturities not later than 3 months from acquisition date	1,810,090,983	1,509,327,486	221,317,567	241,714,556
(Less) Deposits for customers' account*	(1,045,401,491)	(272,677,318)	-	-
Total	764,689,492	1,236,650,168	221,317,567	241,714,556

* 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, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS			
	AS AT DECEMBER 31, 2018		AS AT DECEMBER 31, 2017	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Trading investments				
Equity securities:				
Unit trusts	177,348,623	167,603,952	46,514,885	46,396,440
Listed securities	894,562,596	766,686,606	1,124,103,845	1,108,533,194
(Less) Allowance for revaluation	(137,620,661)	-	(15,689,096)	-
Total Equity securities	934,290,558	934,290,558	1,154,929,634	1,154,929,634
Debt instruments:				
Bond	-	-	9,946,577	9,946,577
Debentures	2,336,242,428	2,352,060,805	1,880,953,008	1,891,272,385
Add Allowance for revaluation	15,818,377	-	10,319,377	-
Total debt instruments	2,352,060,805	2,352,060,805	1,901,218,962	1,901,218,962
Total trading investments	3,286,351,363	3,286,351,363	3,056,148,596	3,056,148,596
Investments held as available for sale				
Equity securities:				
Listed securities	2,538,113	2,040,000	16,927,666	14,715,350
(Less) Allowance for revaluation	(498,113)	-	(2,212,316)	-
Total investments held as available for sale	2,040,000	2,040,000	14,715,350	14,715,350

	CONSOLIDATED FINANCIAL STATEMENTS			
	AS AT DECEMBER 31, 2018		AS AT DECEMBER 31, 2017	
	COST/ AMORTIZED COST		COST/ AMORTIZED COST	
	BAHT		BAHT	
Investments with held-to-maturity				
Debt instruments:				
Bill of exchange	139,000,000		139,000,000	
(Less) Allowance for loss on impairment	(139,000,000)		(139,000,000)	
Total debts instruments	-		-	
Deposits in financial instruments:				
Fixed deposit	550,206,063		200,231,033	
Deposits with restriction	54,010,000		54,010,000	
(Less) Deposits in customers' account*	(550,006,063)		(200,001,033)	
Total deposits in financial instruments	54,210,000		54,240,000	
Total investments with held-to-maturity	54,210,000		54,240,000	
Total	3,342,601,363		3,125,103,946	

* 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 securities brokerage purpose.

As at December 31, 2018 and 2017, the subsidiary had investments in debt instruments amounting to Baht 139.0 million which the subsidiary has fully provided allowance for loss on impairment.

Investments with held-to-maturity by remaining period

CONSOLIDATED FINANCIAL STATEMENT				
	AS AT DECEMBER 31, 2018			
	LESS THAN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	TOTAL
	BAHT	BAHT	BAHT	BAHT
Fixed deposits	550,206,063	-	-	550,206,063
Deposits with restriction	54,010,000	-	-	54,010,000
(Less) Deposits in customers' account*	(550,006,063)	-	-	(550,006,063)
Total	54,210,000	-	-	54,210,000

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

* 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.

SEPARATE FINANCIAL STATEMENTS				
	AS AT DECEMBER 31, 2018		AS AT DECEMBER 31, 2017	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Trading investments				
Equity securities:				
Unit trusts	177,348,623	167,603,952	46,514,885	46,396,440
Listed securities	224,744,043	196,749,655	314,522,446	298,378,543
(Less) Allowance for revaluation	(37,739,059)	-	(16,262,348)	-
Total Equity securities	364,353,607	364,353,607	344,774,983	344,774,983
Debt instruments:				
Bond	-	-	9,946,577	9,946,577
Debentures	708,641,803	711,041,499	1,009,875,808	1,014,280,999
Add Allowance for revaluation	2,399,696	-	4,405,191	-
Total debt instruments	711,041,499	711,041,499	1,024,227,576	1,024,227,576
Total trading investments	1,075,395,106	1,075,395,106	1,369,002,559	1,369,002,559
Investments held as available for sale				
Equity securities:				
Listed securities	2,538,113	2,040,000	16,927,666	14,715,350
(Less) Allowance for revaluation	(498,113)	-	(2,212,316)	-
Total Investment held as available for sale	2,040,000	2,040,000	14,715,350	14,715,350
Total	1,077,435,106		1,383,717,909	

6.2 Investments held as available for sale as at December 31, 2018 and 2017 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENTS				
	AS AT DECEMBER 31, 2018		AS AT DECEMBER 31, 2017	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Investment held as available for sale				
Equity securities:				
Unit trusts	74,755,016	80,679,909	67,419,360	69,353,641
Listed securities	1,197,436,583	1,183,361,877	948,202,320	1,061,973,681
Add (Less) Allowance for revaluation	(8,149,813)	-	115,705,642	-
Total	1,264,041,786	1,264,041,786	1,131,327,322	1,131,327,322

SEPARATE FINANCIAL STATEMENTS				
	AS AT DECEMBER 31, 2018		AS AT DECEMBER 31, 2017	
	COST/ AMORTIZED COST	FAIR VALUE	COST/ AMORTIZED COST	FAIR VALUE
	BAHT	BAHT	BAHT	BAHT
Investment held as available for sale				
Equity securities:				
Listed securities	1,085,637,758	1,109,281,627	861,675,679	985,963,682
Add Allowance for revaluation	23,643,869	-	124,288,003	-
Total	1,109,281,627	1,109,281,627	985,963,682	985,963,682

As at April 1, 2018, the Company and its subsidiary reclassified its securities from trading investments to investments held as available for sale due to no planned to sell such investments in the near term. Such reclassification affected to loss on change investments from trading investments to investments held as available for sale in amount of Baht 24.7 million in the consolidation financial statement and Baht 8.5 million in the separate financial statement, respectively.

6.3 Other long-term investments as at December 31, 2018 and 2017 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	COST	COST
	BAHT	BAHT
General investments		
Equity securities	47,575,314	47,318,514
(Less) Allowance for loss on impairment	(41,829,764)	(41,829,764)
Total general investments	5,745,550	5,488,750

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

	CONSOLIDATED FINANCIAL STATEMENT					
	AS AT DECEMBER 31, 2018			AS AT DECEMBER 31, 2017		
	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

6.4 Unrealized gain (loss) on re-measuring investments held as available for sale recognized in other component of shareholders' equity in shareholders' equity were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Balance at beginning of the years	32,878,735	(21,779,738)	97,660,549	(301,019)
Change during the years				
- From re-measuring of investments	(129,610,646)	101,379,466	(100,722,917)	122,075,686
- Adjustments relating to the disposal of (surplus) deficit on re-measuring investments disposed during the year*	7,469,396	(310,828)	1,792,988	376,274
- Share of profit (loss) on other comprehensive income of associates	(18,498,881)	(21,851,442)	-	-
- Income tax relating to components of other comprehensive income (loss)	24,428,250	(24,556,881)	19,785,986	(24,490,392)
Non-controlling interests	127,279	(1,842)	-	-
Balance at end of the years	(83,205,867)	32,878,735	18,516,606	97,660,549

* The above transactions were previously recognized gain (loss) 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, 2018 and 2017.

