

August 31, 2015

Re: Management Discussion and Analysis (MD&A) for the six-month period ended June 30, 2015
To: The President
The Stock Exchange of Thailand

Country Group Holdings Public Company Limited (“CGH”) reported its audited financial statements for the six-month period ended June 30, 2015 for the separate financial statements, which recorded a net income of Baht 264.85 million, increased by Baht 265.03 million compared with a net loss of Baht 0.18 million in the same period last year and recorded the retained earnings of Baht 263.95 million as at June 30, 2015. With regard to the consolidated financial statements, the Company recorded a net income of Baht 68.83 million, increased by Baht 47.71 million or 225.90% compared with a net income of Baht 21.12 million in the same period last year and recorded the retained earnings of Baht 825.77 million as at June 30, 2015.

1. Total revenues for the six-month period ended June 30, 2015 of Baht 631.35 million, which consisted of brokerage fees of Baht 468.66 million, fees & services income of Baht 33.36 million, gain on investments and derivatives of Baht 66.98 million, interest and dividends income and interest on margin loans of Baht 57.64 million, and other income of Baht 4.71 million. Total revenues increased by Baht 118.39 million or 23.08% compared with Baht 512.96 million in the same period last year. The increase mostly resulted from:
 - 1.1 Brokerage fees of Baht 468.66 million, increased by Baht 79.57 million or 20.45% compared with Baht 389.09 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 Fees and services income of Baht 33.36 million, increased by Baht 17.77 million or 113.98% compared with Baht 15.59 million in the same period last year mainly due to an increase in underwriting fees.
 - 1.3 Gain on investments and derivatives of Baht 66.98 million, increased by Baht 32.02 million or 91.59% compared with Baht 34.96 million in the same period last year. This was due to an increase in gain on sale of securities of Baht 37.63 million, an increase in loss on re-measuring trading investments of Baht 7.69 million and a gain from derivatives trading increased by Baht 2.08 million.
 - 1.4 Other income of Baht 4.71 million, decreased by Baht 13.68 million or 74.39% compared to Baht 18.39 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 six-month period ended June 30, 2015 of Baht 534.67 million, increased by Baht 8.53 million or 1.62% compared with Baht 526.14 million in the same period last year, which mainly resulted from
 - 2.1 Finance costs of Baht 11.33 million, increased by Baht 1.36 million or 13.64% compared with Baht 9.97 million in the same period last year, which mainly resulted from an increase in interest expenses for collateral following higher customer average deposits.
 - 2.2 Fee and service expenses of Baht 51.12 million, increased by Baht 6.94 million or 15.71% compared with Baht 44.18 million in the same period last year varied in line with the increase in securities trading volume.
 - 2.3 Operating expenses of Baht 473.00 million, increased by Baht 14.00 million or 3.05% compared with Baht 459.00 million in the same period last year mainly due to
 - 2.3.1 Personnel expenses increased by Baht 27.71 million due to an increase in personnel expenses which varied to the increase in securities brokerage fees i.e. marketing incentives and profit sharing from branches/marketing team management, etc.
 - 2.3.2 Premises and equipment expenses decreased by Baht 17.68 million from the same period last year. The Company had sold its branch offices to other securities companies.
 - 2.4 A reversal of bad debt and doubtful accounts was Baht 0.79 million. This was mainly because the company has been repaid by its pass-due debtors.
3. Share of profit from investment in associated company increased by Baht 2.14 million due to net income of the associated company increased.

Sincerely yours,

(Mr. Surabhon Kwunchaithunya)
Vice Chairman

