



F I N A N S A
Asian Merchant Banking

No. For. 20/2021

November 12, 2021

Subject: Clarification for changes in operating performance of more than 20%
To: The President of the Stock Exchange of Thailand

Finansa Public Company Limited would like to report its consolidated financial results for the three-month period ended 30 September 2021. The consolidated statements of profit or loss and other comprehensive income showed a net loss of THB 21.07 million or a net loss of THB 0.06 per share, a decrease in a net profit of THB 199.65 million or 111.8% from a net profit of THB 178.58 million or a net profit THB 0.52 per share recorded in Q3-2020.

In 2021, there are no revenues and expenses from the warehouse and factory leasing business since the leasehold rights at the Bangkok Free Trade Zone were terminated in August 2020 with the sale of leasehold rights to the Prospect Logistics and Industrial Leasehold REIT. In addition, the Company also recorded a one-off revenue in an amount of THB 198.14 million from this transaction in Q3-2020.

Total revenues in Q3-2021 were THB 30.34 million, compared with THB 273.64 million recorded in Q3-2020, a decrease in total revenues of THB 243.30 million or 88.9%. Major revenues with significant changes were 1) revenue from the investment, advisory and management business totaled THB 6.27 million, a decrease of THB 15.22 million or 70.8% resulted from a decrease in interest income as a portion of loan was repaid and 2) revenue from the securities business totaled THB 23.28 million, a decrease of THB 6.60 million or 22.1%. Remaining differences came from the leasehold rights termination mentioned above.

Total costs and expenses in Q3-2021 were THB 56.15 million, compared with THB 103.88 million recorded in Q3-2020, representing a decrease of THB 47.73 million or 46%. Major costs and expenses with significant change were 1) finance costs totaled THB 13.82 million, a decrease of THB 3.31 million or 19.3% as several tranches of long-term debentures matured, 2) costs and expenses of the securities business totaled THB 16.39 million, a decrease of THB 13.35 million or 44.9% following a decrease in underwriting and advisory transactions and 3) an expected credit loss item was reversed in an amount of THB 8.36 million due to repayment from the debtor.

In addition, the Company and its subsidiaries recognized a share of profit from investments in associates of THB 5.99 million, compared with a share of profit of THB 33.68 million recorded in Q3-2020, representing a decrease of THB 27.69 million or 82.2%, following operating results and an increase in number of associates. Income tax expense totaled THB 1.25 million, compared with THB 24.86 million in Q3-2020 due to a decrease in the operating profit of a subsidiary.

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For the nine-month period ended 30 September 2021, the consolidated statements of profit or loss and other comprehensive income showed a net loss of THB 9.03 million or a net loss of THB 0.03 per share, a decrease in a net profit of THB 262.28 million or 103.6% from a net profit of THB 253.25 million or a net profit THB 0.73 per share recorded in 9M2020.

Total revenues in 9M2021 were THB 227.59 million, compared with THB 625.44 million recorded in 9M2020, a decrease in total revenues of THB 397.85 million or 63.6%. Major revenues with significant changes was revenue from the securities business totaled THB 183.78 million, a decrease of THB 84.79 million or 31.6% reflecting a large underwriting and advisory deal that was completed in 9M2020. Remaining differences came from the leasehold rights termination mentioned earlier.

Total costs and expenses in 9M2021 were THB 237.59 million, compared with THB 344.96 million recorded in 9M2020, representing a decrease of THB 107.37 million or 31.1%. Major costs and expenses with significant change were 1) finance cost totaled THB 38.41 million, a decrease of THB 10.16 million or 20.9% as several tranches of long-term debentures matured, 2) costs and expenses of the investment, advisory and management business totaled THB 30.35 million, an increase of THB 6.38 million or 26.6% from advisory expenses of a subsidiary, 3) costs and expenses of the securities business totaled THB 102.74 million, a decrease of THB 30.46 million or 22.9% following a decrease in underwriting and advisory transactions, 4) servicing and administrative expenses totaled THB 66.32 million, an increase of THB 20.07 million or 43.4% from an unrealized loss on exchange rate on THB assets and liabilities of a foreign subsidiary and 5) an expected credit loss item was reversed in an amount of THB 24.54 million due to repayment from the debtor.

In addition, the Company and its subsidiaries recognized a share of profit from investments in associates of THB 14.05 million, compared with a share of profit of THB 22.04 million recorded in 9M2020, representing a decrease of THB 7.99 million or 36.3%, following operating results and an increase in number of associates. Income tax expense totaled THB 13.09 million, compared with THB 49.27 million in 9M2020 due to a decrease in the operating profit of a subsidiary.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)
Managing Director