6.5 As at December 31, 2018 and 2017, deposits at financial institutions of the subsidiary have been pledged as collateral to banks as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
Pledged as collateral for over-draft credit limit and borrowing	54,000,000	54,000,000
Others	10,000	10,000
Total	54,010,000	54,010,000

7. Trade and other current receivables

Trade and other current receivables as at December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Guarantee for securities receivables	64,569	64,942	35,108,819	41,533,349
Receivable from sales of securities and derivatives	1,346,263	8,921,147	12,536,060	158,413,735
Prepaid expenses	9,732,144	5,327,554	970,900	751,735
Accrued income	77,351,382	44,125,356	5,429,383	3,668,566
Deposit receivable	284,018	1,224,109	-	-
Others	13,519,599	7,844,302	10,837,518	5,461,500
Total	102,297,975	67,507,410	64,882,680	209,828,885

8. Receivables from clearing house and broker-dealers

Receivables from clearing house and broker-dealers as at December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
Receivables from Clearing House	348,435,568	488,200,069
(Less) Receivables from Clearing House for the customers*	(107,048,878)	(47,850,636)
Total	241,386,690	440,349,433

* Receivables from Clearing House accounts for the customers is 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, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
<u>Securities business receivables</u>		
Customers' cash accounts	325,472,891	266,183,271
Margin loans	522,239,539	362,788,094
Guarantee deposit receivables	401,793,020	71,880,000
Securities borrowing and lending receivables	44,156,500	-
Other receivables		
- Receivables under litigation	387,522,473	396,739,119
- Other receivables	554,471	513,182
Total securities business receivables	1,681,738,894	1,098,103,666
(Less) Allowance for doubtful account	(359,635,344)	(375,779,747)
Total	1,322,103,550	722,323,919

Customers' cash accounts are classified as normal receivables

As at December 31, 2018 and 2017, the subsidiary have ceased to recognize the interest income from securities approximately Baht 388.1 million and approximately Baht 397.2 million, respectively, 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, 2018			AS AT DECEMBER 31, 2017		
	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	1,293.6	-	1,293.6	700.9	-	700.9
Substandard debts	28.5	-	28.5	21.4	-	21.4
Doubtful of loss debts	359.6	(359.6)	-	375.8	(375.8)	-
Total	1,681.7	(359.6)	1,322.1	1,098.1	(375.8)	722.3

Allowance for doubtful accounts

Allowance for doubtful accounts as at December 31, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
Balance at beginning of the years	375,779,747	364,827,254
Add (Less) Doubtful Accounts (reversal)	(10,248,364)	10,952,493
Bad debt written-off	(5,896,039)	-
Balance at ending of the years	359,635,344	375,779,747

10. Short-term loan to a subsidiary

As at December 31, 2018, short-term loan to a subsidiary in the separate financial statements was approximately Baht 69.1 million due at call, carrying interest rate at 6.2% per annum and no collateral.

11. Investments in associates

As at December 31, 2018 and 2017, the Company had investment in associates 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	
			2018	2017	2018	2017	2018	2017
MFC Asset Management Public Company Limited	Mutual fund	Thailand	24.96	24.98	507.5	527.7	675.0	675.0
Padaeng Industry Public Company Limited	Metal trading and renewable energy	Thailand	24.99	24.99	1,057.7	1,150.2	827.4	827.4
Total					1,565.2	1,677.9	1,502.4	1,502.4

Unit: Million Baht

COMPANY'S NAME	DIVIDENDS	
	2018	2017
MFC Asset Management Public Company Limited	43.9	47.8
Padaeng Industry Public Company Limited	84.7	56.5
Total	128.6	104.3

Details financial information summarized from the audited financial statements of the associates

The statements of financial position as at December 31, 2018 and 2017 were as follows:

Unit: Million Baht

COMPANY'S NAME	PAID-UP SHARE CAPITAL		TOTAL ASSETS		TOTAL LIABILITIES	
	2018	2017	2018	2017	2018	2017
MFC Asset Management Public Company Limited	125.6	125.5	1,397.3	1,514.0	214.9	251.8
Padaeng Industry Public Company Limited	2,260.0	2,260.0	6,548.3	7,030.5	2,221.5	2,227.9
Country Group Development Public Company Limited	-	8,266.1 ⁽¹⁾	-	16,782.3 ⁽¹⁾	-	10,868.2 ⁽¹⁾

The statements of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2017 were as follows:

Unit: Million Baht

COMPANY'S NAME	TOTAL REVENUES		NET INCOME		TOTAL COMPREHENSIVE INCOME (LOSS)	
	2018	2017	2018	2017	2018	2017
MFC Asset Management Public Company Limited	913.9	908.6	168.1	142.7	94.7	69.7
Padaeng Industry Public Company Limited	5,026.1	6,332.5	(30.6)	911.0	(31.8)	911.0
Country Group Development Public Company Limited	-	1,107.6 ⁽¹⁾	-	(193.4) ⁽¹⁾	-	(264.3) ⁽¹⁾

(1) 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 associate in accordance with TAS 28 (Revised 2017) 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 associate to investments held as available for sale which the Company already recorded gain on classified investments amounting to Baht 21.6 million in statements of profit or loss and other comprehensive income.

12. 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, 2018 and 2017 as follows:

Unit: Million Baht

COMPANY'S NAME	PERCENTAGE OF SHAREHOLDING (%)		PAID-UP SHARE CAPITAL		COST METHOD	
	2018	2017	2018	2017	2018	2017
Country Group Securities Public Company Limited	99.3	99.3	2,589.7	2,589.7	3,463.6	3,463.4
Genki Capital Co., Ltd.	100.0	100.0	25.0	25.0	25.0	25.0
Total					3,488.6	3,488.4

Unit: Million Baht

COMPANY'S NAME	DIVIDENDS	
	2018	2017
Country Group Securities Public Company Limited	-	97.7

