

Ref: FASET 05/60

July 31, 2017

Subject: Report the reviewed operating result for the second quarter and unaudited for the six-month period ended June 30, 2017
To: President of the Stock Exchange of Thailand

Seamico Securities Public Company Limited (“The Company”) would like to report the unaudited operating result for the period ended June 30, 2017 as follows:

The unreviewed consolidated operating result for the second quarter ended June 30, 2017

The Company and its subsidiary generated net loss of Baht 90.94 million whereas the same period of the year 2016 with net income of Baht 29.94 million. The Baht 120.88 million decreased from the following reasons:

1. Total revenue decreased of Baht 128.68 million due to :-
 - Fee and service income decreased of Baht 26.44 million from mutual fund and private fund managements fee from Solaris Asset Management Company Limited (Solaris) decreased.
 - Gain and return on financial instruments decreased of Baht 22.50 million from gain from investment in securities decreased of Baht 21.79 million due to loss from investment in equity securities increased of Baht 22.43 million whereas gain from investment in debt securities increased of Baht 0.64 million.
 - The Company recognized share of loss from associated companies under equity method of Baht 62.85 million due to :-
 - Share of loss from operating result of KT ZMICO Securities Co., Ltd. (KT ZMICO) is amount of Baht 53.68 million (The Company holds 49.71 %). The operating results in which equity method is applied for KT ZMICO generated net loss of Baht 107.98 million in the second quarter of the year 2016. The main reason was the increase in allowance for bad debt and doubtful account of securities business receivables and derivatives business receivables in large clients with EARTH shares as collateral and underlying securities in trading. The higher or lower of figures stated earlier may be subjected to the future resolution plan of EARTH.

The operating results in which equity method is applied of KT ZMICO for the second quarters of the year 2017 are as follows:-

	Unit : Million Baht	
	For the second quarter	
	2017	2016
Net securities business income	304.42	379.88
Operating expenses	(316.48)	(340.66)
Corporate income tax	27.54	(7.25)
Operating income	15.48	31.97
Allowance for bad debt and doubtful account	(123.46)	(1.25)
Net income (loss)	(107.98)	30.72

- The Company recognized share loss from operating result of Scentimental (Thailand) Co., Ltd. (Scentimental) of Baht 6.50 million (The Company holds 46.00%).
 - The Company recognized share loss from operating result of Absolute Yoga Co., Ltd. (Absolute Yoga) of Baht 2.68 million (The Company holds 30.00%).
 - Other income decreased of Baht 1.62 million due to The Company received money returned from securities business receivable of Baht 1.65 million in the second quarter of 2016.
2. Total expenses decreased of Baht 2.08 million or 6 % due to:-
- Employee expenses decreased of Baht 5.24 million.
 - Fee and services expenses decreased of Baht 7.16 million due to agent fee of mutual fund and private fund managements from the subsidiary (Solaris) decreased.
 - The Company recorded reserve impairment loss from investment of Baht 6.00 million in Thanh Cong Securities Joint Stock Company (Thanh Cong) whereas the Company had reversal impairment loss of investment in Thanh Cong and General investment totally of Baht 1.13 million in the second quarter of the previous year.

From the above reasons, the net income of the Company and its subsidiary for the second quarter of the year 2017 decreased of Baht 120.88 million from the same period of the year 2016.

The unreviewed separate operating result for the second quarter ended June 30, 2017

The Company generated net loss of Baht 28.07 million comparing to the same period of the year 2016 with net income of Baht 14.66 million. The decrease of Baht 42.73 million from the followings:-

1. Total revenue decreased of Baht 25.48 million due to:-
 - Gain and return on financial instruments decreased of Baht 23.84 million from gain from investments decreased of Baht 23.27 million due to loss from investment in equity securities increased of Baht 22.29 million and loss from investment in debt securities increased of Baht 0.98 million.
 - Other income decreased of Baht 1.63 million from money return money from securities business receivable of Baht 1.65 million in the second quarter of the year 2016.
2. Total expenses increased of Baht 24.95 million due to:
 - Bad debt and doubtful accounts increased of Baht 0.27 million due to collateral value of share decreased.
 - The Company record reserve impairment loss from securities of Baht 16.77 million which can be summarized as follows :-
 - Reserve impairment loss of investment in Solaris of Baht 10.77 million due to net income of Solaris decreased from the same quarter of last year of Baht 19.95 million which The Asset under Managements decreased from Baht 28.30 billion to Baht 1.69 billion as well as the number of mutual funds and private funds under management have decreased from 64 funds in the second quarter 2016 to 34 funds in the current period.

