



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)  
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Ref: CSO 012/2019

Date: 7<sup>th</sup> May 2019

Subject: Management Discussion and Analysis Quarter 1 Ending 31<sup>st</sup> March 2019

Attention: President  
The Stock Exchange of Thailand

The Meeting of the Board of Directors of KGI Securities (Thailand) Public Company Limited ("the Company") No. 3/2019, held on 7<sup>th</sup> May 2019, has approved the reviewed financial statements including the consolidated financial statements of the Company and its subsidiaries for the first quarter ended 31<sup>st</sup> March 2019.

The Company reported consolidated profits (attributable to equity holders of the parent) of Baht 310 million and earnings per share of Baht 0.16 for the first quarter of 2019, an increase of 20 percent when compared to the consolidated profits (attributable to equity holders of the parent) of Baht 258 million and earnings per share of Baht 0.13 for the first quarter of the previous year.

The Company would like to clarify the significant reasons for the increase in consolidated profits for the first quarter of 2019 compared to the first quarter of the previous year, as follows:

### **1. Revenues**

The Company's revenues in the first quarter of 2019 were Baht 911 million, an increase of 1 percent compared to the first quarter of the previous year. The significant revenues are as follows:

#### **1.1 Brokerage fees**

The Company's brokerage fees in first quarter of 2019 were Baht 166 million, a decrease of 43 percent compared to the first quarter of the previous year, mainly from a decrease in SET and TFEX average daily trading volume.

#### **1.2 Fee and Service income**

The Company's fee and service income in first quarter of 2019 was Baht 175 million, a decrease of 2 percent compared to the first quarter of the previous year, mainly from a decrease in the Company's sales agent fees from sale of investment units.

#### **1.3 Interest on margin loans**

The Company's interest on margin loans in first quarter of 2019 was Baht 34 million, a decrease of 25 percent compared to the first quarter of the previous year, due mainly to a decrease in the size of the Company's credit balance accounts during the first quarter of 2019.

#### **1.4 Gains and return on financial instruments**

The Company's gains and return on financial instruments in first quarter of 2019 were Baht 522 million, an increase of 34 percent compare to the first quarter of the previous year, due to an improved performance of the Company's wide range of investments.

The Company's gains and return on financial instruments were derived from a variety of activities, including, derivative warrants (DWs), over-the-counter (OTC) derivatives, investments in debt and equity securities for the Company's own account, bond dealing, and private repos and other investments.

### **2. Expenses**

The Company's expenses in first quarter of 2019 were Baht 523 million, a decrease of 8 percent compare to the first quarter of the previous year. The majority of the Company's expenses came from employee benefits expenses, fee and service expenses, and finance costs, as follows:

### 2.1 Employee benefits expenses

The Company's employee benefits expenses in first quarter of 2019 were Baht 287 million, a decrease of 2 percent compared to the first quarter of the previous year, mainly from a decrease in personnel expenses which are related to a decrease in the Company's brokerage fees revenue.

### 2.2 Fee and service expenses

The Company's fee and service expenses in first quarter of 2019 were Baht 102 million, a decrease of 10 percent compared to the first quarter of the previous year, mainly from a decrease in fees paid in respect of securities trading and futures trading.

### 2.3 Finance costs

The Company's finance costs in first quarter of 2019 were Baht 33 million, a decrease of 27 percent compared to the first quarter of the previous year, mainly from a decrease in interest paid on borrowing from financial institutions.

Please be informed accordingly.

Yours Sincerely,

(Mr. Chih - Hung Lin)  
Chief Operating Officer