13. Property, premises and equipment

Property, premises and equipment as at December 31, 2018 and 2017 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENTS					
	BALANCE AS AT JANUARY 1, 2018	ADDITIONS	DECREASES	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2018
	BAHT	BAHT	BAHT	BAHT	BAHT
Cost :					
Property	30,293,000	69,132,000	-	-	99,425,000
Premises	19,572,300	-	-	-	19,572,300
Premises/leasehold improvement	91,001,425	18,575,146	(4,007,282)	980,000	106,549,289
Furniture and office equipment	176,963,202	15,216,668	-	-	192,179,870
Vehicles	16,296,038	-	-	-	16,296,038
Total cost	334,125,965	102,923,814	(4,007,282)	980,000	434,022,497
Accumulated depreciation :					
Premises	(17,538,441)	(343,951)	-	-	(17,882,392)
Premises/leasehold improvement	(45,390,318)	(14,433,880)	3,654,657	-	(56,169,541)
Furniture and office equipment	(153,335,372)	(11,372,155)	-	-	(164,707,527)
Vehicles	(16,296,029)	-	-	-	(16,296,029)
Total accumulated depreciation	(232,560,160)	(26,149,986)	3,654,657	-	(255,055,489)
Leasehold improvement during construction	980,000	-	-	(980,000)	-
Allowance for impairment	(1,269,391)	-	-	-	(1,269,391)
Total	101,276,414				177,697,617

CONSOLIDATED FINANCIAL STATEMENTS					
	BALANCE AS AT JANUARY 1, 2017	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
Depreciation for the years ended December 31,					
2018				Bath	26,149,986
2017				Bath	27,113,064

As at December 31, 2018 and 2017, 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 191.0 million and approximately Baht 173.5 million, respectively, in consolidated financial statements.

SEPARATE FINANCIAL STATEMENTS					
	BALANCE AS AT JANUARY 1, 2018	ADDITIONS	DECREASES	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2018
	BAHT	BAHT	BAHT	BAHT	BAHT
Cost :					
Premises/leasehold improvement	12,985,889	-	-	-	12,985,889
Furniture and office equipment	6,699,052	74,258	-	-	6,773,310
Total cost	19,684,941	74,258	-	-	19,759,199
Accumulated depreciation :					
Premises/leasehold improvement	(3,494,522)	(2,598,615)	-	-	(6,093,137)
Furniture and office equipment	(2,254,915)	(1,367,899)	-	-	(3,622,814)
Total accumulated depreciation	(5,749,437)	(3,966,514)	-	-	(9,715,951)
Total	13,935,504				10,043,248

SEPARATE FINANCIAL STATEMENTS					
	BALANCE AS AT JANUARY 1, 2017	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
Depreciation for the years ended December 31,					
2018				Baht	3,966,514
2017				Baht	4,003,916

14. Intangible assets

Intangible assets as at December 31, 2018 and 2017 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT						
	USEFUL LIFE	BALANCE AS AT JANUARY 1, 2018	ADDITIONS	DISPOSALS	TRANSFER IN/ (TRANSFER OUT)	BALANCE AS AT DECEMBER 31, 2018
		BAHT	BAHT	BAHT	BAHT	BAHT
Cost:						
Using derivatives business fee	1 - 5 years	1,541,350	-	-	-	1,541,350
Computer software	5 - 10 years and indefinite useful life	112,557,984	7,540,097	-	462,802	120,560,883
Securities license	-	2,657,500	-	-	-	2,657,500
Derivative business membership	-	15,945,000	-	-	-	15,945,000
Total cost		132,701,834	7,540,097	-	462,802	140,704,733
Accumulated amortization:						
Using derivatives business fee	1 - 5 years	(1,541,346)	-	-	-	(1,541,346)
Computer software	5 - 10 years	(26,329,081)	(2,197)	-	-	(26,331,278)
Securities license	-	-	-	-	-	-
Derivative business membership	-	-	-	-	-	-
Total accumulated amortization		(27,870,427)	(2,197)	-	-	(27,872,624)
Computer software in process		3,999,973	303,866	-	(462,802)	3,841,037
Allowance for impairment		(2,228,295)	-	-	-	(2,228,295)
Intangible assets		<u>106,603,085</u>				<u>114,444,851</u>

CONSOLIDATED FINANCIAL STATEMENT

	USEFUL LIFE	BALANCE AS AT JANUARY 1, 2017	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

Amortization for the years ended December 31,

2018	Baht	2,197
2017	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, 2018 and 2017, 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.

15. Deferred tax assets/ liabilities

Deferred tax assets/liabilities as at December 31, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets	153,580,457	126,272,408	44,105,748	21,657,115
Deferred tax liabilities	(5,151,775)	(27,597,747)	(4,254,537)	(25,891,843)
Deferred tax assets (liabilities) - net	148,428,682	98,674,661	39,851,211	(4,234,728)

Movements in Deferred tax assets/liabilities during the years were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	BALANCE AS AT JANUARY 1, 2018	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHENSIVE INCOME (LOSS)	BALANCE AS AT DECEMBER 31, 2018
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets				
Temporary differences				
Allowance for doubtful accounts	70,491,411	(2,049,673)	-	68,441,738
Allowance for impairment on investments	30,800,000	-	-	30,800,000
Loss carry forward income tax	21,300,577	28,436,783	-	49,737,360
Provisions for employee benefits	3,494,438	1,038,117	-	4,532,555
Others	185,982	(117,178)	-	68,804
Total	126,272,408	27,308,049	-	153,580,457
Deferred tax liabilities				
Temporary differences				
(Surplus) deficit on re-measuring investments	(27,597,747)	(1,982,279)	24,428,251	(5,151,775)
Total	(27,597,747)	(1,982,279)	24,428,251	(5,151,775)
Total	98,674,661			148,428,682

CONSOLIDATED FINANCIAL STATEMENTS

	BALANCE AS AT JANUARY 1, 2017	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHENSIVE INCOME (LOSS)	BALANCE AS AT DECEMBER 31, 2017
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets				
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
Others	186,663	(681)	-	185,982
Total	101,873,633	24,398,775	-	126,272,408
Deferred tax liabilities				
Temporary differences				
(Surplus) deficit on re-measuring investments	1,858,216	(4,899,081)	(24,556,882)	(27,597,747)
Total	1,858,216	(4,899,081)	(24,556,882)	(27,597,747)
Total	103,731,849			98,674,661

SEPARATE FINANCIAL STATEMENT

	BALANCE AS AT JANUARY 1, 2018	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHENSIVE INCOME (LOSS)	BALANCE AS AT DECEMBER 31, 2018
	BAHT	BAHT	BAHT	BAHT
Deferred tax assets				
Temporary differences				
Loss carry forward income tax	21,300,578	22,060,613	-	43,361,191
Provisions for employee benefits	317,219	429,877	-	747,096
Others	39,318	(41,857)	-	(2,539)
Total	21,657,115	22,448,633	-	44,105,748
Deferred tax liabilities				
Temporary differences				
(Surplus) deficit on re-measuring investments	(25,891,843)	1,851,320	19,785,986	(4,254,537)
Total	(25,891,843)	1,851,320	19,785,986	(4,254,537)
Total	(4,234,728)			39,851,211

SEPARATE FINANCIAL STATEMENT				
	BALANCE AS AT JANUARY 1, 2017	ITEMS AS RECOGNIZED INTO INCOME OR LOSS	ITEMS AS RECOGNIZED INTO OTHER COMPREHENSIVE 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				
Surplus 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)

The Company and its subsidiaries used a tax rate of 20% for calculation of deferred tax for the years ended December 31, 2018 and 2017.

