

**SEAMICO**

**ANNUAL  
REPORT  
2019**



SCAN FOR WEBSITE



# Contents

2

Message from Chairman and CEO

6

Report of the Board of Directors'  
Responsibilities for Financial  
Statements

7

Audit and Risk Management  
Committee Report

8

Board of Directors

9

General Information

12

Summarize of Financial  
Information

13

Business Policy  
and Overview

16

Nature of Business

32

Risk Factors

34

Shareholders and  
Dividend Policy

35

Management Structure

62

Corporate Governance

90

Corporate Social Responsibilities

97

Internal Control and  
Risk Management

98

Related Parties and  
Connected Transactions

107

Management Discussion  
and Analysis

123

Independent Auditor' s Report  
and Financial Statements

# M Message from Chairman and CEO

2019 is considered to be the year of transition for Seamico Group. We have embraced the impact of Fintech that change the face of financial services and investment needs, and reshaped our strategies and business directions for the sustainable growth and the group's synergy. During the year we have executed major development and expansion to press forward the group business from traditional brokerage to wealth management, investment, asset management, and digital asset, in order to become an innovative investment and financial solutions for clients and all stakeholders in this digital age.

2019 performance of Seamico Securities Plc. ("The Company") improved significantly mainly from better investment portfolio performance coupled with sale of SET membership and bad debt recovery, while last year the performance was adversely impacted by the significant amount of unrealized mark-to-market loss. The business development and expansion of our subsidiaries have increased the group's operating expense this year, but we expect the new revenue stream to be visible from their full launch from 2020 onward. Moreover, the Company's performance this year was still affected by the lack of profit from the securities business of Krungthai ZMICO Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.), our joint venture with Krungthai Bank.



Suthep Wongvorazathe  
Chairman

Similar to banking and financial services industry, brokerage business continues to face the difficulties of declining margin and changing customer behavior to automated and online platform. Additionally, the highly competitive landscape together with the fluctuated market condition and lower market trading especially by retail investors have largely impacted the operation and performance of the entire brokerage industry. Krungthai ZMICO was fully aware of these trends and has been implementing proactive strategies and initiatives to alleviate the impacts and sustain the businesses, namely the move from traditional broker toward wealth management for clients, restructuring and cost control for lean organization and expansion of derivatives business to increase non-brokerage revenue. The recent rebranding of the company's name to Krungthai ZMICO will help emphasize the strong partnership and enlarge the synergy with Krungthai Bank in providing financial products and services to serve the investment need and build wealth to customers of the group.



*Chaipatr Srivisarvacha*  
Chief Executive Officer

Our endeavor to become an innovative investment and financial solutions has been crystallized in this year. In March 2019, the Company had completed the capital increase of Baht 467.1 million, with the key objective to expand into digital asset business which apparently becomes the future of financial industry. SE Digital Co., Ltd., our new subsidiary, is one of the first pioneers in digital asset industry in Thailand. With the group's expertise and extensive experience in financial services coupled with our strategic partnership with global leading Fintech experts, SE Digital has successfully obtained the approval to operate as an ICO portal from the Office of the Securities and Exchange Commission in October 2019. As an Initial Coin Offering Portal (ICO Portal), SE Digital will help provide advisory service and facilitate fund raising through the offering of newly issued digital tokens, operated completely on digital platform using blockchain and smart contract technology. These digital tokens help improve liquidity, accessibility and transparency for transactions, offering an attractive alternative for investors. Together with the advancement of digital asset regulatory and governance platform in Thailand, we strongly believe in the prospect of the business, thereby enhancing SE Digital business expansion.

For asset management business, we have completed the business restructuring and resume mutual fund and private fund asset management operation of Innotech Asset Management Co., Ltd., a subsidiary. Innotech has also recently obtained an approval from the Office of the Securities and Exchange Commission to operate as REIT manager, and is now ready to expand to real estate and investment trust fund management. In 2020 we will see the continuous launch of new funds by Innotech, most of which will be distinguished from others in the market and offer clients with their innovative and unconventional investment. Distressed asset management business is another area that we are interested in from its promising outlook under the economic recession. We have Lumpini Asset Management Co., Ltd., a subsidiary that has the approval from the Bank of Thailand to purchase, manage, develop and dispose non-performing assets of financial institution, which we believe to be another potential business for the company in 2020.

Seamico as a holding company continues to provide strategic advices, monitor and support the operation and growth of associates and subsidiaries, and ensure the good internal control and compliance with related regulatory requirements by our strong team. We also actively manage our investment portfolio in equities, debt, and alternative investments, as well as private equity investment, and aim to carefully enlarge our investment portfolio for growth and synergy to the current businesses in this coming year.

2020 will be another challenging year due to the severe economic effects of the COVID-19 around the world, adding on the US-China trade dispute protracted since last year. Besides the global impact, Thai economy will still face challenges from the strong Thai baht and the slowdown in consumption and private investment. With the new strategy and business model, Seamico group is confident to deliver new products and services as well as performance, and stably go through the difficult period ahead while benefiting all stakeholders. On behalf of the Company, we would like to thank all shareholders, customers, business alliances, management and staffs, and everyone for your continuing trusts and supports.

# R Report of the Board of Directors' Responsibilities for Financial Statements

## **Seamico Securities Public Company Limited and its subsidiaries**

The Board of Directors is responsible for the financial statements and the consolidated financial statements of the Company and its subsidiaries, which are reported in conformity with the generally accepted accounting principles of Thailand. These financial statements were prepared based on appropriate accounting policy with consistency, with adequate disclosures provided in the notes to the financial statements.

The Board of Directors has appointed an Audit and Risk Management Committee, which comprises of Independent Directors, to oversee the sufficiency and credibility of financial reports and evaluating the effectiveness of internal control and internal audit functions to ensure accurate, complete, adequate financial information and timeliness and prevention of frauds or any significant irregularities.

The Committee has expressed its opinions with regard to the stated matters in the Report of Audit and Risk Management Committee, which is presented in the annual report.

The Board of Directors is of the opinion that the internal control system of the Company is adequate and appropriate, and thus provides an assurance that the financial statements and consolidated financial statements of the Company and its subsidiaries including financial information for the year ended 31<sup>st</sup> December 2019 are reasonably reliable.



Chaipatr Srivisarvacha

Vice Chairman and Chief Executive Officer

# Audit and Risk Management Committee Report

## Seamico Securities Public Company Limited

The Board of Directors of Seamico Securities Public Company Limited appointed an Audit and Risk Management Committee, which comprises of 3 independent directors as follows:-

- |    |                         |          |
|----|-------------------------|----------|
| 1. | Mr. Peter Emil Romhild  | Chairman |
| 2. | Mr. Tanasak Wahawisan   | Member   |
| 3. | Mr. Thanarak Phongpetra | Member   |

The Committee has the important responsibility to review the Company's financial reports in order to ensure their accuracy and that they comply with accounting standards and the sufficiency of disclosure, to review the appropriateness and effectiveness of the internal control and audit systems, to review the transparency of management and their compliance with the Company's policies and all applicable laws and regulations, as well as to provide advice concerning the appointment of the Company's auditor and the proposed audit fee.

The Audit and Risk Management Committee held 5 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department and the Company's external auditor to review the quarterly and annual financial statements for 2019 and the disclosure of financial reports and notes to the financial reports, regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system.

Based upon the information provided to us, the Audit and Risk Management Committee is unaware of any instance which would lead us to believe that the financial reports have not been prepared in accordance with established accounting standards and fairly presented in all material respects. Connected transactions is undertaken with careful consideration of appropriateness and benefit to the Company. Furthermore, the Committee is of the opinion that the internal audit function, control system and risk management are satisfactory. We are unaware that significant laws and regulations have not been complied with in all material respects.

For 2020, the Audit and Risk Management Committee has proposed to the Board of Directors that Dr. Suphamit Techamontrikul, Mr. Wonlop Vilaivaravit, Dr. Kiatniyom Kuntisook, Mrs. Nisakorn Songmanee, of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited be nominated as the Company's auditors at the annual general meeting of shareholders.

On behalf of the Audit and Risk Management Committee,



(Mr. Peter Emil Romhild)

Chairman, Audit and Risk Management Committee

# B Board of Directors



**1 Mr. Suthep Wongvorazathe**

- Authorized Director
- Chairman
- Chairman of Investment Committee
- Chairman of Nominating and Compensation Committee

**4 Asst. Prof. Pimol Srivikorn**

- Director
- Member of Investment Committee
- Chairman of Corporate Governance Committee

**7 Dr. Tanasak Wahawisan**

- Independent Director
- Member of Audit and Risk Management Committee

**2 Mr. Chaipatr Srivisarvacha**

- Authorized Director
- Vice Chairman
- Chief Executive Officer
- Member of Investment Committee

**5 Mr. Peter E. Romhild**

- Independent Director
- Chairman of Audit and Risk Management Committee
- Member of Nominating and Compensation Committee

**8 Mr. Supachai Wongvorazathe**

- Director
- Member of Investment Committee

**3 Mr. Jesadavat Priebjrivat**

- Authorized Director
- Member of Corporate Governance Committee

**6 Mr. Peter J. Emblin**

- Independent Director
- Member of Investment Committee
- Member of Nominating and Compensation Committee

**9 Mr. Thanarak Phongphatar**

- Independent Director
- Member of Audit and Risk Management Committee

**10 Mr. Kittichai Raktakanit**

- Independent Director
- Member of Corporate Governance Committee

# G General Information

Name	SEAMICO SECURITIES PUBLIC COMPANY LIMITED
Address	287 Liberty Square Building 18 <sup>th</sup> Floor, Silom Road, Bangrak, Bangkok 10500
Type of Business	Securities Business
Registration No	0107537002460
Website	<a href="http://www.seamico.com">www.seamico.com</a> .
Telephone	+66 2 624 6399
Fax	+66 2 624 6398
Paid-up shares	1,653,736,926 shares
Par value	Baht 0.50 each
Type of shares	Ordinary share



## JURISTIC PERSONS IN WHICH THE COMPANY HOLDS SHARES EQUAL TO OR IN EXCESS OF 10%

Company Name	Address	Type of Business	Type of Share	No. of Issued Shares	No. of Shares Held	Investment Value (million Baht)	Shareholding Percentage
<b>Subsidiaries</b>							
Innotech Asset Management Company Limited	19 <sup>th</sup> Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Mutual Fund, Private Fund and provident fund management	Ordinary	22,540,000	22,540,000	112.70	100.00
Lumpini Asset Management Company Limited	19 <sup>th</sup> Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Purchasing or taking transfer of non-performing assets of financial institution	Ordinary	2,500,000	2,500,000	25.00	100.00
SE Digital Company Limited	25 <sup>th</sup> Floor, 1 Q.House Lumpini Building, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120	Digital Asset	Ordinary	4,750,000	4,750,000	475.00	100.00
<b>Associates</b>							
Krungthai ZMICO Securities Company Limited (formerly KT ZMICO Securities Company Limited)	16 <sup>th</sup> Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Securities	Ordinary	259,127,200	128,801,600	1,244.10	49.71
Scentimental (Thailand) Company Limited	28 <sup>th</sup> Floor, 1126/2 Vanit Building II, Room no. 2801, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	Import, export, retail and wholesale perfume and cosmetics	Ordinary	1,000,000	260,000	26.00	26.00
Absolute Yoga Company Limited	12 <sup>th</sup> Floor, 496-502 Amarin Plaza Building, Room no.01-04, Ploenjit Road, Lumpini, Pathumwan, Bangkok 10330	Yoga Studio, food and hotel business	Ordinary	6,000,000	1,800,000	217.80	30.00
<b>Other company</b>							
Crystal Sealed Professional Car Coating Company Limited	No. 2232, New Phetchaburi Road, Bang Kapi, Huai Khwang, Bangkok 10310	Repair and maintenance of engine systems and automotive parts	Ordinary	272,920	32,750	37.80	12.00

## THE REFERENCES

**(a) Share Registrar**

Thailand Securities Depository Company Limited  
 93 Ratchadaphisek Road, Dindaeng, Dindaeng  
 Bangkok 10400  
 Tel : +66 2 009 9000 Fax : +66 2 009 9991

**(b) Auditor**

- Dr. Suphamit Techamontrikul Certified Public Accountant (Thailand) No. 3356 and/or
- Dr. Kiatniyom Kuntisook Certified Public Accountant (Thailand) No. 4800 and/or
- Mrs. Nisakorn Songmanee Certified Public Accountant (Thailand) No. 5035 and/or
- Mr. Wonlop Vilaivaravit Certified Public Accountant (Thailand) No. 6797

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited  
 AIA Sathorn Tower, 23<sup>rd</sup> - 27<sup>th</sup> Floor  
 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
 Tel : +66 2 034 0000 Fax : +66 2 034 0100

**(c) Banks**

- Krungthai Bank Public Company Limited
- The Siam Commercial Bank Public Company Limited
- RHB Bank Berhad

**(d) Legal Advisor**

- Siam Premier International Law Office Limited  
 26<sup>th</sup> Floor of the Offices at Central World,  
 No. 999/9 Rama I Road, Khwaeng Pathumwan, Khet Pathumwan, Bangkok 10330  
 Tel : +66 2 646 1888 Fax : +66 2 646 1919
- Patanasith Law Office  
 578/8 Soi Po-pun, Asoke-Dindaeng Road, Dindaeng, Bangkok 10310  
 Tel : +66 2 641 9875 Fax : 66 2 641 8267
- Atit Law Company Limited  
 109/102 Ladprao Soi 18, Ladprao Road, Jompol, Chatujak, Bangkok 10900  
 Tel : +66 2512 4720 Fax : +66 2512 4921

# S Summarize of Financial Information

UNIT : MILLION BAHT

	2019	2018	2017
TOTAL ASSETS	2,945.19	2,772.87	3,212.12
PAID-UP SHARE CAPITAL	826.87	653.87	653.87
TOTAL SHAREHOLDERS' EQUITY	2,580.78	2,052.70	2,356.94
SECURITIES BUSINESS REVENUES	95.18	(124.89)	276.32
SECURITIES BUSINESS EXPENSES	1.66	1.13	5.39
NET PROFIT (LOSS)	81.33	(195.83)	9.87
<b>PROFITABILITY RATIO</b>			
GROSS PROFIT MARGIN (%)	98.26	100.91	98.05
NET PROFIT MARGIN (%)	42.54	115.63	3.59
RETURN ON EQUITY (%)	3.35	(8.83)	0.40
RETURN ON INVESTMENT (%)	10.05	(13.07)	18.00
<b>EFFICIENCY RATIO</b>			
RETURN ON TOTAL ASSETS (%)	2.81	(6.29)	0.29
ASSET TURNOVER (TIMES)	0.07	(0.04)	0.08
<b>FINANCIAL POLICY RATIO</b>			
LIQUID ASSETS TO BORROWING (TIME)	7.75	1.65	1.79
EARNING ASSETS TO BORROWING (TIME)	15.44	4.19	4.02
LIQUID ASSETS TO TOTAL ASSETS (%)	39.06	31.40	37.59
EARNING ASSETS TO TOTAL ASSETS (%)	77.79	79.87	84.68
DEBT TO EQUITY (TIMES)	0.14	0.35	0.36
DIVIDEND PAYOUT RATIO (%)	-	-	449.22
<b>OTHERS RATIO</b>			
INVESTMENT IN SECURITIES TO TOTAL ASSET (%)	77.79	79.87	84.68
NET CAPITAL RULE (NCR) (%)	NA*	NA*	N/A*
<b>PER SHARE</b>			
BOOK VALUE (BAHT)**	1.62	1.57	1.80
EARNING (LOSS) PER SHARE (BAHT)**	0.05	(0.15)	0.01
DIVIDEND PER SHARE (BAHT)	-	-	0.05
PAR VALUE (BAHT)	0.50	0.50	0.50

\* Since May 1, 2009, The Company has been approved to temporarily cease its operation on securities and derivatives business from the Securities and Exchange Commission, therefore the Company is not required to maintain its net liquid capital.

\*\* Calculated from weighted average number of ordinary shares

# B Business Policy & Overview

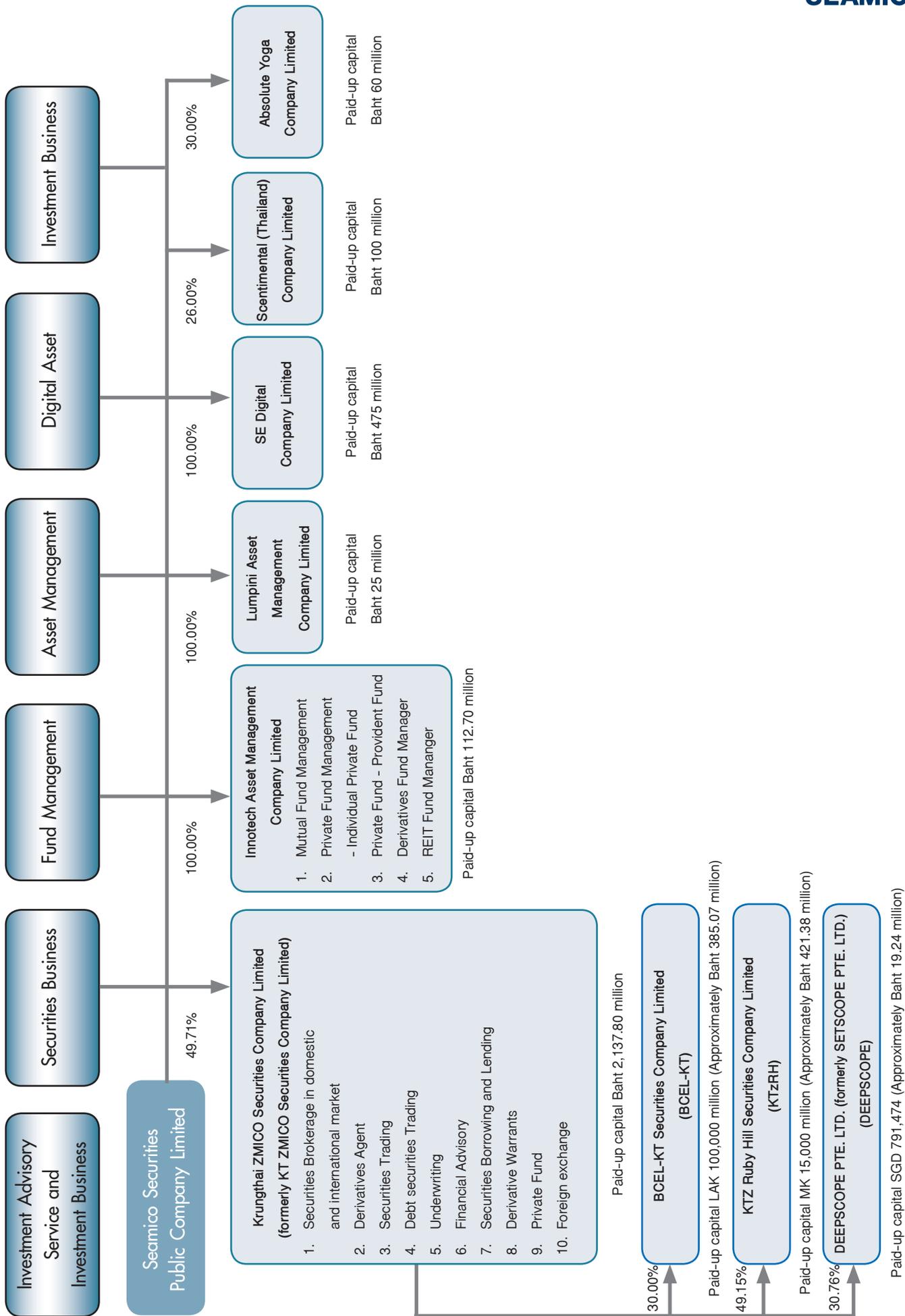
Seamico Securities Public Company Limited current operates business as an investment advisory under the securities business license which was approved by the Office of the Securities and Exchange Commission. The Company has conduct activities in securities brokerage, securities dealing, financial advisory and underwriting through its associated company “Krungthai ZMICO Securities Company Limited”. Besides, the Company has invested in many potential businesses to generate additional revenues.

- Securities Business in CLMV consist of
  - Laos through accompanying Krungthai ZMICO with Banque Pour Le Commerce Extérieur Lao Public to establish BCEL-KT Securities Company Limited (BCEL-KT); 30% of Krungthai ZMICO holding.
  - Myanmar through accompanying Krungthai ZMICO with Ruby Hill Finance Company to establish KTZ Ruby Hill Securities (KTZRH); 49.15% of Krungthai ZMICO holding.
- Asset management business by holding 100% of Innotech Asset Management Company Limited. The business operations are mutual fund, private fund management and provident fund management. On December 4, 2019, the company was granted an approval to operate as REIT manager by the Office of the Securities and Exchange Commission.
- Investment in Lumpini Asset Management Company Limited by holding 100%. The business operations are purchasing, taking transfer, and managing of non-performing assets (NPA) of financial institution for the purpose of asset management, development and disposals.
- Investment in SE Digital Co., Ltd. by holding 100%. On October 7, 2019, SE Digital has obtained an approval by the Office of the Securities and Exchange Commission to operate as an ICO portal, to provide digital token advisory and underwriting service through Initial Coin Offering (ICO). ICO is a fund raising process that uses Blockchain technology to assign rights and benefits of investment with Smart Contract.
- Other Potential Business
  - Scentimental (Thailand) Co., Ltd., the company holds exclusive rights of developing, marketing, selling and distribution of celebrities’ perfumes both in Thailand and international markets. They are also a distributor of global leading fragrance brands, cosmetics and skincare products. Currently, the Company’s shareholding in Scentimental is 26%.
  - Absolute Yoga Co., Ltd., the holding company operates in health and wellness business under “Absolute You” brand. Currently, the Company’s shareholding in Absolute Yoga is 30%. Having more than 14 years of track record, Absolute Yoga operates the leading yoga, pilates and cycling studios with 13 branches in Thailand and 3 branches in Singapore. Moreover, Absolute Yoga operates Absolute Sanctuary and Yoga Center, a boutique wellness resort in Koh Samui, a healthy food delivery business called Absolute Fit Food, and franchise and management service with respect to products and services of the group.
  - DEEPSCOPE PTE. LTD., registered in Singapore with 30.76% of Krungthai ZMICO’s shareholding, conducts web hosting and online service business.

## Business Overview

Business operations of the Company, Subsidiaries and Associated Companies are as follows:

- 1) Investment Advisory Service and Investment Business under Seamico Securities Public Company Limited.
- 2) Securities Business under Krungthai ZMICO Securities Company Limited, BCEL-KT Securities Company Limited and KTZ Ruby Hill Securities Company Limited.
- 3) Fund Management Business by Innotech Asset Management Company Limited.
- 4) Asset Management Business by Lumpini Asset Management Company Limited.
- 5) Digital Asset Business by SE Digital Company Limited.



# Nature of business

## Consolidated Revenue Structure

	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Fees and Services Income	19.35	10.12	4.45	(2.63)	27.38	9.94
Gain (loss) on investment	64.26	33.61	(149.76)	88.43	231.29	83.98
Interest and dividend income	11.57	6.05	20.42	(12.06)	17.65	6.41
Share of loss from investment in associates	(11.77)	(6.16)	(49.83)	29.42	(5.02)	(1.82)
Gain on transfer of business to an associated company	0.02	0.01	0.06	(0.04)	0.06	0.02
Other income	107.75	56.37	5.30	(3.12)	4.04	1.47
<b>Total revenues</b>	<b>191.18</b>	<b>100.00</b>	<b>(169.36)</b>	<b>100.00</b>	<b>275.40</b>	<b>100.00</b>

## TYPES OF BUSINESS

### 1. Investment Advisory Business and Investment Business

Seamico Securities Public Company Limited operates business as an investment advisory under the securities business license which was approved by the Securities and Exchange Commission. Besides, the Company has invested in many potential businesses in Thailand and overseas to generate additional revenues.

