

(Translated)

August 15, 2019

Ref FSS 132/2019

Subject: The Explanation of operating results of the six-month period ended June 30, 2019

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 ended June 30, 2019. The consolidated statements represent the net loss of Baht 84.41 million, which decreased by Baht 115.82 million or 368.73% comparing to the same period of 2018. While the separated statements represent the net loss of Baht 85.78 million which decreased from the same period of 2018 by Baht 105.86 million or about 527.30%.

According to the abovementioned, the net loss has changed by more than 20%, comparing to the same period of 2018 which is clarified as below

Income :	<u>Consolidated</u>		(Unit: Million Baht) <u>Separate</u>	
	<u>Y2019</u>	<u>+ Increased</u> <u>/ -Decreased</u>	<u>Y2019</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Brokerage fees income	410.51	(185.19)	410.51	(185.19)
Fees and services income	25.76	(3.38)	25.76	(3.38)
Interest income on margin loans	29.04	(5.08)	29.04	(5.08)
Gain and return on financial instruments	100.85	(33.27)	100.72	(33.40)
Shares of gain from investments in an associate and a joint venture	1.23	2.54	0.00	0.00
Gain from change in a joint venture proportion	0.00	(8.80)	0.00	0.00
Other income	11.80	0.06	13.60	0.06
Total income	<u>579.19</u>	<u>(233.12)</u>	<u>579.63</u>	<u>(226.99)</u>

The Company would like to inform the reasons for change of revenues as follows.

1. The Consolidated and the separated statements for the six-month period ended 30 June 2019 recorded brokerage fees income earned from securities trading was Baht 410.51 million, which decreased from the same period of 2018 by Baht 185.19 million or 31.09%. This is mainly because of the company's average daily turnover decreased from Baht 4,617.22 million in 2018 to Baht 3,771.38 million in 2019. However, at the same period of time, the company's market share increased from 4.02% to 4.34%.
2. The Consolidated and the separated statements recorded Baht 25.76 million as fee and service income, which decreased by Baht 3.38 million or 11.60% compare with the same period of 2018. This was the result of decreasing in earning from research fee by Baht 13.93 million and financial advisory fee by Baht 5.29 million, while increasing in underwriting fee - debenture by Baht 10.82 million.
3. The Consolidated and the separated statements recorded Baht 29.04 million as interest income on margin loans, which decreased by Baht 5.08 million or 14.89% compare with the same period of 2018.
4. The Consolidated and the separated statements recorded Baht 100.85 million and Baht 100.72 million as gain and return on financial instruments, which decreased by Baht 33.27 million and Baht 33.40 million, or 24.80% and 24.90% compare with the same period of 2018. This was the result of decreasing in gains on derivatives by Baht 198.16 million and Baht 198.16 million. While gains on investment increased by Baht 161.22 million and Baht 161.22 million and interest and dividend income increase by Baht 3.30 million and Baht 3.17 million.

Expenses :

	<u>Consolidated</u>		(Unit: Million Baht) <u>Separate</u>	
	<u>Y2019</u>	<u>+ Increased</u> <u>/ -Decreased</u>	<u>Y2019</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Employee benefits expenses	372.26	(76.60)	353.13	(81.43)
Fees and service expenses	91.70	(0.22)	91.66	(0.22)
Finance costs	14.89	(1.56)	14.89	(1.56)
Bad debt and doubtful accounts (reversal)	(0.05)	0.05	(0.05)	0.05
Other expenses	204.88	(7.13)	226.22	(8.85)
Total expenses	<u>683.68</u>	<u>(85.46)</u>	<u>685.85</u>	<u>(92.01)</u>
Profit before income tax	(104.49)	(147.66)	(106.22)	(134.98)
Income tax	20.08	31.84	20.44	29.12
Profit for the period	<u>84.41</u>	<u>(115.82)</u>	<u>(85.78)</u>	<u>(105.86)</u>

The Company would like to inform the reasons for change of expenses as follows.

1. The Consolidated and the separated statements present the amount of employee benefits expenses of Baht 372.26 million and Baht 353.13 million. The expenses on both statements decreased by Baht 76.60 million and 81.43 million, or 17.07% and 18.74%, respectively, compare with the same period in 2018.

Furthermore, the employee benefits expenses includes past service cost amounting Baht 6.63 million due to the effect of Labor Protection Act (No. 7) B.E. 2562

2. The Consolidated and the separated statements recorded Baht 204.88 million and Baht 226.22 million as other expenses, which decreased from the same period last year by Baht 7.13 million and Baht 8.85 million or 3.36% and 3.77%, respectively.

Yours sincerely,

(Mr. Chuangchai Nawongs)
Chief Executive Officer and President