

No. For. 31/2018

November 12, 2018

Subject: Clarification for changes in operating performance

To: The President of the Stock Exchange of Thailand

For the nine-month period ended 30 September 2018, the consolidated financial results of Finansa Public Company Limited and its subsidiaries showed a net profit of THB 18.2 million or a net profit of THB 0.07 per share, a decrease of THB 77.1 million or 81% compared with a net profit of THB 95.3 million or THB 0.39 per share recorded in the same period last year.

Significant items causing a decrease in the net profit are decreases in total revenues and share of gain from investments in associates and increase in total cost and expenses.

Total revenues decreased from THB 333.8 million in 9M2017 to THB 285.8 million in 9M2018, decreased by THB 48 million or 14%. The major revenues comprise 1) Revenue from investment, advisory and management business totaled THB 31.8 million, increased by THB 12.5 million from a successful business advisory deal of a foreign subsidiary, 2) Revenue from securities business totaled THB 116 million, decreased by THB 41 million, 3) Revenue from warehouse and factory leasing business totaled THB 132.8 million, decreased by THB 3.2 million due to a slightly drop in its occupancy rate. Other revenue totaled THB 5.1 million, decreased by THB 16.4 million as an unrealized gain on exchange rate on THB assets and liabilities of a foreign subsidiary was recorded last year while recorded a smaller amount this year.

Total costs and expenses were THB 280.6 million, increased by THB 15.3 million or 6% from the same period last year. The major costs and expenses changes were 1) Investment, advisory and management business costs and expenses totaled THB 27.2 million, decreased by THB 2.1 million, 2) Securities business costs and expenses totaled THB 77.6 million, increased by THB 7.6 million, 3) Director and management remuneration totaled THB 35.5 million, increased by THB 11.1 million following successful financial advisory deals in the first quarter and 4) Finance costs totaled THB 38.6 million, decreased by THB 0.9 million following drops in short-term and long-term debentures outstanding. Other costs and expenses were slightly changed.

The Company and its subsidiaries also recognized a share of gain from investments in associates totaled THB 16.2 million, decreased by THB 23.4 million or 59% as per an associate's loss operating result. Income tax expense totaled THB 3.2 million, decreased by THB 9.6 million resulting from a drop in net profit of a securities business subsidiary.

For the three-month period ended 30 September 2018, the consolidated financial results showed a net loss of THB 5 million or a net loss of THB 0.02 per share, a decrease in the operating results of THB 31.7 million or 119% compared with a net profit of THB 26.7 million or THB 0.11 per share recorded in the same period last year.

Total revenues were THB 88 million, decreased by THB 23.5 million or 21%. The major revenues changes were 1) Revenue from investment, advisory and management business totaled THB 20.5 million, increased by THB 17.1 million from a successful business advisory deal of a foreign subsidiary and 2) Securities business revenue totaled THB 18.8 million, decreased by THB 38.7 million as there were successful advisory deals in the third quarter last year. Other revenues were slightly changed.

Total costs and expenses were THB 84.8 million, decreased by THB 4.5 million or 5%. The major costs and expenses changes were 1) Investment, advisory and management business costs and expenses totaled THB 9 million, decreased by THB 2.6 million and 2) Warehouse and factory leasing business costs and expenses totaled THB 21.5 million, decreased by THB 1.9 million following a decrease in revenues. 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 9.9 million, decreased by THB 20.1 million or 198% as per associate's loss operating result. Income tax - income totaled THB 1.7 million, compared to an income tax expense of THB 5.6 million last year as there was a drop in net profit of a securities business subsidiary.

Please be informed accordingly.

Yours sincerely,

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(Mr. Vorasit Pokachaiyapat)

Managing Director