16. Other non-current assets

Other non-current assets as at December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Clearing fund	63,842,029	57,436,612	-	-
Advance receivables	90,134	90,477	-	-
Investment property - net	22,766,779	24,066,779	-	-
Deposits	11,289,563	8,625,701	1,442,882	1,442,882
Withholding tax receivables	8,871,012	-	-	-
Others	4,638,232	322,153	-	-
Total	111,497,749	90,541,722	1,442,882	1,442,882

As at December 31, 2018 and 2017, such investment property - net is mortgaged as collateral for credit facility from a local financial institution.

17. Trade and other current payables

Trade and other current payables as at December 31, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Trade payables	13,576,822	6,777,026	912,930	2,476,656
Securities payable	-	1,529,424	19,827,099	73,895,782
Accrued bonuses	27,764,707	35,276,686	8,608,480	12,808,070
Accrued marketing incentive	1,697,012	873,570	-	-
Accrued profit sharing from branches/ marketing teams management	22,532,660	34,543,213	-	-
Withholding tax and specific business tax payable	6,224,912	3,785,042	3,101,177	1,460,722
Value-added-tax payable	3,307,246	2,460,706	-	-
Other payables	8,713,596	5,516,795	6,590,794	1,342,453
Unearned revenue	8,000,000	-	-	-
Accrued other expenses	32,905,348	23,959,859	10,812,308	21,319,512
Total	124,722,303	114,722,321	49,852,788	113,303,195

18. Payables to clearing house and broker-dealers

Payables to Clearing House and broker-dealers as at December 31, 2018 and 2017 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
Payables to clearing house	246,173,586	-

19. Securities business payables

Securities business payables as at December 31, 2018 and 2017 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
Payables under cash accounts	1,321,548,282	1,206,643,110
Payables under securities borrowing and lending business	308,457,000	49,170,256
Total	1,630,005,282	1,255,813,366

20. Debts issued and borrowings

Debts issued and borrowings as at December 31, 2018 and 2017 consisted of the following:

CONSOLIDATED FINANCIAL STATEMENT				
AS AT DECEMBER 31, 2018				
	INTEREST RATE PER ANNUM (PERCENT)	REMAINING PERIODS TO MATURITY		
		WITHIN 1 YEAR	1 - 5 YEARS	TOTAL
		BAHT	BAHT	BAHT
Debts issued and borrowings				
Bill of exchange	3.1 - 3.5	211,166,928	-	211,166,928
Total		211,166,928	-	211,166,928

CONSOLIDATED FINANCIAL STATEMENT				
AS AT DECEMBER 31, 2017				
	INTEREST RATE PER ANNUM (PERCENT)	REMAINING PERIODS TO MATURITY		
		WITHIN 1 YEAR	1 - 5 YEARS	TOTAL
		BAHT	BAHT	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

21. Short-term loan from a subsidiary

As at December 31, 2018 and 2017, short-term loan from a subsidiary in the separate financial statements was approximately Baht 16.2 million and approximately Baht 5.0 million, respectively due at call, carrying interest rate at 3.0% per annum and no collateral.

22. Debentures

On December 1, 2017, the Company issued approximately 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.

23. 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, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Post-employment benefit obligations	22,662,774	17,472,190	3,735,480	1,586,097
Total	22,662,774	17,472,190	3,735,480	1,586,097

Amounts recognized in the statement of profit or loss and other comprehensive income for post-employment benefits for the years ended December 31, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Current service cost	7,267,107	4,985,963	2,094,032	1,197,066
Interest cost	522,387	415,936	55,351	13,120
Components of employee benefit costs recognized in profit or loss	7,789,494	5,401,899	2,149,383	1,210,186
Total	7,789,494	5,401,899	2,149,383	1,210,186

Movements in the present value of the post-employment benefits obligation for the years ended December 31, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Beginning balance of employee benefits obligation	17,472,190	12,930,291	1,586,097	375,911
Current service cost	7,267,107	4,985,963	2,094,032	1,197,066
Interest cost	522,387	415,936	55,351	13,120
(Less) Employee benefits paid during the years	(2,598,910)	(860,000)	-	-
Balance at end of the years	22,662,774	17,472,190	3,735,480	1,586,097

The principle actuarial assumptions used to calculate the obligation under the defined benefits plan as at December 31, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	(% P.A.)	(% P.A.)	(% P.A.)	(% P.A.)
Financial assumptions				
Discount rate	2.9 - 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, 2018 and 2017 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Discount rate - increase by 1%	(2,145,132)	(1,719,427)	(218,049)	(132,964)
Discount rate - decrease by 1%	2,485,175	1,994,453	264,370	162,033
Salary increase rate - increase by 1%	2,946,478	2,140,618	337,190	176,134
Salary increase rate - decrease by 1%	(2,564,875)	(1,871,275)	(286,122)	(147,413)
Life expectancy - increase by 1 year	179,920	142,078	17,925	10,558
Life expectancy - decrease by 1 year	(178,288)	(140,779)	(17,695)	(10,421)

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.

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process of being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Company and its subsidiaries will reflect the effect of such change by recognizing past service cost as an expense in the statement of profit or loss and other comprehensive income of the period in which the law is effective.

24. 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 shareholders 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 abovementioned, 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.
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 427,704,853, 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 1.00.
2. For issuing and offering the newly ordinary share in total of 92,384,094 shares, with the par value of Baht 1.00, 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 1.00 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 shareholders.
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 1.00 per share.
5. 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-ESOP1).

On January 5, 2018, the existing shareholder subscribed for new ordinary shares in the amount of 122,475 units as the warrant ratio 1 : 1.108 at the price of Baht 1.624 per share, totalling Baht 220,372. The Company has already registered the increase in paid up capital in amount of Baht 135,697 that increase from Baht 4,336,768,278 to Baht 4,336,903,975 with the Ministry of Commerce on January 17, 2018.

On April 27, 2018, the Annual General Shareholders' Meeting for the year 2018 passed resolutions to approve the following:

1. The decrease of Company's registered capital from the existing registered capital of Baht 6,075,927,916 to Baht 4,698,271,244 by eliminating the unsubscribed ordinary shares in total of 1,377,656,672 shares with the par value of Baht 1.

