

CGH 042/2015

May 15, 2015

Re: Management Discussion and Analysis (MD&A) for the three-month period ended March 31, 2015
To: The President
The Stock Exchange of Thailand

Country Group Holdings Public Company Limited (“CGH”) would like to clarify the reviewed financial statements, for the consolidated financial statements for the three-month period ended March 31, 2015, by the Company recorded a net income of Baht 47.58 million, increased by Baht 71.74 million or 296.94% compared with a net loss of Baht 24.16 million in the same period last year and recorded the retained earnings of Baht 803.91 million as at March 31, 2015 with the following details:

1. Total revenues for the three-month period ended March 31, 2015 of Baht 360.59 million, which consisted of brokerage fees of Baht 282.94 million, fees & services income of Baht 6.15 million, gain on investments and derivatives of Baht 42.72 million, interest and dividends income and interest on margin loans of Baht 27.19 million, and other income of Baht 1.59 million. Total revenues increased by Baht 126.88 million or 54.29% compared with Baht 233.71 million in the same period last year. The increase mostly resulted from:
 - 1.1 Brokerage fees of Baht 282.94 million, increased by Baht 105.93 million or 59.84% compared with Baht 177.01 million in the same period last year. This resulted from an increase in brokerage fees from securities business following an increase in securities customer’s trading volume, in line with the increase in SET’s trading volume.
 - 1.2 Gain on investments and derivatives of Baht 42.72 million, increased by Baht 31.19 million or 270.51% compared with Baht 11.53 million in the same period last year. This was mainly due to an increase in gain on sale of trading investments of Baht 31.48 million, a decrease in gain on re-measuring trading investments of Baht 3.15 million and a gain from derivatives trading increased by Baht 1.93 million.

- 1.3 Other income of Baht 1.59 million, decreased by Baht 8.12 million or 83.63% compared to Baht 9.71 million in the same period last year mainly due to last year the company had gains from the company's asset management and received from the employer's contribution and its benefit of provident fund members who were not entitled.
2. Total expenses for the three-month period ended March 31, 2015 of Baht 282.88 million, increased by Baht 11.75 million or 4.33% compared with Baht 271.13 million in the same period last year, which mainly resulted from
 - 2.1 Fee and service expenses of Baht 28.33 million, increased by Baht 7.55 million or 36.33% compared with Baht 20.78 million in the same period last year varied in line with the increase in securities and derivatives trading volume.
 - 2.2 Operating expenses of Baht 246.61 million, increased by Baht 19.37 million or 8.52% compared with Baht 227.24 million in the same period last year mainly due to an increase in personnel expenses which varied according to the increase in securities trading volume i.e. marketing incentives and profit sharing from branches/marketing team management, etc.
 - 2.3 Bad debt and doubtful accounts was Baht 1.79 million. This was mainly because the company's existing debtors' collateral value has decreased.
3. Share of profit from investment in associated company increased by Baht 1.14 million due to net income of the subsidiary company increased.

Sincerely yours,

(Mr. Surabhon Kwunchaithunya)
Vice Chairman