



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)
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Ref: CSO 024/2018

Date: 14th May 2018

Subject: Management Discussion and Analysis Quarter 1 Ending 31st March 2018

Attention: President
The Stock Exchange of Thailand

The Meeting of the Board of Directors of KGI Securities (Thailand) Public Company Limited ("the Company") No. 3/2018, held on 14th May 2018, has approved the reviewed financial statements including the consolidated financial statements of the Company and its subsidiaries for the first quarter ended 31st March 2018.

The Company reported consolidated net profits (attributable to equity holders of the parent) of Baht 258 million and earnings per share of Baht 0.13 for 1Q2018, an increase of 14% when compared to consolidated profits (attributable to equity holders of the parent) of Baht 226 million and earnings per share of Baht 0.11 the first quarter of the previous year.

The Company would like to clarify the significant reasons for an increase in profits for 1Q2018 compared to the first quarter of the previous year, as follows:

1.Revenue

1.1 Brokerage fees

The Company's brokerage fees in 1Q2018 were Baht 290 million, an increase of 19% from 1Q2017, mainly due to an increase in the SET average daily trading volume.

1.2 Fees and Service income

The Company's fees and service income in 1Q2018 were Baht 179 million, an increase of 7% from 1Q2017, mainly from an increase in sales agent of investment units from the Company and front-end fee income from ONE Asset Management Limited (The Company's subsidiary).

1.3 Interest on margin loans

The Company's interest income on margin loans in 1Q2018 were Baht 45 million, an increase of 44% from 1Q2017, mainly from an increase in the Company's credit balance accounts.

1.4 Gains and return on financial instruments

The Company's gains and return on financial instruments in 1Q2018 were Baht 389 million, an increase of 22% from 1Q2017, due to an increase in the performance of the Company's investments.

2.Expenses

2.1 Employee benefits expenses

The Company's employee benefits expenses in 1Q2018 were Baht 293 million, an increase of 15% from 1Q2017, mainly from an increase in personnel expenses which are related to the increase in the Company's revenue.

2.2 Fees and service expenses

The Company's fees and service expenses in 1Q2018 were Baht 114 million, an increase of 37% from 1Q2017. Fees and service expenses were mainly fees paid in respect of securities trading and futures trading.



2.3 Finance costs

The Company's finance costs were Baht 45 million, an increase of 31% from 1Q2017, mainly from an increase in interest paid on borrowings from financial institutions and bill of exchange.

2.4 Bad debt and doubtful accounts (reversal)

The Company has bad debt and doubtful accounts of Baht 1 million in 1Q2018, compared to the reversed bad debts and doubtful accounts of Baht (8) million in 1Q2017, due to cash received from repayment of doubtful debts.

Please be informed accordingly.

Yours Sincerely,

(Mr. Chih - Hung Lin)
Chief Operating Officer

Company Secretary Office
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