



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)
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Ref: CSO. 038/2018

Date: 8th November 2018

Subject: Management Discussion and Analysis Quarter 3 Ending 30th September 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. 6/2018, held on 8th November 2018, has approved the reviewed financial statements, including the consolidated financial statements of the Company and its subsidiaries for the third quarter and nine month period ended 30th September 2018.

The Company reported consolidated net profits (attributable to equity holders of the parent) of Baht 282 million and Baht 768 million for the third quarter and the nine month period of 2018, representing increases of 42% and 40%, compared to the consolidated net profits (attributable to equity holders of the parent) for the same period of the previous year of Baht 198 million and Baht 551 million respectively.

The Company would like to clarify the significant reasons for the increase in profits for the third quarter and the nine month period of 2018 compared to the same period of the previous year, as follows:

The third quarter of 2018 Vs 2017

1. Revenue

1.1 Brokerage fees

The Company's brokerage fees in 3Q2018 were Baht 211 million, a decrease of 8% from 3Q2017, mainly due to a decrease in brokerage fees from retail clients.

1.2 Fees and Service income

The Company's fees and service income in 3Q2018 was Baht 173 million, an increase of 15% from 3Q2017, mainly from an increase in mutual fund management fees, front-end fee income and private fund management fees for funds 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 3Q2018 was Baht 38 million, an increase of 16% from 3Q2017, 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 3Q2018 were Baht 464 million, an increase of 45% from 3Q2017, due to an improved performance of the Company's wide range of investments.

2. Expenses

2.1 Employee benefits expenses

The Company's employee benefits expenses in 3Q2018 were Baht 283 million, an increase of 12% from 3Q2017, 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 3Q2018 were Baht 104 million, an increase of 7% from 3Q2017, mainly from an increase in the Company's fees paid in respect of securities trading and futures trading, and an increase in the retaining fee of ONE Asset Management Limited (the Company's subsidiary) which are related to the increase in the Company's and the Company's subsidiary revenue.



2.3 Finance costs

The Company's finance costs in 3Q2018 were Baht 36 million, an increase of 5% from 3Q2017, mainly from an increase in interest paid on bonds and structure notes issued by the Company.

The nine month period of 2018 Vs 2017

1. Revenue

1.1 Brokerage fees

The Company's brokerage fees in 9M2018 were Baht 725 million, an increase of 9% from 9M2017, 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 9M2018 was Baht 514 million, an increase of 4% from 9M2017, mainly from an increase in private fund management fees and front-end fee income from funds managed by ONE Asset Management Limited (the Company's subsidiary), and an increase in the Company's sales agent fees of investment units.

1.3 Interest on margin loans

The Company's interest income on margin loans in 9M2018 was Baht 132 million, an increase of 36% from 9M2017, 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 9M2018 were Baht 1,230 million, an increase of 48% from 9M2017, due to an improved performance of the Company's wide range of investments.

2. Expenses

2.1 Employee benefits expenses

The Company's employee benefits expenses in 9M2018 were Baht 846 million, an increase of 16% from 9M2017, mainly due to 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 9M2018 were Baht 322 million, an increase of 19% from 9M2017, mainly from an increase in the Company's fees paid in respect of securities trading and futures trading, and an increase in the retaining fee of ONE Asset Management Limited (the Company's subsidiary) which are related to the increase in the Company's and the Company's subsidiary revenue.

2.3 Finance costs

The Company's finance costs in 9M2018 were Baht 125 million, an increase of 22% from 9M2017, mainly due to an increase in interest paid on bonds, structured notes and bills of exchange issued by the Company.

Please be informed accordingly.

Yours Sincerely,

(Mr. Chih - Hung Lin)
Chief Operating Officer

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