



**F I N A N S A**

Asian Merchant Banking

No. For.08/2020

February 25, 2020

Subject: Clarification for changes in operating performance

To: The President of the Stock Exchange of Thailand

For the year ended 31 December 2019, the consolidated financial results of Finansa Public Company Limited and its subsidiaries showed a net loss of THB 82.6 million or a net loss of THB 0.24 per share, a decrease in its financial performance of THB 146.7 million or 229% compared with a net profit of THB 64.1 million or THB 0.25 per share recorded in 2018.

Significant item causing a net operating loss is a decline in total revenues from THB 521.8 million in 2018 to THB 305.4 million in 2019, representing a decrease of THB 216.4 million or 41%. The major revenues comprise 1) Revenue from investment, advisory and management business totaled THB 38.9 million, 2% increased from 2018, 2) Revenue from securities business totaled THB 63.7 million, a decrease of THB 235.9 million or 79%, from a slowdown in advisory business in 2019 while several advisory deals and large underwriting deal were completed in 2018 and 3) Revenue from warehouse and factory leasing business totaled THB 176.4 million, 2% decreased from 2018. Other revenue totaled THB 26.4 million, increased by THB 22.3 million from an unrealized gain on exchange rate on THB assets and liabilities of a foreign subsidiary.

Total costs and expenses were THB 390.3 million, decreased by THB 74.6 million or 16% from 2018. The major costs and expenses changes were 1) Finance costs totaled THB 64.3 million, increased by THB 10.6 million or 20% from an increase in long-term debentures, 2) Investment, advisory and management business costs and expenses totaled THB 42 million, increased by THB 9 million or 27% from additional employee benefits expenses based on the new labor law, 3) Securities business costs and expenses totaled THB 83.1 million, decreased by THB 52.6 million or 39% following a decrease in revenues and 4) Director and management remuneration totaled THB 36.2 million, decreased by THB 43.4 million or 55% following the securities business performance. Other costs and expenses were changed slightly.

**FINANSA PUBLIC COMPANY LIMITED**

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The Company and its subsidiaries also recognized a share of loss from investments in associates totaled THB 7.1 million, decreased by THB 34.8 million or 126% following operating results of associates. Income tax - income totaled THB 9.4 million, compared to an income tax - expense of THB 20.5 million in 2018 from an operating loss of a securities business subsidiary.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)

Managing Director