



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)
173 อาคารเอเชีย เซ็นเตอร์ ชั้น 8-11
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Ref: CSO. 003/2021

Date: 24th February 2021

Subject: Management Discussion and Analysis for Year Ending 31st December 2020

Attention: President
The Stock Exchange of Thailand

The Board of Directors meeting of KGI Securities (Thailand) Plc (“the Company”) No.1/2021, held on 24th February 2021, approved the audited financial statements, including the consolidated financial statements of the Company and its subsidiaries for the year ended 31st December 2020. In 2020, the Company achieved consolidated profits (attributable to equity holders of the parent) of Baht 568 million and earnings per share of Baht 0.28 a decrease of 42% when compared to the previous year. The Company would like to clarify the reasons for the change in profits for 2020 compared to the previous year, as follows:

1. Revenues

In 2020, the Company had total revenues, as shown in its consolidated financial statements, of Baht 2,829 million, a decrease of 16 percent compared to the previous year, mainly due to a decrease in Gains and return on financial instruments, the significant revenues are as follows:

1.1 Brokerage fees

The Company’s brokerage fees in 2020 were Baht 914 million, an increase of 31 percent from the previous year. The brokerage fee income consisted of brokerage fees from securities business of Baht 705 million, brokerage fees from derivatives business of Baht 209 million. The increase in brokerage fee income was from both securities business and derivatives business, due to an increase in SET average daily trading volume and TFEX trading volume and the increase in Company’s market share.

1.2 Fee and Service income

The Company’s fee and service income in 2020 was Baht 923 million, an increase of 17 percent from the previous year, mainly from an increase in Front-end fee income earned by the Company’s mutual fund management subsidiary, ONE Asset Management Limited and the Company’s Sales agent of investment units.

1.3 Interest income

The Company’s interest income in 2020 was Baht 187 million, a decrease of 31 percent from the previous year. The decrease was due mainly to a decrease in the interest income from Margin loans and interest income from Deposit at financial institutions.

1.4 Gains and return on financial instruments

The Company’s gains and return on financial instruments in 2020 were Baht 790 million, a decrease of 50 percent compared to the previous year, due to the extreme volatility of the Thai stock market in March 2020, as a result the Company’s Gains and return on financial instruments decreased.

2. Expenses

The Company’s expenses in 2020 were Baht 2,102 million, a decrease of 2 percent compared to the previous year. The majority of the Company’s expenses came from employee benefits expenses, fee and service expenses and interest expenses, as follows:



2.1 Employee benefits expenses

The Company's employee benefits expenses in the 2020 were Baht 984 million, a decrease of 10 percent compared to the previous year, mainly from a decrease in personnel expenses which are related to the decrease in the Company's performance.

2.2 Fee and service expenses

The Company's fee and service expenses in 2020 were Baht 597 million, an increase of 32 percent compared to the previous year, mainly from an increase in fees paid in respect of securities trading and derivatives trading.

2.3 Interest expenses

The Company's interest expenses in 2020 were Baht 79 million, a decrease of 44 percent compared to the previous year, mainly from a decrease in interest paid on bonds issued by the Company, and interest paid on private repo business.

Please be informed accordingly.

Yours Sincerely,

(Mr. Chih-Hung Lin)
Chief Operating Officer

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