

(Translated)

February 12, 2019

Ref FSS 029/2019

Subject: Clarification of Company's Operating Result for the year ended December 31, 2018

To The President and Director
The Stock Exchange of Thailand

Dear Sirs,

Finansia Syrus Securities Public Company would like to disclose the audited separated and consolidated financial statements for the year ended December 31, 2018. The consolidated statements represent the net loss of Baht 23.69 million, which decreased by Baht 200.94 million or 113.36% comparing to the same period of 2017. While the separated statements represent the net loss of Baht 35.79 million which decreased from the same period of 2017 by Baht 124.74 million or about 140.24%.

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 :	(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>
Brokerage fees income	1,049.51	(119.57)	1,049.51	(119.57)
Fees and services income	94.19	(54.38)	94.19	(54.38)
Interest income on margin loans	67.68	(12.85)	67.68	(12.85)
Gain (loss) and return on financial instruments	226.28	(24.55)	226.22	(24.62)
Shares of gain (loss) from investments in an associate and a joint venture	2.83	25.08	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	14.01	(4.52)	17.61	(4.52)
Total income	<u>1,463.30</u>	<u>(191.86)</u>	<u>1,455.21</u>	<u>(215.94)</u>

1. The Consolidated and the separated statements recorded brokerage fees income earned from securities trading in 2018 was Baht 1,049.51 million, which decreased from the same period of 2017 by Baht 119.57 million or 10.23%. This is mainly because of the company's average daily turnover decreased from Baht 4,486 million in 2017 to Baht 4,047 million in 2018. In addition, at the same period of time, the company's market share decreased from 5.00% to 4.00%.

2. The Consolidated and the separated statements recorded Baht 94.20 million as fees and service income, which decreased by Baht 54.38 million or 36.60% compare with the same period of 2017. This was the result of decreasing in earning from research fee by Baht 31.39 million, underwriting fee by Baht 20.75 million and increasing in earning from borrowing and lending fee by Baht 1.37 million.
3. The Consolidated and the separated statements recorded Baht 67.68 million as interest income on margin loans, which decreased by Baht 12.85 million or 15.96% compare with the same period of 2017.
4. The Consolidated and the separated statements recorded Baht 226.28 million and Baht 226.22 million as gain and return on financial instruments, which decreased by Baht 24.55 million and Baht 24.62 million or 9.79% and 9.81% compare with the same period of 2017. This was mainly because of decreasing in gains on investment by Baht 227.05 million. While gains on derivatives increased by Baht 185.35 million and dividend by Baht 17.15 million.
5. The Consolidated statement recorded Baht 2.83 million as shares of loss from investments in an associate and a joint venture, which increased by Baht 25.09 million or 112.73% 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	874.70	(28.45)	841.15	(32.00)
Fees and service expenses	166.36	20.13	166.30	20.12
Finance costs	31.54	0.40	31.54	0.40
Bad debt and doubtful accounts (reversal)	(0.10)	(5.76)	(0.10)	(5.76)
Loss from impairment on investment	0.00	(0.84)	0.00	(47.75)
Loss on sale of investment in a joint venture	0.00	(0.29)	0.00	(45.74)
Other expenses	414.62	55.03	455.20	50.70
Total expenses	1,487.12	40.22	1,494.09	(60.03)
Profit (loss) before income tax	(23.82)	(232.08)	(38.88)	(155.91)
Income tax	0.13	(31.14)	3.09	(31.17)
Profit (loss) for the period	(23.69)	(200.94)	(35.79)	(124.74)

1. The Consolidated and the separated statements present the amount of employee benefits expenses of Baht 874.70 million and Baht 841.15 million respectively. The

expenses on both statements decreased by Baht 28.45 million or 3.15% and 32 million or 3.66% respectively, compare with the same period in 2017.

2. The Consolidated and the separated statements recorded Baht 166.37 million and Baht 166.31 million as fees and services expenses. The expenses on both statements increased by Baht 20.13 million and Baht 20.12 million or 13.76% compare with the same period in 2017.
3. Loss from impairment on investment in the separated statement decreased by Baht 47.76 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. Loss from sale of investment in a joint venture in the separated statement decreased by Baht 45.74 million or 100% due to sale of investment in SBI Thai Online Securities Company Limited in 2017.
5. The Consolidated and the separated statements recorded Baht 414.62 million and Baht 455.20 million as other expenses, which increased from the same period last year by Baht 55.03 million and Baht 50.70 million or 15.30% and 12.53% respectively.

Yours sincerely,

(Mr. Chuangchai Nawongs)

Chief Executive Officer and President