### 2. Securities Business

Provide securities business under Krungthai Zmico Securities “Krungthai Zmico” (formerly : KT ZMICO Securities Co., Ltd.) since May 1, 2009. Krungthai Zmico was granted license by the Ministry of Finance and the Securities and Exchange Commission of Thailand (SEC) to engage in business activities related to the securities industry. As at December 31, 2019, Krungthai Zmico encompasses 12 branches, with 3 branches in Bangkok and 9 branches in upcountry.

Krungthai Zmico has expanded its securities business to Laos through BCEL Krungthai Securities (BCEL-KT). BCEL-KT, a joint venture between BCEL bank and Krungthai Zmico

In December 2015, Krungthai Zmico has expanded its securities business to Myanmar through KTZ Ruby Hill Securities company Limited (“KTzRH”), a joint venture between Myanmar Ruby Hill Finance Company and Krungthai Zmico.

In July 2018, Krungthai Zmico invested in Deepscope Pte. Ltd. (formerly : Setscope Pte. Ltd.) one of top ten team of FinTech Startup Company in the competition of Startup boot camp Fintech Asia from 400 teams around Asia and Oceania. Krungthai Zmico held 30.76% (registered capital SGD\$791,474) total investment Baht 18.25 million.

### 3. Fund Management Business

Solaris Asset Management (“S-Funds”) provides fund management services for clients both public and individual.

### 4. Asset Management Business

The core business of the asset management company is purchasing or accepting transfer of nonperforming assets including their collaterals from financial institutions for the purposes of managing or reselling.

#### 1. Investment Advisory Business and Investment Business

Seamico Securities Public Company Limited operates business as an investment advisory under the securities business license which was approved by the Securities and Exchange Commission. Regarding to securities business, the Company has operated through its associated company namely “Krungthai Zmico Securities Company Limited” (formerly: KT ZMICO Securities Company Limited). Besides, the Company has invested in many potential businesses to generate additional revenues.

- Expand fund management and securities businesses into neighboring countries to capture the surging capital inflows into CLMV. In addition to the Company’s investment in Thanh Cong Securities Joint Stock Company (TCSC) in Vietnam in 2009, the Company expanded its securities business to Laos under BCEL-KT, a joint venture between Krungthai Zmico and BCEL. As of December 31, 2010, Krungthai Zmico held 30% of share capital (1 million registered shares, paid-up 30%, par at 100,000 kip) total investment Baht 115.52 million. BCEL-KT is one of the first two securities companies in Laos. In addition, in 2015, Krungthai Zmico expanded its securities business to Myanmar through KTZ Ruby Hill Securities company Limited (“KTzRH”) holding by the portion of 49.15%, total investment cost of Baht 204.67 million. The KTzRH started operating in March 2016.
- Increase returns by seeking opportunities to co-invest in high growth potential business. The Company has created an investment committee, comprising of committee members who have well-knowledge in joint venture, to scrutinize and impose investment policies through investment division which searches for business opportunities and possibility of co-investment aiming to get the highest return with the lowest risk. The Company also diversifies the business risk by making a joint venture in a company whose management team has more than 20 years of experiences.

#### 2. Securities Business

After the merger, Krungthai Zmico securities business can be divided into the following categories:

- **Securities Brokerage**

Krungthai Zmico provides a comprehensive range of quality services to local and foreign clients both individual and institutional investors by highly experienced marketing officers and research teams giving investment advices on both fundamental and technical basis.

The types of services offered include:

1. Cash Accounts and Cash Balance Accounts
2. Credit Balance Accounts

Throughout the year 2019, Krungthai Zmico has further developed its WealthMe application to enable investors to open various types of trading accounts (cash balance account, cash account (T+2) and TFEX account). This mobile application eliminates the need for the applicant to submit additional supporting documents in paper and help to ease the problem of long approval time.

Krungthai Zmico and Krung Thai Bank have continually participated in The Stock Exchange of Thailand (SET) campaign “One for All — A simple way to trade online via banks,” which aimed at increasing convenience for internet banking. The campaign was a huge success, enabling KTB-investors to trade via [www.ktb.co.th](http://www.ktb.co.th)

Krungthai Zmico continually provides loan for clients which contribute to the increasing of Krungthai Zmico’s trading volume. As at end of 2019, Krungthai Zmico outstanding credit balance loan was Baht 3.8 billion increased from Baht 3.6 billion as at end of 2018. This business of providing loans to clients has been financed by KTB, a major shareholder.

Krungthai Zmico manages risks by reviewing credit lines in accordance with Risk Management’s protocols. Krungthai Zmico has a high level of quality control made possible by closely monitoring clients’ trading transactions, limiting investment proportions and reviewing whether the clients should be called for more collateral. In case of a default payment, the operation services department will follow up so that payments are made in full.

#### Market Share

Million Baht	2019	2018	2017
SET & MAI Market Turnover	12,978,854	14,130,078	12,227,748
SET & MAI Market Turnover (exclude Proprietary Trading)	11,220,825	12,395,248	10,949,603
Krungthai Zmico’s Trading Value	421,263	512,123	497,631
Krungthai Zmico’s Market Share (exclude Proprietary Trading)	1.88%	2.07%	2.27%
Rank	21	23	22

Market Turnover for 2019 was Baht 11,220,825million; trading volume of Krungthai Zmico was Baht 421,263 million, accounting for 1.88% market share.

Securities' trading volume and the percentage of the top 10 clients is shown below:

	2019		2018		2017	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
Top 10 Securities]s Trading Clients	74,798	17.76	94,895	17.95	87,825	17.65

The majority of Krungthai Zmico's clients are local retail investors who trade on cash basis. The proportion of client types is shown in the table below:

	2019	2018	2017
Retail : Institution	75 : 25	83 : 17	88 : 12
Local : Foreign	96 : 4	94 : 6	95 : 5
Cash Account : Credit Balance Account	83 : 17	82 : 18	79 : 21

Policy on opening new accounts

Krungthai Zmico has established a policy regarding to the opening of new accounts based on our "Know Your Client" principle. This involves providing significant and adequate information required from an applicant in terms of investment objective, investment risk knowledge, experience and investment history. In order to assess whether to approve a credit line, a client's financial status as well as settlement ability is examined in order to prevent or limit any loss that might occur. Krungthai Zmico have delegated employees with the authority to approve loans subjected to a credit line's risk level. Krungthai Zmico has also established a procedure to review credit lines on a regular basis to keep track of a client's trading and settlement history and to ensure that client data is kept up to date.

- **Derivatives Agent Business**

After the merger in May 2009, Krungthai Zmico started operating as a derivatives agent and offer all exchanged-traded derivatives products, namely, SET50 Index Futures, SET50 Index Options, Single Stock Futures, 50 Baht Gold Futures, 10 Baht Gold Futures, Gold Online, Gold-D, Sector Index Futures, USD Futures, and RSS3 Futures.

In 2019, trading volume of Krungthai Zmico was 3,214,069 contracts, accounting for 1.54% market share.

	2019	2018	2017
No. of Contracts - TFEX	104,521,995	104,422,200	78,990,574
No. of Contracts - Krungthai Zmico	3,214,069	3,656,119	4,150,057
Market Share	1.54%	1.75%	2.63%
Rank	20	20	14

As Krungthai Zmico emphasizes on expanding its investor base in the derivatives market, “Derivatives Department” was formed to educate investors. It provides variety of training courses related to derivatives instruments to its clients, employees and general investors and also regularly takes part as an educator in seminar events and conferences organized by TFEX.

- **Securities Borrowing and Lending**

Krungthai Zmico conducts Securities Borrowing and Lending business to expand investment alternatives for clients during the economic recession. Stock lender can generate return (borrowing fee) from existing shares which they offer for lending at call or term. While stock borrower do short selling in credit balance account by paying borrowing fee to the lender at the rate base on Krungthai Zmico’s announcement.

Krungthai Zmico provides the service as an alternative investment and also for clients to hedge against market fluctuations. Krungthai Zmico serves as a principal for securities listed in the SET100 Index.

- **Securities Trading**

Krungthai Zmico invests and trades in securities with the objective of generating additional income and has a policy of investing in high-return securities. Krungthai Zmico defines its policy in compliance with the SEC regulations, which cover important policies as follows:

- Policy concerning authorized persons for securities dealing.
- Policy on risk management.
- Policy on preventing conflicts of interest.
- Policy on compliance.
- Policy on proper capital allocation to each security.
- Policy on the investment objectives and expected return targets compared with benchmark returns.

In 2019, investments in securities were classified into 2 categories:

- 1) Investments in equity securities including listed securities and unit trust to support securities business expansion, and hedging portfolio approved by the Investment Committee
- 2) Investments in debt which have optimum returns issuance by Government, Corporate with a credit rating of BBB- or higher with maturity more than 1 year or Corporate with a credit rating of BB- or higher with maturity less than or equal to 1 year as approved by the Management Committee.

- **Underwriting Business**

Krungthai Zmico offers a full range of financial advisory services, including the sale of securities products. Krungthai Zmico acts as a financial advisor and subsequently adopts the role of underwriter. Krungthai Zmico joins with financial institutions and other securities companies in offering a variety of securities products, including government bonds, state enterprise bonds, common shares, preferred shares, debentures and convertible debentures. Krungthai Zmico is actively engaged in the underwriting business and has extensive experience in the role of lead and co-underwriter, underwriter and selling agent.

- **Financial Advisory Business**

Krungthai Zmico offers a number of financial advisory services, including issuing equity instruments through initial public offerings, private placements, convertible debentures, rights issues and debentures with warrants, new listings on the SET and the MAI, mergers and acquisitions services, firm valuation, source of fund providing, business restructuring and other financial advisory services.

Krungthai Zmico has been a member of Oaklins, the world's leading international M&A network with over 40 member firms worldwide, to broaden investment banking business.

Krungthai Zmico expanded its business to Laos through BCEL Krungthai Securities (BCEL-KT), a joint venture between BCEL bank and Krungthai Zmico. It acts as the financial advisor to BCEL-KT and underwriter of EDL Generation, the first initial public offering in Laos.

In addition, Krungthai Zmico has received a securities license in Myanmar from the Government of Myanmar ("GOM"). Krungthai Zmico established KTZ Ruby Hill Securities company Limited ("KTzRH") holding by the portion of 49.15%, the joint venture of locally-owned Myanmar Ruby Hill Finance Company and started operating in March 2016.

- **Wealth Advisor**

Krungthai Zmico established wealth advisory services to serve clients in terms of wealth creation, wealth accumulation, wealth preservation and wealth distribution according to their financial objectives, status and expected return with an acceptable risk. Krungthai Zmico provides one stop service to fulfill clients' financial goals through variety of financial products such as Equities, Fixed Income, Derivatives and Offshore Investments to ensure a diversified portfolio, with either direct investments or mutual funds. Krungthai Zmico was a unit trust selling agent, and also a selling agent for omnibus account. It currently covers 17 Asset Management Companies. Moreover, Krungthai Zmico continues acted as a participating dealer in ETF Fund.

- **Private Fund**

In 2012, Krungthai Zmico was approved by the Securities and Exchange Commission to operate private fund. With the cooperation and supports of KTB, a major shareholder.

- **International Market Securities Trading**

Krungthai Zmico provides service on international market securities trading (offshore) with the objectives of seeking a better return than investing in the domestic market and to diversify risks. In 2019, Krungthai Zmico also introduced KTZ Inter Trade program where investors can trade offshore stocks real-time and gain access up to 30 markets in 24 countries across 4 continents including North America, Europe, Asia and Australia. Furthermore, Krungthai Zmico Securities joined hands with Viet Capital Securities Joint Stock Company (VCSC), one of the leading Vietnamese brokers, to offer “V-PRO” an online trading program for Vietnam stock. In addition to Krungthai Zmico’s efficient trading systems, Krungthai Zmico also ensures the reliability and efficiency in the international settlements by appointing highly reputable global institutions as agent. This is to assure clients of Krungthai Zmico’s settlement capabilities that are on par with international practice providing high efficiency and security in offshore trading.
- **Derivatives**

In 2019, Krungthai Zmico launched short-term structured notes which are Equity Linked Note (ELN) and Principal Protected Note (PPN) as new investment products to offer to institutions and high-net-worth investors. Moreover, Krungthai Zmico planned to launch Reverse Equity Linked Note (RELN) in the first quarter 2020
- **Foreign Exchange Business**

In September 2018, Krungthai Zmico was granted license by the Ministry of Finance to be an authorized money changer which could operate only for the clients who invest in securities and/or derivatives through Krungthai Zmico as a broker.

## INDUSTRY OUTLOOK AND COMPETITION

Capital market in 2019 and 2020E outlook

For the overall stock market in 2019, the SET Index increased by 1%, with the market return at 4.3%, in line with ASEAN markets. The average daily market turnover in 2019 fell by 8% to Baht 53,192 million from Baht 57,674 million in 2018. The market fluctuated throughout 2019: it recorded gains in the first half of the year due to the increase in the weighting of Thai equities in the MSCI Index and the first general election in several years; however, the market subsequently plunged in 2H19, primarily owing to concerns over a possible global recession and downward revisions to Thai economic growth. In 2019, the Thai stock market continued to see net selling by foreign investors at USD 1,495 million, but this was down significantly from net selling of USD 8,913 million in 2018.

For the 2020E outlook, the Thai stock market is expected to deteriorate appreciably vs. 2019 due to several threats. In particular, Thai economic growth for the year is forecast to weaken to just 2.1%, compared to 2.4% in 2019, on account of the possible impacts from COVID-19 on the tourism-related and export sectors, the five-month delay in government budget disbursement and the drought, which will reduce the supply of Thai agricultural products. In addition, other headwinds include slower global economic growth, geopolitical risks related to the US presidential election, international political and trade conflicts and the impact of disruptive technology. However, there should also be some positive factors, including the possible depreciation of the baht against the US dollar, potential rate cuts by the Bank of Thailand and economic stimulus measures from the government.

The average daily market turnover stood at Baht 53,192 million, down by 8% from the Baht 57,674 million seen in 2018. Looking ahead to 2020E, we expect the average daily turnover to either remain flat or decline from the level seen in 2019. The major pressures are likely to come from both internal and external factors as mentioned above.

## Market capitalization and market turnover

	Average market capitalization	Growth	Total market turnover	Growth	Average daily market turnover
	(million baht)	YoY (%)	(million baht)	YoY (%)	(million baht)
2008	5,422,512	-8%	3,981,230	-7%	16,118
2009	4,684,108	-14%	4,428,979	11%	18,226
2010	6,901,687	47%	7,033,947	59%	29,066
2011	8,429,008	22%	7,191,481	2%	29,473
2012	10,102,932	20%	7,914,567	10%	32,304
2013	12,790,231	27%	12,330,669	56%	50,329
2014	13,401,318	5%	11,139,291	-10%	45,466
2015	14,125,607	5%	10,765,470	-3%	44,302
2016	14,129,420	0%	12,816,259	19%	52,526
2017	16,281,028	15%	12,227,748	-5%	50,114
2018	17,667,957	9%	14,130,078	16%	57,674
2019	17,170,570	-3%	12,978,854	-8%	53,192

Source : Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), Krungthai Zmicco

Funding activities through the capital market in 2019 increased from 2018, with 30 initial public offerings (IPOs) in 2019, i.e., 13 IPOs in the SET and 17 IPOs in MAI, vs. 19 IPOs in 2018, i.e., 8 IPOs in the SET and 11 IPOs in MAI. In 2019, several firms with large market capitalization were listed, such as AWC, CRC, SHR and BAM. However, the 2020E outlook seems gloomy, with the number of IPOs expected to decrease from 2018. The major pressures should come from the weak domestic and global macroeconomic outlooks, due especially to the impact of COVID-19, creating an unfavorable atmosphere for funding activities in the capital market.

Regarding the changes in the investor breakdown over the past five years, the proportion of retail investors continued to drop to 34% of total turnover in 2019 vs. 59% in 2015. On the contrary, the proportion of foreign investors increased significantly to 41% in 2019 vs. the figure of 22% in 2015. Meanwhile, the proportion of brokers' proprietary trading in 2019 rose to 14% from 9% in 2015. However, the proportion of local institutional investors has not changed significantly, remaining at 10-11% in 2019. Finally, internet trading accounted for 26% of total trading volume in 2019, down from 38% in 2015.

## Key market statistics

	2019	2018	2017
SET Index	1,579.84	1,563.88	1,753.71
Total Market Turnover (Million Baht)	12,978,854	14,130,075	12,227,748
SET	12,802,091	13,820,220	11,652,311
MAI	176,763	309,858	575,437
Average Daily Market Turnover (Million Baht)	53,192	57,674	50,114
SET	52,468	56,409	47,755
MAI	724	1,265	2,358
Average Daily Market Turnover (exclude proprietary trading) (Million Baht)	45,987	50,593	44,875
Average Daily Market Turnover of proprietary trading (Million Baht)	7,205	7,081	5,238
Number of newly listed companies (IPOs)	30	19	39
SET	13	8	22
MAI	17	11	17
Internet Trading Value (Million Baht)	3,407,756	3,998,249	3,989,387
Internet Trading/total market turnover (%)	26%	28%	33%
No. of brokerage firms offering internet trading	33	33	31
Investor breakdown by types			
Retail Investors	34%	41%	48%
Domestic Institutional Investors	11%	11%	11%
Proprietary Trading	14%	12%	11%
Foreign Investors	41%	36%	30%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source : Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), Krungthai Zmico

The competition in the securities business remained intense in 2019. This trend is likely to continue in 2020E, due particularly to the fact that a number of players are employing aggressive pricing strategies to compete for client bases. In addition, some players are mainly offering online trading services and using a pricing strategy to attract clients. As a result, the market shares of most brokerage firms declined from the year before and the system's average commission rate (excluding brokerage firms' portfolios) continued to fall from 0.125% in 2017 and 0.112% in 2018 to 0.104% in 2019. Looking ahead, the commission rate in 2020E is likely to weaken further as the competition will remain stiff, fueled in large part by the increase in the number of operators who focus on online trading services and the continuing decline in the proportion of retail investors. Meanwhile, brokerage firms' ability to grow their client bases and expand to other revenue bases has remained rather limited. Brokers thus continue to depend primarily on brokerage fee income, which accounted for 53% of total revenue in 2019.

## Provision of product or services

### Source of Fund

Most of the Company's source of fund is from shareholders, Board of Directors' approved to issue bill of exchange at a maximum of Baht 1,500 million.

Krungthai Zmico is granted loans of Baht 3,000 million in addition to other lending facilities from KTB, a major shareholder, to support credit balance. Also KTB supports call loan and bank overdraft. Moreover, the Board of Directors' approved to issue bill of exchange at a maximum of Baht 4,000 million and corporate bond at maximum of Baht 3,000 million. Krungthai Zmico incorporates asset, liability and capital market risk factors in order to appropriately allocate capital in a way that is most beneficial to shareholders.

### Financing Fund from Persons related to Management or Major Shareholders

The Company has no fund provided by persons related to Management or major shareholders.

### Net Capital Rule (NCR)

The Company is not required to maintain Net Liquid Capital and NCR since the Company temporarily discontinued operating securities business.

For Krungthai Zmico, its policy is to keep its NCR well above Securities and Exchange Commission's requirements. The SEC requires all securities companies to maintain the shareholders' equity at a minimum of Baht 100 million, along with maintaining a minimum net liquid capital of Baht 25 million in addition to the 7% net capital ratio. As at the end of 2019, Krungthai Zmico had Net Liquid Capital of Baht 1,139 million with NCR ratio at 34% and total shareholders' equity of Baht 2,324 million.

## 3. Fund Management Business

### Products or Services

Currently, Innotech Asset Management Company Limited (Formerly known as Solaris Asset Management Company Limited) operates fund management business. In which the company is licensed to operate in 5 fund categories, as follows

#### 1. Mutual fund management

Innotech Asset Management Company Limited received a license to operate mutual fund management business under the Securities and Exchange Act on 8 January 2007, license No. 0009/2006, which started operating mutual fund management business on 10 May 2007.

#### 2. Private fund management

Innotech Asset Management Company Limited is licensed to operate private fund management business (Private Fund) under the Securities and Exchange Act on 14 August 2007, License No. 0008/2007, beginning a private fund management business, on December 3, 2007.

3. Provident fund management

Innotech Asset Management Company Limited is licensed to operate private fund management business. (Provident fund) under the Securities and Exchange Act of 22 February 2010, license No. 0001/2555. Provident fund management business was started on February 22, 2010. Currently, the company does not have a provident fund client under management.

4. Derivatives fund management

Innotech Asset Management Company Limited is licensed to operate securities business in the category of derivatives fund manager. Under the Derivatives Act on 13 July 2007, license number 0009/2007, at present, the company has not yet started operating such business.

5. Real Estate Investment Trust (REIT) Manager

On 4 December 2019, Innotech Asset Management Company Limited is licensed by the Office of the Securities and Exchange Commission to be a REIT Manager, with a 5-year license period from 4 December 2019 to 3 December 2024 (renewed every 5 years).

**Overall business**

Currently, the company has 2 mutual funds under management as follows

	Mutual Fund	AUM as end of 2018 (Baht)
1.	Equity Pro Long-Term Equity Fund (EP-LTF)	18,270,929.87
2.	Innotech Equity Retirement Fund (I-EQRMF)	5,710,667.92

The company plans to expand the mutual fund management business in 2020 by focusing on the issuance and offering of mutual funds with investment policies that are different from the general investment policies of competitors in the industry. To meet the needs of customers, which are the target groups of the company.

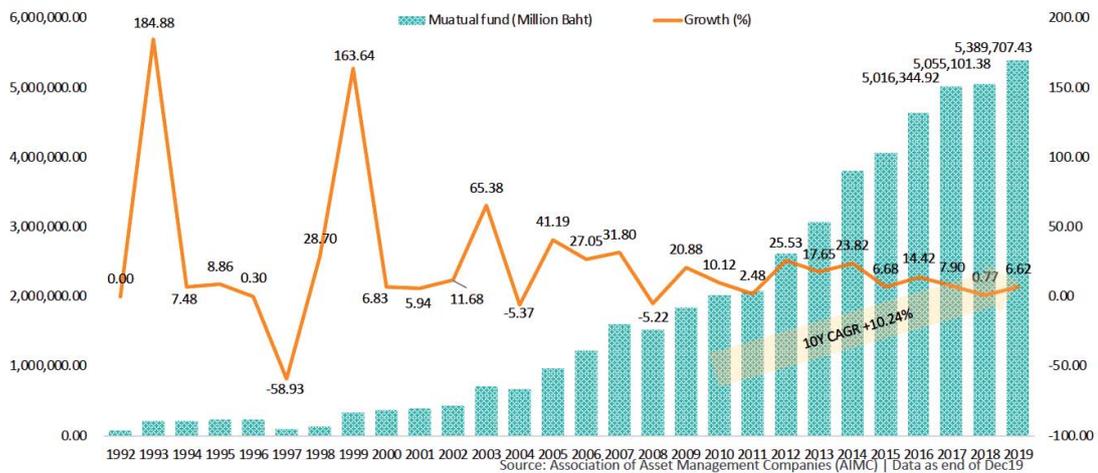
For private fund management business, the company is in the process of expanding the business. It is expected to have private fund clients within the year 2020, while the company does not have plans to expand the provident fund management business in 2020. On the derivatives fund management front, the company plans to start doing business in the year 2020 onwards, with plans to use derivatives to design new investment policies to customers.

