

CGH 030/2017

May 15, 2017

Re: Management Discussion and Analysis (MD&A)
For the three-month period ended March 31, 2017

To: The President
The Stock Exchange of Thailand

Country Group Holdings Public Company Limited (“the Company”) would like to announce the operating results of the Company and its subsidiary for the three-month period ended March 31, 2017, which has been reviewed by an auditor as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS	For the three-month periods ended March 31,			
	2017	2016	Changes	%
REVENUE	116.83	312.14	(195.31)	(62.57)
EXPENSES	136.64	258.04	(121.40)	(47.05)
SHARE OF PROFIT FROM INVESTMENTS IN ASSOCIATED COMPANIES	77.44	9.33	68.11	730.01
INCOME BEFORE TAX	57.63	63.43	(5.80)	(9.00)
INCOME TAX	2.41	11.73	(9.32)	(79.45)
NET INCOME FOR THE PERIODS	55.22	51.70	3.52	6.81

For the three-month period ended March 31, 2017

The Company's net profit was Baht 55.22 million, an increase of Baht 3.52 million or 6.81% from the net profit of Baht 51.70 million compared to the same period of last year. The main reasons are as follows:

1. The Company's share of profit from investments in associated companies was Baht 77.44 million, an increase of Baht 68.11 million or 730.01%. This was mainly due to an increase in the net profit of the Company's associated companies compared to the same period of last year.
2. The Company's total revenue was Baht 116.83 million, a decrease of Baht 195.31 million or 62.57% from total revenue of Baht 312.14 million. Details are as follows:
 - The Company experienced a decrease in brokerage fee by Baht 132.70 million primarily due to this transfer partial transfer of its retail securities business with a securities company in 3rd quarter previous year and partially due to a decrease in average daily trading value achieved.
 - Gain and return on financial instruments decreased by Baht 35.66 million or 51.53%. This was mainly due to decrease in the Company's gain on investments and interest and dividend income amount of Baht 31.61 million and Baht 3.22 million, respectively.

- Fees and Services income decreased by Baht 22.44 million or 69.15%. This was mainly due to decrease in the Company's financial advisory fee of Baht 26.05 million. However there was an increase in the Company's underwriting fee of Baht 2.67 million.
- 3. The Company's total expenses was Baht 136.64 million, a decrease of Baht 121.40 million or 47.05% from total expenses of Baht 258.04 million because the Company transferred marketing officers and a part of the subsidiary company's branches to a securities company in the partial transfer that took place in the 3rd quarter last year. As the result, the Company reported the employee benefits expenses and the property, plant and equipment expenses were decreased by Baht 83.69 million and Baht 17.73 million, respectively.
- 4. The Company's corporate income tax was Baht 2.41 million, a decrease of Baht 9.32 million or 79.45%. This was mainly due to a decrease in the Company's taxable income compared to the same period of last year

Overall, the Company's three core strategy focuses on 1) dynamic portfolio management of existing assets 2) restructuring subsidiaries to focus on higher margin products and 3) acquiring new companies with strong potential for growth.

The Company continues to implement its diversification strategy under the holding company structure. For the three-month period ended March 31, 2017, the Company's net profit increased by 6.81% and share of profit from investments in associated companies increased by 730.01% compared to the same period of last year.

Please be informed accordingly.

Sincerely yours,

-Signature-

(Mr. Tommy Taechaubol)
Chief Executive Officer