

Ref: FASET 01/2020

February 24, 2020

Subject: Report the operating result for the year ended December 31, 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 year ended December 31, 2019 as follows:

The consolidated operating result for the year ended December 31, 2019

The Company reported net profit for the year 2019 of Baht 81.33 million, comparing with the last year which had net loss of Baht 195.83 million, improving by Baht 277.17 million. The details were as follows:-

1. Total revenue was Baht 191.18 million, an increase by Baht 360.55 million or 213% resulted from:
 - Fee and service income of Baht 19.35 million increasing by Baht 14.90 million mainly from ICO portal service fee of SE Digital Co., Ltd., the Company’s subsidiary which has been granted an approval from SEC to operate as an ICO portal since October 2019.
 - Return on financial instruments for the year was Baht 75.83 million, increased by Baht 205.17 million mainly from gain on sale of general investment and listed securities. While in 2018 the Company recorded a significant amount of unrealized loss from mark-to-market price of investment in listed equity securities, coupled with the loss on sale of investment in Thanh Cong Securities Joint Stock Company.

- The Company recognized share of loss from associates of Baht 11.77 million, improving by Baht 38.06 million from last year. The share of loss from Krungthai ZMICO Securities Co., Ltd. “Krungthai ZMICO” (formerly KT ZMICO Securities Co., Ltd.), which the Company has 49.71% shareholding, decreased by Baht 5.83 million from last year. Despite the decline in brokerage fee, fee and service income and other revenue on lower market trading volume and fluctuated market condition, Krungthai ZMICO was able to strategically control cost and improve operational efficiency, thereby lowered expenses significantly. However, during the year Krungthai ZMICO recorded a share of loss and an impairment loss from its associates. Consequently, the net operating result for the year 2019 was loss of Baht 31.32 million.

The operating results of Krungthai ZMICO for the years of 2019 and 2018 were as follows:-

	Unit : Million Baht	
	2019	2018
Net securities business income	1,097.54	1,335.88
Operating expenses	(1,103.19)	(1,396.22)
Corporate income tax – income (expenses)	(3.47)	13.07
Operating loss	(9.12)	(47.27)
Reversal allowance for bad debt and doubtful account	3.38	4.22
Impairment loss from investments	(25.58)	-
Net loss	(31.32)	(43.05)

The performance of Absolute Yoga Co., Ltd., the associated company, has improved from the full operation of new studios opened in 2018 along with the expansion of studio business in Singapore and healthy food business. This resulted in the share of profit from Absolute Yoga of Baht 7.46 million in this year, comparing with the share of loss of Baht 21.07 million last year. For Scentimental (Thailand) Co., Ltd., another associated company, the Company recorded share of loss from Scentimental of Baht 3.66 million in this year.

- On 2 December 2019, The Company transferred the rights of membership in the Stock Exchange of Thailand to another securities company, and recognized the gain on sale in other income this year.

2. Total expenses was Baht 112.52 million, increasing by Baht 71.01 million or 171% mainly from:

- The employee benefits expenses and other operating expenses increased from the group's business expansion during the year. Innotech Asset Management Co., Ltd., the subsidiary, has been approved from by the Office of the Securities and Exchange Commission to resume normal operation of fund management since August 2019. In October 2019, SE Digital Co., Ltd. has also obtained an approval to operate as an ICO Portal by the Office of the Securities and Exchange Commission. Thus, all group company are ready for full business operation going forward.
- The Company's financing cost decreased Baht 20.91 million, after the increase in share capital by Baht 467.10 million in March 2019 and reduction in borrowings. In this year, the Company also received debt repayment from the securities business receivable, and subsequently reversed the allowance for doubtful account by Baht 20.06 million.
- Innotech Asset Management Co., Ltd. had partial debt collection from its investment in bill of exchange that had been fully impaired since 2017, resulted in the reversal of the allowance for impairment that offset the total expense for the year. While in 2018, the Company recorded the sale and reversed the impairment in Thanh Cong Securities Joint Stock Company totaling Baht 70.70 million, causing total expenses in 2018 to be lower compared to 2019.

Please kindly be informed accordingly.

Yours sincerely,

(Mr. Chaipatr Srivisarvacha)
Chief Executive Officer