



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)  
173 อาคารเอเชีย เซ็นเตอร์ ชั้น 8-11  
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Ref: CSO. 032/2018

Date: 23<sup>rd</sup> August 2018

Subject: Management discussion and analysis of financial results for the six months ending 30<sup>th</sup> June 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. 5/2018, held on 23<sup>rd</sup> August 2018, has approved the audited financial statements, including the consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30<sup>th</sup> June 2018.

The Company reported consolidated net profit (attributable to equity holders of the parent) of Baht 228 million and Baht 486 million for the second quarter and the first six-month period of 2018, compared to consolidated net profits (attributable to equity holders of the parent) for the same periods of the previous year of Baht 127 million and Baht 352 million respectively.

The Company would like to clarify the significant reasons for the increase in profits for the second quarter and the first six-month period of 2018 compared to the same periods of the previous year, as follows:

## **The second quarter of 2018 Vs 2017**

### **1. Revenue**

#### 1.1 Brokerage fees

The Company's brokerage fees in 2Q2018 were Baht 223 million, an increase of 15% from 2Q2017, 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 2Q2018 was Baht 162 million, a decrease of 8% from 2Q2017, mainly from a decrease in mutual fund management fees and registrar fees managed by ONE Asset Management Limited (the Company's subsidiary).

#### 1.3 Interest on margin loans

The Company's interest income on margin loans in 2Q2018 were Baht 49 million, an increase of 47% from 2Q2017, mainly due to 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 2Q2018 were Baht 377 million, an increase of 93% from 2Q2017, due to an improved performance of the Company's investments.

### **2. Expenses**

#### 2.1 Employee benefits expenses

The Company's employee benefits expenses in 2Q2018 were Baht 270 million, an increase of 22% from 2Q2017, 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 2Q2018 were Baht 103 million, an increase of 17% from 2Q2017. Fees and service expenses were mainly fees paid in respect of securities trading and futures trading, and retaining fee of ONE Asset Management Limited (the Company's subsidiary).

#### 2.3 Finance costs

The Company's finance costs in 2Q2018 were Baht 44 million, an increase of 31% from 2Q2017, mainly from an increase in interest paid on bonds and structure notes issued by the Company.

**The first six-month period of 2018 Vs 2017****1. Revenue****1.1 Brokerage fees**

The Company's brokerage fees in 6M2018 were Baht 513 million, an increase of 17% from 6M2017, 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 6M2018 was Baht 341 million, a decrease of 1% from 6M2017, mainly from a decrease in mutual fund management fees and registrar fees managed by ONE Asset Management Limited (the Company's subsidiary).

**1.3 Interest on margin loans**

The Company's interest income on margin loans in 6M2018 were Baht 94 million, an increase of 46% from 6M2017, 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 6M2018 were Baht 766 million, an increase of 49% from 6M2017, due to an improved performance of the Company's investments.

**2. Expenses****2.1 Employee benefits expenses**

The Company's employee benefits expenses in 6M2018 were Baht 563 million, an increase of 19% from 6M2017, 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 6M2018 were Baht 217 million, an increase of 27% from 6M2017. Fees and service expenses were mainly fees paid in respect of securities trading and futures trading, and retaining fee of ONE Asset Management Limited (the Company's subsidiary).

**2.3 Finance costs**

The Company's finance costs in 6M2018 were Baht 89 million, an increase of 31% from 6M2017, mainly due to an increase in interest paid on bill of exchange, bonds and structure notes issued by the Company.

Please be informed accordingly.

Yours Sincerely,

(Mr. Chih - Hung Lin)  
Chief Operating Officer

Company Secretary Office  
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