



บริษัทหลักทรัพย์ เคจีไอ (ประเทศไทย) จำกัด (มหาชน)
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Ref: CSO. 020/2022

Date: 9th November 2022

Subject: Management Discussion and Analysis for Quarter 3 Ending 30th September 2022

Attention: President
The Stock Exchange of Thailand

The Meeting of the Board of Directors of KGI Securities (Thailand) Public Company Limited (“the Company”) No. 5/2022, held on 9th November 2022, 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 2022.

The Company achieved profit attributable to equity holders of the parent for the third quarter of 2022 and the nine-month period of 2022 compared to the same period of the previous year as follows:

(Unit: Million baht)

Consolidated Financial Statement	Quarter 3 (Reviewed)		For 9 Months (Reviewed)	
	2022	2021	2022	2021
Profit attributable to equity holders of the parent	349	403	933	1,539
Earnings per share (Baht)	0.18	0.20	0.47	0.77

The Company would like to clarify the change in profit attributable to equity holders of the parent for the third quarter of 2022 and the nine-month period of 2022 compared to the same periods of the previous year, as follows:

The third quarter of 2022 Vs the third quarter of 2021

1. Revenues

The Company’s total revenues in the third quarter of 2022 were Baht 1,110 million, a decrease of 9 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 2022 were Baht 289 million, a decrease of 11 percent compared to the third quarter of the previous year. The brokerage fee income consisted of brokerage fees from securities business of Baht 196 million, brokerage fees from derivatives business of Baht 93 million. The decrease in brokerage fee income was from securities business, due to a decrease in the SET average daily trading volume.

1.2 Fee and Service income

The Company’s fee and service income in the third quarter of 2022 was Baht 331 million, a decrease of 22 percent compared to the third quarter of the previous year, mainly from a decrease in mutual fund management fee income and underwriting fee income earned by the Company’s subsidiary, ONE Asset Management Limited.

1.3 Interest income

The Company’s interest income in the third quarter of 2022 was Baht 60 million, an increase of 4 percent compared to the third quarter of the previous year, mainly from an increase in interest income from deposits at financial institutions and 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 2022 were Baht 424 million, an increase of 4 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 2022 were Baht 715 million, a decrease of 4 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 2022 were Baht 335 million, similar to the third quarter of the previous year, most of employee benefits expenses were the personnel expenses which are related to the Company's performance.

2.2 Fee and service expenses

The Company's fee and service expenses in the third quarter of 2022 were Baht 260 million, a decrease of 9 percent compared to the third quarter of the previous year, mainly from a decrease in the retaining fee paid by the Company's subsidiary, ONE Asset Management Limited and a decrease in fees paid in respect of securities trading by the Company.

2.3 Interest expenses

The Company's interest expenses in the third quarter of 2022 were Baht 17 million, a decrease of 13 percent compared to the third quarter of the previous year, mainly from a decrease in interest paid on borrowings from financial institutions.

The nine-month period of 2022 Vs the nine-month period of 2021

1. Revenues

The Company's total revenues in the nine-month period of 2022 were Baht 3,174 million, a decrease of 25 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 2022 were Baht 874 million, a decrease of 12 percent compared to the nine-month period of the previous year. The brokerage fee income consisted of brokerage fees from securities business of Baht 616 million, and brokerage fees from derivatives business of Baht 258 million. The decrease in brokerage fee income was from securities business, due to a decrease in SET average daily trading volume.

1.2 Fee and Service income

The Company's fee and service income in the nine-month period of 2022 was Baht 985 million, a decrease of 21 percent compared to the nine-month period of the previous year, mainly from a decrease in mutual fund management fee and front-end fee income earned by the Company's subsidiary, ONE Asset Management Limited and a decrease in revenue earned by the Company as sales agent of investment units.

1.3 Interest income

The Company's interest income in the nine-month period of 2022 was Baht 181 million, an increase of 6 percent compared to the nine-month period of the previous year, mainly due to 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 2022 were Baht 1,121 million, a decrease of 37 percent compared to the nine-month period of the previous year, in line with market conditions.

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 2022 were Baht 2,068 million, a decrease of 13 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 2022 were Baht 960 million, a decrease of 15 percent compared to the nine-month period of the previous year, mainly from a decrease in personnel expenses which are related to the Company's performance.

2.2 Fee and service expenses

The Company's fee and service expenses in the nine-month period of 2022 were Baht 741 million, a decrease of 13 percent compared to the nine-month period of the previous year, mainly from a decrease in the retaining fee paid by the Company's subsidiary, ONE Asset Management Limited and a decrease in fees paid in respect of sales agent of investment units and securities trading by the Company.

2.3 Interest expenses

The Company's interest expenses in the nine-month period of 2022 were Baht 55 million, a decrease of 4 percent compared to the nine-month period of the previous year, mainly from a decrease in interest paid on borrowing from financial institutions.

Please be informed accordingly.

Yours Sincerely,

(Dr. Chih-Hung Lin)
Chief Operating Officer