For the REIT manager's business, the company expects to have real estate investment trust, which the company is managing in 2020.

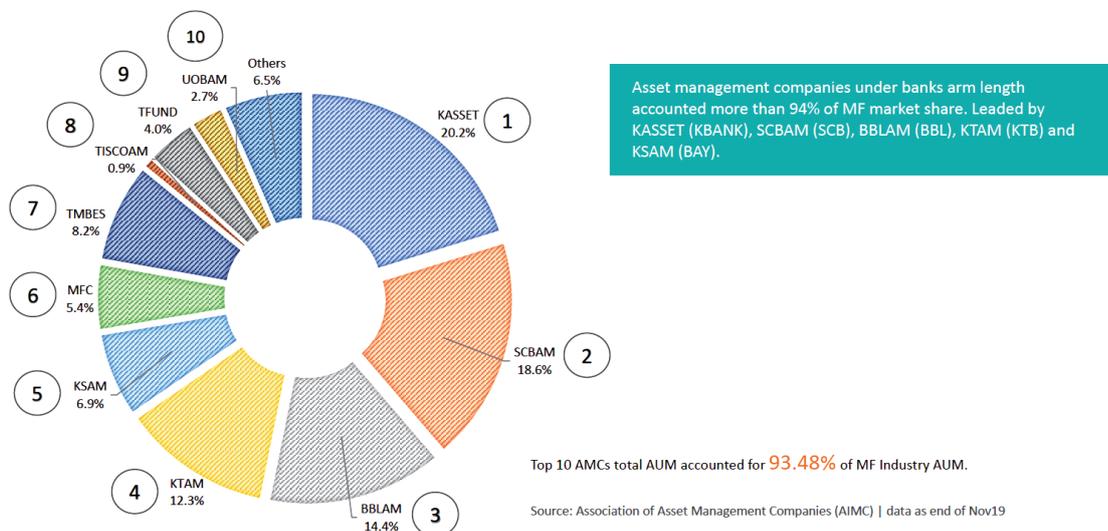
## Market and Competition

### Mutual Fund

- Total net asset value of FIF with master-feeder strategy was 404 billion baht, down -2% yoy.
- Most foreign investment fund categories outperformed domestic investment funds in 2019. Almost all categories produced positive annual return.
- Total net asset of Thai equity funds (excluding LTF and RMF) was 293.4 billion, relatively flat from last year or just 0.2% up.
- LTF total net asset ended at 406.4 billion baht, up 6.3% yoy. Total net inflow was 31.3 billion baht in the last quarter, totaling 19.9 billion baht net inflow for the year.
- RMF: Total net asset increased 16.4% yoy to 304.9 billion baht. Total net inflow for the year was 32.9 billion baht.
- Total net asset value of Thailand mutual funds (excluding close-end, REIT, Infra, ETF) increased 7.5% yoy to 4.3 trillion baht.
- All asset class increased except Money Market funds, slightly decreased -1.2% yoy. Equity up 11.5%, Fixed income up 11.5%, Allocation up 14.3% and commodities rise 10.8% yoy.
- Fixed income funds remain market share around 46% and equity at 29% of the industry.

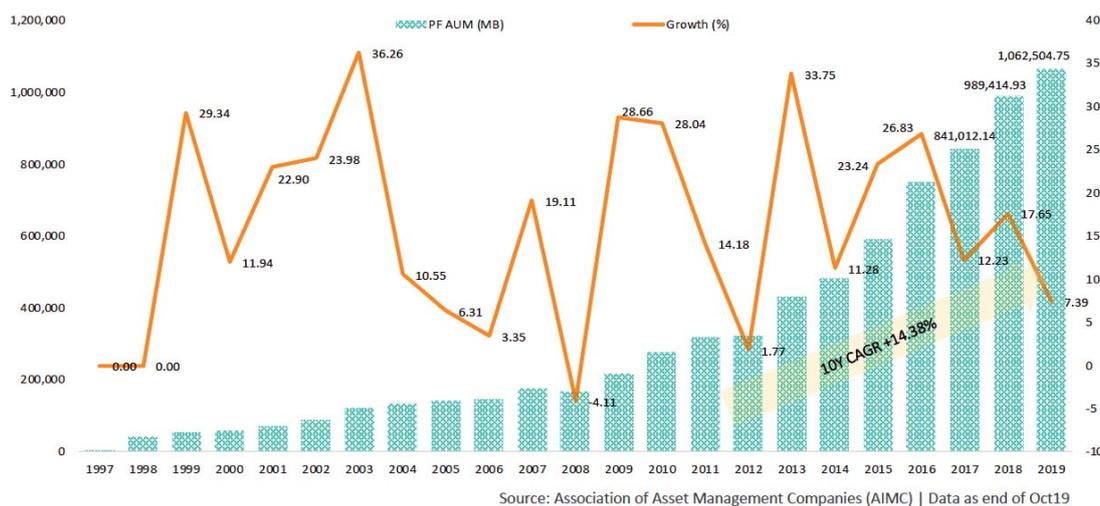


For market share side, the asset management company (AMC), which is a subsidiary of commercial banks, has a very high market share, led by KASSET, SCBAM, BBLAM, KTAM and KSAM. AMC who are subsidiary company of commercial banks, have a combined market share of 94%

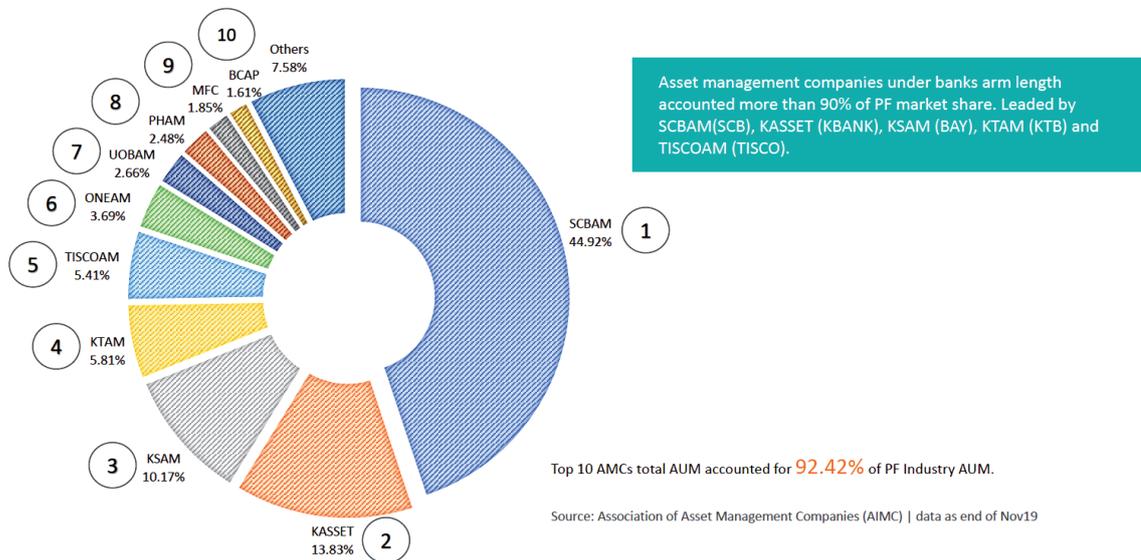


### Private Fund and Provident Fund

The Asset Under Management (AUM) value of private funds and provident funds in Thailand has continued to grow well over the past years. Although the growth rate slowed down from the previous year to 7.89%, the cumulative average growth rate of the past 10 years (CAGR) still grows to 14.38% per year.



On the market share front, the asset management company (AMC) who is subsidiary of a commercial bank has a very high market share, led by SCBAM (44.92%), KASSET (13.83%) KSAM (10.17%), KTAM (5.81%) and TISCO AM (5.41%). AMC who are subsidiaries of commercial banks have a high market share of 90% in total.



#### 4. Asset Management Business

Lumpini Asset Management Co., Ltd. is an asset management complied with the Emergency Decree on Asset Management Company B.E. 2541 and amendment.

1. Managing non performing loan transferred from the other financial institutions  
The Company pays attention to debt restructuring with the customer in order to take the reasonable benefit to the Company and Debtors to help the honest debtors return to regular debtors.
2. Disposal of non performing asset  
The company shall provide the effective system to dispose the non performing asset to treat the debtors fairly with the reasonable price and conditions to ease the debtors' burden and the maintaining cost of the company. For un-saleable NPA, the company also may lease to the other persons.

Main products or services of the company are consisted of;

1. Debt restructuring process debt restructuring process is the voluntary agreements between debtors and creditors to determine new debt agreement.

2. Non performing asset's management

In case of the settlement cannot be settled from the debtor, the company is able to dispose of assets that are from the transfer of debt from debtors and enforcement of the collateral, and settle its debt or to complete its unfinished projects to improve the quality of assets and enhance its value including distribution channels to enhance the opportunity to sell these assets.

5. **Digital Asset Business**

SE Digital Co., Ltd. has the main objective to conduct the digital asset business as a digital asset broker, digital asset dealers and the provider of ICO portal.

# R Risk Factors

## 1. Business Risk Factors

In the past, the company has invested in Innotech Asset Management Company Limited (an asset management company, formerly known as Solaris Asset Management Company Limited), KT ZMICO Securities Company Limited (a securities company, through a joint investment with Krungthai Bank Public Company Limited), Lumphini Asset Management Company Limited (an asset management company), SE Digital Company Limited (a digital asset company operating as an ICO portal), Sentimental (Thailand) Company Limited (the company's business focuses on trading, import and export, distribution and supply of cosmetics, perfumes and fragrances) and Absolute Yoga Company Limited (the company's business focuses on yoga, health, fitness and lifestyle).

In 2019, The company made significant developments in several areas, helping it to reduce risks stemming from holdings of distressed assets. Firstly, Innotech Asset Management Company Limited resumed its business of managing mutual funds and private funds, and was granted a REIT manager license by the SEC. Secondly, SE Digital Company Limited, which was established in 2018, will be able to operate as an ICO portal after obtaining a license from the SEC, with the company expecting to commence full operations in 2020. Although SE Digital's business expected to generate the returns, it is also mitigating the company's risk by diversifying into digital assets in line with its new strategic direction.

In conclusion, the company met most of its objectives in 2019 despite encountering a variety of risk factors that impacted its strategic direction along the way. The company continues to seek new business opportunities that will enable it to weather the economic fluctuations, with the aim of ensuring sustainable growth.

## 2. Short-Term Bill of Exchange Risks

### 1. Credit Risk

Credit risk refers to the issuer facing risk of not receiving the interest and principal amount by a certain date, irrespective of when it is. When the bearer has defaulted on the bill of exchange payment and declares bankruptcy, the issuer and other preferential creditors have rights that extend beyond those of the shareholders. However, the company is focusing on investing in bills of exchange that contain a pledge of collateral in order to prevent bearer defaults.

### 2. Price Risk

The price of B/E varies depending upon many factors, such as interest rates, the policies of the Bank of Thailand, overall economic conditions, the inflation rate, the due date of the bill of exchange, and excess or deficient demand for bills of exchange. When a bearer sells a bill of exchange before the maturity date, they may get less cash than the face value due to volatile market conditions. Therefore, the company is willing to hold a bill of exchange until the maturity date so it can receive the expected return and mitigate risks from secondary market pricing.

**3. Liquidity Risk**

A bearer that wishes to sell short-term bills of exchange in the secondary market before the maturity date may be unable to do so at that time at the expected price due to a lack of liquidity. However, they may be able to sell it to a commercial bank, a securities company or another financial institution that has a full license to undertake debt instruments. Apart from this, a bearer may not sell short-term bills of exchange to individuals except for financial institutions or institutional investors as set forth in clauses 4 and 6 of the SEC notification at Gor Jor 4/2017 “The Definition of The Institutional Investors, Ultra High Net Worth and High Net Worth Investors,” dated February 8, 2017, except in cases of inheritance transfers.

**4. Solvency Risk**

Solvency risk, as it pertains to short-term bills of exchange, refers to the issuer lacking the cash flow to pay a debt on the due date. This may occur if they are unable to sell a newly issued bill of exchange in order to use it to pay off a previous bill of exchange. The company, as the issuer of debt instruments, is exposed to all of the abovementioned risks, which necessitates the possession of sufficient cash reserves or trading securities that can be converted into cash rapidly.

# S Shareholders and Dividend Policy

## MAJOR SHAREHOLDERS

as at 30<sup>th</sup> December 2019

Name	No. of Shares Held	% of Paid-up Capital
1. ELEVATED RETURNS LLC	346,000,000	20.922
2. MR. SUTHEP WONGVORAZATHE	100,000,000	6.047
3. ER MERRY WAY LP	60,000,000	3.628
4. CHINA TONGHAI SECURITIES LIMITED A/C CLIENT	48,992,954	2.963
5. MR. WACHIRA THAYANARAPORN	35,000,000	2.116
6. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	31,764,567	1.921
7. MR. PIMOL SRIVIKORN	31,373,300	1.897
8. BANK OF SINGAPORE LIMITED	28,711,188	1.736
9. Mr. CHAIYUTH PITAKTEERATHAM	28,343,300	1.714
10. MR. TAWEECHAT JURANGKUL	27,000,000	1.633
OTHER	916,551,617	55.423
<b>TOTAL</b>	<b>1,653,736,926</b>	<b>100.000</b>

## MAJOR SHAREHOLDER GROUP

No major shareholder group has significant influence over the Company's policy and management.

## DIVIDEND POLICY

The dividend payment will be considered on the basis of the Company's profitability and liquidity and approval from the shareholders' meeting.

For dividend payment policy of subsidiaries, it depends on each company's Board of Directors and must be approved by the shareholders' meeting of that company.

# M Management Structure

## 1. BOARD OF DIRECTORS

Name	Position
1. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Chairman</li> <li>Chairman of Investment Committee</li> <li>Chairman of Nominating and Compensation Committee</li> </ul>
2. Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Chief Executive Officer</li> <li>Vice Chairman</li> <li>Member of Investment Committee</li> </ul>
3. Mr. Jesadavat Priebjivat	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Member of Corporate Governance Committee</li> </ul>
4. Asst. Prof. Pimol Srivikorn	<ul style="list-style-type: none"> <li>Director</li> <li>Member of Investment Committee</li> <li>Chairman of Corporate Governance Committee</li> </ul>
5. Mr. Peter J. Emblin	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of Investment Committee</li> <li>Member of Nominating and Compensation Committee</li> </ul>
6. Mr. Peter E. Romhild	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of Audit and Risk Management Committee</li> <li>Member of Nominating and Compensation Committee</li> </ul>
7. Dr. Tanasak Wahawisan	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of Audit and Risk Management Committee</li> </ul>
8. Mr. Thanarak Phongphatar	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of Audit and Risk Management Committee</li> </ul>
9. Mr. Supachai Wongvorazathe	<ul style="list-style-type: none"> <li>Non-authorized Director</li> <li>Member of Investment Committee</li> </ul>
10. Mr. Kittichai Raktakanit	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of Corporate Governance Committee</li> </ul>
Mrs. Pornpilas Harnchanpanich	<ul style="list-style-type: none"> <li>Company Secretary</li> <li>Secretary to the Board of Directors</li> </ul>

## SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors shall perform their duties and carry on the business of the Company in accordance with the laws, the Company's objectives and the Articles of Association as well as the resolutions of shareholders' meetings, and shall also be authorized to engage in any activities as prescribed in the Memorandum or those related thereto.

The Board of Directors may assign one or more persons to carry out any activities on behalf of the Board of Directors. No authorization shall entitle the grantee to consider and approve transactions that may cause a conflict of interest between the grantee or any related person or interested person.

### Directors Authorization and Limitation thereof

Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha, Mr. Jesadavat Priebjrivat any two of these three directors signing together with the Company's seal being affixed.

## ATTENDANCE RECORD IN 2019

In 2019, the Board of Directors met 10 times. Details of the attendance are as follows:

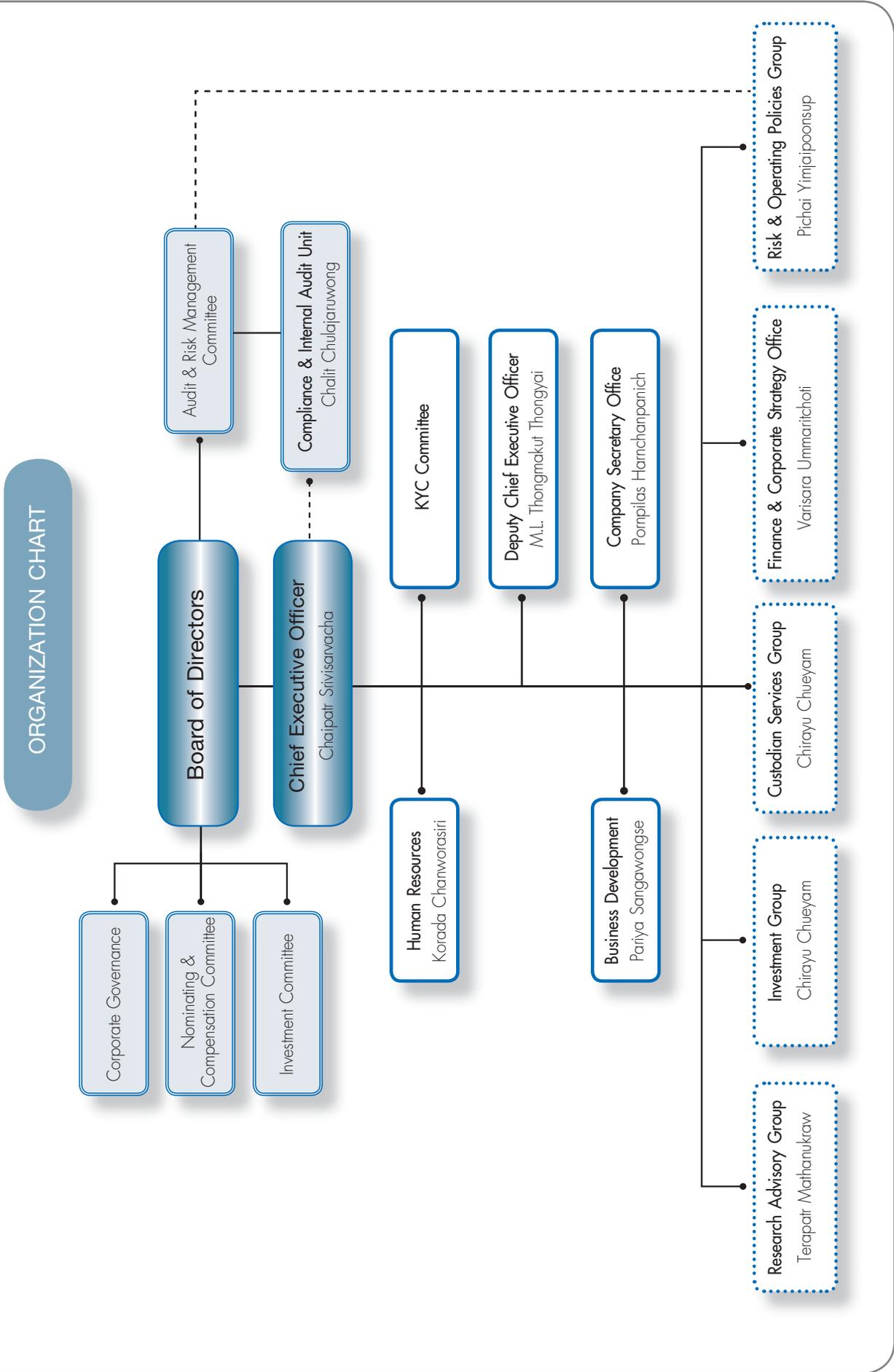
	Name	Meeting Attended
1.	Mr. Suthep Wongvorazathe	10/10
2.	Mr. Chaipatr Srivisarvacha	10/10
3.	Mr. Jesadavat Priebjrivat	10/10
4.	Asst. Prof. Pimol Srivikorn	5/10
5.	Mr. Peter J. Emblin	9/10
6.	Mr. Peter E. Romhild	9/10
7.	Dr. Tanasak Wahawisan	8/10
8.	Mr. Thanarak Phongphatar	7/8
9.	Mr. Supachai Wongvorazathe	10/10
10.	Mr. Kittichai Raktakanit	5/5
	Mrs. Pornpilas Harnchanpanich	Secretary

## 2. MANAGEMENT

1. Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Chief Executive Officer</li> <li>• Vice Chairman</li> <li>• Member of Investment Committee</li> </ul>
2. Mr. Jesadavat Priebjivat	<ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Member of Corporate Governance Committee</li> </ul>
3. M.L. Thongmakut Thongyai	<ul style="list-style-type: none"> <li>• Deputy Chief Executive Officer</li> </ul>
4. Mr. Pichai Yimjaipoonsup	<ul style="list-style-type: none"> <li>• Chief of Risk and Operating Policies Group</li> </ul>
5. Mr. Chalit Chulajaruwong	<ul style="list-style-type: none"> <li>• Executive Vice President, Compliance and Internal Audit Unit</li> </ul>
6. Mr. Chirayu Chueyam	<ul style="list-style-type: none"> <li>• Senior Vice President, Investment Group</li> <li>• Senior Vice President, Custodian Service Group</li> <li>• Secretary to Investment Committee</li> </ul>
7. Mr. Terapatr Mathanukraw	<ul style="list-style-type: none"> <li>• Senior Vice President, Research Advisory Group</li> </ul>
8. Ms. Varisara Ummaritchoti	<ul style="list-style-type: none"> <li>• Chief Finance Office</li> <li>• Senior Vice President, Finance and Corporate Strategy</li> </ul>
9. Mr. Priyong Teerasathain	<ul style="list-style-type: none"> <li>• Senior Vice President, Compliance and Internal Audit Unit</li> </ul>

## 3. COMPANY SECRETARY

Mrs. Pornpilas Harnchanpanich has been appointed as the Company Secretary by resolution of the Board of Directors Meeting No. 5/2015 dated 9<sup>th</sup> November 2015.



