

CGH 035/2019

November 14, 2019

Re: Management Discussion and Analysis (MD&A)
For the three-month and nine-month periods ended September 30, 2019

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") is as follows:

Unit: Million Baht

<i>STATEMENTS OF FINANCIAL POSITION</i>	<i>September 30, 2019</i>	<i>December 31, 2018</i>
<i>Total Assets</i>	8,988.02	9,160.12
<i>Total Liabilities</i>	3,187.89	3,273.38
<i>Total Shareholders' equity</i>	5,800.13	5,886.74

Unit: Million Baht

<i>STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</i>	<i>For the three-month period ended September 30,</i>				<i>For the nine-month period ended September 30,</i>			
	<i>2019</i>	<i>2018</i>	<i>Changes</i>	<i>%</i>	<i>2019</i>	<i>2018</i>	<i>Changes</i>	<i>%</i>
<i>Total Revenues</i>	303.07	164.92	138.15	83.77	764.37	436.40	327.97	75.15
<i>Total Expenses</i>	270.98	166.35	104.63	62.90	689.61	491.00	198.61	40.45
<i>Share of Profit (Loss) from investment in associates</i>	(0.98)	(4.11)	3.13	(76.15)	20.39	17.62	2.77	15.72
<i>Income (Loss) before Income Tax</i>	31.11	(5.54)	36.65	(661.55)	95.15	(36.98)	132.13	(357.30)
<i>Income Tax Income (Expenses)</i>	(6.77)	5.94	12.71	213.97	(19.33)	17.25	36.58	212.06
<i>NET INCOME (LOSS) FOR THE PERIODS</i>	24.34	0.40	23.94	5,985.00	75.82	(19.73)	95.55	(484.29)

The Company would like to announce the operating results of the Company for the three-month and nine-month period ended September 30, 2019, which has been reviewed by an auditor as follows:

For the three-month periods ended September 30, 2019

The Company's net profit was Baht 24.34 million, an increase of Baht 23.94 million or 5,985% from the net profit of Baht 0.40 million compared to the same period of last year. The main reasons are as follows:

1. The Company's total revenue is Baht 303.07 million, and increase of Baht 138.15 million or 83.77% from total revenue of Baht 164.92 million. Details are as follows:
 - Brokerage fees increased by Baht 96.56 million due to an increase in average daily trading volume in both securities and derivative.
 - Fees and services income increased by Baht 42.01 million. This was mainly due to an increase in the Company's underwriting fee and financial advisory fee.

2. The Company's total expense was Baht 270.98 million, an increase of Baht 104.63 million or 62.90% from total expense of Baht 166.35 million. This was mainly due to the employee benefit expenses, Fee and service expense and doubtful account that increased by Baht 56.80 million, Baht 22.63 million and Baht 15.90 million respectively.
3. The Company's share of loss from investments in associates was Baht 0.98 million, a decrease Baht 3.13 million or 76.15% from the net loss of Baht 4.11 million compared to the same period of last year. This was due to an increasing in the net profit of some Company's associates.

For the nine-month periods ended September 30, 2019

The Company's net profit was Baht 75.82 million, an increase of Baht 95.55 million or 484.29% from the net loss of Baht 19.73 million compared to the same period of last year. The main reasons are as follows:

1. The Company's total revenue was Baht 764.37 million, an increase of Baht 327.97 million or 75.15% from total revenue of Baht 436.40 million. Details are as follows:
 - Brokerage fees increased by Baht 169.68 million due to an increase in average daily trading volume in both securities and derivative.
 - Fees and Services income increased by Baht 70.33 million. This was mainly due to an increase in the Company's underwriting fee and financial advisory fee.
 - Gain on investments and derivatives increased by Baht 91.35 million. This was mainly due to an increase in unrealized gain on re-measuring trading investments.
2. The Company's total expense is Baht 689.61 million, an increase of Baht 198.61 million or 40.45% from total expense of Baht 491 million. This was mainly due to the following:
 - Employee benefit expense increased by Baht 105.46 million due to the increasing of employees and direct expense relevant to an increasing of brokerage income, fee and service income.
 - Fee and service expense increased by Baht 47.74 million which is in line with the increasing of brokerage income.
 - Doubtful account increased by Baht 21.58 million due to the decrease of existing client collateral value.

Please be informed accordingly.

Sincerely yours,

(Mr. Tommy Taechaubol)
Chief Executive Officer