



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)
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Ref: CSO. 022/2021

Date: 10th November 2021

Subject: Management Discussion and Analysis Quarter 3 Ending 30th September 2021

Attention: President
The Stock Exchange of Thailand

The Meeting of the Board of Directors of KGI Securities (Thailand) Public Company Limited (“the Company”) No. 6/2021, held on 10th November 2021, has approved the reviewed financial statements, including the consolidated financial statements of the Company and its subsidiaries for the third quarter and nine-month period ended 30th September 2021.

The Company achieved profit attributable to equity holders of the Company for the third quarter of 2021 and the nine-month period of 2021 compared to the same period of the previous year as follows:

(Unit: Million baht)

Consolidated Financial Statement	Quarter 3 (Reviewed)		For 9 Months (Reviewed)	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company	403	474	1,539	161
Earnings per share (Baht)	0.20	0.24	0.77	0.08

The Company would like to clarify the change in profit attributable to equity holders of the Company for the third quarter of 2021 and the nine-month period of 2021 compared to the same periods of the previous year, as follows:

The third quarter of 2021 Vs the third quarter of 2020

1. Revenues

The Company’s total revenues in the third quarter of 2021 were Baht 1,221 million, an increase of 14 percent compared to the third quarter of the previous year. The significant revenue items are as follows:

1.1 Brokerage fees

The Company’s brokerage fees in the third quarter of 2021 were Baht 326 million, an increase of 85 percent compared to the third quarter of the previous year. The brokerage fee income consisted of brokerage fees from securities business of Baht 248 million, brokerage fees from derivatives business of Baht 78 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 an increase in Company’s market share.

1.2 Fee and Service income

The Company’s fee and service income in the third quarter of 2021 was Baht 426 million, an increase of 78 percent compared to the third quarter of the previous year, mainly due to an increase in mutual fund management fees, underwriting fees for investment units and registrar fee income earned by the Company’s subsidiary, ONE Asset Management Limited, and an increase in the Company’s underwriting fee income and financial advisory fee income.

1.3 Interest income

The Company’s interest income in the third quarter of 2021 was Baht 58 million, an increase of 24 percent compared to the third quarter of the previous year, mainly from an increase in interest income from margin loans.

1.4 Gains and return on financial instruments

The Company's gains and return on financial instruments in the third quarter of 2021 were Baht 406 million, a decrease of 32 percent compared to the third quarter of the previous year.

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, private repos and other investments.

2. Expenses

The Company's total expenses for the third quarter of 2021 were Baht 746 million, an increase of 55 percent compared to the third quarter of the previous year. The significant expense items are as follows:

2.1 Employee benefits expenses

The Company's employee benefits expenses for the third quarter of 2021 were Baht 335 million, an increase of 60 percent compared to the third quarter of the previous year, mainly from an increase in personnel expenses which are related to the increase in the Company's performance.

2.2 Fee and service expenses

The Company's fee and service expenses in the third quarter of 2021 were Baht 285 million, an increase of 121 percent compared to the third quarter of the previous year, mainly from an increase in fees paid in respect of securities and derivatives trading by the Company, and an increase in the retaining fee paid by the Company's subsidiary, ONE Asset Management Limited.

2.3 Interest expenses

The Company's interest expenses in the third quarter of 2021 were Baht 20 million, an increase of 9 percent compared to the third quarter of the previous year, mainly from an increase in interest paid on bills of exchange.

The nine-month period of 2021 Vs the nine-month period of 2020

1. Revenues

The Company's total revenues in the nine-month period of 2021 were Baht 4,229 million, an increase of 160 percent compared to the nine-month period of the previous year. The significant revenue items are as follows:

1.1 Brokerage fees

The Company's brokerage fees in the nine-month period of 2021 were Baht 999 million, an increase of 57 percent compared to the nine-month period of the previous year. The brokerage fee income consisted of brokerage fees from securities business of Baht 775 million, brokerage fees from derivatives business of Baht 224 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 an increase in Company's market share.

1.2 Fee and Service income

The Company's fee and service income in the nine-month period of 2021 was Baht 1,246 million, an increase of 101 percent compared to the nine-month period of the previous year, mainly from an increase in mutual fund management fees, registrar fees, underwriting fees of investment units and front-end fee income earned by the Company's subsidiary, ONE Asset Management Limited, and an increase in the Company's underwriting fee income and financial advisory fee income.

1.3 Interest income

The Company's interest income in the nine-month period of 2021 was Baht 170 million, an increase of 18 percent compared to the nine-month period of the previous year, mainly from an increase in interest income from margin loans.

1.4 Gains and return on financial instruments

The Company's gains and return on financial instruments in the nine-month period of 2021 were Baht 1,790 million, an increase of 699 percent compared to the nine-month period of the previous year.

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, private repos and other investments.

2. Expenses

The Company's total expenses for the nine-month period of 2021 were Baht 2,368 million, an increase of 65 percent compared to the nine-month period of the previous year. The significant expense items are as follows:

2.1 Employee benefits expenses

The Company's employee benefits expenses for the nine-month period of 2021 were Baht 1,136 million, an increase of 69 percent compared to the nine-month period of the previous year, mainly from an increase in personnel expenses which are related to the increase in the Company's performance.

2.2 Fee and service expenses

The Company's fee and service expenses in the nine-month period of 2021 were Baht 851 million, an increase of 127 percent compared to the nine-month period of the previous year, mainly from an increase in fees paid in respect of securities and derivatives trading by the Company, and an increase in the retaining fee paid by the Company's subsidiary, ONE Asset Management Limited.

2.3 Interest expenses

The Company's interest expenses in the nine-month period of 2021 were Baht 58 million, a decrease of 5 percent compared to the nine-month period of the previous year, mainly from a decrease in interest paid on bonds issued by the Company.

2.4 Reversal of expected credit losses

The Company's reversal of expected credit losses in the nine-month period of 2021 were Baht 20 million, an increase of 283 percent compared to the nine-month period of the previous year, mainly from cash received from past years' non-performing debts.

Please be informed accordingly.

Yours Sincerely,

(Mr. Chih-Hung Lin)
Chief Operating Officer