

(Translated)

Ref FSS 182/2019

November 12, 2019

Subject: The Explanation of operating results of the nine-month period ended September 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 consolidated and separate financial statements for the nine-month period ended September 30, 2019. The consolidated statements represent the net loss of Baht 80.98 million, which net loss increased by Baht 78.65 million, comparing to the same period of 2018. While the separate statements represent the net loss of Baht 84.69 million, which increased by Baht 72.62 million, comparing to the same period of 2018.

According to the abovementioned, the net loss for the nine-month period ended September 30, 2019, has changed by more than 20%, comparing to the same period of 2018 which is clarified as below

Income :

	<u>Consolidated</u>		<u>Separate</u>	
	<u>Y2019</u>	<u>+ Increased</u> <u>/ -Decreased</u>	<u>Y2019</u>	<u>+ Increased</u> <u>/ -Decreased</u>
Brokerage fees income	693.83	(146.67)	693.83	(146.67)
Fees and services income	35.53	(4.13)	35.53	(4.13)
Interest income on margin loans	42.10	(9.44)	42.10	(9.44)
Gain and return on financial instruments	163.36	(21.54)	163.17	(21.73)
Shares of gain from investments in an associate and a joint venture	3.97	4.40	-	-
Gain from change in a joint venture proportion	-	(8.80)	-	-
Other income	22.44	6.77	25.14	6.77
Total income	<u>961.23</u>	<u>(179.41)</u>	<u>959.77</u>	<u>(175.20)</u>

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

1. The Consolidated and the separate statements for the nine-month period ended 30 September 2019 recorded brokerage fees income earned from securities brokerage business was Baht 693.83 million, which decreased from the same period of 2018 by Baht 146.67 million or 17.45%. Although the Company's average daily turnover increased from Baht 4,371 million in 2018 to Baht 5,117 million in 2019, however, the average brokerage fee rate decreased by 0.03 percent due to strong competition.
2. The Consolidated and the separate statements recorded Baht 35.53 million as fee and service income, which decreased by Baht 4.13 million or 10.41% compare with the same period of 2018. This was the result of decreasing in earning from research fee by Baht 13.85 million and financial advisory fee by Baht 3.97 million.
3. The Consolidated and the separate statements recorded Baht 42.10 million as interest income on margin loans, which decreased by Baht 9.44 million or 18.32% compare with the same period of 2018.
4. The Consolidated and the separate statements recorded Baht 163.36 million and Baht 163.17 million as gain and return on financial instruments, which decreased by Baht 21.54 million and Baht 21.73 million, or 11.65% and 11.75% compare with the same period of 2018. This was the result of the decrease in gains on derivatives by Baht 179.58 million on the consolidated and the separate statements.

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	570.90	(93.96)	541.98	(99.57)
Fees and service expenses	158.92	22.60	158.87	22.60
Finance costs	22.16	(2.32)	22.16	(2.32)
Bad debt and doubtful accounts (reversal)	(0.05)	0.05	(0.05)	0.05
Other expenses	308.85	(4.31)	341.00	(2.26)
Total expenses	<u>1,060.78</u>	<u>(77.94)</u>	<u>1,063.96</u>	<u>(81.50)</u>
Profit before income tax	(99.55)	(101.47)	(104.19)	(93.70)
Income tax	18.57	22.82	19.50	21.08
Profit for the period	<u>(80.98)</u>	<u>(78.65)</u>	<u>(84.69)</u>	<u>(72.62)</u>

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

1. The Consolidated and the separate statements present the amount of employee benefits expenses of Baht 570.90 million and Baht 541.98 million. The expenses on both statements decreased by Baht 93.96 million and 99.57 million, or 14.13% and 15.52%, 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 separate statements recorded Baht 158.92 million and Baht 158.87 million as fees and service expenses, which increased from the same period in 2018 by Baht 22.60 million or 16.58% on the consolidated and the separate statements.

Yours sincerely,

Finansia Syrus Securities Public Company Limited

(Mr. Chuangchai Nawongs)
Chief Executive Officer and President