

Ref: FASET 03/2561

August 28, 2018

Subject: Report the operating result for the second quarter and for the six - month period ended June 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 audited by our auditor for the second quarter and for the six-month period ended June 30, 2018 as follows:

The consolidated operating result for the second quarter ended June 30, 2018

The Company reported net loss of Baht 45.62 million comparing with the same period last year which had net loss of Baht 88.39 million, improving by Baht 42.77 million or 48%:-

1. Total revenue decreased by Baht 29.97 million or 54% mainly from:

- Fee and service income decreased by Baht 1.85 million from mutual fund and private fund management fee of Solaris Asset Management.
- Gain and return on financial instruments decreased by Baht 94.03 million mainly due to unrealized loss from mark to market price of investment in listed securities and sale of investment in Thanh Cong Securities Joint Stock Company (“Thanh Cong”). However, the company had already set up full allowance for impairment for Thanh Cong investment prior to the sale, and reversed such expense in the profit and loss in the same period.
- The Company recognized share of profit from associated companies of Baht 3.20 million, while in the second quarter of 2017, the Company recognized share of loss of Baht 60.31 million.
 - Share of profit from operating result of KT ZMICO Securities Co., Ltd. (“KT ZMICO”) of Baht 10.01 million (The Company holds 49.71%). Total revenue of KT ZMICO increased by Baht 55.63 million from brokerage fees and fee and services income. Its total expenses also decreased by Baht 104.00 million as in the second quarter last year KT ZMICO had recorded allowance for doubtful account of Baht 123.46 million for securities and derivatives business clients who pledged EARTH shares as collateral for trading.

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

	Unit : Million Baht	
	For the second quarter	
	2018	2017
Net securities business income	360.05	304.42
Operating expenses	(335.86)	(316.40)
Corporate income tax	(4.05)	27.53
Operating income	20.14	15.55
Allowance for bad debt and doubtful account	-	(123.46)
Net income (loss)	20.14	(107.91)

- Share of loss from other associated companies of Baht 6.81 million, mainly due to the operating results of Absolute Yoga Co., Ltd. (The Company holds 30%), which recently opened 9 new branches, resulting in higher costs while revenue is gradually recognized as per accounting standard.
2. Total expenses decreased by Baht 79.82 million or 226% mainly from the reversal of allowance for impairment loss of Baht 72.05 million from disposal of investment in Thanh Cong Securities Joint Stock Company.

The consolidated operating result for the six - month period ended June 30, 2018

The Company reported net loss of Baht 87.57 million, comparing with the same period last year which had net profit of Baht 73.00 million:-

1. Total revenues decreased by Baht 302.64 million or 153% mainly from:
 - Fee and service income decreased by Baht 18.22 million from mutual fund and private fund management fee of Solaris Asset Management.
 - Loss from financial instruments of Baht 113.16 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 recognized share of profit from associated companies under equity method of Baht 0.96 million, whereas the Company recognized share of loss of Baht 49.46 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 101.61 million or 114% mainly from reversal of allowance for impairment loss from securities on disposal of Thanh Cong investment, and decreased in Employee Benefit expenses and other operating expenses of the Company.

Please kindly be informed accordingly.

Yours sincerely,

(Mr. Chaipatr Srivisarvacha)
Chief Executive Officer