



F I N A N S A

Asian Merchant Banking

No. For. 18/2021

August 16, 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 June 2021. The consolidated statements of profit or loss and other comprehensive income showed a net profit of THB 13.40 million or a net profit of THB 0.04 per share, a decrease in a net profit of THB 119.47 million or 89.9% from a net profit of THB 132.87 million or a net profit THB 0.38 per share recorded in Q2 2020.

In 2021, there will be 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.

Total revenues in Q2 2021 were THB 107.40 million, compared with THB 283.86 million recorded in Q2 2020, a decrease in total revenues of THB 176.45 million or 62.2%. Major revenues with significant changes were 1) revenue from the investment, advisory and management business totaled THB 27.82 million, an increase of THB 26.83 million from dividend income recorded by a subsidiary and 2) revenue from the securities business totaled THB 75.57 million, a decrease of THB 158.19 million or 67.7% reflecting a large underwriting and advisory deal that was completed in Q2 2020.

Total costs and expenses in Q2 2021 were THB 98.65 million, compared with THB 128.65 million recorded in Q1 2020, representing a decrease of THB 30 million or 23.3%. Major costs and expenses with significant change were 1) costs and expenses of the securities business totaled THB 53.39 million, a decrease of THB 17.62 million or 24.8% following a decrease in underwriting and advisory transactions, 2) servicing and administrative expenses totaled THB 20.52 million, an increase of THB 19.38 million from an unrealized loss on exchange rate on THB assets and liabilities of a foreign subsidiary, and 3) an expected credit loss item was reversed in an amount of THB 7.95 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 7.32 million, compared with a share of profit of THB 6.70 million recorded in Q2 2020, representing an increase of THB 0.62 million or 9.3%, following operating results and an increase in number of associates since August 2020. Income tax expense totaled THB 2.67 million, compared with THB 29.04 million in Q2 2020 due to a decrease in the operating profit of a subsidiary.

FINANSA PUBLIC COMPANY LIMITED

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For the six-month period ended 30 June 2021, the consolidated statements of profit or loss and other comprehensive income showed a net profit of THB 12.04 million or a net profit of THB 0.03 per share, a decrease in a net profit of THB 62.63 million or 83.9% from a net profit of THB 74.67 million or a net profit THB 0.22 per share recorded in 1H 2020.

Total revenues in 1H 2021 were THB 197.26 million, compared with THB 351.80 million recorded in 1H 2020, a decrease in total revenues of THB 154.54 million or 43.9%. Major revenues with significant changes were 1) revenue from the investment, advisory and management business totaled THB 31.98 million, an increase of THB 21.22 million or 197.1% from dividend income recorded by a subsidiary and 2) revenue from the securities business totaled THB 160.50 million, a decrease of THB 78.19 million or 32.8% reflecting a large underwriting and advisory deal that was completed in 1H 2020.

Total costs and expenses in 1H 2021 were THB 181.44 million, compared with THB 241.08 million recorded in 1H 2020, representing a decrease of THB 59.64 million or 24.7%. Major costs and expenses with significant change were 1) finance cost totaled THB 24.59 million, a decrease of THB 6.85 million or 21.8% as several tranches of long-term debentures matured and no new fund raised, 2) costs and expenses of the investment, advisory and management business totaled THB 22.92 million, an increase of THB 6.96 million or 43.6% from advisory expenses of a subsidiary, 3) servicing and administrative expenses totaled THB 47.54 million, an increase of THB 11.84 million or 33.2% from an unrealized loss on exchange rate on THB assets and liabilities of a foreign subsidiary and 4) an expected credit loss item was reversed in an amount of THB 16.17 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 8.06 million, compared with a share of loss of THB 11.64 million recorded in 1H 2020, representing an increase of THB 19.70 million or 169.2%, following operating results and an increase in number of associates since August 2020. Income tax expense totaled THB 11.84 million, compared with THB 24.42 million in 1H 2020 due to a decrease in the operating profit of a subsidiary.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)
Managing Director