

CGH 006/2019

February 28, 2019

Re: Management Discussion and Analysis (MD&A)
For the year ended December 31, 2018

To: The President
The Stock Exchange of Thailand

Management Discussion and Analysis

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

Unit: Million Baht

<i>STATEMENTS OF FINANCIAL POSITION</i>	<i>2018</i>	<i>2017</i>
<i>Total Assets</i>	<i>9,160.12</i>	<i>8,803.73</i>
<i>Total Liabilities</i>	<i>3,273.38</i>	<i>2,614.11</i>
<i>Total Shareholders' equity</i>	<i>5,886.74</i>	<i>6,189.62</i>

Unit: Million Baht

<i>STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</i>	<i>For the years ended December 31,</i>			
	<i>2018</i>	<i>2017</i>	<i>Changes</i>	<i>%</i>
<i>Total Revenues</i>	<i>582.12</i>	<i>607.44</i>	<i>(25.32)</i>	<i>(4.17)</i>
<i>Total Expenses</i>	<i>676.85</i>	<i>627.56</i>	<i>49.29</i>	<i>7.85</i>
<i>Share of Profit from investment in associates</i>	<i>34.38</i>	<i>243.06</i>	<i>(208.68)</i>	<i>(85.85)</i>
<i>Income (Loss) before Income Tax</i>	<i>(60.35)</i>	<i>222.94</i>	<i>(283.29)</i>	<i>(127.07)</i>
<i>Income Tax Income</i>	<i>25.40</i>	<i>11.69</i>	<i>13.71</i>	<i>117.28</i>
<i>NET INCOME (LOSS) FOR THE YEARS</i>	<i>(34.95)</i>	<i>234.63</i>	<i>(269.58)</i>	<i>(114.90)</i>

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

The Company's net loss was Baht 34.95 million, an increase of Baht 269.58 million or 114.90% from the net profit of Baht 234.63 million compared to the previous year. The main reasons are as follows:

- The Company's total revenues were Baht 582.12 million, a decrease of Baht 25.32 million or 4.17% from total revenues of Baht 607.44 million compared to the previous year. Details are as follows:
 - Brokerage fees increased by Baht 85.95 million or 40.12% due to an increase in securities and derivatives trading volume achieved.
 - Fees and services income increased by Baht 23.49 million or 45.06% due mainly to an increase in income from underwriting fee.
 - Interest on margin loans increased by Baht 14.36 million or 100.63% due to an increase in average margin loans.

- Interest and dividend income increased by Baht 46.63 million or 78.36%. This was mainly due to an increase in the Company's investing activities.
 - Gain on investments and derivatives decreased by Baht 164.56 million or 74.55%. This was mainly due to a decrease in gain on sale of trading investments.
2. The Company's total expenses were Baht 676.85 million, an increase of Baht 49.29 million or 7.85% from total expenses of Baht 627.56 million compared to the previous year. The main reasons are as follows:
- Employee benefits expenses increased by Baht 6.60 million or 1.91%. This was mainly due to the Company recruited more management and employees.
 - Fee and service expenses increased by Baht 25.79 million or 38.43% due to an increase in the Company's fees paid in respect of securities and derivatives trading which related to the increase in securities and derivatives trading volume.
 - Finance costs increased by Baht 70.58 million or 607.40% due to the Company issued debentures of Baht 1,079.80 million with a fixed interest rate of 6.25% per annum.
 - Reversal of Bad debt and doubtful accounts was Bath 10.25 million. This was because the Company's existing debtor collateral value has increased.
 - Other expenses decreased by Baht 32.49 million or 16.91%. This was mainly due to a decrease in loss on exchange rate.
3. The Company's share of profit from investments in associates was Baht 34.38 million, a decrease of Baht 208.68 million or 85.85% from share of profit from investments in associates of Baht 243.06 million compared to the previous year. This was due to one of the Company's associates having a net loss.

Please be informed accordingly.

Sincerely yours,



(Mr. Tommy Taechaubol)
Chief Executive Officer