

Ref: FASET 01/2562

February 26, 2019

Subject: Report the operating result for the year ended December 31, 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 audited by our auditor for the year ended December 31, 2018 as follows:

The consolidated operating result for the year ended December 31, 2018

The Company reported net loss for the year 2018 of Baht 195.83 million, comparing with the same period last year which had net profit of Baht 9.87 million, decreasing by Baht 205.70 million:-

1. Total revenue was Baht -169.36 million, a decrease by Baht 444.76 million or 161% mainly from:
  - Fee and service income decreased by Baht 22.93 million from the suspension of operation of Innotech Asset Management (or “Innotech” formerly known as “Solaris Asset Management”), a subsidiary. Innotech is currently on process of preparing personnel and operating system to reactivate its fund management business.
  - Return on financial instruments decreased by Baht 381.05 million mainly from loss on reclassification of investment of one listed security amounting to Baht 123.12 million, which is an unrealized loss from mark-to-market price of investment. While in 2017 the company recorded extraordinary gain from reclassification of this investment of Baht 180.56 million. However, its current market price is still higher than the acquisition cost. In addition, the decrease in return on financial instruments was also caused by the sale of Thanh Cong Securities Joint Stock Company, which the company had fully recorded the impairment and reversed the transaction, resulting in the decrease in total expenses.
  - The Company recognized share of loss from associates of Baht 49.83 million, decreased by Baht 44.81 million from last year. The share of loss in 2018 comprised of:
    - Share of loss from operating result of KT ZMICO Securities Co., Ltd. (“KT ZMICO”) of Baht 21.40 million (The Company holds 49.71%) mainly caused by a decrease in revenue from mark-to-market price of investments, and an increase in expense from post-employment benefits obligation.

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

	Unit : Million Baht	
	For the year	
	2018	2017
Net securities business income	1,335.88	1,491.77
Operating expenses	(1,396.22)	(1,381.42)
Corporate income tax – income (expenses)	13.07	(5.09)
Operating income (loss)	(47.27)	105.26
Reversal (set up) allowance for bad debt and doubtful account	4.22	(102.07)
Net income (loss)	(43.05)	3.19

- Share of loss from other associated companies of Baht 28.43 million, mainly due to the operating results of Absolute Yoga Co., Ltd. (The Company holds 30%). Absolute Yoga has recently opened new branches which caused high pre-operating and fixed costs, while sales that increased from business growth will gradually be recognized as revenue per the accounting standard.
2. Total expenses of Baht 41.50 million, a decrease by Baht 217.18 million or 84% mainly from the reversal of allowance for impairment loss from securities on disposal of Thanh Cong investment, while last year the company recorded the allowance for impairment loss in Innotech's debt securities investment in WCI Holding Co., Ltd. of Baht 105.00 million. Besides, the company's operating expenses decreased from last year from the suspension of Innotech's operation.

Please kindly be informed accordingly.

Yours sincerely,

(Mr. Chaipatr Srivisarvacha)  
Chief Executive Officer