

Ref: FASET 04/2561

November 12, 2018

Subject: Report the operating result for the third quarter and for the nine-month period ended September 30, 2018

To: President of the Stock Exchange of Thailand

Seamico Securities Public Company Limited and its subsidiaries (“The Company”) would like to report operating result that has been reviewed by our auditor for the third quarter and for the nine-month period ended September 30, 2018 as follows:

The consolidated operating result for the third quarter ended September 30, 2018

The Company reported net profit of Baht 0.43 million comparing with the same period last year which had net loss of Baht 68.76 million, improving by Baht 69.19 million or 101%:-

1. Total revenue of Baht 27.43 million, decreasing by Baht 13.68 million or 33% mainly from:

- Fee and service income decreased by Baht 2.04 million from mutual fund and private fund management fee of Innotech Asset Management (formerly Solaris Asset Management).
- Gain and return on financial instruments increased by Baht 12.19 million mainly due to unrealized gain from mark to market price of investment in listed securities and increase in interest income from investment.
- The Company recognized share of profit from associated companies of Baht 0.15 million, while in the third quarter of 2017, the Company recognized share of gain of Baht 21.07 million.
  - Share of profit from operating result of KT ZMICO Securities Co., Ltd. (“KT ZMICO”) of Baht 12.87 million (The Company holds 49.71%) decreased from the third quarter last year by Baht 5.03 million. KT ZMICO’s revenue and net operating income for the period increased, but income from reversal of bad debts and doubtful accounts decreased from last year.

The operating results of KT ZMICO for the third quarter 2018 and 2017 as follows:-

	Unit : Million Baht	
	For the third quarter	
	2018	2017
Net securities business income	361.99	357.73
Operating expenses	(335.76)	(334.65)
Corporate income tax	(5.81)	(9.20)
Operating income	20.42	13.88
Reversal allowance for bad debt and doubtful account	5.47	22.14
Net income	25.89	36.02

- Share of loss from other associated companies of Baht 12.72 million, mainly due to the operating results of Absolute Yoga Co., Ltd. (The Company holds 30%), which recently opened 10 new branches, resulting in higher operating cost while revenue is gradually recognized as per accounting standard.
2. Total expenses of Baht 23.77 million, a decrease by Baht 108.24 million or 82% mainly from the allowance for impairment loss in debt securities which Innotech invested in WCI Holding Co., Ltd. of Baht 105.00 million in the third quarter last year. Besides, total operating expenses of the group companies decreased year-on-year.

The consolidated operating result for the nine-month period ended September 30, 2018

The Company reported net loss of Baht 87.13 million, comparing with the same period last year which had net profit of Baht 4.24 million:-

1. Total revenues decreased by Baht 316.32 million or 132% mainly from:
  - Fee and service income decreased by Baht 20.26 million from mutual fund and private fund management fee of Innotech Asset Management.
  - Loss from financial instruments of Baht 85.03 million mainly comprised of unrealized loss from mark to market price of investment in listed securities and sale of investment in Thanh Cong, whereas in 2017 the Company recorded gain on reclassification from available for sale securities to trading securities of Baht 167.25 million.

- The Company reported share of profit from associated companies under equity method of Baht 1.11 million, whereas the Company recognized share of loss of Baht 28.39 million in the same period last year which mainly due to the allowance for doubtful account and securities business receivables of KT ZMICO.
2. Total expenses decreased by Baht 209.85 million or 95% mainly from reversal of allowance for impairment loss from securities on disposal of Thanh Cong investment, while last year the company recognized allowance for impairment loss in debt securities which Innotech invested in WCI Holding Co., Ltd. of Baht 105.00 million.

Please kindly be informed accordingly.

Yours sincerely,

(Mr. Chaipatr Srivisarvacha)  
Chief Executive Officer