## DIRECTORS, MANAGEMENT AND COMPANY SECRETARY PROFILES

Mr. Suthep Wongvorazathe	
Position	<ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Chairman of the Board</li> <li>• Chairman of Investment Committee</li> <li>• Chairman of Nominating and Compensation Committee</li> </ul>
Age	71 Years
Date of Appointment	20 September 2013
Education	MBA, University of Wisconsin, U.S.A. (1971)
Training	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) (2005)</li> <li>• Corporate Governance for Capital Market Intermediaries (CGI) (2016)</li> </ul>
% of Shareholding	6.047%
Relationship with Management	Mr. Supachai Wongvorazathe's Father
Experience Company Group	
8 October 2013 - Present	<ul style="list-style-type: none"> <li>• Chairman of the Board, Seamico Securities Plc.</li> </ul>
8 November 2013 - Present	<ul style="list-style-type: none"> <li>• Chairman of Investment Committee, Seamico Securities Plc.</li> </ul>
12 February 2014 - Present	<ul style="list-style-type: none"> <li>• Chairman of Nominating and Compensation Committee Seamico Securities Plc.</li> </ul>
14 May 2014 - Present	<ul style="list-style-type: none"> <li>• Executive Chairman, Krungthai Zmico Securities Co., Ltd.</li> </ul>
22 August 2014 - Present	<ul style="list-style-type: none"> <li>• Authorized Director, Krungthai Zmico Securities Co., Ltd.</li> </ul>
26 February 2014 - 21 August 2014	<ul style="list-style-type: none"> <li>• Non-authorized Director, Krungthai Zmico Securities Co., Ltd.</li> </ul>
3 December 2018 - Present	<ul style="list-style-type: none"> <li>• Authorized Director, SE Digital Co., Ltd.</li> </ul>
Other Listed Companies in the SET	
February 2007 - Present	<ul style="list-style-type: none"> <li>• Chairman, Khonburi Sugar Plc.</li> </ul>
October 2012 - Present	<ul style="list-style-type: none"> <li>• Chairman of Audit Committee, Independent Director The Bangchak Corporation Plc.</li> </ul>
15 June 2015 - Present	<ul style="list-style-type: none"> <li>• Chairman, Executive Chairman, M.K. Real Estate Development Plc.</li> </ul>
Other Companies	
14 December 2018 - Present	<ul style="list-style-type: none"> <li>• Director, CPD Assets Co., Ltd.</li> </ul>
31 August 2017 - Present	<ul style="list-style-type: none"> <li>• Director, HSH-Siam Chaophraya Holdings Co., Ltd.</li> </ul>
8 August 2017 - Present	<ul style="list-style-type: none"> <li>• Director, The Mall Group</li> </ul>
24 June 2015 - Present	<ul style="list-style-type: none"> <li>• Director, Banthat Thong Co., Ltd.</li> </ul>
2011 - Present	<ul style="list-style-type: none"> <li>• Authorized Director, New Corp Co., Ltd.</li> </ul>
2009 - Present	<ul style="list-style-type: none"> <li>• Authorized Director, Asia Kangnam Co., Ltd.</li> </ul>
Other Past Experience	
March 2003 - April 2016	<ul style="list-style-type: none"> <li>• Chairman of Audit Committee and Independent Director Chumporn Palm Oil Industry Plc.</li> </ul>
2010 - 2011	<ul style="list-style-type: none"> <li>• Chairman of Executive Board, Export-Import Bank of Thailand</li> </ul>
2009 - 2011	<ul style="list-style-type: none"> <li>• Director, The Board of Investment of Thailand</li> </ul>
2007 - 2010	<ul style="list-style-type: none"> <li>• Chairman, Pacific Assets Plc.</li> </ul>

## Mr. Chaipatr Srivisarvacha

Position

- Authorized Director
- Vice Chairman
- Chief Executive Officer
- Member of Investment Committee

Age

60 Years

Date of Appointment

18 April 2007

Education

MBA (Finance), Illinois Benedictine College (1984)

Training

- Director Certification Program (DCP) (2003)
- Corporate Governance for Capital Market Intermediaries (CGI) (2015)
- Advanced Audit Committee Program (2017)
- National Directors Conference 2018 (IOD)
- A Lunch Talk & Conversation (TDRI)
- Innovation Finance for Future Growth (Bank of Thailand)
- CEO Networking 2018 (SET)

% of Shareholding

1.142%

Relationship with Management

None

### Experience Company Group

22 May 2007 - Present

- Authorized Director, Seamico Securities Plc.

7 January 2009 - Present

- Authorized Director, Krungthai Zmico Securities Co., Ltd.

1 May 2009 - 31 July 2019

- Chief Executive Officer, Krungthai Zmico Securities Co., Ltd.

29 November 2011 - Present

- Non-authorized Director, Innotech Asset Management Co., Ltd.

11 March 2016 - Present

- Authorized Director, Lumpini Asset Management Co., Ltd.

27 March 2017 - Present

- Authorized Director, Absolute Yoga Co., Ltd.

12 October 2018 - Present

- Authorized Director, SE Digital Co., Ltd.

16 May 2019 - Present

- Authorized Director, Scentimental (Thailand) Co., Ltd.

### Other Listed Companies in the SET

14 March 2011 - Present

- Independent Director, Precious Shipping Plc.

28 December 2015 - Present

- Chairman of the Board of Directors, Thaifoods Group Plc.

10 August 2019 - Present

- Non-authorized Director, JKN global Media Plc.

### Other Companies

20 March 2017 - Present

- Executive Chairman, Innoconnect Social Enterprise Co., Ltd.

### Other Past Experience

23 May 2016 - 18 March 2019

- Non-authorized Director, TSFC Securities Plc.

September 2018 - February 2019

- Chairman, Audit Committee, The Stock Exchange of Thailand

28 May 2015 - 27 May 2019

- Governor, The Stock Exchange of Thailand

28 May 2012 - 27 May 2014

- Governor, The Stock Exchange of Thailand

19 June 2013 - 27 May 2014

- Member of Audit Committee, The Stock Exchange of Thailand

20 June 2012 - 19 June 2013

- Director, Thailand Futures Exchange Plc.

1 January 2013 - 19 June 2013

- Chairman Derivatives Investor Protection Fund Committee  
Thailand Futures Exchange Plc.

August 2009 - June 2018

- Chairman of the Board, Executive Chairman, Thanh Cong Securities J.S.C

2003 - 16 May 2013

- Independent Director and Audit Committee Member, Brooker Group Plc.

8 September 2010 - 3 November 2011

- Independent Director and Chairman of Audit Committee  
Dhanarak Asset Development Co., Ltd.

31 January 2011 - 3 November 2011

- Chairman, DAD SPV Co., Ltd.

3 July 2001 - 18 April 2007

- Independent Director and Audit Committee Member, Thanachart Bank Plc.

1999 - 2003

- Independent Director, Pacific Assets Plc.

1999

- Director and Executive Director, Krung Thai Bank Plc.

## Mr. Peter John Emblin

Position	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of Investment Committee</li> <li>Member of Nominating and Compensation Committee</li> </ul>
Age	61 Years
Date of Appointment	26 February 2010
Education	<ul style="list-style-type: none"> <li>Bachelor of Business RMIT University Melb.Australia</li> <li>Fellow of the Financial Services Institute of Australasia</li> <li>Chartered Director Thai Institute of Directors</li> </ul>
Training	<ul style="list-style-type: none"> <li>Director Certification Program (DCP 153/2011) (2011)</li> <li>Corporate Governance for Capital Market Intermediaries (CGI 9/2015) (2015)</li> <li>Chartered Director Class (CDC 10/2015) (2015)</li> <li>Diploma Director Certification Program (2012)</li> </ul>
% of Shareholding	0%
Relationship with Management	None

### Experience Company Group

27 September 2013 - Present	<ul style="list-style-type: none"> <li>Independent Director, Seamico Securities Plc.</li> <li>Member of Nominating and Compensation Committee Seamico Securities Plc.</li> </ul>
8 November 2013 - Present	<ul style="list-style-type: none"> <li>Member of Investment Committee, Seamico Securities Plc.</li> </ul>
17 April 2019 - Present	<ul style="list-style-type: none"> <li>Non-authorized Director, Innotech Asset Management Co., Ltd.</li> </ul>
20 September 2013 - 13 November 2014	<ul style="list-style-type: none"> <li>Member of Corporate Governance Committee, Seamico Securities Plc.</li> </ul>
18 March 2010 - 19 September 2013	<ul style="list-style-type: none"> <li>Director, Seamico Securities Plc.</li> </ul>
11 November 2010 - 8 November 2013	<ul style="list-style-type: none"> <li>Member of Executive Committee, Seamico Securities Plc.</li> </ul>
Other Listed Companies in the SET	None

### Other Companies

May 2016 - Present	<ul style="list-style-type: none"> <li>Chartered Director, Thai Institute of Directors Association</li> </ul>
1 December 2016 - Present	<ul style="list-style-type: none"> <li>Advisor, D.W.P. Co., Ltd.</li> </ul>

### Other Past Experience

1 December 2016 - 30 December 2019	<ul style="list-style-type: none"> <li>Advisor, Delight Plus Co., Ltd.</li> </ul>
April 2014 - 30 November 2016	<ul style="list-style-type: none"> <li>Advisor, MBMG Corporate Solutions Co., Ltd.</li> </ul>
November 2008 - 31 December 2013	<ul style="list-style-type: none"> <li>Executive, Thai Strategic Capital Management Co., Ltd.</li> </ul>

## Mr. Peter Emil Romhild

### Position

- Independent Director
- Chairman of Audit and Risk Management Committee
- Member of Nominating and Compensation Committee

### Age

68 Years

### Date of Appointment

27 April 2012

### Education

EAC's Internal School, Copenhagen

### Training

- Directors Accreditation Program (DAP) (2011)
- Director Certification Program (DCP) (2012)
- 3<sup>rd</sup> National Director Conference 2014 under topic "Improving Corporate Governance : Key to Advancing Thailand (2014)
- Corporate Governance for Capital Market Intermediaries (CGI) (2015)
- Anti - Bribery and Anti - Corruption (Deloitte AC Forum) (2018)
- Thailand's 10<sup>th</sup> National Conference on Collective Action against Corruption "Innovations in the Fight against Corruption" (2019)

### % of Shareholding

0%

### Relationship with Management

None

## Experience Company Group

### 10 May 2012 - Present

- Independent Director, Seamico Securities Plc.
- Member of Nominating and Compensation Committee Seamico Securities Plc.

### 9 May 2014 - Present

- Chairman of Audit and Risk Management Committee Seamico Securities Plc.

### 10 May 2012 - 8 May 2014

- Member of Audit and Risk Management Committee Seamico Securities Plc.

### 10 May 2012 - 20 September 2013

- Member of Corporate Governance Committee, Seamico Securities Plc.

### January 2019 - October 2019

- Director, Scentimental (Thailand) Co., Ltd.

### February 2017 - December 2018

- Chairman, Scentimental (Thailand) Co., Ltd.

### Other Listed Companies in the SET

None

## Other Companies

### February 2018 - Present

- Executive Board Director, KTT Services (Thailand) Co., Ltd.

### 2016 - Present

- Executive Board Director, ECCO (Vietnam) Co., Ltd.

### April 2012 - Present

- Vice Chairman, ECCO (Thailand) Co. Ltd.

### October 2013 - Present

- Executive Board Director, ECCO Tannery (Thailand) Co., Ltd.
- Executive Board Director, PT ECCO Indonesia
- Executive Board Director, PT ECCO Tannery Indonesia

## Other Past Experience

### January - March 2012

- Advisor, Berli Jucker Pcl.

### January 2007 - December 2011

- Sr. Executive Vice President, Berli Jucker Pcl.

### January 2001 - December 2007

- Executive Vice President, Berli Jucker Pcl.

## Mr. Jesadavat Priebjivat

Position	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Member of Corporate Governance Committee</li> </ul>
Age	63 Years
Date of Appointment	10 May 2013
Education	<ul style="list-style-type: none"> <li>MBA, New York University, U.S.A. (1984)</li> <li>MEA, George Washington University, U.S.A. (1980)</li> </ul>
Training	<ul style="list-style-type: none"> <li>Role of the Chairman Program (ROCP) V. 2 (2011)</li> <li>Corporate Good Governance for the Director &amp; Executives of Enterprise &amp; Public Organization V. 4 (2010)</li> <li>Director Certification Program (DCP) V. 115 (2009)</li> <li>Audit Committee Program (ACP) V. 1 (2009)</li> <li>Change Management for Top Executive Program (GRID Thailand) (2009)</li> <li>Corporate Governance for Capital Market Intermediaries (CGI) (2016)</li> </ul>
% of Shareholding	0%
Relationship with Management	None
<b>Experience Company Group</b>	
6 February 2019 - Present	<ul style="list-style-type: none"> <li>Authorized Director, Seamico Securities Plc.</li> </ul>
28 November 2018 - 5 February 2019	<ul style="list-style-type: none"> <li>Non-authorized Director, Seamico Securities Plc.</li> </ul>
1 February 2017 - 27 November 2018	<ul style="list-style-type: none"> <li>Member of Audit and Risk Management Committee Seamico Securities Plc.</li> </ul>
28 May 2013 - 27 November 2018	<ul style="list-style-type: none"> <li>Independent Director, Seamico Securities Plc.</li> </ul>
20 September 2013 - Present	<ul style="list-style-type: none"> <li>Member of Corporate Governance Committee, Seamico Securities Plc.</li> </ul>
3 December 2018 - Present	<ul style="list-style-type: none"> <li>Authorized Director, SE Digital Co., Ltd.</li> </ul>
<b>Other Listed Companies in the SET</b>	
June 2010 - Present	<ul style="list-style-type: none"> <li>Chairman, Gratitude Infinite Plc.</li> </ul>
May 2008 - Present	<ul style="list-style-type: none"> <li>Chairman of Audit Committee, Sansiri Plc.</li> </ul>
<b>Other Past Experience</b>	
June 2010 - 2012	<ul style="list-style-type: none"> <li>Chief Financial Officer, CAT Telecom Plc.</li> </ul>

## Assistant Professor Pimol Srivikorn

Position

- Non - authorized Director
- Chairman of Corporate Governance Committee
- Member of Investment Committee

Age

55 Years

Date of Appointment

20 September 2013

Education

- MBA, University of California at Los Angeles John E. Anderson, U.S.A. (1989)

Training

-

% of Shareholding

1.897%

Relationship with Management

None

### Experience Company Group

8 October 2013 - Present

- Non-authorized Director, Seamico Securities Plc.
- Chairman of Corporate Governance Committee, Seamico Securities Plc.

8 November 2013 - Present

- Member of Investment Committee, Seamico Securities Plc.

March 2017 - Present

- Authorized Director, Absolute Yoga Co., Ltd.

### Other Listed Companies in the SET

May 1993 - Present

- Chairman, TCM Corporation Public Company Limited

### Other Companies

January 1989 - Present

- Owner and Executive Director, Intercontinental Hotel Bangkok

March 2007 - Present

- President , Taekwondo Association of Thailand

January 2012 - Present

- Executive Director, Srivikorn Group Holding Co., Ltd.

March 2015 - Present

- Chief Executive Officer , Scomadi Thailand Co., Ltd.

### Other Past Experience

January 2013 - 3 May 2016

- Independent Director and Chairman of Audit Committee, Nok Airlines Plc.

## Dr. Tanasak Wahawisan

Position	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of Audit and Risk Management Committee</li> </ul>
Age	61 Years
Date of Appointment	28 April 2014
Education	<ul style="list-style-type: none"> <li>Graduate School of International Studies, University of Denver Ph.D. International Studies (1986 - 1988)</li> <li>Graduate School of International Studies, University of Denver M.A. International Studies (1985 - 1986)</li> <li>Department of Political Science, The Ohio State University M.A. Political Science (1980 - 1981)</li> <li>Faculty of Political Science, Chulalongkorn University B.A. Political Science (International Relations) (1976 - 1979)</li> </ul>
Training	<ul style="list-style-type: none"> <li>Directors Certification Program</li> <li>Corporate Governance for Capital Market Intermediaries (CGI) (2015)</li> </ul>
% of Shareholding	0%
Relationship with Management	None
<b>Experience Company Group</b>	
25 August 2014 - Present	<ul style="list-style-type: none"> <li>Independent Director, Seamico Securities Plc.</li> </ul>
28 August 2014 - Present	<ul style="list-style-type: none"> <li>Member of Audit and Risk Management Committee, Seamico Securities Plc.</li> </ul>
Other Listed Companies in the SET	None
<b>Other Companies</b>	
2017 - Present	<ul style="list-style-type: none"> <li>Chairman, Automation and Technology Service Co., Ltd.</li> </ul>
16 April 2014 - Present	<ul style="list-style-type: none"> <li>Independent Director and Member of Audit Committee Advance Finance Plc.</li> </ul>
2011 - Present	<ul style="list-style-type: none"> <li>Director, PHM International Co., Ltd.</li> </ul>
2000 - Present	<ul style="list-style-type: none"> <li>Director and General Manager, Apollo (Thailand) Co., Ltd.</li> </ul>
2006 - Present	<ul style="list-style-type: none"> <li>Founding Member and Lecturer Institute of Diplomacy and International Studies, Rangsit University</li> </ul>
<b>Other Past Experience</b>	
2007 - 2010	<ul style="list-style-type: none"> <li>Managing Director, Pacific Assets Plc.</li> </ul>
2000 - 2001	<ul style="list-style-type: none"> <li>Vice President, Schiller - Stamford International College</li> </ul>

## Mr. Thanarak Phongphatar

Position

- Independent Director
- Member of Audit and Risk Management Committee

Age

63 Years

Date of Appointment

22 February 2019

Education

- The Georgia Institute of Technology, Atlanta, USA (1982)
- Engineering, Chulalongkorn University (1979)

Training

- Director Certification Program (DCP) V.248 (2017)
- The Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy (2014)
- The Programme of Senior Executives on Justice Administration Batch 10<sup>th</sup> (2006)

% of Shareholding

0%

Relationship with Management

None

### Experience Company Group

8 March 2019 - Present

- Independent Director, Seamico Securities Plc.
- Member of Audit and Risk Management Committee, Seamico Securities Plc.

### Other Listed Companies in the SET

2012 - Present

- Independent Director, Advanced Information Technology PLC.

### Other Companies

2018 - Present

- Chairman, The Global Language of Business, the Federation of Thai Industries

2018 - Present

- Vice Chairman, The Federation of Thai Industries

September 1991 - Present

- Managing Director, The Southern Palm (1978) Co., Ltd.

September 1993 - Present

- Executive Director, The Southern Palm Oil Industry (1993) Co., Ltd.

### Other Past Experience

2015 - 2017

- Director of Walailak University Council, Walailak University

2014 - 2015

- Vice Chairman, Chulalongkorn University Engineering Alumni

2012 - 2015

- Chairman of Business Council, IMT - GT

## Mr. Supachai Wongvorazathe

Position	<ul style="list-style-type: none"> <li>• Non - authorized Director</li> <li>• Member of Investment Committee</li> </ul>
Age	44 Years
Date of Appointment	27 April 2017
Education	<ul style="list-style-type: none"> <li>• Charter, CFA Institute, CFA Charterholder (2002)</li> <li>• Thunderbird, School of Global Management, Master of International Management, Arizona, USA (1999 - 2000)</li> <li>• Chulalongkorn University, Bachelor of Business Administration (1993 - 1997)</li> </ul>
Training	-
% of Shareholding	0%
Relationship with Management	Mr. Suthep Wongvorazathe's son
<b>Experience Company Group</b>	
16 May 2017 - Present	<ul style="list-style-type: none"> <li>• Non - authorized Director, Seamico Securities Plc.</li> <li>• Member of Investment Committee, Seamico Securities Plc.</li> </ul>
3 December 2018 - Present	<ul style="list-style-type: none"> <li>• Authorized Director, SE Digital Co., Ltd.</li> </ul>
3 April 2019 - Present	<ul style="list-style-type: none"> <li>• Non - authorized Director, Crystal Sealed Professional Car Coating Ltd.</li> </ul>
Other Listed Companies in the SET	None
<b>Other Companies</b>	
9 May 2018 - Present	<ul style="list-style-type: none"> <li>• Director, Tenharu (Thailand) Company Limited</li> </ul>
16 March 2017 - Present	<ul style="list-style-type: none"> <li>• Director, Menya Itto (Thailand) Company Limited</li> </ul>
13 August 2013 - Present	<ul style="list-style-type: none"> <li>• Director, Suchi Ichi (Thailand) Company Limited</li> </ul>
8 August 2013 - Present	<ul style="list-style-type: none"> <li>• Director, Gastrotheque Company Limited</li> </ul>
<b>Other Past Experience</b>	
April 2008 - 1 August 2018	<ul style="list-style-type: none"> <li>• Senior Vice President, Optasia Capital Co., Ltd.</li> </ul>
May 2004 - April 2008	<ul style="list-style-type: none"> <li>• Director, Grant Thornton Specialist Advisory Services Ltd</li> </ul>
June 2002 - April 2004	<ul style="list-style-type: none"> <li>• Vice President, Cerberus Thailand LLC</li> </ul>
November 2000 - May 2002	<ul style="list-style-type: none"> <li>• Assistant Manager, Prime Partners Asset Management Pte. Ltd (Singapore)</li> </ul>
June 2000 - September 2000	<ul style="list-style-type: none"> <li>• Associate Intern, Merrill Lynch (Singapore) Pte. Ltd</li> </ul>

## Mr. Kittichai Raktakanit

Position

- Independent Director
- Member of Corporate Governance Committee

Age

59 Years

Date of Appointment

26 April 2019

Education

- Bachelor of Business Administration, Indiana State University U.S.A. (1980)

Training

- Director Certification Program (2003)
- Audit Committee Program (2005)
- The National Defence College (The Joint State-Private Sector Course 26)

% of Shareholding

0%

Relationship with Management

None

### Experience Company Group

17 May 2019 - Present

- Independent Director, Seamico Securities Plc.,

4 December 2019 - Present

- Member of Corporate Governance Committee, Seamico Securities Plc.

### Other Listed Companies in the SET

2017 - Present

- Director and Audit Committee (Independent Director)  
Inoue Rubber (Thailand) Plc.

2015 - Present

- Director and Audit Committee (Independent Director), Sansiri Plc.

2010 - Present

- Executive Vice President, Loxley Plc.

1997 - Present

- Director, Thai Filatex Plc.

### Other Companies

2017 - Present

- Director, Loxley Property Development Co., Ltd.

2016 - Present

- Chairman, Loxley System Integrator Co., Ltd.

2016 - Present

- Director, Loxley Evolution Technology Co., Ltd.

2011 - Present

- Chairman of Executive Board, L-Elevator Co., Ltd.

2000 - Present

- Director, Filatex Planner Co., Ltd.

### Other Past Experience

2015 - 2016

- Director & Executive Director, Mainstay Property Solutions Co., Ltd.

2013 - 2014

- Director, Cholkij Sakol Co., Ltd.

2012 - 2017

- President, L Green Solution Co., Ltd.

2011 - 2016

- Director, Department of Public works and Town & Country Planning

## M.L. Thongmakut Thongyai

Position	• Deputy Chief Executive Officer
Age	51 Years
Date of Appointment	7 May 2018
Education	<ul style="list-style-type: none"> <li>• Master of Business Administration, The American University, Washington D.C, U.S.A (1992 - 1994)</li> <li>• Bachelor of Design in Industrial Design The University of South Australia, Adelaide, Australia (1987 - 1991)</li> </ul>
Training	• Corporate Governance for Capital Market Intermediaries (CGI)
% of Shareholding	0.121%
Relationship with Management	None

### Experience Company Group

7 May 2018 - Present	• Deputy Chief Executive Officer, Seamico Securities Plc.
2 August 2019 - Present	• Chief Executive Officer, Krungthai Zmico Securities Co., Ltd.
30 May 2018 - Present	• Authorized Director, Krungthai Zmico Securities Co., Ltd.
1 June 2018 - 31 July 2019	• Managing Director, Krungthai Zmico Securities Co., Ltd.
Other Listed Companies in the SET	None

### Other Companies

May 2017 - Present	• Board of Directors, TSFC Securities Plc.
March 2015 - January 2018	• Board of Directors, ASCO

### Other Past Experience

January 2010 - January 2018	• Chief Executive Officer, SCB Securities Co., Ltd.
2004 - 2010	• Head of Equities: Managing Director, Citicorp Securities Thailand
1999 - 2004	• SVP Head of Sales - Trading , CLSA Securities Thailand
1995 - 1999	• AVP, Institutional Equities Sales, Securities One PLC. (KGI).

## Mr. Pichai Yimjaipoonsup

Position

- Chief of Risk & Operating Policies

Age

55 years

Education

- Bachelor degree - Accounting, Thammasart University

Training

- Corporate Governance for Capital Market Intermediaries (CGI) (2015)
- Enterprise Risk Management
- Expert in Financial and Securities Law
- Chief Transformation Officer Course
- Credit Risk Management Basel II, RAROC
- Anti - Money Laundering Law

% of Shareholding

0%

Relationship with Management

None

### Experience Company Group

1 January 2019 - Present

- Chief of Risk & Operating Policies, Seamico Securities Plc.

