

(Translated)

Ref FSS 145/2016

August 22, 2017

Subject : The Explanation of operating results of the six-month period ending June 30th, 2017

To The President
The Stock Exchange of Thailand

Dear Sir,

With reference to the Minutes 8/2017 of the Company Directors' meeting dated August 22, 2017, the Board resolved to approve the audited financial statements of Finansia Syrus Securities Public Company Limited (the "Company") and its subsidiary for the six months period ended June 30th, 2017. The Consolidated net profit of the Company was Baht 92.65 million whereas the net profit Company Only was Baht 3.61 million. Compared with the same period last year, the net profit increased by Baht 24.73 million or 36.41 % and decreased by Baht 92.54 million or 96.25 % ,respectively.

As the net profit of the Company and its subsidiary in the six months period of 2017 ended Jun 30, 2017 changed by more than 20% as compared with those of the same period of 2016.

Income:

	<u>Consolidated</u>		<u>Separate</u>	
	<u>Y2017</u>	<u>+ Increased /-Decreased</u>	<u>Y2017</u>	<u>+ Increased /-Decreased</u>
Brokerage fees income	592.30	(28.82)	592.30	(28.82)
Fees and service income	38.75	(16.45)	38.75	(16.45)
Interest on margin loans	43.68	6.63	43.68	6.63
Gain and return on financial instruments	120.09	26.18	120.09	26.18
Shares of loss from investments in an associate and a joint venture	(14.95)	9.70	0.00	0.00
Gain from change in a joint venture proportion	9.87	9.87	0.00	0.00
Other income	9.60	(1.28)	11.40	(1.11)
Total income	799.34	5.83	806.22	(13.57)

The Company wish to explain the main reasons change of income as follows.

1. The Consolidated and the Company only accounts for the six months period Y2017 recorded Baht 592.30 million as brokerage revenues from securities trading commission, which decreased by Baht 28.82 million or 4.64 % compare with the same period of 2016. The main reason was due to the decrease in Company's average daily turnover value from Baht 4,621 million to Baht 4,480 million,

2. The Consolidated and the Company only accounts recorded Baht 38.75 million as fees and service income, which decreased by Baht 16.45 million or 29.80% compare with the same period of 2016. The main reason was due to income from underwriting fees during the period.

3. The Consolidated and the Company only accounts recorded Baht 120.09 million as profits from Gain and return on financial instruments, which increased by Baht 26.18 million or 27.87 %. The main reason was due to the company has derivatives products, which are Single Stock Futures Block Trade and Derivatives Warrants.

4. The Consolidated account recorded Baht 14.95 million as losses from investment in an associated company and a jointly-controlled entity, which decreased by Baht 9.70 million or 39.35%.

The Company wish to explain the main reasons change of expense as follows.

Expenses:

(Unit: Million Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>Y2017</u>	<u>+ Increased / -Decreased</u>	<u>Y2017</u>	<u>+ Increased / -Decreased</u>
Employee benefits expenses	432.73	(5.16)	417.64	0.70
Fees and service expenses	72.62	(0.37)	72.58	(0.37)
Finance costs	15.56	3.30	15.56	3.30
Reversal of bad debt and doubtful accounts	(0.15)	0.00	(0.15)	0.00
Loss from impairment on investment	1.43	1.43	93.50	93.50
Other expenses	177.86	2.87	199.95	5.30
Total expenses	700.05	2.07	799.08	102.43
Profit (loss) before income tax	99.28	3.75	7.13	(116.00)
Income tax revenue (expenses)	(6.63)	20.98	(3.53)	23.45
Profit (loss) for the period	92.65	24.73	3.61	(92.54)

1. The Loss of impairment on investment in the separate financial statement by cost method Baht 93.50 million, which increased 100 % compare with the same period 2016. The estimated loss that may incur on the sale of this Investment was recognized as loss on impairment of the investment in the current period's Financial statements Baht 92.66 million in the separate financial statements. As the consolidated present the impairment on investment by equity method.

Yours sincerely,

(Mr. Chuangchai Nawongs)
Chief Executive Officer and President