



**F I N A N S A**  
Asian Merchant Banking

No. For. 18/2019

November 14, 2019

Subject: Clarification for changes in operating performance

To: The President of the Stock Exchange of Thailand

For the nine-month period ended 30 September 2019, the consolidated financial results of Finansa Public Company Limited and its subsidiaries showed a net loss of THB 33 million or a net loss of THB 0.10 per share, a decrease of THB 51.2 million or 281% compared with a net profit of THB 18.2 million or THB 0.07 per share recorded in the same period last year.

Significant item causing a decrease in the net profit is total revenues which were decreased from THB 285.8 million in 9M2018 to THB 218.9 million in 9M2019, representing a drop of THB 66.9 million or 23%. The major revenues comprise 1) Revenue from investment, advisory and management business totaled THB 29.4 million, decreased by THB 2.5 million, 2) Revenue from securities business totaled THB 39.8 million, decreased by THB 76.2 million or 66% from a slowdown in advisory business and 3) Revenue from warehouse and factory leasing business totaled THB 132.4 million, closed to that of 9M2018. Other revenue totaled THB 17.3 million, increased by THB 12.1 million from an unrealized gain on exchange rate on THB assets and liabilities of a foreign subsidiary.

Total costs and expenses were THB 282 million, increased by THB 1.4 million or 1% from the same period last year. The major costs and expenses changes were 1) Finance costs totaled THB 48.2 million, increased by THB 9.6 million or 25% from an increase in long-term debentures, 2) Investment, advisory and management business costs and expenses totaled THB 35.3 million, increased by THB 8.1 million or 30% from additional employee benefits expenses based on the new labor law, 3) Securities business costs and expenses totaled THB 69.6 million, decreased by THB 8 million or 10% following a decrease in revenue and 4) Director and management remuneration totaled THB 25.9 million, decreased by THB 9.6 million or 27% following the securities business performance. Other costs and expenses were slightly changed.

The Company and its subsidiaries also recognized a share of gain from investments in associates totaled THB 20 million, decreased by THB 3.8 million or 23% following operating results of associates. Income tax - income totaled THB 10.1 million, compared to an income tax - expense of THB 3.2 million last year from an operating loss of a securities business subsidiary.

For the three-month period ended 30 September 2019, the consolidated financial results showed a net loss of THB 29.7 million or a net loss of THB 0.09 per share, an increase in the

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operating loss of THB 24.7 million or 494% compared with a net loss of THB 5 million or THB 0.02 per share recorded in the same period last year.

Total revenues were THB 65.2 million, decreased by THB 22.9 million or 26%. The major revenues changes were 1) Revenue from investment, advisory and management business totaled THB 9.6 million, decreased by THB 10.9 million or 53% as there was a successful business advisory deal of a foreign subsidiary last year and 2) Securities business revenue totaled THB 10.3 million, decreased by THB 8.6 million or 46% as there was a successful advisory deal last year. Other revenues were slightly changed.

Total costs and expenses were THB 94.9 million, increased by THB 10 million or 12%. The major costs and expenses changes were 1) Finance costs totaled THB 16 million, increased by THB 3 million or 23% from an increase in long-term debentures and 2) Investment, advisory and management business costs and expenses totaled THB 12.5 million, increased by THB 3.5 million or 39% from additional employee benefits expenses based on the new labor law. Other costs and expenses were slightly changed.

The Company and its subsidiaries also recognized a share of loss from investments in associated companies totaled THB 3.9 million, compared with a share of loss of THB 9.9 million last year, representing a decrease of THB 6 million or 61% following operating results of associates. Income tax - income totaled THB 3.9 million, increased by THB 2.2 million from the same period last year.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)

Managing Director