6 July 2017 - Present

- Authorized Director, Innotech Asset Management Co., Ltd.

30 November 2012 - 5 July 2017

- Non-authorized Director, Innotech Asset Management Co., Ltd.

1 July 2016 - 31 December 2018

- Chief of Operation Officer KT ZMICO Securities Co., Ltd

1 July 2011 - 30 June 2016

- Executive Director Risk Management, KT ZMICO Securities Co., Ltd

1 May 2009 - 30 June 2011

- Vice President Compliance and Internal Audit, KT ZMICO Securities Co., Ltd

1 July 1999 - 30 April 2009

- Vice President Compliance and Internal Audit, Seamico Securities Plc.

Other Listed Companies in the SET

None

### Other Companies

1 July 1997 - 30 June 1999

- Assistant Vice President, Information Department, BankThai PCL.

1 April 1996 - 30 June 1997

- Vice President, Bangkok Finance Co., Ltd

1 December 1994 - 31 March 1996

- Vice President Compliance, Deutsche Morgan Grenfell (Thailand) Co., Ltd.

## Mr. Chalit Chulajaruwong

Position	• Executive Vice President, Compliance and Internal Audit Unit
Age	56 years
Education	• Master of Accounting (Financial Accounting), Chulalongkorn University
Training	• ASCO Compliance Training Program • Knowledge of Operational Supervision • Compliance officer for Debt Instruments Operation • Supervision for Securities Brokerage and Derivatives Broker • Anti-Money Laundering and Counter-Terrorism Financing
% of Shareholding	• 0%
Relationship with Management	None

### Experience Company Group

December 2018 - Present	• Executive Vice President, Compliance and Internal Audit Unit, Seamico Securities Plc.
Other Listed Companies in the SET	None

### Other Companies

October 2013 - November 2018	• Executive Vice President Compliance and Internal Audit Line, Asia Wealth Securities Co., Ltd.
October 2004 - October 2013	• Executive Vice President Compliance Department, Country Group Securities Plc.
May 1992 - April 2004	• Assistant Director, Asset Management Supervision Department, Securities and Exchange Commission
April 1988 - May 1992	• Inspector Financial Institutions Development Fund Department, Bank of Thailand

## Mr. Chirayu Chueyam

### Position

- Senior Vice President, Investment Group
- Senior Vice President, Custodian Services Group
- Secretary to Investment Committee

### Age

45 Years

### Education

- MBA, Chulalongkorn University
- BBA, Chulalongkorn University

### Training

- Corporate Governance for Capital Market Intermediaries (2017)

### % of Shareholding

0%

### Relationship with Management

None

## Experience Company Group

### August 2013 - Present

- Senior Vice President, Investment Group and Secretary to Investment Committee, Seamico Securities Plc.

### March 2019 - Present

- Senior Vice President, Custodian Services Group, Seamico Securities Plc.

### December 2015 - Present

- Authorized Director, Lumpini Asset Management Co., Ltd.

### Other Listed Companies in the SET

None

## Other Past Experience

### August 2016 - December 2018

- Authorized Director and Executive Director, Innotech Asset Management Co., Ltd.

### February 2017 - September 2018

- Authorized Director, Scentsimental (Thailand) Co., Ltd.

### April 2014 - December 2016

- Director, Beacon Offshore Co., Ltd.

### September 2009 - July 2013

- Senior Manager, Portfolio Management, Intouch Holding Plc.

### July 2007 - August 2009

- Vice President, Investment Banking, Seamico Securities Plc.

### May 2005 - December 2006

- Investment Manager, New Business, Shin Corporations Plc.

### April 1999 - April 2005

- Assistant Vice President, CapMaxx Co., Ltd.

**Mr. Terapatr Mathanukraw**

Position	• Senior Vice President, Research Advisory Group
Age	56 Years
Education	• MBA (Finance), Eastern Michigan University, U.S.A.
Training	• Training for Fund Manager License, AMC (2010) • Training for Derivatives Fund Manager License, AMC (2012) • Valuation of Oil and Gas Assets, Institute of Southeast Asian Studies, Singapore • Equity Derivatives: Managing, Trading, Hedging and Arbitrage (SAA) • Analysis and Valuation of Telecommunication Industry (SAA)
% of Shareholding	0.000001%
Relationship with Management	None

**Experience Company Group**

2015 - Present	• Senior Vice President, Research Advisory Group, Seamico Securities Plc. • Authorized Director, Lumpini Asset Management Co., Ltd.
2011 - 2015	• Fund Manager, Portfolio Management, KT ZMICO Securities Co., Ltd.
Other Listed Companies in the SET	None

**Miss Varisara Ummaritchoti**

Position	• Chief Financial Officer • Senior Vice President, Finance and Corporate Strategy
Age	38 Years
Education	• CFA Charterholder (September 2010) • Master degree in International Finance, University of Westminster (September 2007) • Bachelor Degree in Accounting, Chulalongkorn University (April 2003) • CPA (October 2006) • Director Certification Program (DCP) (2019)
Training	
% of Shareholding	0%
Relationship with Management	None

**Experience Company Group**

July 2018 - Present	• Chief Financial Officer, Seamico Securities Plc.
May 2018 - Present	• Senior Vice President, Finance and Corporate Strategy, Seamico Securities Plc.
October 2018 - Present	• Authorized Director, SE Digital Co., Ltd.
November 2019 - Present	• Authorized Director, Lumpini Asset Management Co., Ltd.
Other Listed Companies in the SET	None

**Other Past Experience**

April 2013 - April 2018	• Vice President, Corporate Strategy, SCB Securities Co., Ltd.
October 2009 - September 2012	• Senior Manager, Corporate Finance and Strategy, Indorama Ventures Plc.
August 2007 - September 2009	• Senior Consultant, PricewaterhouseCoopers FAS Ltd.
July 2003 - August 2006	• Auditor, PricewaterhouseCoopers ABAS Ltd.

## Mr. Priyong Teerasathain

Position	<ul style="list-style-type: none"> <li>Senior Vice President, Compliance and Internal Audit Unit</li> </ul>
Age	51 Years
Education	<ul style="list-style-type: none"> <li>Bachelor of Accounting, Faculty of Business Administration Ramkhamhaeng</li> </ul>
University	<ul style="list-style-type: none"> <li>Bachelor of Laws (Faculty of Law), Thammasat University</li> </ul>
Training	<ul style="list-style-type: none"> <li>Professional standards for compliance heads of securities businesses (2019)</li> <li>Professional standards For compliance officer of securities businesses (middle level)</li> <li>Basic knowledge And techniques for Compliance Officer</li> <li>Knowledge of the law on money laundering prevention and suppression And financial support for terrorism</li> <li>Knowledge of business procedures and reporting suspicious transactions of financial institutions</li> <li>Supervision and inspection of financial institutions (2018)</li> <li>Legal knowledge Personal Data Act (2019)</li> <li>Internal Audit Practice Level 2</li> </ul>
% of Shareholding	0%
Relationship with Management	None
<b>Experience Company Group</b>	
December 2019 - Present	<ul style="list-style-type: none"> <li>Senior Vice President, Compliance and Internal Audit Unit, Seamico Securities Plc.</li> </ul>
Other Listed Companies in the SET	None
<b>Other Past Experience</b>	
September 2015 - August 2019	<ul style="list-style-type: none"> <li>Managing Director, Compliance and Internal Audit Division, Kingsford Securities Plc.</li> </ul>
December 2013 - August 2015	<ul style="list-style-type: none"> <li>Managing Director, Internal Audit and Compliance Division, Country Group Securities Plc.</li> </ul>
April 2012 - November 2013	<ul style="list-style-type: none"> <li>Vice President, Compliance and Internal Audit Department, Classic Gold Futures Co., Ltd.</li> </ul>
March 2006 - March 2012	<ul style="list-style-type: none"> <li>Senior Vice President, Compliance and Internal Audit Department, KTB Securities (Thailand) Co., Ltd.</li> </ul>
March 2003 - February 2006	<ul style="list-style-type: none"> <li>Manager, Compliance and Internal Audit Department, AEC Securities Plc.</li> </ul>
May 2002 - February 2003	<ul style="list-style-type: none"> <li>Internal Auditor Level 2, Internal Audit Department, Technology Promotion Association (Thai-Japanese)</li> </ul>
June 1999 - March 2002	<ul style="list-style-type: none"> <li>Level 5 Auditor, Auditor and credit reimbursement department, Financial Sector Restructuring Authority (FRA)</li> </ul>
June 1994 - June 1997	<ul style="list-style-type: none"> <li>Assistant manager, Internal Audit and Control Department, GF Finance and Securities Plc.</li> </ul>

## Mrs. Pornpilas Harnchanpanich

Position	<ul style="list-style-type: none"> <li>• Company Secretary</li> <li>• Secretary to the Board of Directors</li> <li>• Vice President, Company Secretary Office</li> </ul>
Age	54 Years
Education	<ul style="list-style-type: none"> <li>• Bachelor of Arts, Kasetsart University (1986)</li> </ul>
Training	<ul style="list-style-type: none"> <li>• Company Secretary Program (CSP# 2/2002) (IOD) (2002)</li> <li>• Corporate Secretary Development Program (Course 10 Days) (Faculty of Commerce and Accountancy, Chulalongkorn University and Thai Listed Companies Association) (2003)</li> <li>• Corporate Secretary Development Program (Course 3 Days) (Thai Listed Companies Association and the SET) (2007)</li> <li>• Fundamental Practice for Corporate Secretary (FPCS 18) (Course 4 Days) (Thai Listed Companies Association) (2008)</li> <li>• Board Reporting (BRP #3/2010) (IOD) (2010)</li> <li>• Effective Minutes Taking (EMT #17/2010) (IOD) (2010)</li> <li>• Fundamental Practice for Corporate Secretary (FPCS 23) (Course 4 Days) (Thai Listed Companies Association) (2011)</li> <li>• Advanced for Corporate Secretaries (Course 4 Days) (Company Secretary Association, Thai Listed Companies Association, the SET, the SEC) (2015)</li> <li>• Company Reporting Program (CRP#16/2016) (IOD) (2016)</li> <li>• CSR for Corporate Sustainability (P01) (#9/2016) (the SET) (2016)</li> <li>• IOD Open House 1/2018 (Thai Institute of Directors) (2018)</li> <li>• Exploring the Future of Sustainable Business "MEGATRENDS"(2018)</li> <li>• Enhancing Good Corporate Governance based on CGR Scorecard,</li> </ul>
Thai Institute of Directors (2018, 2019)	
% of Shareholding	0%
Relationship with Management	None
<b>Experience Company Group</b>	
January 2016 - Present	<ul style="list-style-type: none"> <li>• Company Secretary and Secretary to the Board of Directors Seamico Securities Plc.</li> </ul>
July 2014 - Present	<ul style="list-style-type: none"> <li>• Vice President, Company Secretary Office, Seamico Securities Plc.</li> </ul>
2001 - June 2014	<ul style="list-style-type: none"> <li>• Assistant Vice President, Office of the Board of Directors Seamico Securities Plc.</li> </ul>
Other Listed Companies in the SET	None

## Subsidiary Company

Company Name	Innotech Asset Management Company Limited (Previous name: Solaris Asset Management Company Limited)
Location	287 Liberty Square 19 <sup>th</sup> Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Asset Management
Date of Establishment	28 <sup>th</sup> June 2006

	Director	Position
1.	Mrs. Pannee Sathavarodom	Chairman
2.	Mrs. Vipa Patanavanichkul	Authorized Director
3.	Mr. Somporn Sasiroj	Authorized Director
4.	Mr. Pichai Yimjaipoonsup	Authorized Director
5.	Mr. Surashate Sriwattanakulwong	Authorized Director and CEO
6.	Mr. Chaipatr Srivisarvacha	Director
7.	Mr. Peter John Emblin	Director
8.	Mr. Vuthichai Tumasaroj	Director

## Subsidiary Company

Company Name	Lumpini Asset Management Company Limited
Location	287 Liberty Square 19 <sup>th</sup> Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Purchasing or accepting transfer of any non-performing assets including their collaterals from financial institutions for the purposes of managing or reselling and other relevant businesses as prescribed by the Law
Date of Establishment	1 <sup>st</sup> December 2015

	Director	Position
1.	Mr. Lertsak Polanun	Chairman, Authorized Director
2.	Mr. Chaipatr Srivisarvacha	Authorized Director
3.	Mr. Chirayu Chueyam	Authorized Director
4.	Mr. Terapatr Mathanukraw	Authorized Director
5.	Ms. Varisara Ummaritchoti	Authorized Director

## Subsidiary Company

Company Name	SE Digital Company Limited
Location	287 Liberty Square 19 <sup>th</sup> Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	To conduct digital asset business as a digital asset broker and dealer, and ICO portal, authorized by related authorities
Date of Establishment	12 <sup>th</sup> October 2018

Director	Position
1. Mr. Suthep Wongvorazathe	Authorized Director
2. Mr. Chaipatr Srivisarvacha	Authorized Director
3. Mr. Jesadavat Priebjrivat	Authorized Director
4. Mr. Supachai Wongvorazathe	Authorized Director
5. Miss Varisara Ummaritchoti	Authorized Director

## Associated Company

Company Name	Krungthai Zmico Securities Company Limited
Location	287 Liberty Square 16 <sup>th</sup> Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Securities
Date of Establishment	30 <sup>th</sup> May 2000

Director	Position
1. Mr. Kraithip Krairiksh	Independent Director, Chairman of the Board
2. Mr. Suthep Wongvorazathe	Authorized Director, Executive Chairman
3. Mr. Vinit Samritpricha	Independent Director, Chairman of Audit Committee
4. Mr. Chaipatr Srivisarvacha	Authorized Director
5. M.L. Thongmakut Thongyai	Authorized Director, Chief Executive Officer
6. Mr. Poonpat Sripleng	Authorized Director
7. Mr. Werapong Suppasedsak	Authorized Director
8. Mr. Rawin Boonyanusasna	Authorized Director
9. Mr. Therdchai Wiroonpanich	Director, Audit Committee Member
10. Mrs. Oranut Siraprapa	Independent Director, Audit Committee Member
11. Mr. Chao Arunyawat	Director

### Associated Company

Company Name	Scentimental (Thailand) Co., Ltd.
Location	26/51 Orakarn Building, 14 <sup>th</sup> Floor, Soi Chidlom, Ploen Chit Road, Lumpini Sub-district, Patumwan District, Bangkok
Type of Business	Selling and distributing perfumes
Date of Establishment	29 <sup>th</sup> July 2016

	Director	Position
1.	Mr. Boonkiet Chokwatana	Authorized Director
2.	Mr. Niphon Raksriaksorn	Authorized Director
3.	Mr. Chaipatr Srivisarvacha	Authorized Director
4.	Mr. Nattapat Petchratanaporn	Authorized Director
5.	Mr. Danai Deerojanawong	Authorized Director

### Associated Company

Company Name	Absolute Yoga Co., Ltd.
Location	496 - 502 Amarin Plaza 11 <sup>th</sup> Floor, Ploenchit Rd., Pathumwan, Bangkok 10330
Type of Business	Yoga Studio, Hotel and Food
Date of Establishment	4 <sup>th</sup> June 2002

	Director	Position
1.	Ms. Benjaporn Karoonkornsakul	Authorized Director
2.	Ms. Chittima Karoonkornsakul	Authorized Director
3.	Ms. Orawan Karoonkornsakul	Authorized Director
4.	Mr. Apichart Karoonkornsakul	Authorized Director
5.	Mr. Chaipatr Srivisarvacha	Authorized Director
6.	Mr. Pimol Srivikorn	Authorized Director

### Associated Company

Company Name	Crystal Sealed Professional Car Coating Ltd.
Location	2232 New Petchburi Rd, Bangkokpi, Huaykwang, Bangkok Thailand 10310
Type of Business	Provide full car coating service and also has franchisees in Lao and Cambodia
Date of Establishment	29 <sup>th</sup> June 2007

	Director	Position
1.	Mr. Chinnapol Jongprasert	Authorized Director
2.	Mrs. Thirarat Jongprasert	Authorized Director
3.	Ms. Chatkaew Teeradachakul	Non-Authorized Director
4.	Mr. Supachai Wongvorazathe	Non-Authorized Director

## 4. REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2019

## 1. Monetary Remuneration

## Directors

	Name	Responsibilities	Remuneration	
			Directors' Fee	Bonus*
1.	Mr. Suthep Wongvorazathe	- Authorized Director - Chairman - Chairman of Investment Committee - Chairman of Nominating and Compensation Committee	1,175,000	743,597
2.	Mr. Chaipatr Srivisarvacha**	- Authorized Director - Chief Executive Officer - Vice Chairman - Member of Investment Committee	-	-
3.	Mr. Jesadavat Priebjrivat**	- Director - Member of Corporate Governance Committee	65,000	72,368
4.	Asst. Prof. Pimol Srivikorn	- Director - Member of Investment Committee - Chairman of Corporate Governance Committee	500,000	404,745
5.	Mr. Peter J. Emblin	- Independent Director - Member of Investment Committee - Member of Nominating and Compensation Committee	700,000	566,804
6.	Mr. Peter E. Romhild	- Independent Director - Chairman of Audit and Risk Management Committee - Member of Nominating and Compensation Committee	710,000	559,438
7.	Dr. Tanasak Wahawisan	- Independent Director - Member of Audit and Risk Management Committee	560,000	434,210
8.	Mr. Thanarak Phongphatar***	- Independent Director - Member of Audit and Risk Management Committee	471,667	376,574
9.	Mr. Supachai Wongvorazathe	- Director - Member of Investment Committee	640,000	522,606
10.	Mr. Kittichai Raktakanit***	- Independent Director - Member of Corporate Governance Committee	274,167	223,824
<b>Total</b>			<b>5,095,834</b>	<b>3,904,166</b>

Note \* Bonus of 2019 performance paid in 2020.

\*\* Two executive directors are not entitled to directors' remuneration. (Mr. Jesadavat Priebjrivat has been appointed as an executive director since 6<sup>th</sup> February 2019.)

\*\*\* Directors have been appointed during the year 2019.

## Directors' remuneration from subsidiaries as a director

### Innotech Asset Management Company Limited

Name	Responsibilities	Remuneration (Baht)
1. Mr. Chaipatr Srivisarvacha	• Director	25,000
2. Mr. Peter J. Emblin	• Director	94,667

### Lumpini Asset Management Company Limited

Name	Responsibilities	Remuneration (Baht)
1. Mr. Chaipatr Srivisarvacha	• Authorized Director	10,000

### SE Digital Company Limited

Name	Responsibilities	Remuneration (Baht)
1. Mr. Suthep Wongvorazathe	• Authorized Director • Chairman	435,000
2. Mr. Chaipatr Srivisarvacha	• Authorized Director	60,000
3. Mr. Supachai Wongvorazathe	• Authorized Director	185,000

### **Executive Directors and Management**

Amount (Persons)	Type of Remuneration	Remuneration (Baht)
9	Salary and Bonus	27,198,977

## 2. Other Remuneration

For 2019, the Company contributed Baht 1,404,918.80 for the management to the Company's provident fund.

## 3. Remuneration of directors and management

### Director Remuneration

All director remuneration is presented clearly, transparently, and the amount is appropriate with each one's responsibility. The total amount did not exceed the approved amount set by the shareholders' meeting.

### Principal

The Compensation Committee had proposed the directors' remuneration which had been thoroughly considered numerous factors and references from the similar industries including the future business expansions.

The Annual General Meeting of Shareholders for the year 2019 dated 26<sup>th</sup> April 2019 approved directors' remuneration which comprised of the retainer fee, attendance fee and the annual director bonus for the year 2019 in total at the amount not exceed Baht 9,000,000. Details are as following.

- Retainer Fee

- Chairman of the Board : 2 times of other Board members
- Other Board members : Baht 25,000 per month

- Attendance Fee

Committee	Chairman (Baht/Time)	Member (Baht/Time)
Board of Directors Meeting	30,000	20,000
Audit and Risk Management Committee Meeting	30,000	25,000
Other Committee Meeting	25,000	20,000

- Directors' Bonus

The Board of Directors will consider the allocation with the criteria as in the past.

- Other Fee

-None-

#### Management Remuneration

The remuneration of management is set according to the regulations and policies of the Board of Directors and is approved by the Company's Compensation Committee based on the Company's performance, return on equity and industry standards.

The remuneration for the Chief Executive Officer is comparable to the industry, his experience, duties and scope of responsibilities including his performance. The Compensation Committee is responsible for approving the compensation for the Chief Executive Officer.

The remuneration for the Chief Executive Officer is through salaries, bonus (bonus payment will be depended on the results of operations of the Company and the executive performance) and contribution to a provident fund.

The Chief Executive Officer is not entitled to receive remuneration as a director. His long-term compensation is up to the discretion of the Board of Directors.

- Remuneration in 2019

See details in "REMUNERATION FOR DIRECTORS AND MANAGEMENT".

# Corporate Governance

## CORPORATE GOVERNANCE POLICY

The Company and its Board of Directors realizes the importance of Good Corporate Governance is committed to conducting all its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET).

In 2019, the Company received a “Very Good Grade” from the Thai IOD survey of good governance.

Currently, the Company has developed operational procedures in many parts, such as increasing channels for proposing opinions of minority shareholders before the shareholders’ meeting, including dissemination of information about the shareholders’ meeting more faster after the meeting in order to have better standards and in accordance with the guidelines for assessment of good corporate governance of the World Bank for Economic Cooperation and Development (OECD).

Some of the key aspects of the Company’s corporate governance principles are as follows:

### 1. Rights of Shareholders

#### **The right to obtain information**

All shareholders shall receive notice and details of meetings together with the Board of Directors’ opinion on such matters not less than 14 days prior to the meeting date, and also receive notice of the AGM, with details provided on our website not less than 30 days prior to the meeting date, and the company will publicize the AGM’s minutes on its website within 14 days after the meeting date. This will ensure that shareholders have timely and sufficient information regarding the issues to be decided at meetings.

#### **Voting rights**

All shareholders have the right to attend shareholders’ meetings and vote in accordance with the Articles of Association of the Company. The Company also provides a proxy form for shareholders who cannot attend meetings to appoint an independent director as a grantee in which the shareholder can specify their vote for each matter on the meeting’s agenda.

For the election of the Company’s directors, each candidate is introduced one by one, and shareholders vote for each individual.

A legal advisor from a law office will be invited to attend the meeting in order to inspect voting and observe the transparency meeting.

#### **The rights to express opinions and ask questions**

Shareholders are given the opportunity to express their opinions and ask questions at the meetings and the Company attempts to supply shareholders with sufficient information prior to the meeting.

### **The rights to be treated equally**

All shareholders rights and benefits shall be treated equally.

The Company has a policy to support and facilitate the shareholders, including institutional investors, to attend the general meetings of shareholders by selecting the meeting venues where the mass transit system are available and sufficient for the shareholders to conveniently commute to attend the meetings.

## **2. Equitable Treatment of Shareholders**

In 2019, the Company website was adjusted to allow shareholders to propose additional agenda items and nominate qualified directors prior to the AGM meeting.

The Company has published the notice of the shareholders' meeting and other meeting documents, both in Thai and English, on the Company's website at least 30 days in advance of the meeting to facilitate the shareholders to access and download the documents in advance.

For shareholders who are unable to attend the meeting, the Company facilitates by sending a proxy form together with the meeting invitation letter to allow shareholders to exercise their voting rights. Besides, the Company has proposed at least one independent director to be an alternative proxy. For foreign shareholders, the Company has sent the meeting invitation letter and meeting documents, including the proxy form in English as well.