2. For issuance and offering of warrants to purchase the Company's ordinary shares No.3 (CGH-W3) in the amount not exceeding 1,445,634,658 units, to the existing shareholders and approve the Board of Directors to determine criteria, conditions, and other details related to the Warrants. The board of directors shall also be empowered to negotiate and sign in any relevant documents and agreements and perform any other necessary actions related to the Warrants including the issuance and offering, listing the reserved ordinary shares from the exercise of Warrants on the Stock Exchange of Thailand (SET), as well as to proceed for the necessary approval from relevant authorities.
3. The increase of the Company's registered capital from the existing registered capital of Baht 4,698,271,244 to Baht 6,143,905,902 by issuing the newly issued ordinary shares 1,445,634,658 shares with a par value of Baht 1 per share to reserve for the exercise right of Warrants to purchase the ordinary share of the Company (CGH-W3).

On July 13, 2018, the existing shareholder subscribed for new ordinary shares in the amount of 2,396 units as the warrant ratio 1: 1.006 at the price of Baht 1.59 per share, totalling Baht 3,830. The Company has already registered the increase in paid up capital in amount of Baht 2,409 that increase from Baht 4,336,903,975 to Baht 4,336,906,384 with the Ministry of Commerce on July 18, 2018.

The weighted average number of ordinary shares for the years ended December 31, 2018 and 2017, is calculated as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	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 shares during the years	130,472	-	130,472	-
Weighted average number of ordinary shares				
for the years	4,336,888,900	4,336,758,428	4,336,898,750	4,336,768,278

25. 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.

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, 2017, the Annual General Shareholders' Meeting for the year 2017 of the subsidiary passed resolutions to approve the annual dividend payment for the year 2016 at the rate of Baht 0.038 per share, totaling Baht 98,401,320 and appropriated retained earnings as statutory reserve in the amount of Baht 4,486,717. The subsidiary company had already made an annual dividend payment on May 19, 2017.

On April 27, 2017, the Annual General Shareholders' Meeting for the year 2017 of the Company passed resolutions to approve the annual dividend payment for the year 2016 at the rate of Baht 0.02774 per share, totaling Baht 120,301,952, and appropriated retained earnings as statutory reserve in the amount of Baht 15,035,013. The Company had already made an annual dividend payment on May 25, 2017.

On April 27, 2018, the Annual General Shareholders' Meeting for the year 2018 of the Company passed resolutions to approve the annual dividend payment for the year 2017 at the rate of Baht 0.035 per share, totaling Baht 151,789,753 and appropriated retained earnings as statutory reserve in the amount of Baht 6,315,716. The Company had already made an annual dividend payment on May 25, 2018.

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, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
Brokerage fees from securities business	218,279,985	205,854,982
Brokerage fees from derivatives business	81,890,952	8,364,955
Total	300,170,937	214,219,937

30. Fees and services income

Fees and services income for the years ended December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2018	2017
	BAHT	BAHT
Underwriting fee	55,680,970	20,808,360
Financial advisory fee	17,476,010	28,198,094
Investment advisory fee	227,066	308,110
Securities borrowing and lending fee	52,832	-
Others	2,187,061	2,816,524
Total	75,623,939	52,131,088

31. Interest and dividend income

Interest and dividend income for the years ended December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Interest income	53,012,381	29,097,468	24,967,902	2,841,929
Dividend income	53,128,956	30,415,843	140,427,752	214,929,026
Total	106,141,337	59,513,311	165,395,654	217,770,955

32. Gain on investments and derivatives

Gain on investments and derivatives for the years ended December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Gain (loss) on investments				
Unrealized gain (loss) on re-measuring trading investments	(74,214,182)	800,047	(19,397,013)	(4,523,853)
Gain (loss) on sale of trading investments	(77,200,951)	284,434,638	(3,904,710)	68,482,573
Gain on sale of investment held as available for sale	75,459,271	3,607,448	75,007,362	200,527
Loss from impairment on general investments	(24,653,794)	-	(8,506,003)	-
Total gain (loss) on investments	(100,609,656)	288,842,133	43,199,636	64,159,247
Gain (loss) on derivatives				
Gain (loss) on derivatives	156,803,537	(68,095,410)	(15,593,723)	12,961,584
Total	56,193,881	220,746,723	27,605,913	77,120,831

33. Other incomes

Other incomes for the years ended December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Gain on disposal assets	-	2,366,262	-	-
Income from the overdue payment charge	48,161	74,204	-	-
Gain on exchange rate	1,675,194	-	1,675,194	-
Others	13,633,780	22,505,130	763,564	504,072
Total	15,357,135	24,945,596	2,438,758	504,072

34. Key management benefit expenses

Benefits expenses to management of the Company and its subsidiaries both monetary and non-monetary were presented as part of "Employee benefits expenses".

Management benefit expenses for the years ended December 31, 2018 and 2017 consisted of the following;

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Short term employee benefits	65,773,596	68,223,702	30,211,319	33,562,113
Post-employment benefits	2,453,783	1,687,029	1,776,127	1,159,989
Total	68,227,379	69,910,731	31,987,446	34,722,102

35. 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. Other expenses

Other expenses for the years ended December 31, 2018 and 2017 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	BAHT	BAHT	BAHT	BAHT
Property, premises and equipment expense	82,473,859	77,590,586	11,829,211	11,424,815
Professional and other fees	19,143,926	27,143,438	4,463,079	12,726,920
Information and communication expenses	20,512,344	18,653,379	765,160	180,484
Advertising and promotion expenses	5,340,426	13,987,212	1,698,679	9,945,065
Entertainment expenses	15,565,788	8,271,516	2,385,213	2,744,971
Gasoline and travelling expenses	6,776,821	4,866,097	2,781,917	1,374,202
Stationery and office supplies	1,926,783	1,843,457	379,666	448,979
Taxes and duties	1,559,997	1,304,678	39,193	5,644
Loss on exchange rate	37	30,656,390	-	30,479,697
Loss on sale of assets	352,625	-	-	-
Others	5,940,307	7,758,514	1,491,710	3,436,855
Total	159,592,913	192,075,267	25,833,828	72,767,632

37. 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, 2018 and 2017, the Company and its subsidiaries has contributed approximately Baht 7.7 million and approximately Baht 6.5 million, respectively, to the fund.