The operating results of Solaris can be summarized as below:-

	For the second quarter	
	2017	2016
Fee and service incomes	2.62	29.06
Other incomes	4.43	0.44
Operating expenses	(13.58)	(18.05)
Corporate income tax	(4.25)	(2.28)
Net income (loss)	(10.78)	9.17

- Reserve impairment loss of investment in Thanh Cong of Baht 6.00 million.

Whereas in the second quarter of the year 2016, The Company has reversal impairment loss of investment in Solaris and Thang Cong of Baht 9.17 million and 1.57 million, respectively.

From the above reasons, the net income of the Company for the second quarter of the year 2017 decreased of Baht 42.73 million from the same period of the year 2016.

The unaudited consolidated operating result for the six - month period ended June 30, 2017

The Company has net income attribute to owners of the company of Baht 70.46 million comparing to the same period of the year 2016 with net income of Baht 50.31 million. Net income increased of Baht 20.15 million due to:

1. Total revenues increased of Baht 57.06 million or 41% due to:
 - Gain and return on financial instruments increased of Baht 170.57 million from gain from investments increased of Baht 171.06 million due to gain from reclassified investment port from available for sell investment to trading investment of Baht 167.25 million and gain from investment in equity securities increased of Baht 8.73 million whereas gain from investment in debt securities decreased of Baht 4.92 million.
 - Share of loss from associated companies under equity method of Baht 52.00 million resulted from Share of loss from KT ZMICO of Baht 42.69 million with the same reason as consolidate account for the second quarter, share loss from Scentimental of Baht 6.50 million and share loss from Absolute Yoga of Baht 2.81 million.
2. Total expenses increased of Baht 10.68 million or 14% due to:-
 - Bad debt and doubtful accounts increased of Baht 0.27 million due to collateral value of share decreased.
 - Reserve impairment loss from securities of Baht 14.97 million from investment in Thanh Cong of Baht 14.42 million and General investment of Baht 0.55 million which the Company had reversal impairment loss from securities of Baht 2.17 million in the second quarter of previous year.
 - Other expenses increased of Baht 6.40 million mainly from consulting fee increased of Baht 2.08 million and loss on exchange rate of Baht 3.41 million.

The unaudited separate operating result for the six - month period ended June 30, 2017.

The Company had net income of Baht 122.45 million comparing to the same period of the year 2016 with net income of Baht 48.48 million. The Baht 73.97 million of net income or 153% increased due to:-

1. Total revenues increased of Baht 145.38 million or 186% due to:
 - Gain and return on financial instruments increased of Baht 146.97 million from
 - Gain from investments increased of Baht 169.19 million due to gain from reclassified investment port from available for sell investment to trading investment of Baht 167.25 million and gain from investment in equity securities increased of Baht 9.26 million whereas gain from investment in debt securities decreased of Baht 7.32 million.
 - Interest and dividend income decreased of Baht 22.22 million mainly from dividend received from KT ZMICO of Baht 21.90 million in the previous six-month period last year whereas there is no dividend received transaction from this company in the six-month period of the year 2017.
2. Total expenses increased of Baht 47.14 million or 198% due to:-
 - Employee expenses increased of Baht 4.21 million.
 - The Company recorded reserve impairment loss from securities of Baht 19.90 million consist of Impairment loss from Solaris of Baht 4.93 million, Thanh Cong of Baht 14.42 million and general investment of Baht 0.55 million whereas the Company had reversal impairment loss from securities of Baht 17.02 million in the six-month period of the year 2016.
 - Other expenses increased of Baht 5.37 million mainly from consulting fee increased of Baht 1.50 million and loss on exchange rate increased of Baht 3.41 million.

This resulted to the Company net income for six month period of 2017 of Baht 73.97 million increased.

By the way, the consolidated net income of the six-month period of the year 2017 is less than the separate net income of Baht 51.99 million. According to the accounting standards the consolidated income statement is recognized share of profit from associated company under the equity method net of Baht 52.00 million.

Yours sincerely,

(Mr. Chaipatr Srivisarvacha)
Chief Executive Officer