For voting in the shareholders' meeting, the Company gives the shareholders the right to vote in the form of one share per one vote, which the Company encourages the shareholders to vote by using a voting card. The Company also used the services of Thailand Securities Depository Co., Ltd. (TSD) for registration and vote counting for transparency and accountability.

The minutes of the shareholders' meetings are disclosed on the Company's website and presented at the next meeting to be certified.

Policies regarding the Keeping of Confidential information and the prevention of the use of inside information have been implemented. Directors and senior executive are required to report their shareholding of the company to board of directors regularly. And the company applies silent periods ahead of any announcements in line with SET guidelines

## **3. Roles of Stakeholders**

The Company realizes that the growth and success of the Company is derived from the support of all its stakeholders. The Company, therefore, as a general practice serves all stakeholders, as follows:

### **3.1 Shareholders**

Accurate and timely disclosure of all material matters are made through appropriate channels, such as the Regular Set Information Management System (RSIMS), the Company's website, newspapers, press releases, letters, etc.

### **3.2 Clients**

“Customer satisfaction” is a major concern of the Company. To this end, focus is made on the development of services and the creation of additional approved and licensed financial and investment instruments. A code of ethics is implemented; any claim or suggestion from clients is put into action immediately.

### **3.3 Employees**

Employees are key to the Company’s growth. Appropriate remuneration competitive to other companies in the same industry is provided and reviewed regularly. The Company remunerates staff in the form of salary and bonus based on their performance for both the short and long term. The Company may ask shareholders to approve an Employee Stock Ownership Plan (ESOP) (if any) to create motivation and sense of participation in the ownership of the Company.

The Company provides orientation programs and a corporate manual for new employees outlining its policies, focusing on its rules and regulations and associated disciplines. It also covers benefits and welfare, leave obligation, group medical & hospitalization insurance scheme, group life & accident insurance plan and provident fund.

Besides, the Company has set policies and guidelines regarding safety and hygiene in the workplace. The Company has joined and organized such plans, such as joining the fire escape plan of the building every year, providing emergency plans for offsite operations in the event of a serious incident, providing security for employees working in the building, etc.

In 2019, no employees get accidents or illness resulting from operations.

Focus on the capability of employees is provided by in-house training and external seminars to increase their knowledge, ability and efficiency to enable them to cope with dynamic changes in rules, products and technology. The average number of hours of training for executives and employees per year is not less than 60 hours.

The Company also promotes activities to harmonize and sustain good relationships among employees such as an Annual Blessing Ceremony, recreation activities, sports days and awareness of health and hygiene.

The Board has set a policy not to involve human rights violations. The Company adheres to human rights management based on the human dignity principle. The Company will not issue any rules and regulations discriminate against people of different nationalities, religions, or ethnic backgrounds, and not violate the rights of children and women. Support the development of the employees’ potential without violating labor rights and not violating sexual rights.

The Company provides a channel for all groups of interested parties to contact/complaint on issues that may be a problem with the board directly through the Company’s website or the regulatory department of the Company which will be the recipient of those reports or complaints and conducting investigations and reports to regulatory agencies and/or report to the Board of Directors to have a mechanism to protect the informant and the whistleblower and to keep the information confidential. This will be known only to the assigned group to build confidence for the complainants. In particular, complaints from employees will be specially protected.

### 3.4 Governance office, Government, Public Corporate

The Company adheres to the rules and regulations of the finance sector, the SET and the SEC and gives them its full co-operation when the need arises. The Company also adheres to the rules and regulations of other government organizations which have a bearing on its business and role in the community, such as the Revenue Department, Bank of Thailand, Ministry of Finance, Labor Department and Ministry of Commerce.

It also supports organizations, such as the Thai Institute of Directors Association (IOD), where the Company's directors have joined its seminars and undertaken training conducted by the Institute. The Company also is an active and cooperative member of ASCO.

In 2013, the Company instituted a policy on anti-corruption across the entire organization from the Board level down. It is prohibited to offer or receive any benefit in exchange for doing, or avoiding from doing, one's duties or undertaking any unethical conduct aimed at gaining personal benefit, or for entering into inappropriate business activities.

The Company has a process for assessing the risk of corruption with the involvement of personnel of each department to obtain various information and opinions, monitoring and evaluation of compliance with the anti-corruption policy consistently. The auditor or the internal auditor independently review the results of the evaluation to the Audit Committee and report to the Board of Directors, respectively. The Company has trained and rehearsed with the employees to provide knowledge about the Company's anti-corruption policies and practices.

The Company has guidelines for supervision to prevent and monitor the risk of corruption, including the announcement of an anti-corruption policy to the Company's personnel and outsiders and training understanding in all communication channels. The Company has set regulation guidelines, penalties, and channels for receiving complaints in case of fraud.

The Company has guidelines for monitoring and evaluating the implementation of the anti-corruption policy, with the Internal Audit Department examining the internal control system, risk management, and corporate governance. The Internal Audit Department will report significant audit results along with recommendations to the Audit Committee. The Company will review the operational results to ensure that the measures designed and sufficiently effective.

Procedures for the continuing appropriate training of directors, managers and employees so that they clearly understand the Company's program, know the Company's expectations and the sanctions procedure in the event of a violation are in place.

Employees are trained both internally and externally and are provided with secure and accessible channels through which they are able to raise concerns and report violations ("whistle blowing") in confidence. Employees are encouraged to seek guidance or discuss issues about this program.

### **3.5 Society, Community, Environment**

The Company is fully aware of the role of social responsibility, community, and environment. The Board has set out policies and practices guideline for participating in society, community, and environment as an opportunity. Including acting as a citizen of society when the government issued legislation announced for implementation, the Company has followed up and implemented and has set a policy for the Company to be a part of helping to raise the standards of securities companies and financial institutions in Thailand.

For community development activities, the Company participates in supporting various activities which are related to continuous community development, such as supporting budgets for schools in other provinces to promote quality Thai education, supporting for charitable sports competitions, organizing activities of Thod-pha-pa, supporting donations to the foundation and various hospitals for medical expenses and purchase equipment. Besides, the Company also emphasizes to the promotion and support of Buddhism continuously by providing opportunities for personnel at all levels, including directors, executives, and staff, as well as business partners and interested parties, to participate in both internal and external religious activities as appropriate.

For the environment conservancy, the Company supports for using resources efficiently and various activities which do not destroy the environment and nature. The Company uses paperless technology to reduce the amount of paper out of daily operations by using electronic-mail and modern communication tools to help to reduce the amount of waste paper and recyclable parts. It also helps to reduce the storage of documents in the office as well. The Company has encouraged the staff to raise awareness about the environment and use technology for increasing work efficiency and cost savings.

### **3.6 Creditors, Suppliers, Competitors**

For the business operation, the Company is aware of the good relationship with its creditors, trading partners, and competitors. The Company has treated the business conditions with the contracted parties fairly according to the rules and norms of best practice in competition as well as comply with the requirements of various laws and regulations strictly related. Such as the practice of creditors, the Company has the policy to create debt that is not higher than financial status and results of operations of the Company to be able to support providing sufficient collateral for debt insurance efficient and effective management for the Company able to pay the debt. The Company has adhered to agreements or conditions and has no policy to conceal the financial status of the Company. The Company will select partners who have good products, good services, to be accepted and no record of a violation of business ethics or corruption, having a clear criterion, no discrimination and having a good financial status to create fairness for partners.

The Company has policies and guidelines regarding non-infringement of intellectual property or copyright. The Company will not support the procurement of goods and services from people who commit intellectual property or copyright infringement. When the work of third parties used in the Company, it must be verified that there is no infringement of intellectual property rights or copyrights

of others. For the policies on computer systems, the Company will regularly check the usage program on the computer system of the employees to prevent the use of the program that violates copyrights and is not related to work.

In 2019, there was no case where the Company violating labor laws, employment, consumer competition, the environment, or being handled by regulatory agencies due to the information has not been announced within a specified period.

Besides, the Board of Directors also provides a channel for all groups of interested parties to contact/complaint on issues that may be a problem directly to the Company through the following channels.

Corporate Governance Committee

E-mail: Zmico\_CG@seamico.co.th  
Fax: +66 2 624 6398  
Mail: Corporate Governance Committee  
Seamico Securities Public Company Limited  
287 Liberty Square 18<sup>th</sup> Floor, Silom Road  
Bangrak, Bangkok 10500, Thailand

Company Secretary Office

E-mail: Zmico\_CompanySecretary@seamico.co.th  
Fax: +66 2 624 6398  
Mail: Company Secretary Office  
Seamico Securities Public Company Limited  
287 Liberty Square 18<sup>th</sup> Floor, Silom Road  
Bangrak, Bangkok 10500, Thailand

The Company Secretary Office will conduct an investigation to conclude the said incident, and report to the management and/or the Board of Directors to consider and take further action for the said complaint.

The Company has a process for dealing with complaints that employees may be wrongdoing by allowing employees to consult or report the incident directly to the Compliance and Internal Audit Department in the case that employees see or suspect any action that may be a violation of the operating rules or practices that may be unlawful. The Compliance and Internal Audit Department will conduct an investigation to summarize the said incident and report it to the management and/or the Board of Directors to consider amending or taking legal action for such offenses.

The Company has guidelines for preventing employees or whistleblowers by keeping the information of the complainant confidential. This will be known only to the assigned group, in order to build confidence for the complainants.

#### 4. Disclosure and Transparency

##### **Disclosure policy**

The Board of Directors implements and directs the Company's policies by monitoring and supervising its operations to maximize economic value and long-term shareholders' wealth. The Company treats all fairly. Sufficient information shall be disclosed to all concerned persons and shall comply with the laws and regulations of all regulating units.

The Company policy requires that all important related transaction must be approved by Board of Directors.

The Company policy regarding conflict of interest requires directors and executives to report their interests at the first appointment and every change for the purpose of monitoring the interest of the Company's director, executive and related person in relation to the management of the Company and the subsidiary.

In addition, the Company has follows the principles of Good Corporate Governance as outlined by the Thai IOD.

The Company is aware of the rights of shareholders and investors in having the right to know the ownership structure of the business they invest in and their rights in comparison to the major shareholders. Therefore revealing the structure of shareholders by showing the major shareholders and the proportion of minority shareholders as well as direct and indirect shareholding information of directors as follows;

## Directors and Management's Securities Holding

The Change in directors and management's securities holding

Director / Management	No. of Shares Held				% of Shareholdings
	31 Dec. 18	Changed during 2019 Increase / (Decrease)		31 Dec. 19	
		Acquisition	Disposition		
1. Mr. Suthep Wongvorazathe Spouse and Minor Child	100,000,000 -	- -	- -	100,000,000 -	6.047
2. Mr. Chaipatr Srivisarvacha Spouse and Minor Child	18,891,000 -	- -	- -	18,891,000 -	1.142
3. Asst. Prof. Pimol Srivikorn Spouse and Minor Child	31,373,300 -	- -	- -	31,373,300 -	1.897
4. Mr. Peter J. Emblin Spouse and Minor Child	- -	- -	- -	- -	-
5. Mr. Peter E. Romhild Spouse and Minor Child	- -	- -	- -	- -	-
6. Mr. Jesadavat Priebjrivat Spouse and Minor Child	- -	- -	- -	- -	-
7. Dr. Tanasak Wahawisan Spouse and Minor Child	- -	- -	- -	- -	-
8. Mr. Supachai Wongvorazathe Spouse and Minor Child	- -	- -	- -	- -	-
9. Mr. Thanarak Phongphatar Spouse and Minor Child	- -	- -	- -	- -	-
10. Mr. Kittichai Raktakanit Spouse and Minor Child	- -	- -	- -	- -	-
11. M.L. Thongmakut Thongyai Spouse and Minor Child	2,000,000 -	- -	- -	2,000,000 -	0.121
12. Mr. Chalit Chulajaruwong Spouse and Minor Child	- -	- -	- -	- -	-
13. Mr. Pichai Yimjaipoonsup Spouse and Minor Child	- -	- -	- -	- -	-
14. Mr. Chirayu Chueyam Spouse and Minor Child	- -	- -	- -	- -	-
15. Mr. Terapatr Mathanukraw Spouse and Minor Child	17 -	- -	- -	17 -	0.000001
16. Ms. Varisara Ummaritchoti Spouse and Minor Child	- -	- -	- -	- -	-
17. Mr. Priyong Teerasathain Spouse and Minor Child	- -	- -	- -	- -	-

The structure of the Company's business groups has been disclosed under the section BUSINESS OVERVIEW and on the website.

In 2019, the Company's directors participated in various training courses. Details are shown in the section Directors Training.

### **Directors' reporting**

The Board of Directors is responsible for the accuracy, completeness and transparency of the Company's financial reports and non-financial reports that are disclosed to shareholders and investors.

The Board of Directors has appointed an Audit and Risk Management Committee to review the sufficiency, credibility and objectivity of financial reporting and to review the adequacy and effectiveness of internal controls and compliance with Laws and the Company's policies, as well as to consider and advise on the appointment of external auditors and their audit fees.

The Board of Directors is of the opinion that the Company has prepared its financial reports in accordance with normally accepted accounting standards. Sufficient information is disclosed, and no transaction has been found that might materially affect the reports. The internal audit and control system is appropriate and effective, and applicable laws and regulations have been complied with.

### **Annual Board Assessment**

In order to comply with the principles of good corporate governance, the Board of Directors of the Company, by the proposal of the Corporate Governance Committee, organized a self-assessment at least once a year for the committee to jointly consider the work and improve it. The above evaluation form has a comprehensive evaluation topics of structure and characteristics of the board, roles and responsibilities of the board, board meetings, the board's performance of duties, relationship with management and self-development of directors and executive development. In the assessment process, each committee member must complete the self-assessment form and then take the evaluation form of each director to find the average and summarize the evaluation results for each topic which has the evaluation criteria as follows:

3.60 - 4.00	=	Strongly agree or there has been complete implementation of the matter
3.20 - 3.59	=	Mostly agree or there has been progressive implementation of the matter
2.80 - 3.19	=	Agree to a limited extent or there has been initial implementation of the matter
0.00 - 2.79	=	Strongly disagree or there has been no implementation of the matter

As for the assessment results of all directors in the year 2019, it appears that all of the above topics are in a highest level, "Strongly agree or there has been complete implementation of the matter".

**Board of Directors meetings**

According to the Company's articles of association, Board of Directors' meetings are to be held at least once every three months with the schedule of meetings delivered to all directors in advance. However, other meetings may also be held when appropriate. The Company Secretary will inform all board members of the date, time and venue of any meeting and send documents for the meeting to all directors in advance.

During each meeting, the directors may raise any additional matter for consideration, and each director may also freely present his or her opinion. The minutes of each meeting shall be presented to the Board of Directors to be certified and kept for future reference.

Reports of securities holdings in the Company and the directors' attendance records have been presented to Board of Director meetings since 2001.

The attendance record of Directors for 2019 are shown in the section "ATTENDANCE RECORD IN 2019"

**Investor relations**

The Board of Directors works to ensure transparency in the disclosure of timely and accurate material information regarding financial information or any significant information, which might affect the Company's share price. The channels for disseminating information are through the Regular SET Information Management System (RSIMS), the Company's website, Press Releases, etc.

Apart from this, any investor can check the Company's information via phone or Company's website about Investor Relationship or recommendation of analyst. The details are as follows;

Seamico Securities Public Company Limited

287 Liberty Square Building 18<sup>th</sup> Floor,

Silom Road, Bangrak, Bangkok 10500, Thailand

Telephone: +66 2 624 6399 Fax: +66 2 624 6398

[www.seamico.com](http://www.seamico.com)

**5. Board Responsibilities****Leadership and vision**

The Board of Directors consists of directors who have adequate education, capability and experience to provide benefit to the Company. The Board of Directors participates in developing the vision, strategy, goals and plans of the Company. The Board of Directors monitors the members of management by:

- The Board of Directors will determine the Company's vision, strategy, goals and business plans. The Board has reviewed and approved the said matter in the fiscal year 2019.
- Explicitly segregating duties between each committee and management.
- Establishing an Audit and Risk Management Committee composed solely of independent directors and outside directors to oversee the Company's financial reports and internal controls.
- Setting a Compliance and Internal Audit report directly to the Audit Committee.
- Setting up an authorization level appropriate for internal control and risk management.

**The Board of Directors has the power to oversee:**

- The Company’s Management acts in accordance with its objectives, the Articles of Association, resolutions of Shareholders’ Meeting as prescribed in Public Company Act, B.E. 2535.
- Business goals and policies
- Any transaction or any act which may have material effect on the financial position, obligation on liabilities, and reputation of the Company, e.g. borrowing money from financial institution.
- Any connected transaction between the Company, its subsidiaries, or affiliated companies and connected persons that does not require approval from a Shareholders’ Meeting.
- Internal control systems and efficient internal audit procedures.
- Financial and other information reporting to shareholders and other concerned parties.
- Nominate and define scope of duties and responsibility of Sub-Committees.
- Nominate and change authorized signatories who can bind the Company.
- The policies, business strategies, business plan, and annual budget for the Company.
- Results of the work and business performance of the Company quarterly and annually.
- Any contract that is not the normal business of the Company, or any material contract of a normal business nature.
- The principles of good corporate governance.
- Amend or change the scope of authorities and responsibility of the Board as mentioned above.

**Director Training**

The Company has a Directors’ handbook for new directors to introduce the Company’s business, services, structure, and management team.

Directors will continuously receive information by attending seminars arranged by organizations such as the IOD, SET and SEC in order to remain up to date and keep abreast with new business development. The Company shall encourage and facilitate training for directors regularly.

The Company has supported directors to have a training course or attend a seminar at least once a year.

In 2019, the directors attended the training course and seminars as follows;

Director’s Name	Course	Institution Name
Mr. Peter E. Romhild	<ul style="list-style-type: none"> <li>• Thailand’s 10<sup>th</sup> National Conference on Collective Action against Corruption “Innovations in the Fight against Corruption”</li> </ul>	<ul style="list-style-type: none"> <li>• IOD</li> </ul>

At present, the Company is aware of the effectiveness of the Board of Directors’ duties. The Company prepared a schedule of the board meetings and relevant agenda in advance each year for each director to plan their attendance. The Board of Directors will receive documents for the meeting at least 5 working days in advance. In the previous year, Non-executive directors have a meeting among themselves without the management.

For the performance of directors during the past period, the Company's Board of Directors work well in which most of the directors have a proportion of attendance at the Board of Directors meeting of not less than 75% of the entire meeting. The Company may consider a minimum quorum while the directors vote at the meeting that there should be at least two-thirds of the total number of directors.

The Company considers the guidelines to be following the criteria by determining that each director will hold no more than 5 boards of listed companies so that the directors can perform their duties efficiently, unless the Board of Directors has considered each case individually, as well as to consider guidelines for the position of independent directors clearly in the corporate governance policy of the Company that the term should be no more than 9 years without the exception.

### **Board Diversity**

The structure of the board shall consist of directors with various qualifications, skills, experience, gender and expertise that are useful to the company, and at least one non-executive director must have prior working experience in the securities business.

Board self-assessment is conducted yearly, to allow all members of the board to consider the board's performance and solve any problems they may have. A benchmark of the board's performance should be systematically set in advance.

### **Conflict of interest**

The Company guards against conflicts of interest, as follows:

- Determines prices and conditions equivalent to the fair value applied to other parties.
- Complies with SET, BOT and SEC regulations.
- Discloses connected transactions in its Financial Statements, Annual Reports (in the Audit and Risk management committee report) and Forms for Annual Information (Form 56-1) for shareholders.
- Implements written compliance policies to ensure that management or related parties do not benefit from inside information which are regulated by the Compliance and Internal Audit functions.

### **Code of ethics**

The Company has set up a business ethics policy and/or code of ethics which requires the Company's directors must strictly abide by the business ethics and/or ethics handbook, and the Company has guidelines for supporting such practices, such as encouraging the directors' disclosure of directorship in other companies, disclosure of actions that may cause conflicts of interest, etc. The Company supports the practice of business ethics and/or the code of ethics to the management and employees of the Company and will provide a follow-up on such matters as well.

The Board of Directors self-evaluated the performance at least once a year for the committee to jointly consider the work and problems for further improvement.

The Board of Directors performs their duties in accordance with the law, the Company's objectives and Articles of Association, as well as by resolutions of the shareholders' meetings. The code of ethics is stated in the compliance manual provided to management and employees for acknowledgement and agreement to practice at the time they join the Company. The penalty for failing to comply with the code of ethics is also specified in the manual.

- **The balance of power for non-executive directors**

The Company has specified a variety of policies in the board structure that the Company will appoint directors by considering the skills, experiences, and specific talents that are beneficial to the Company and at least one non-executive director will have experience in the securities business.

**The Composition of the Board of Directors**

- Executive Directors	2	persons
- Non-Executive Directors	8	persons

**Consisting of:**

- Independent Directors	5	persons
- Other Directors	3	persons

- **Chairman' Responsibilities**

1. To monitor and administer the other sub-committees to achieve their objectives as plans.
2. To preside over the Board of Directors meetings and shareholder meetings.

- **The Appointment of Audit and Risk Management Committee**

To be as transparent as possible, the Company has appointed a specific committee, the Audit Committee, to oversee financial reporting, the internal control system and corporate governance to comply with the Company's policy, nominate a person, who is independent, to be in charge as an auditor of the Company, as well as to consider dismissal of the auditor and propose a remuneration of the auditor to the Board of Directors of the Company. The Audit and Risk Management Committee receives information directly from the Compliance and Internal Audit Department. Meetings are held at least once every three months or on any urgent occasion.

- **Aggregation or segregation of positions**

The Chairman has no relationship with the management. The Chairman is not the same person as the Chief Executive Officer in order to segregate duties for directing the Company's policies and day-to-day management.

- **Committees**

Various committees have been established, such as:

- Investment Committee
- Audit and Risk Management Committee
- Nominating and Compensation Committee
- Corporate Governance Committee

These assist the Board of Directors in overseeing matters assigned by the Board of Directors. The composition of the Audit and Risk Management Committee and Nominating and Compensation Committee is composed of independent directors in order to maintain independence and transparency.

- **Control system and internal audit**

Details of the Company's control system and internal audit system are summarized, as follows:

**In relation to operational controls**

The Company applies internal control and audit systems throughout the organization by discriminately reviewing each department's revenue from operations and control departments. The Company has documented the scope of responsibilities for each function comprising operation, audit and authorization to ensure a proper check and balance system and calls for regular financial reports to relevant management.

**In relation to internal audits**

The Company has established a Compliance and Internal Audit Department. Its main duty is to consider and review the implementation of the Company's policy, financial transactions and compliance to relevant laws and regulations and the Anti-Money Laundering Control Act. The Company has also contracted an outside audit firm to conduct independent reviews and assessments of the IT security control environment as defined by the SEC. All significant issues are duly rectified and reported to the Audit & Risk Management Committee.

In order to have independent management, the Company's Board of Directors assigned the head of the Compliance and Internal Audit Department as the secretary of the Audit & Risk Management Committee. In addition, the Compliance and Internal Audit Department hold meetings to report its findings directly to the Audit and Risk Management Committee without the participation of management.

**In relation to risk management**

The Company established a Risk Management Committee for the purpose of determining the policies and scope of authority for risk management and to develop a practical and effective risk management system to maintain an acceptable level of risk exposure by assigning a Risk Management Office to develop and maintain the risk management system. This was accomplished by co-ordination with executives in all business functions to identify, measure and assess risks as well as review and monitor the results of risk identification and report the related risk information to the Risk Management

and Audit & Risk Management committees. There will be a revision of the policies, procedures and measures in regard to risk management every two years. The Compliance and Internal Audit department monitors and audits all business activities for strict adherence to the Company's risk management policy and reports discrepancies in practices to the Audit and Risk Management Committee.