38. Income tax

Income tax for the years ended December 31, 2018 and 2017 were as follows:

Unit: Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current income tax for the years	-	7,811	-	-
Deferred tax	(25,399)	(19,499)	(24,300)	(20,105)
Total income tax (income) expenses	(25,399)	(11,688)	(24,300)	(20,105)

Reconciliation between income tax expenses and the produce of accounting profits for the years ended December 31, 2018 and 2017 and applicable tax rates can be shown as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				SEPARATE FINANCIAL STATEMENTS			
	2018		2017		2018		2017	
	(THOUSAND BAHT)	RATE (%)	(THOUSAND BAHT)	RATE (%)	(THOUSAND BAHT)	RATE (%)	(THOUSAND BAHT)	RATE (%)
Income (loss) before income tax	(60,347)	20	222,943	20	17,753	20	106,209	20
Income tax at the domestic tax rate	(12,069)		44,588		3,551		21,242	
Deferred tax relating to origination and reversal of temporary differences	(25,399)		(19,499)		(24,300)		(20,105)	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	12,069		(36,777)		(3,551)		(21,242)	
Income corporate income tax as statements of profit or loss and other comprehensive income	(25,399)	42.1	(11,688)	(5.2)	(24,300)	(136.9)	(20,105)	(18.9)

The Company used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2018 and 2017. 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.

Income tax recognized in component of other comprehensive income (loss)

	CONSOLIDATED FINANCIAL STATEMENTS					
	2018			2017		
	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	(122,141,251)	24,428,250	(97,713,001)	101,068,638	(24,556,881)	76,511,757
Total	(122,141,251)	24,428,250	(97,713,001)	101,068,638	(24,556,881)	76,511,757

	SEPARATE FINANCIAL STATEMENTS					
	2018			2017		
	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	(98,929,929)	19,785,986	(79,143,943)	122,451,960	(24,490,392)	97,961,568
Total	(98,929,929)	19,785,986	(79,143,943)	122,451,960	(24,490,392)	97,961,568

39. Basic and diluted earnings (loss) per share

The calculations of earnings (loss) per share for the years ended December 31, 2018 and 2017 were based on the income (loss) 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:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Basic earnings (loss) per share				
Income (loss) attributable to owners of the Company (Baht)	(35,066,631)	234,315,235	42,053,374	126,314,328
Weighted average number of ordinary shares (shares)	4,336,888,900	4,336,758,428	4,336,898,750	4,336,768,278
Basic earnings (loss) per share (Baht)	(0.0081)	0.0540	0.0097	0.0291
Diluted earnings (loss) per share				
Weighted average number of ordinary shares used in calculation of basic earnings per share (shares)	4,336,888,900	4,336,758,428	4,336,898,750	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)	4,336,888,900	4,336,758,428	4,336,898,750	4,336,768,278
Diluted earnings (loss) per share (Baht)	(0.0081)	0.0540	0.0097	0.0291

Diluted earnings per share occurred from warrants to purchase ordinary shares described in the notes to the financial statements No. 24.

40. Commitments and contingent liabilities

40.1 As at December 31, 2018 and 2017 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	
	2018	2017	2018	2017
Not later than 1 year	23.5	32.3	7.3	6.1
Later than 1 year but not later than 5 years	29.9	13.8	18.2	1.9
Total	53.4	46.1	25.5	8.0

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, 2018 and 2017 as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Operating lease agreements	37.1	33.1	7.2	6.9

40.2 As at December 31, 2018 and 2017, 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 3.3 million and approximately Baht 2.4 million, respectively.

40.3 As at December 31, 2016, the subsidiary has been sued by the client ("plaintiff") as a second defendant with the former employee of the subsidiary as a first defendant in the amount of Baht 107.5 million. The subsidiary as an employer at that time has been argued that the subsidiary did not instruct or authorize the first defendant to operate as the plaintiff sued and did not intentionally or negligently or acts or omissions in violation of the plaintiff. The subsidiary believes that this litigation is unlikely to damage the Subsidiary.

On July 18, 2017, the plaintiff and the first defendant agreed to settle the case in accordance with Settle Agreement. The plaintiff filed a motion requesting for withdrawal of complaint against the second defendant ("the subsidiary") and the court allowed such complaint withdrawal. Between the plaintiff and the first defendant, the court rendered the court's judgment that the case is ultimate in accordance with Settle Agreement.

41. 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, 2018 and 2017 were as follows:

	RELATIONSHIP	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
		BAHT	BAHT	BAHT	BAHT
Brokerage fees from securities and derivatives business					
Mutual fund managed by associate	Associate	57,849,357	74,039,866	-	-
Related persons	Related persons	2,487,515	618,847	-	-
Total		60,336,872	74,658,713	-	-
Ongoing fee					
MFC Asset management Public company Limited	Associate	576,344	479,314	-	-
Fees and services income					
MFC Asset Management Public Company Limited	Associate	253,366	411,610	-	-
Country Group Development Public Company Limited	Related company	14,850,000	-	-	-
Total		15,103,366	411,610	-	-
Dividend income					
Country Group Securities Public Company Limited	Subsidiary	-	-	-	97,728,944
MFC Asset Management Public Company Limited	Associate	-	-	43,900,990	47,811,796
Padaeng Industry Public Company Limited	Associate	-	-	84,749,850	56,499,900
Total		-	-	128,650,840	202,040,640
Interest on margin loans					
Related persons	Related persons	5,368,041	466,937	-	-
Interest income					
Country Group Securities Public Company Limited	Subsidiary	-	-	360,480	189,506

	RELATIONSHIP	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
		BAHT	BAHT	BAHT	BAHT
Finance costs					
Country Group Securities Public Company Limited	Subsidiary	-	-	1,088,325	9,902,055
Padaeng Industry Public Company Limited	Associate	2,611,716	1,064,511	-	-
Country Group Development Public Company Limited	Related company	44	306,256	-	-
Related persons	Related persons	131,611	29,215	-	-
Total		2,743,371	1,399,982	1,088,325	9,902,055
Fee and service expenses					
Country Group Securities Public Company Limited	Subsidiary	-	-	17,982,983	19,535,553
MFC Asset Management Public Company Limited	Associate	800,915	1,168,428	620,713	950,792
Total		800,915	1,168,428	18,603,696	20,486,345
Premises and equipment expenses					
EDP Enterprise Company Limited	Related company	1,365,600	1,365,600	-	-
Other expenses					
Country Group Securities Public Company Limited	Subsidiary	-	-	-	468,126
Sing Sian Yer Pao Company Limited	Related company	449,400	925,550	-	-
Total		449,400	925,550	-	468,126
Dividend paid					
Country Group Securities Public Company Limited	Subsidiary	-	-	345	273
MFC Asset Management Public Company Limited	Associate	1,505,000	1,192,820	1,505,000	1,192,820
Padaeng Industry Public Company Limited	Associate	621,705	437,967	621,705	437,967
Mutual fund managed by associate	Associate	11,679,938	-	11,679,938	-
Country Group Development Public Company Limited	Related company	5,357,163	4,245,934	5,357,163	4,245,934
Related persons	Related persons	25,417,978	7,496,694	25,417,978	7,496,694
Related persons	Directors	28,703,771	22,751,176	28,703,771	22,751,176
Total		73,285,555	36,124,591	73,285,900	36,124,864

Significant balances with related parties as at December 31, 2018 and 2017 were as follows:

	RELATIONSHIP	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
		BAHT	BAHT	BAHT	BAHT
Deposits for customers' account					
Country Group Development Public Company Limited	Related company	5,523	5,479	-	-
Related persons	Related persons	12,182,596	13,045,513	-	-
Total		12,188,119	13,050,992	-	-
Current investments					
Country Group Development Public Company Limited	Related company	42,996,969	-	-	-
Trade and other current receivables					
Country Group Securities Public Company Limited	Subsidiary	-	-	46,234,047	189,562,641
Genki Capital Co., Ltd.	Subsidiary	-	-	311,100	311,100
Genki Power One Co., Ltd.	Indirect subsidiary	-	-	2,710,718	2,640,260
Tech Reform Co., Ltd.	Common director	629,160	629,160	629,160	629,160
Solar Technic Co., Ltd.	Common director	629,160	629,160	629,160	629,160
MFC Asset Management Public Company Limited	Associate	-	26,857	-	-
Total		1,258,320	1,285,177	50,514,185	193,772,321
Securities business receivables					
MFC Asset Management Public Company Limited	Associate	17,080,580	-	-	-
Related persons	Related persons	185,870,566	19,301,243	-	-
Total		202,951,146	19,301,243	-	-
Short-term loan to a subsidiary					
Genki Power One Co., Ltd.	Indirect subsidiary	-	-	69,132,650	-
Investments held as available for sale					
Country Group Development Public Company limited	Related company	952,261,248	985,233,060	952,261,248	985,233,060
Matual fund managed by associate	Associate	71,687,553	62,192,546	-	-
Total		1,023,948,801	1,047,425,606	952,261,248	985,233,060

	RELATIONSHIP	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
		BAHT	BAHT	BAHT	BAHT
Investments in associates					
MFC Asset Management Public Company Limited	Associate	507,461,385	527,722,128	675,007,170	675,007,170
Padaeng Industry Public Company Limited	Associate	1,057,719,337	1,150,159,267	827,441,950	827,441,950
Total		1,565,180,722	1,677,881,395	1,502,449,120	1,502,449,120
Investment in subsidiaries					
Country Group Securities Public Company Limited	Subsidiary	-	-	3,463,625,181	3,463,422,524
Genki Capital Co., Ltd.	Subsidiary	-	-	25,000,000	25,000,000
Total		-	-	3,488,625,181	3,488,422,524
Trade and other current payables					
Country Group Securities Public Company Limited	Subsidiary	-	-	20,795,920	76,851,987
MFC Asset Management Public Company Limited	Associate	-	56,753	-	56,753
Sing Sian Yer Pao Company Limited	Related company	-	74,900	-	-
Total		-	131,653	20,795,920	76,908,740
Securities payables					
Padaeng Industry Public Company Limited	Associate	362,085,228	195,963,289	-	-
Debts issued and borrowings					
Padaeng Industry Public Company Limited	Associate	89,692,103	89,616,530	-	-
Short-term loan from a subsidiary					
Country Group Securities Public Company Limited	Subsidiary	-	-	16,178,082	5,000,000
Debentures					
Country Group Securities Public Company Limited	Subsidiary	-	-	42,979,554	-

42. Operating segment information

The Company and its subsidiaries discloses operating segments information in accordance with the Thai Financial Reporting Standard No. 8 (Revised 2017) "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, 2018 and 2017 were as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS									
	SECURITIES AND DERIVATIVES BROKERAGE SEGMENT		INVESTMENT BANKING SEGMENT		SECURITIES AND DERIVATIVES TRADING SEGMENT		OTHER		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues:										
Brokerage fees	300,171	214,220	-	-	-	-	-	-	300,171	214,220
Fees and services income	1,785	7,274	29,552	18,813	43,073	25,861	1,214	183	75,624	52,131
Interest on margin loans	28,632	14,275	-	-	-	-	-	-	28,632	14,275
Interest and dividends	-	-	-	-	90,885	13,510	15,256	46,003	106,141	59,513
Gain on investments and derivatives	96	3,672	-	-	56,098	157,774	-	59,301	56,194	220,747
Gain on classified investments in associates to investment held as available for sale	-	-	-	-	-	-	-	21,612	-	21,612
Other income	-	-	-	-	-	-	15,357	24,946	15,357	24,946
Share of profit from investments in associates	-	-	-	-	-	-	34,387	243,064	34,387	243,064
Total revenues	330,684	239,441	29,552	18,813	190,056	197,145	66,214	395,109	616,506	850,508
Expenses									(676,853)	(627,565)
Income (loss) before income tax									(60,347)	222,943
Income tax income									25,399	11,688
Net income (loss) for the years									(34,948)	234,631

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, 2018	1,546,087	32,543	6,456,736	8,035,366	1,124,750	9,160,116
As at December 31, 2017	1,119,435	24,483	2,148,185	3,292,103	5,511,625	8,803,728

43. Risk management

43.1 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.

43.2 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, 2018

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	678.5	-	-	-	-	86.2	764.7	0.25 - 1.10	-
Current investments	-	2,352.1	-	-	-	990.5	3,342.6	-	1.90 - 7.25
Trade and other current receivables	-	-	-	-	-	102.3	102.3	-	-
Receivables from Clearing House and broker-dealers	-	-	-	-	-	241.4	241.4	-	-
Securities business receivables	522.2	-	-	-	28.5	771.4	1,322.1	6.25 - 18.00	-
Investment held as available for sale	-	-	-	-	-	1,264.0	1,264.0	-	-
Other long-term investments	-	-	-	-	-	5.7	5.7	-	-
Financial liabilities									
Trade and other current payables	-	-	-	-	-	124.7	124.7	-	-
Payables from Clearing House and broker-dealers	-	-	-	-	-	246.2	246.2	-	-
Securities business payables	-	-	-	-	-	1,630.0	1,630.0	-	-
Debts issued and borrowings	-	211.2	-	-	-	-	211.2	-	3.10 - 3.50
Debentures	-	-	1,036.8	-	-	-	1,036.8	-	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	1,160.3	-	-	-	-	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

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2018

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	205.1	-	-	-	-	16.2	221.3	0.37 - 0.38	-
Current investments	-	711.0	-	-	-	366.4	1,077.4	-	1.90 - 7.25
Trade and other current receivables	-	-	-	-	-	64.9	64.9	-	-
Short-term loan to a subsidiary	-	69.1	-	-	-	-	69.1	-	3.00
Investment held as available for sale	-	-	-	-	-	1,109.3	1,109.3	-	-
Financial liabilities									
Trade and other current payables	-	-	-	-	-	49.9	49.9	-	-
Short-term loan from a subsidiary	-	16.2	-	-	-	-	16.2	-	3.00
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	238.8	-	-	-	-	2.9	241.7	0.10	-
Current investments	-	1,024.2	-	-	-	359.5	1,383.7	-	3.00-6.50
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	-	3.00
Debentures	-	-	1,079.8	-	-	-	1,079.8	-	6.25

