

(Translated)

August 21, 2018

Ref FSS 129/2018

Subject: The Explanation of operating results of the six-month period ending June 30th, 2018

To The President and Director
The Stock Exchange of Thailand

Dear Sirs,

Finansia Syrus Securities Public Company would like to disclose the reviewed separated and consolidated financial statements for the six-month period ending June 30, 2018. The consolidated statements represent the net profit of Baht 31.41 million, which decreased by Baht 61.24 million or 66.10% comparing to the same period of 2017. While the separated statements represent the net profit of Baht 20.08 million which increased from the same period of 2017 by Baht 16.47 million or about 4.56 times.

According to the abovementioned, the net profit has changed by more than 20%, comparing to the same period of 2017 which is clarified as below

Income :

	<u>Consolidated</u>		<u>Separate</u>	
	<u>Y2018</u>	<u>+ Increased</u> <u>/ -Decreased</u>	<u>Y2018</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Brokerage fees income	595.70	3.40	595.70	3.40
Fees and services income	29.15	(9.60)	29.15	(9.60)
Interest income on margin loans	34.12	(9.56)	34.12	(9.56)
Gain and return on financial instruments	134.11	14.03	134.11	14.03
Shares of gain (loss) from investments in an associate and a joint venture	(1.31)	13.63	0.00	0.00
Gain from change in a joint venture proportion	0.00	(9.87)	0.00	0.00
Gain on sale of investment in a joint venture	8.80	8.80	0.00	0.00
Other income	7.95	(1.65)	9.75	(1.65)
Total income	<u>808.52</u>	<u>9.18</u>	<u>802.83</u>	<u>(3.38)</u>

1. The Consolidated and the separated statements recorded brokerage fees income earned from securities trading in 2018 was Baht 595.70 million, which increased from the same period of 2017 by Baht 3.40 million or 0.57%. This is mainly because of the company's average daily turnover increased from Baht 4,480 million in 2017 to Baht

4,617 million in 2018. However, at the same period of time, the company's market share decreased from 5.36% to 4.02%.

2. The Consolidated and the separated statements recorded Baht 29.15 million as fee and service income, which decreased by Baht 9.60 million or 24.78% compare with the same period of 2017. This was the result of decreasing in earning from research fee by Baht 8.49 million and underwriting fee by Baht 1.74 million.
3. The Consolidated and the separated statements recorded Baht 34.12 million as interest income on margin loans, which decreased by Baht 9.56 million or 21.88% compare with the same period of 2017.
4. The Consolidated and the separated statements recorded Baht 134.11 million as gain and return on financial instruments, which increased by Baht 14.03 million or 11.68% compare with the same period of 2017. This was the result of increasing in gains on derivatives and dividend by Baht 66.99 million and Baht 15.16 million respectively. While gains on investment decreased by Baht 68.12 million.
5. The Consolidated statement recorded Baht 1.31 million as shares of loss from investments in an associate and a joint venture, which decreased by Baht 13.63 million or 91.21% compare with the same period of 2017. This is the result of loss from investments in an associate and a joint venture, recorded in the income statement by using equity method. However, the company has fully completed the process related to the investment disposal of SBI Thai Online Securities Company Limited and received all payment in April 27, 2018.

Expenses :

	(Unit: Million Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Y2018</u>	<u>+ Increased</u> <u>/ -Decreased</u>	<u>Y2018</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Employee benefits expenses	448.86	16.13	434.57	16.93
Fees and service expenses	88.13	15.50	88.09	15.50
Finance costs	16.44	0.88	16.44	0.88
Bad debt and doubtful accounts (reversal)	(0.10)	0.05	(0.10)	0.05
Loss from impairment on investment	0.00	(1.43)	0.00	(93.50)
Other expenses	212.01	34.15	235.07	35.12
Total expenses	765.34	65.29	774.07	(25.01)
Profit before income tax	43.18	(56.11)	28.76	21.63
Income tax	(11.76)	(5.13)	(8.68)	(5.16)
Profit for the period	31.41	(61.24)	20.08	16.47

1. The Consolidated and the separated statements present the amount of employee benefits expenses of Baht 448.86 million and Baht 434.57 million respectively. The expenses on both statements increased by Baht 16.13 million or 3.73% and 16.93 million or 4.05% compare with the same period in 2017.
2. The Consolidated and the separated statements recorded Baht 88.13 million and Baht 88.09 million as fees and services expenses, which increased from the same period last year by Baht 15.50 million and Baht 15.50 million or 21.35% and 21.36% respectively.
3. Loss from impairment on investment in the separated statement decreased by Baht 93.50 million or 100% due to sale of investment in a joint venture, which was recognized as loss from impairment on investment in SBI Thai Online Securities Company Limited in 2017.
4. The Consolidated and the separated statements recorded Baht 212.01 million and Baht 235.07 million as other expenses, which increased from the same period last year by Baht 34.15 million and Baht 35.12 million or 19.20% and 17.56% respectively.

Yours sincerely,

(Mr. Chuangchai Nawongs)
Chief Executive Officer and President