The Board of Directors is committed to conducting its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET). The Company is determined to apply good corporate governance as its guiding principle in conducting business for the efficiency of its management and sustainable business development. In 2006, the Company implemented the Principle of Good Corporate Governance and published a handbook for all directors and staff to ensure that all policies are strictly adhered too. The essentials of the Company's corporate governance practices are as follows:

**The Principles of Corporate Governance of Seamico Securities Public Company Limited**

**1. Philosophy of Work of the Company**

Seamico Securities Public Company Limited relies on 4 principles of Good Corporate Governance, namely: Responsibility & Accountability, Honesty & Integrity, Transparency, and Creation of long-term value to all persons sharing in joint-benefits (stakeholders). To achieve Good Corporate Governance, 3 necessary factors must exist — Professionalism, Good Internal Control Systems, Transparency and Fiduciary Duties towards all stakeholders, which includes Shareholders, Customers and Employees

**2. Policies Concerning the Board of Directors**

The members of the Board of Directors shall strictly comply with the codes of conduct of a director in compliance with all laws, for the benefits of all stakeholders and with honesty and with no interest in the business either directly or indirectly causing a conflict of interest.

**3. Structure of Board of Directors**

The Board of Directors comprises of Executive and Non-Executive Directors, appropriately appointed and balanced, to appointed sub-committees to take charge of particular matters in supervising defined roles, for example,

- The Investment Committee
- The Audit & Risk Management Committee
- The Corporate Governance Committee
- The Nominating and Compensation Committee

The Nominating and Compensation Committee shall be responsible for nominating qualified persons from various fields to become a director replacing retired directors by rotation or for any other reason, and propose to the Board of Directors and/or the Meeting of the Shareholders, for resolution of such appointment. At every annual general meeting, at least one-third of the directors shall retire, and a retiring director is eligible for re-election. The term of a sub-committee shall be in compliance with the office term of the director of the Company and the specific duties and responsibilities of the said sub-committee.

The Company gives appropriate remuneration to the Board of Directors of the Company comparable to industry standards. Information on remuneration is clearly disclosed in the annual report.

#### **4. Duties and responsibilities of the Board of Directors**

The Board of Directors has the duty to determine the vision, mission and business policies of the company to comply with its corporate governance principles and practices in accordance with the guidelines of the SET, BOT and SEC by the appointment of a suitable person to the Management who can carry out his work independently from any shareholder and has the skills in business management and administration.

The Board of Director manages conflict of interest with care, fairness and transparency with the full disclosure of information. In the case where any director has an interest in the matter, such director shall not attend the meeting or cast a vote on that matter.

The Board of Directors has set up an independent Compliance and Internal Audit Department and a Risk Management Office. The Audit & Risk Management Committee is also entrusted to evaluate the efficiency of the internal control and risk management systems and reporting regularly to the Board of Directors.

The Board of Directors is aware of its duty to ensure that all shareholders, both major and minor, in accordance with their rights and equitability, receive correct, complete, transparent information and news.

#### **Performance of the Board of Directors**

The Board of Directors shall convene at least 4 times a year. The consideration of agenda shall rely on the fair treatment of all shareholders and interested persons. Sub-committees shall be obliged to hold meetings as per the duty entrusted to them.

At a meeting of the Board of Directors, at least one half of the total number of directors present shall form a quorum.

In 2019, all directors attended at least two-thirds of total number of board meetings held during the year. The Company has a policy that each director should attend at least 75%.

The Board of Directors shall report the operational results together with a report of the auditors and the Audit & Risk Management Committee in the annual report and shall prepare the disclosure of information under the relevant laws and regulations.

The Board of Directors shall hold a Shareholders' Meeting, the Annual General Meeting, within 4 months after the yearend. The Board of Directors may at any time call an Extraordinary Meeting of Shareholders. The Company shall deliver the notice to shareholders and agenda of all meetings with the clear opinion of the Board of Directors in each agenda at least 14 days prior to the date of the Meeting.

The Company has appointed a Company Secretary who is educated and trained in company secretarial practices as shown in "DIRECTORS AND MANAGEMENT PROFILES"

**5. Duties and Responsibilities of the Management**

The Executive Management shall have responsibilities assigned to them by the Board of Directors with the aim to be the most efficient in conducting their duties with honesty and in compliance with the vision, mission and corporate value as determined by the Board of Directors, and shall report the operational results regularly to the Board of Directors.

**6. Policy on Conflict of Interest**

The Company provides a Compliance Manual which specifies the Company's rules. Executives and Employees must sign their acknowledgement of these rules and strictly follow them for the transparent and fair treatment of the related persons in every group, such as:

The Board of Directors has appropriately considered a conflict of interest, related items or connected items as well as has disclosed information to the public on the items likely to have a conflict of interest.

The company has a policy to supervise the use of inside information of every department and regulate the trading of securities by directors and employees.

**7. Policy on Internal Control and Risk Management System**

The Company has a policy to provide an internal control system that is efficient enough for the acceptable risk level by determining the measures and internal control procedures in line with the work environment and encourage a balance between the flexibility in performing work and the sufficiency of efficient internal control as well as uphold the Risk Management Policy as directed by The Board of Directors. Executives and employees are responsible for assessing, monitoring, and promoting the efficient risk management system and structure.

**8. Policy on Accounting and Financial Transactions**

The company provides accounting and financial reports that are correct, timely and accountable. They shall be complete documents, which make available for distribution appropriate and timely information. The accounting and financial reports are prepared based on appropriate and consistent accounting policies, and in line with generally accepted accounting principles, including the sufficient disclosure of significant information.

**9. Policy on the Trading of Securities**

The Board of Directors and Executive Management shall have the duty to report their securities holding in compliance with the rules and regulations of the Securities Exchange of Thailand and the Securities and Exchange Commission. The Company also prohibits relevant persons who have known or may know any inside information from trading in related shares if the relevant information has not been disclosed to the public, including prohibiting the directors, Management Department and employees who are participating in the preparation, or having known the significant internal information, from selling or purchasing of the Company shares at certain times. Any individuals found violating the restrictions shall be subjected to disciplinary action and/or the law, as the case may be.

## 10. Policy on the Social Responsibility

The Company has a social responsibility and contributes to social development by allocating certain amounts of its annual budget to support social activities such as Education, Public Benefits, or relief works for victims of natural disasters.

## SUB-COMMITTEE

### 1. Investment Committee

	Name	Position	Meeting Attended in 2019
1.	Mr. Suthep Wongvorazathe	Chairman	8/8
2.	Mr. Chaipatr Srivisarvacha	Director	8/8
3.	Asst. Prof. Pimol Srivikorn	Director	5/8
4.	Mr. Peter J. Emblin	Director	8/8
5.	Mr. Supachai Wongvorazathe	Director	8/8
	Mr. Chirayu Chueyam	Secretary	

#### Scope of Duties and Responsibilities of the Investment Committee

- The Investment Committee shall be responsible for reviewing and approving investments and their subsequent divestment.
- The Investment Committee will establish the investment criteria for all the Company's investment and such criteria will be approved by the Board of Directors.

### 2. Audit and Risk Management Committee

	Name	Position	Meeting Attended in 2019
1.	Mr. Peter E. Romhild	Chairman	5/5
2.	Dr. Tanasak Wahawisan	Director	4/5
3.	Mr. Thanarak Phongphatar	Director	4/5
	Mr. Chalit Chulajaruwong	Secretary	

The members of Audit and Risk Management Committee have knowledge of accounting and experience in auditing financial statements.

#### Scope of Duties and Responsibilities of the Audit and Risk Management Committee

1. Review the sufficiency, credibility and objectivity of the financial reporting by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The Audit and Risk Management Committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the company.
2. Review the adequacy and effectiveness of the internal control systems and internal audit functions by coordinating with the external and internal auditors.

3. Review and approve audit plans, budgets and manpower of Compliance and Internal Audit Department.
4. Consider and review independent and auditing results of Compliance and Internal Audit Department.
5. Participate on the appointment, dismissal, resignation and evaluation of head of Compliance and Internal Audit Department.
6. Review the adequacy and effectiveness of the risk management control system by coordinating with Risk Management Committee and Risk Management Office.
7. Review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
8. Consider and advise the appointment of the external auditors including the audit fee by considering the credibility, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff.
9. Consider compliance with all connected transaction disclosures or the conflict of interests disclosures.
10. Take care of any other matters assigned to it by the board of directors, such as reviewing the company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the company's management, all important reports which must be disclosed to the public according to the law. (e. g. Management Discussion and Analysis (MD&A), etc.).
11. Report the activities of the Audit and Risk Management Committee in the Company's annual report, which must be signed by the chairman of the Audit and Risk Management Committee. The following information should be included in the report:
  - Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
  - Comments on the adequacy of the Company's internal control systems.
  - Statements on whether the Company's auditor is suitable for re-appointment.
  - Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
  - Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board.
12. Review Charter of Audit and Risk Management Committee at least once a year.
13. Perform self-assessment at least once a year and report the results to the Board of Directors.
14. Take all necessary actions to insure that the Board of Directors / Executive Management have evaluated, addressed and are monitoring the material risk associated with the Company's operations.

## 3. Nominating and Compensation Committee

Name	Position	Meeting Attended in 2019
1. Mr. Suthep Wongvorazathe	Chairman	4/4
2. Mr. Peter E. Romhild	Director	4/4
3. Mr. Peter J. Emblin Director	Director	4/4
Mr. Chaipatr Srivisarvacha	Secretary	

**Scope of Duties and Responsibilities of the Nominating and Compensation Committee**Nominating Committee

- To propose the suitable person to be director of the Company and take responsibility in setting criteria of selecting the most suitable candidate.

Compensation Committee

- To consider, make decisions and submit the remuneration of Top management as specified below for the Board and/or Shareholders' meeting approval.
  - Board of Directors' Remuneration
  - Senior Management Compensation
  - Senior Management Contracts
  - Overall remuneration increase
- To consider, comment, and evaluate ESOP Schemes for employees and Directors. The final ESOP Schemes (if any) must be submitted to Board of Directors and/or Shareholders' meeting for approval.

## 4. Corporate Governance Committee

Name	Position
1. Asst. Prof. Pimol Srivikorn	Chairman
2. Mr. Jesadavat Priebjivat	Director
3. Mr. Kittichai Raktakanit	Director
Mr. Chalit Chulajaruwong*	Secretary

- \* In the Board of Directors Meeting No. 10/2019, 4 December 2019, Mr. Chalit Chulajaruwong was appointed secretary to the Corporate Governance Committee.

**Scope of Duties and Responsibilities of the Corporate Governance and Nominating Committee**

- Review operational guidelines and Corporate Governance to ensure consistency and compatibility with the company's business.
- Review and evaluate the practical results of Corporate Governance at least once a year.
- Report to the Board of Directors on matters related to Corporate Governance and suggest improvements, where appropriate.
- Propose the director evaluation process to the Board of Directors as well as evaluate and follow up on the improvement as evaluation results.

## DIRECTOR SELECTION

### 1. Independent Director

#### **Selection of Independent Director**

In the selection of an independent director, the Nominating Committee shall use the same criteria as in the selection of other directors, but the independent director's qualifications shall not conflict with the below definition.

#### **Definition of Independent Director of the Company**

The definition of the Company's Independent Directors is **equal** to the minimum regulations of the SEC and SET as follows:

1. Holding not more than 1% of the shares with voting rights of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest, which shall be inclusive of the shares held by related persons.
2. Being a director who does not take part in the management of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)  
Not being an employee, staff member or advisor who receives a regular salary from the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)
3. Not being a relative or by a legal register, a father, mother, spouse, brother, sister or child including the spouse of such child, with director, management, major shareholder, controlling person of the company or the person who is going to be proposed as the management or the controller of the company or subsidiary company.
4. Not being professional advisor or having business relationship with the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest (present and the past 2 years before appointed). Details are as follow:
  - Professional advisor
  - Auditor - not allowed in all cases.
  - Other advisors (ex; legal advisor, financial advisor, appraiser) - not allowed for case(s) with value of transactions > 2 million Baht per year.
  - Business relationship
    - Scope - cover normal business transaction, rental or lease of immovable property transaction, asset or service transaction, and financial assistance transaction.
    - Value of transactions - not exceeding 20 million Baht or 3% of Net Tangible Assets, whichever is lower (including transactions undertaken with the same person over the last year).

- For existing independent director, any case deemed to be necessary and appropriate and not be a regular case, the board of directors with unanimous resolution may exempt the transaction which exceeds the above value. In such case, the company will disclose such transaction in its registration statement, Form 56-1 and annual report. If an ID is to be re-appointed for another term, such relationship must also be disclosed in the notice of meetings.
5. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, majority shareholders or shareholders who are related to the company's majority shareholders.
  6. Being capable of performing duties, giving opinions with independence.
  7. An ID who satisfies qualification specified in 1 to 6 above may be empowered by the board to make decision in normal business operation provided that the decision process is in form of collective decision.

## 2. Director Selection

Nominated potential directors shall be considered by the Nominating Committee. The Nominating Committee shall evaluate the suitability of each candidate based on the criteria and suitable qualifications that the committee has set up and shall propose the said person to a meeting of the Board of Directors and/or shareholders for consideration in accordance with the Company's Articles of Association.

### Director qualifications as specified by the Principles of Corporate Governance of the Company and Securities and Exchange Act

The Company's director must have the full qualifications and must not have any prohibited characteristics for being a member of a Board in accordance with Section 103 of the Securities and Exchange Act B.E. 2535 and any notifications announced in accordance with the same Section.

The Board of Directors shall strictly comply with the codes of conduct of directors in compliance with the law for the benefits of the stakeholders with honesty and with no interest in the business either directly or indirectly, as well as prevent conflict of interest.

At least half of the directors shall be residents of the Kingdom of Thailand.

The Criteria and procedure to elect directors at the shareholders meeting in accordance with the Company's Articles of Association shall be as follows:

- a) Each shareholder shall have one vote for each share held;
- b) Each shareholder shall exercise all votes applicable under (a) in voting for one or more persons to be a director provided that a vote shall not be divisible;
- c) Candidates who have the most votes shall be elected to the Board of Directors according to the number of directors required; in case votes for two or more candidates are equal, the Chairman shall have the deciding vote.

Therefore, all shareholders have the right to select a director by attending shareholders' meetings and voting in accordance with the Company's Articles of Association.

The Company realizes the importance of Good Corporate Governance and realizes that the growth and success of the Company are derived from the support of all groups of stakeholders. The Company ensures that all shareholders are treated equally concerning the rights and benefits they deserve. Shareholders can propose additional agenda items and nominate candidates for Company director through the Company's website before the AGM.

However, the Company does not determine its policy that each director may not hold more than a few board positions in the listed companies but considering the number of attending the meeting instead.

The Company has the non-listed subsidiary companies, namely Innotech Asset Management Co., Ltd. (formerly known as Solaris Asset Management Co., Ltd.), Lumpini Asset Management Co., Ltd., and SE Digital Co., Ltd., which the Company sent its directors or representatives joining as a director of the company.

In case of holding a director position at another company of the Chief Executive Officer, the Managing Director, the Company has set a policy that can do if not against the law announced by the regulatory organization, including not causing conflicts of interest with the Company, and not cause a decrease in operational efficiency.

## SUBSIDIARIES AND ASSOCIATES SUPERVISION

The Company holds shares in subsidiary and associated companies as follows;

### 1) Innotech Asset Management Co., Ltd. (Subsidiary Company)

No.	Name	Shareholding (%)
1	Seamico Securities Plc.	99.99
2	Other Shareholders	0.01

### 2) Lumpini Asset Management Co., Ltd. (Subsidiary Company)

No.	Name	Shareholding (%)
1	Seamico Securities Plc.	99.99
2	Other Shareholders	0.01

### 3) SE Digital Co., Ltd. (Subsidiary Company)

No.	Name	Shareholding (%)
1	Seamico Securities Plc.	99.99
2	Other Shareholders	0.01

### 4) Krungthai Zmico Securities Co., Ltd. (Associated Company)

No.	Name	Shareholding (%)
1	Krungthai Bank Plc.	50.00
2	Seamico Securities Plc.	49.71
3	Other Shareholders	0.29

## 5) Scentimental (Thailand) Co., Ltd. (Associated Company)

No.	Name	Shareholding (%)
1	Seamico Securities Plc.	26.00
2	Vitayasithi Co., Ltd.	40.00
3	Mr. Niphon Raksriaksorn	3.50
4	Myanmar Personal Care Co. Pte. Ltd.	4.20
5	Mr. Charin Saksirisilp	3.00
6	Mr. Robert Man Fai Li	1.50
7	Betterway (Thailand) Co., Ltd.	21.80

## 6) Absolute Yoga Co., Ltd. (Associated Company)

No.	Name	Shareholding (%)
1	Ms. Benjaporn Karoonkornsakul	40.00
2	Seamico Securities Plc.	30.00
3	Ms. Chittima Karoonkornsakul	20.00
4	Ms. Orawan Karoonkornsakul	5.00
5	Ms. Anchalee Karoonkornsakul	2.50
6	Ms. Ratana Karoonkornsakul	2.50

## 7) Crystal Sealed Professional Car Coating Ltd. (Associated Company)

No.	Name	Shareholding (%)
1	Mr. Chinnapol Jongprasert	34.43
2	Mrs. Thirarat Jongprasert	34.43
3	Mr. Watun Sawasdichainunta	6.38
4	Ms. Supatraporn Chuengern	6.38
5	Ms. Chorpaga Teeradechakul	6.38
6	Seamico Securities Plc.	12.00

The Company has rules for new directors, or the management in subsidiary and associated companies, who are legally authorized to act on behalf of the Company who must be appointed by the Board of Directors. The Board of Directors must consider the person who has the appropriate qualifications and no prohibiting characteristics as specified in Securities and Exchange Act. In the case the Board of directors will appoint a person to be an independent director or Audit and Risk Management Committee director or any other sub committees the Company will do this within comp the Act. Furthermore, the directors and the managers of subsidiary and associated companies must be granted approval by the office of the Securities and Exchanges and/or the Bank of Thailand too.

The Company determines the powers and duties of directors and management who are legally authorized to act on behalf of the Company, its subsidiary or associated companies, in controlling or participating in any important policy relating to the business operations. The company will comply with the effective internal control system by determining operating procedures, delegation of approvals to prevent the directors or the management engaging in any act which may cause damage to any subsidiary and associated companies.

The Company has the mechanisms for controlling subsidiary and associated companies regarding the disclose of their financial position and results of operations, Disclosure of information and other acts of listed companies concerning connected transactions, Disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets, or any important transactions, is consistent with the criteria of the Company. Some subsidiary and associated companies are securities companies. They have duty to disclose information as specified by law and the Company, subsidiary and associated companies have the staff to coordinate disclosure. Furthermore, Each Company has an Audit and Risk Management Committee or independent compliance officer to supervise or give opinions in order to comply with relevant laws. The person who is appointed to be a director of a subsidiary and/or associated companies has a duty to operate transparently the business for the best interest of these companies.

The Company has determined suitable internal control systems for subsidiaries companies and mechanisms to supervise its such as

1. In Shareholder meetings, the Company on behalf of the major shareholders has the right to vote on important agenda items such as increase or reductions of capital, Dissolution of subsidiary company etc.
2. In management terms, the Company determines the representative who is assigned as the director or the management of subsidiaries companies and who has the duty to report the results of operations including any problems, ensuring the Board of Directors' meets at least every quarter or in the case of emergency. The Company will have a meeting for acknowledgement and approval or rectification of any problems.

The Company has entered into an agreement with Krungthai Bank Plc. to manage KTZ, an associated company. This agreement follows the transfer by the company of its operating assets and major staff to KTZ to protect the business from higher competition as a result of liberalization of the securities business. The Company has temporarily ceased its operation of its securities and derivative business to act in accordance with the agreement between the Company and KTB and both parties can appoint their representatives to be directors and management.

In 2019, the Board of directors had the role to supervise the operations of the Company in accordance with all laws and regulations. The Company did not fail to comply with the law.

## SUPERVISION ON USING INSIDE INFORMATION

The Company has formulated policies and measures as specified in its Compliance Manual, as well as other Company procedures and other relevant rules to prevent the Company, its management and employees from using inside information arising from their duties for their own interests.

The various preventive policies and measures relating to inside information are as follows:

1. In reference to the Company's organization, each department is clearly divided according to its particular function. A secure entry system is used by all departments dealing with important and confidential information, such as Investment Banking, Research, Securities Trading, Debt Trading, Finance & Account, Risk Management, Operation and Information Technology.
2. Rules preventing conflicts of interest specify that employees shall perform their tasks in accordance with the Company's code and standard practices so as to avoid a probable conflict of interest, which can be monitored, as follows:
  - 2.1 According to Employee Trading Regulations, all employees shall open a trading account only with the Company. For transparency, fairness and appropriate compliance and internal control purposes, they shall disclose trading information of related persons who have a trading account with the Company or other brokers.
  - 2.2 In reference to Prohibited Trading in the Company's Securities regulation, Directors, Executive Management and Related Officers are prohibited from buying/selling securities of the Company using inside information arising from their duties which may significantly affect the price of the Company's securities from the end of an accounting period until the day after the announcement of financial statements to the public. Also, they must report changes in securities holding during Company Board meetings or disclose and certify that there is no conflict of interest when they consider transactions.
  - 2.3 With respect to the monitoring of disclosure of the Company's conflicts of interest by management and marketing officers, marketing officers who have a conflict of interest are to disclose such information prior to soliciting or persuading customers to trade in such securities. Also, the Company must provide a disclaimer in its research papers to comply with SEC regulations.
  - 2.4 Management and all officers of the company and its subsidiaries are prohibited from subscribing to securities in which the Company is the underwriter during the specified underwriting period.
3. A Watch List, Restricted List and Research List shall be prepared as a tool to review compliance among employees, the management, or the investment committee who are in possession of inside information arising from their duties. Before such information is disclosed to the public, these persons are not allowed to trade securities on the predetermined lists for a certain period, either for themselves, for others, or on behalf of the Company.

In May 2009, the Company transferred its securities and derivative businesses, including its assets and key staff to KTZ according to the plan to develop the securities business between the Company and Krungthai Bank Plc. The Company obtained permission from the Securities and Exchange Commission Office (SEC) and the Stock Exchange of Thailand (SET) to temporarily cease its securities and derivative businesses. As a result the company re-organized its organizational structure according to the new structure in order to have proper and efficient business management. As a result, the Good Corporate Governance, Internal control and the Measurement of the prevention of the use of inside information were adjusted accordingly. Under the new structure, the company has continuously maintained its major principals of good corporate governance.

The Compliance and Internal Audit department will report directly to the Audit Committee and shall exert its influence to ensure that the above policies and measures are carried out. In case the management or employees act in violation of the applicable policies and measures, they shall be subject to disciplinary action.

## AUDITOR'S REMUNERATION

### 1. Audit fee

The Company and its two subsidiaries, Innotech Asset Management Co., Ltd. and Lumpini Asset Management Co., Ltd. paid audit fee to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for the year 2019 of Baht 1,000,000, 440,000 and 150,000 respectively.

### 2. Non-audit fee

-None-

## APPLYING THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE FOR LISTED COMPANIES 2017

The Company and its Board of Directors realizes the importance of Good Corporate Governance is committed to conducting all its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET).

In 2019, the Company received a "Very Good Grade" from the Thai IOD survey of good governance.

Currently, the Company has developed operational procedures in many parts, such as increasing channels for proposing opinions of minority shareholders before the shareholders' meeting, including dissemination of information about the shareholders' meeting more faster after the meeting in order to have better standards and in accordance with the guidelines for assessment of good corporate governance of the World Bank for Economic Cooperation and Development (OECD).

