

Ref: FASET 03/2562

August 23, 2019

Subject: Report the operating result for the second quarter and for the six-month period ended June 30, 2019

To: President of the Stock Exchange of Thailand

Seamico Securities Public Company Limited and its subsidiaries (“The Company”) would like to report the consolidated operating result that has been audited by our auditor for the second quarter and for the six-month period ended June 30, 2019 as follows:

The consolidated operating result for the second quarter ended June 30, 2019

The Company reported net loss for the second quarter of 2019 of Baht 2.88 million, comparing with the same period last year which had net loss of Baht 45.62 million, improving by Baht 42.74 million:-

1. Total revenue was Baht 17.32 million, an increase by Baht 102.38 million or 120% mainly from:
 - Return on financial instruments increased by Baht 115.73 million mainly from the gain on sale of investment in listed equity securities of Baht 12.64 million in this quarter. While in the second quarter of 2018, the company recorded unrealized loss from mark-to-market price of investment in listed equity securities of Baht 31.03 million and Loss on sale of investment in Thanh Cong Securities Joint Stock Company of Baht 68.93 million.
 - The Company recognized share of loss from associates of Baht 7.54 million, decreasing by Baht 10.74 million from last year. The share of gain from KT ZMICO Securities Co., Ltd. (“KT ZMICO”) which the Company have 49.71% shareholding, decreased by Baht 17.17 million. This was mainly caused by lower fee and service income and brokerage fee from the 17% decrease in Equity market trading volume comparing with the second quarter of 2018, and the share of loss from KT ZMICO’s associated company. However, KT ZMICO’s operating expense went down from last year as a result of cost control measures and improving operational efficiency.

The operating results of KT ZMICO for the second quarter of 2019 and 2018 as follows:-

	Unit : Million Baht	
	2019	2018
Net securities business income	250.06	360.05
Operating expenses	(262.61)	(335.86)
Corporate income tax – expenses	(1.86)	(4.05)
Net profit (loss)	(14.41)	20.14

The performance of Absolute Yoga Co., Ltd., the associated company, has improved from the full operation of 5 new studios opened in 2018 which generated higher revenue to the group this year. The Company recorded the share of profit from Absolute Yoga of Baht 0.90 million in this quarter, comparing with the share of loss of Baht 5.98 million in the second quarter of 2018. Besides, the Company recorded share of loss from Scentimental (Thailand) Co., Ltd., another associated company, of Baht 1.28 million, similar to those of the second quarter last year.

2. Total expenses was Baht 24.65 million, increasing by Baht 69.21 million or 155% mainly from:
 - In the second quarter of 2018, The Company sold the investment in Thanh Cong Securities Joint Stock Company and reversed the allowance for impairment loss of such investment of Baht 72.05 million, resulting in the deduction of total expenses for the period.
 - For the second quarter of 2019, the employee benefit increased from new headcount as well as the increase in other operating expenses to support the business expansion of Innotech Asset Management Co., Ltd. and SE Digital Co., Ltd., our subsidiaries. However, the financing cost decreased from last year from lower borrowings. The Company also received debt repayment from the securities business receivable, and therefore reversed the allowance for doubtful account of Baht 10.06 million in this quarter.

The consolidated operating result for the six-month period ended June 30, 2019

The Company reported net loss of Baht 1.90 million, comparing with the same period last year which had net loss of Baht 87.57 million:-

1. Total revenues was Baht 47.64 million, increased by Baht 151.93 million or 146% mainly from:
 - Gain from financial instruments of Baht 58.21 million mainly comprised of gain on sale of general investment of Baht 25 million and gain on sale of investment in listed securities of Baht 14.41 million. While in 2018, the Company recorded unrealized loss from mark-to-market price of investment in listed equity securities of Baht 74.25 million and Loss on sale of investment in Thanh Cong Securities Joint Stock Company of Baht 68.93 million.
 - The Company recognized share of loss from associated companies of Baht 13.48 million, decreased from last year by Baht 14.41 million mainly due to lower share of profit from KT ZMICO as a result of the decrease in brokerage fee and fee and service income on the market fluctuation and lower Equity market trading volume, and the share of loss from other associated companies which increased year-on-year.

2. Total expenses was Baht 54.77 million, increased by Baht 66.93 million mainly from the reversal of allowance for impairment loss from the sale of Thanh Cong Securities Joint Stock Company in 2018 of Baht 72.05 million, which decreased the total expenses last year. In 2019, the increase in total expenses from the employee benefit expenses and other operating expenses to support the Group's business expansion was offset by the decrease in financing cost on lower borrowings and the debt recovery from the securities business receivable of Baht 10.06 million.

Please kindly be informed accordingly.

Yours sincerely,

(Mr. Chaipatr Srivisarvacha)
Chief Executive Officer