



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)
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Ref: CSO. 034/2017

Date: 22nd August 2017

Subject: Management discussion and analysis of half year ending 30 June 2017

Attention: President,
The Stock Exchange of Thailand

The Board of Directors Meeting of KGI Securities (Thailand) Plc ("the Company"), No. 4/2017, held on 22nd August 2017, has approved the audited financial statements including the consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30th June 2017.

The Company reported consolidated net profit (attributable to equity holders of the parent) of Baht 127 million and Baht 352 million for the second quarter and the first six-month period of 2017, compared to consolidated net profits (attributable to equity holders of the parent) for the same periods of the previous year of Baht 244 million and Baht 417 million respectively.

As the year-on-year change for the second quarter of 2017 was more than 20%, the Company would like to clarify the main reasons for the change in profits as follows:

The second quarter of 2017/2016

1. The Company's gains and returns on financial instruments decreased from Baht 367 million in 2Q2016 to Baht 195 million in 2Q2017 (47 percent decrease), due to a decrease in the performance of the Company's investments.
2. The Company's interest income on margin loans increased from Baht 24 million in 2Q2016 to Baht 33 million in 2Q2017 (41 percent increase), mainly from an increase in the Company's credit balance accounts.
3. The Company reversed bad debts and doubtful accounts of Baht (8) million in 2Q2017 due to cash received from doubtful debts, compared to the provision of bad debts and doubtful accounts of Baht 2 million in 2Q2016.

The six months of 2017/2016

1. The Company's interest income on margin loans increased from Baht 47 million in 6M2016 to Baht 65 million in 6M2017 (38 percent increase), mainly from an increase in the Company's credit balance accounts.
2. The Company's finance costs increased from Baht 52 million in 6M2016 to Baht 68 million in 6M2017 (32 percent increase), mainly from an increase in interest paid on borrowings from financial institutions and bills of exchange.
3. The Company reversed bad debts and doubtful accounts of Baht (16) million in 6M2017 due to cash received from doubtful debts, compared to the provision of bad debts and doubtful accounts of Baht 4 million in 6M2016.

Please be informed accordingly.
Yours Sincerely,

(Mr. Chih - Hung Lin)
Chief Operating Officer

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