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, 2018			
	AVERAGE BALANCE	INTEREST INCOME/EXPENSES	AVERAGE YIELD (%)
Financial assets			
Cash and cash equivalents	878.3	12.6	1.4
Investments	2,117.0	39.5	1.9
Securities business receivables	456.4	29.2	6.4
Financial liabilities			
Debts issued and borrowings	185.6	6.0	3.2
Debentures	1,079.8	67.5	6.3

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

SEPARATE FINANCIAL STATEMENT			
AS AT DECEMBER 31, 2018			
	AVERAGE BALANCE	INTEREST INCOME/EXPENSES	AVERAGE YIELD (%)
Financial assets			
Cash and cash equivalents	246.2	1.0	0.4
Current investments	570.7	23.1	4.1
Short-term loan to a subsidiary	1.1	0.1	6.2
Financial liabilities			
Short-term loan from related company	16.2	0.5	3.1
Debentures	1,079.8	67.5	6.3

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

43.3 Liquidity risk

Under the Notification of the Office of the Securities and Exchange Commission No. KorTor 32/2560 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, 2018 and 2017, the subsidiary has net capital per requirement of approximately Baht 2,002.7 million and approximately Baht 2,165.1 million, respectively or 99.0% and 132.4% 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, 2018 and 2017 were as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENT							
AS AT DECEMBER 31, 2018							
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	-	-	-	-	764.7	-	764.7
Current Investments	-	2,406.1	-	-	936.5	-	3,342.6
Trade and other current receivables	-	102.3	-	-	-	-	102.3
Receivables from Clearing House and broker-dealers	-	241.4	-	-	-	-	241.4
Securities business receivables	522.2	771.4	-	-	-	28.5	1,322.1
Investment held as available for sale	-	-	-	-	1,264.0	-	1,264.0
Other long-term investments	-	-	-	-	5.7	-	5.7
Financial liabilities							
Trade and other current payables	-	124.7	-	-	-	-	124.7
Payables from Clearing House and broker-dealers	-	246.2	-	-	-	-	246.2
Securities business payables	-	1,630.0	-	-	-	-	1,630.0
Debts issued and borrowings	-	211.2	-	-	-	-	211.2
Debentures	-	-	1,036.8	-	-	-	1,036.8

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

Unit: Million Baht

SEPARATE FINANCIAL STATEMENT

AS AT DECEMBER 31, 2018

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	-	-	-	-	221.3	-	221.3
Current Investments	-	711.0	-	-	366.4	-	1,077.4
Trade and other current receivables	-	64.9	-	-	-	-	64.9
Short-term loan to a subsidiary	69.1	-	-	-	-	-	69.1
Investment held as available for sale	-	-	-	-	1,109.3	-	1,109.3
Financial liabilities							
Trade and other current payables	-	49.9	-	-	-	-	49.9
Short-term loan from related company	16.2	-	-	-	-	-	16.2
Debentures	-	-	1,079.8	-	-	-	1,079.8

Unit: Million Baht

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

43.4 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 manage 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.

43.5 Foreign exchange risk

As at December 31, 2018 and 2017, 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, 2018				
	ASSETS		LIABILITIES	
	FAIR VALUE	CONTRACT VALUE	FAIR VALUE	CONTRACT VALUE
Trading investments - derivatives				
Forward contract	99,844	99,844	98,484	99,844
Total	99,844	99,844	98,484	99,844

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

43.6 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.

43.6.1 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
	2018	2017			
Financial Assets					
Current investments					
Trading investments					
Unit trusts	167,604	46,396	2		Net asset values of the last working day of the reporting period
Listed securities	766,687	1,108,533	1		Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Debt instruments					
Bond	-	9,947	2		Yield rate rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debentures	2,352,061	1,891,272	2		Yield rate rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Investment held as available for sale					
Listed securities	2,040	14,715	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					
Investment held as available for sale					
Unit trusts	80,680	69,354	2		Net asset values of the last working day of the reporting period
Listed securities	1,183,362	1,061,974	1		Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand

CONSOLIDATED FINANCIAL STATEMENTS				
FINANCIAL ASSETS/ FINANCIAL LIABILITIES	FAIR VALUE AS AT DECEMBER 31,		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES AND KEY INPUTS
	2018	2017		
Financial Assets				
Current investments				
<u>Trading investments</u>				
Unit trusts	167,604	46,396	2	Net asset values of the last working day of the reporting period
Listed securities	196,750	298,379	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	711,041	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	2,040	14,715	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>				
Listed securities	1,109,282	985,964	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand

43.6.2 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, 2018		AS AT DECEMBER 31, 2017		
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	
Financial assets					
Cash and cash equivalents	764,689	764,689	1,236,650	1,236,650	3
Trade and other current receivables	102,298	102,298	67,507	67,507	3
Receivables from Clearing House and broker-dealers	241,387	241,387	440,349	440,349	3
Securities business receivables	1,322,104	1,322,104	722,324	722,324	3
Deposits at financial institutions	54,240	54,240	54,240	54,240	3
General Investment					
Listed securities	5,746	5,746	5,489	5,898	3
Financial liabilities					
Trade and other current payables	124,722	124,722	114,722	114,722	3
Payables to Clearing House and broker-dealers	246,174	246,174	-	-	3
Securities business payables	1,630,005	1,630,005	1,255,813	1,255,813	3
Debts issued and borrowings	211,167	211,167	144,215	144,215	3
Debentures	1,036,820	1,036,820	1,079,800	1,079,800	3

FINANCIAL ASSETS/ FINANCIAL LIABILITIES	SEPARATE FINANCIAL STATEMENTS				FAIR VALUE HIERARCHY
	AS AT DECEMBER 31, 2018		AS AT DECEMBER 31, 2017		
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	
Financial assets					
Cash and cash equivalents	221,318	221,318	241,715	241,715	3
Trade and other current receivables	64,883	64,883	209,829	209,829	3
Short-term loan to a subsidiary	69,133	69,133	-	-	3
Financial liabilities					
Trade and other current payables	49,852	49,852	113,303	113,303	3
Short-term loan from a subsidiary	16,178	16,178	5,000	5,000	3
Debentures	1,079,800	1,079,800	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.

44. Approval of financial statements

These financial statements were authorized for issue by the Board of Directors of the Company on February 26, 2019.

COUNTRY GROUP HOLDINGS PCL

132 Sindhorn Tower 3, 20th Floor, Wireless Rd.,
Lumpini, Pathumwan, Bangkok Thailand 10330

Tel. 02 256 7999 Fax. 02 256 7888

www.cgholdings.co.th