For the part that has not been implemented, the Company will use it as a guideline for further adjustment to be suitable for the Company.

Item that has not been practiced	Reason
1. The Chairman of the Board is an independent director.	Chairman of the Board has no relationship with the management and is not the same person as the Chief Executive Officer, in order to separate the duties of policy formulation, supervision and routine management.
2. The Board of Directors should set a policy to limit the number of years in the position of independent directors to not more than 9 years.	The Company does not specify the number of years in the position of independent directors because the Company is confident that the directors of the Company are persons who have knowledge and ability and has experience in holding a director position for a long time, including independence from major shareholders and executives and able to perform duties well.

## OTHER CORPORATE GOVERNANCE

The Company as a securities company has complied with the laws and regulations and good corporate governance practices which improve its standards as follows

- 1) The Company applied for membership of the Compliance Club membership of the Association of Securities Company. The objective of this club is to promote the coordination of compliance officers to share information, knowledge, and review Rules and Regulations. Seminar are held between the members to increase the understanding of their work and to buildup good relationships between the member and Regulators.
- 2) The Company organizes for Compliance officers to take part in compliance seminars and courses which is in compliance with the SEC's regulation and take refresher course every 2 years after their first appointment.

# Corporate Social Responsibilities

Seamico Securities Public Company Limited was highly focused on corporate social responsibility throughout the year. The Company was engaged in developing local communities as well as showing great concerns for global environmental through CSR campaigns. Apart from providing a complete range of securities services to support customers in their everyday life and business, we also help strengthen local communities and the nation with various activities including supporting the economy, education, environment, society etc.

In 2013, the Company instituted a policy on anti-corruption across the entire organization from the Board level down. It is prohibited to offer or receive any benefit in exchange for doing, or avoiding from doing, one's duties or undertaking any unethical conduct aimed at gaining personal benefit, or for entering into inappropriate business activities. The Company ensures all employees participate in risk assessment procedures to ensure that risk is managed within the company guidelines.

The policies include a policy of zero tolerance of bribery to all employees and the public in every channel, training programs, regulation, a sanctions procedure and "Whistle-Blowing" channels. The anti-corruption program is reviewed to ensure that it is well-designed and effective.

Procedures for the continuing appropriate training of directors, managers and employees so that they clearly understand the Company's program, know the Company's expectations and the sanctions procedure in the event of a violation are in place.

Employees are trained both internally and externally and are provided with secure and accessible channels through which they are able to raise concerns and report violations ("whistle blowing") in confidence. Employees are encouraged to seek guidance or discuss issues about this program.

Besides, the Company has set a policy not to involve human rights violations. The Company adheres to human rights of equality based on human dignity. The Company does not issue any rules and regulations, discriminate against people of different nationalities, religions, or ethnic backgrounds, does not violate the rights of children and women, promoting the full development of the employees' potential without violating labor rights and not violating sexual rights.

The Company is aware of the role of social responsibility, community, and environment, the Board of Directors has set the policy and guideline for the Company to participate as an opportunity. Including acting as a citizen of society, when the government issued legislation announced for implementation, the Company has followed up and implemented and set a policy for the Company to be a part of helping to raise the standards of securities companies and financial institutions in Thailand.

For community development activities, the Company participates in supporting various activities which are related to continuous community development, such as supporting budgets for schools in other provinces to promote quality Thai education, supporting for charitable sports competitions, organizing activities of Thod-pha-pa, supporting donations to the foundation and various hospitals for medical expenses and purchase equipment. Besides, the

Company also emphasizes to the promotion and support of Buddhism continuously by providing opportunities for personnel at all levels, including directors, executives, and staff, as well as business partners and interested parties, to participate in both internal and external religious activities as appropriate.

For the environment conservancy, the Company supports for using resources efficiently and various activities which do not destroy the environment and nature. The Company uses paperless technology to reduce the amount of paper out of daily operations by using electronic-mail and modern communication tools to help to reduce the amount of waste paper and recyclable parts. It also helps to reduce the storage of documents in the office as well. The Company has encouraged the staff to raise awareness about the environment and use technology for increasing work efficiency and cost savings.

For social responsibility operations, the Company supports and encourages all employees to participate in society and the environment and co-operate with various organizations at both local and national levels. In the year 2019, the following activities were undertaken:

## 1. Education

The Company has activities to promote education and improve the quality of life of children and youth, especially the underprivileged youth by accessing the basic education system and emphasize the distribution of education in order to narrow the gap between urban and rural society. The Company also supports youth and development activities that focus on instilling good conscience in society, such as preserving and using resources properly. The Company and Krungthai Zmico Securities Company Limited have organized various activities to promote the development of children and youth as follows;

### 1.1 Community Children Foundation (“CCF”) Under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn

CCF has a mission to develop children and youth with good quality of life, both education and health to underprivileged children in all regions of the country to have good health and get an education and develop leadership as well as having a better life. The foundation established a revolving fund to carry out activities according to the objectives of the organization. The Company recognizes the importance of participation by supporting funds for the various projects of the foundation.



**1.2 The Education Development Foundation (“EDF”) which offers scholarship fund to the needy students directly.**

The Company has supported scholarships through the EDF to provide scholarships to students from secondary school, high school, vocational and disabilities including students in 3 southern border provinces.



**1.3 Phradabos Foundation**

Phradabos Foundation is a public charity that works in accordance with the initiative of King Rama 9 to help those who lack educational opportunities, lack of funds, not having a career and not enough basic knowledge to study in a professional institution, by establishing Phradabos school as a training center for knowledge, professional skills along with morality, ethics, and life skills for underprivileged in education to be able to apply knowledge and skills to a real career, know how to live according to principles and sufficiency and have volunteer spirit for the public

In the past year, the Company donated funds to the fund for Phradabos School Bangkok and Phradabos School Southern border provinces to help the underprivileged in education to have the opportunity to study in vocational education until completion of the course.



**1.4 Magic Eye (Tawiset) 2019**

On the occasion of Thailand being the ASEAN Chair in 2019 under the concept of “Collaboration, Progress, Sustainability”, Tawiset has revived a campaign to reach young people and young children, inviting everyone to become a “Tawiset”, beginning with solve problems by themselves, such as using plastic bags and tubes, etc., and have created Flash Mob, Tawiset Paper Mache Dolls, in the amount of 1,000 pieces and will organize campaign activities further to other provinces. The association received cooperation from famous artists and celebrities more than 60 people participated in the design, decoration, Tawiset Dolls in their own style, the project is auctioned in order to fund the activity. The Company has participated in such activities by supporting the fund to auction Tawiset Paper Mache Doll.



1.5 Partnership School Project

The company has entered into a collaboration with the Office of the Basic Education Commission, Ministry of Education and the Population and Community Development Association In implementing the Partnership School Project. The project objective is to make the school a center for improving the quality of life and income in the communities surrounding the school.

Ruammitr Wittaya at Buriram province is a school that will be developed according to the guidelines of the project for a period of 3 years starting from the year 2019 onwards. The development activities divided into 8 areas; educational and academic quality development, career development and income, establishing a deposit and loan fund for students and community members, health development, environmental development, strengthening community roles and participation in schools, strengthening the role of school and students in community development, and anti-corruption and increase the role of students to promote democracy.



2. Sustainable Economic and Social Development

Sustaining economic development gives people the tools they need to help themselves, while also strengthening society. The company actively promotes balanced economic development through business training, education and the sharing of knowledge

1. New Year Party and Children’s Day at Nonthaburi Special Education Center



2. Supporting employees to participate in donations for various benefits and donating things to the underprivileged in society, including;

- The purchase of the Red Cross lotteries from Thammasat University
- Donation of utensils to the Mirror Foundation to deliver to the needy

2.3 Promotion and development of the quality of life of the disabled

To strengthen the network capacity of the disabled and caregiver to have a career, to have a stable income and able to be self-reliant and live a fair life in society. The company has joined with the Social Innovation Foundation by supporting fund to build a career for the disabled. To promote this project, in the year 2019 the company has supported people with disabilities in various careers, including a grocery store at Sakon Nakhon And Nakhon Si Thammarat province, weaving products from plastic threads at Sukhothai province, raising and bees in a palm plantation at Phatthalung province, graphic design in printing media at Nakhon Sawan province, and a coffee shop at Surat Thani province.

3. Religion

The company has made merit in the Royal Kathin ceremony with Krung Thai Bank Public Company Limited, Bangkok Bank Public Company Limited and the Anti-Money Laundering Office.

4. Employees

To provide our employees with a high quality of life, healthy lifestyle and fulfilling careers, Employees are encouraged to take part of any course of education to support their duty. Besides, the company promotes physical activities and sports among the employee. Sports can also use as a tool for healthy development and social development.



# Internal Control and Risk Management

For 2019, the Audit and Risk Management Committee held 5 meetings with the management, in which 4 meetings were convened with the Chief Accountant the head of Accounting and Finance department, the head of Compliance and Internal Audit department, and the Company's external auditor including concerning management officers to review the annual financial statements for 2019 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system. For another meeting, it was considered the establishment of a subsidiary in the United States.

Based upon the information provided to us, the Audit and Risk Management Committee is of the opinion that the internal audit function, control system and risk management are satisfactory. We are unaware that significant laws and regulations have not been complied with in all material respects.

The Board of Directors is of the opinion that there is sufficiency and satisfaction in internal control system which could obtained reasonable assurance that the separate and consolidated financial statement of the company included the financial information stated in Annual Report for the year ended December 31, 2019 had presented fairly in all material respect, the financial position of the Company and its subsidiary.

# 98 Related Parties and Connected Transactions

Related party and connected transactions of the Company mainly were the purchase/sale of goods or services transactions associated with the Company's businesses. The pricing and fee charged to related parties were the arm's length price applied in the normal course of business as disclosed in the table are as follow :-

## 1. Purchase / Sale of goods or services

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2019	2018	2017		
1 ) Innotech Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director are	- Other receivables	0.01	-	-	- Actual outstanding value of receivables	The Company holds 100%
Mr. Chaipatr Srivisarvacha and Mr. Peter J. Emblin	- Interest income from Bill of Exchange	-	4.23	6.16	- At the rate determined under the contract	
Related by way of the company's representative as common director is	- Service fee income	4.73	-	-	- At the rate determined under the contract of Baht 430,000 per month	
Mr. Pichai Yimjaipoonsup	- Rental income	0.80	-	-	- At the rate determined under the contract of Baht 73,125 per month	
	- Other income	0.55	-	-	- At the actual rate	
	- Management fee for private fund	-	-	0.25	- At the rate determined under the contract 0.2% of net asset value	
2 ) Lumpini Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is	- Rental income	0.11	0.26	0.26	- At the rate determined under the contract Baht 22,050 per month and Baht 7,605 per month since February 1, 2019 onward	The Company holds 100%
Mr. Chaipatr Srivisarvacha						
Related by way of the company's representative as common director are						
Mr. Chirayu Chueyem,						
Mr. Terapatr Mathanukraw and						
Ms. Varisara Ummaritchoti						

## 1. Purchase / Sale of goods or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2019	2018	2017		
3) SE Digital Co., Ltd. (Seamico's current subsidiary) Related by way of common director are Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha, Mr. Jesadavat Priebjivat and Mr. Supachai Wongvorazathe Related by way of the company's representative as common director is Ms. Varisara Ummaritchoti	- Service fee income  - Rental income  - Other income	5.17 0.48 0.03	- - -	- - -	- At the rate determined under the contract of Baht 470,000 per month - At the rate determined under the contract of Baht 80,145 per month - At the actual rate	The Company holds 100%
4) Krungthai Zmico Securities Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Suthep Wongvorazathe and Mr. Chaipatr Srivisarvacha Related by way of the company's representative as common director is M.L. Thongmakut Thongyai	- Cash balance for securities trading - Other receivables - Accrued private fund management fee expenses - Other payables - Interest income from Bill of Exchange - Research fee income  - Other income - Service expenses	5.15 5.32 - 0.32 0.34 3.00 2.25 0.62	4.99 - 0.10 0.18 - 3.00 - 2.17	3.19 - - 0.35 - 3.00 - 4.41	- Actual cash deposit - Actual outstanding value of receivables - Actual outstanding value of payables - Actual outstanding value of payables - At the rate determined under the contract - At the rate determined under the contract Baht 250,000 per month - At the rate determined under the contract - At the rate determined under the contract at rate of Baht 288,900 per month since July 2017 - At rate of Baht 310,300 per month since October 2017 - and at rate of Baht 51,360 per month since July 2018 onwards	The Company holds 49.71%

1. Purchase / Sale of goods or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2019	2018	2017		
4) Krungthai Zmico Securities Co., Ltd. (continued)	- Other fee expenses	1.31	1.80	2.25	-	At the rate determined under the contract
	- Management fee for private fund	0.88	0.64	-	-	At the rate determined under the contract 1.00-1.25% of net asset value per year
5) Scentimental (Thailand) Co., Ltd. (Seamico's current associated) Related by way of common director is Mr. Chaipatr Srivisarvacha	- Interest income from Bill of Exchange	5.00	6.30	2.85	-	At the rate determined under the contract
	- Service fee expenses	0.54	0.80	0.80	-	At the rate determined under the contract of Baht 66,600 per month and Baht 43,000 per month since February 2019
6) Related between Innotech Asset Management Co., Ltd. and Krungthai Zmico Securities Co., Ltd. (Seamico's current subsidiary and associated)	- Service fee expenses	0.55	-	-	-	At the rate determined under the contract of Baht 50,000 per month
	- Service fee expenses	-	-	-	-	-
7) Related between SE Digital Co., Ltd. and Krungthai Zmico Securities Co., Ltd. (Seamico's current subsidiary and associated)	- Service fee expenses	-	-	-	-	-

## 2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2019	2018	2017		
1 ) Innotech Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director are Mr. Chaipatr Srivisarvacha and Mr. Peter J. Emblin Related by way of the company's representative as common director is Mr. Pichai Yimjaipoonsup	- Investment in common shares - Payment for additional ordinary shares - Share subscription paid in advance - Investment in debt securities - Bill of exchange - Investment in Bill of exchange - Withdrawal from Bill of exchange	63.79 - - - - - -	55.52 82.80 20.00 - - 160.00 240.00	- - - 54.37 - 430.00 350.00	- - - - - - -	- Investment portion 100% 8 million shares 10.35 baht per share At investment value At investment value At investment value At investment value At investment value
2 ) Lumpini Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisarvacha Related by way of the company's representative as common director are Mr. Chirayu Chueyarn, Mr. Terapatr Mathanukraw and Ms. Varisara Ummaritchoti	- Investment in common shares	25.00	25.00	25.00	-	- Investment portion at 100%

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes			
		2019	2018	2017					
3) SE Digital Co., Ltd. (Seamico's current subsidiary) Related by way of common director are Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha, Mr. Jesadavat Priebjivat and Mr. Supachai Wongvorazathe, Related by way of the company's representative as common director is Ms. Varisara Ummaritchoti	-	Investment in common shares	475.00	25.00	-	-	Investment portion at 100%	The company started investment since October 12, 2018	
	-	Short-term loan	350.00	-	-	-	-	At the rate determined under the contract	
	-	Accrued interest expenses from short-term loan	0.70	-	-	-	-	3.5% per year	
	-	Interest expenses from short-term loan	0.70	-	-	-	-	Actual outstanding value	
	-	Interest expenses from short-term loan	-	-	-	-	-	At the rate determined under the contract	
	-	Investment in common shares	1,244.10	1,244.10	1,244.10	-	-	Investment portion at 49.71%	The company started investment since May 2018
	-	Investment value in private fund	-	97.57	-	-	-	At net asset value of the fund	
4) Krungthai Zmico Securities Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Suthep Wongvorazathe and Mr. Chaipatr Srivisarvacha Related by way of the company's representative as common director is M.L. Thongmakut Thongyai	-	Investment in private fund	-	156.05	-	-	At investment value		
	-	Withdrawal from private fund	110.05	46.00	-	-	-	At investment value	
	-	Investment in Bill of exchange	199.66	-	-	-	-	At investment value	
	-	Withdrawal from Bill of exchange	199.66	-	-	-	-	At investment value	
	-	Investment in common shares	1,244.10	1,244.10	1,244.10	-	-	Investment portion at 49.71%	The company started investment since May 2018

## 2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2019	2018	2017		
5) Scentimental (Thailand) Co., Ltd. (Seamico's current associated) Related by way of common director is Mr. Chaipatr Srivisarvacha	- Investment in common shares - Investment value in debt securities - Bill of exchange - Investment in Bill of exchange - Withdrawal from Bill of exchange	26.00 - 76.28 128.51	13.80 52.23 133.67 133.70	13.80 52.26 80.84 57.15	- - - - Investment portion at 26% since October 28, 2019 onwards At investment value At investment value At investment value	
6) Absolute Yoga Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Chaipatr Srivisarvacha and Asst. Prof. Pimol Srivikorn	- Investment in common shares	217.80	217.80	217.80	- - Investment portion at 30 %	
7) Thanh Cong Securities Joint Stock Company Related by way of common director is Mr. Chaipatr Srivisarvacha	- Investment in common shares	-	-	85.32	- - Total investment 6,796,500 shares at the price VND 11,500 per share	The Company holds 18.88% and Seamico sold all ordinary shares of Thanh Cong Securities Joint Stock Company on June 20, 2018
8) K TZ Ruby Hill Securities Co., Ltd. (Invest by Krungthai Zmico Securities Co., Ltd.) Representative from Krungthai Zmico Securities Co., Ltd. as common director	- Advance payment for investment	-	-	48.77	- - At investment value	

## 2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2019	2018	2017		
9) Thai Food Group Plc. Related by way of common director is Mr. Chaipatr Srivisarvacha	- Investment in common shares and warrants	88.87	107.76	214.63	- At investment value	
10) Crystal Sealed Professional Car Coating Co., Ltd. Related by way of common director is Mr. Supachai Wongvorazathe	- Investment in common shares	37.80	-	-	- At investment value	

## 3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2019	2018	2017		
1) Innotech Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisarvacha and Mr. Peter J. Emblin Related by way of the company's representative as common director is Mr. Pichai Yimjaipoonsup	- Short-term loans  - Accrued interest - Interest income from short-term loans	19.00  0.26 0.95	19.00  0.34 0.35	-  - -	- At the rate determined under the contract 5% per year - Actual outstanding value - At the rate determined under the contract	

## 3. Lending (continued)

Connected Party / Relationship	Description	Value (Baht Million)		Price / Fee	Notes
		2019	2018		
2) SE Digital Co., Ltd. (Seamico's current subsidiary) Related by way of common director are Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha, Mr. Jesadavat Priebjivat and Mr. Supachai Wongvorazathe Related by way of the company's representative as common director is Ms. Varisara Ummaritchoti	- Interest income from short-term loans	0.70	-	-	At the rate determined under the contract 3.5% per year

## 4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)		Price / Fee	Notes
		2019	2018		
	- No transaction -				

**Audit Committee’s opinion with regard to related parties and connected transaction as of December 31, 2019**

Related Parties and Connected Transaction	Audit Committee’s Opinion
1. Purchase / Sale of goods or services	The transactions are reasonable at market rate or fair value.
2. Purchase or Sale of assets and investment	The transactions are reasonable and don’t causes lose of benefits.
3. Lending	The transactions are impartial and don’t causes transfer of benefits.
4. Management contracts or agreements to provide assistance	- No transaction -

**Policy and Related Parties and Connected Transactions in the Future**

The Company’s policy relating to connected transactions is to follow the guidelines in accordance with the Securities and Exchange Commission. Any connected transactions shall be considered in terms of transparency, fairness and benefit to the company.

The Company operated only Investment Advisory Service by ceased other types of Securities business. The types of connected transactions are mostly investment in subsidiary and associated companies also providing financial support to subsidiaries, investment in subsidiary companies, use of services from associated companies investment in mutual fund and private fund managed by associated which related to normal business activities. The groups of related parties are disclosed in the “Related Parties and Connected Transactions” table above.

# M Management Discussion and Analysis

## 1. Overall operating results for the year ended December 31, 2019

Seamico Securities Public Company Limited (“The Company”) and its subsidiaries incurred the net profit of Baht 81.33 million for the year ended December 31, 2019 comparing with the net loss of Baht 195.83 million last year. The increase of Baht 277.17 million are mainly from:

Total revenues increased mainly from fee and service income increasing by Baht 14.90 million mainly from ICO portal service fee of SE Digital Co., Ltd. (“SE Digital”) which has been granted an approval from SEC to operate as an ICO portal since October 2019 and return on financial instruments 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” decreased by Baht 5.83 million from last year. The performance of Absolute Yoga Co., Ltd. (“Absolute Yoga”), 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. (“Scentimental”), another associated company, the Company recorded share of loss from Scentimental of Baht 3.66 million in this year and on December 2, 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.

Total expenses was increasing by Baht 71.01 million 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. (“Innotech”) 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 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. Moreover, the Company also received debt repayment from the securities business receivable, and subsequently reversed the allowance for doubtful account by Baht 20.06 million and Innotech 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.

## Key factors resulting in the Company performance in 2019

After transferring the securities business to operate by Krungthai ZMICO since May 2009, the Company's operating results mainly depend on the performance of Krungthai ZMICO. The Company record share of profit on its 49.71% shareholding in Krungthai ZMICO. Apart from the securities business, the Company have private fund and mutual fund management business operated by Innotech, a subsidiary, and investment in other companies and debt and equity securities.

### **Securities Business**

- The SET Index closed at 1,579.84 points at the end of 2019 which increased by 1% from the end of 2018 that closed at 1,563.88 points.
- The combined market capitalisation of the SET and MAI increased from Baht 16,219 billion at the end of 2018 to Baht 16,963 billion at the end of 2019, or an increase of 5%.
- Average daily trading volume of the equity market (SET & MAI) decreased from Baht 57.67 billion in 2018 to Baht 52.47 billion in 2019, or a decrease of 9%.
- Average daily trading volume of the derivatives market increased from Baht 426,213 contracts in 2018 to Baht 428,369 contracts in 2019, or an increase of 1%.

In 2019, Krungthai ZMICO had a market share of 1.88% in the equity market (SET & MAI trading value excluding proprietary trading) and ranked 21<sup>st</sup> among all securities companies. For derivatives market, Krungthai ZMICO achieved 1.54% market share and 20<sup>th</sup> rank.

In 2018, Krungthai ZMICO gained a market share of 2.07% in the equity market (SET & MAI trading value excluding proprietary trading) and ranked 23<sup>rd</sup> among all securities companies. For derivatives market, Krungthai ZMICO obtained 1.75% market share and 20<sup>th</sup> rank.

The customer base of Krungthai ZMICO increased by 3% from 2018, Krungthai ZMICO has continuously expanded its products and investment services offerings and has engaged in customer acquisition through the introduction of new account opening channel (WealthMe Application), together with the branches of Krungthai Bank.

Throughout the year 2019, the company has further developed its WealthMe application to enable investors to open various types of trading accounts (cash balance account, cash account (T+2) and TFEX account). This mobile application eliminates the need for the applicant to submit additional supporting documents in paper and help to ease the problem of long approval time. The company also introduced KTZ Inter Trade program where investors can trade offshore stocks real-time and gain access up to 30 markets in 24 countries across 4 continents including North America, Europe, Asia and Australia. Furthermore, Krungthai Zmico joined with Viet Capital Securities Joint Stock Company (VCSC), one of the leading Vietnamese brokers, to offer "V-PRO" an online trading program for Vietnam stock.

Moreover, the company launched short-term structured notes which are Equity Linked Note (ELN) and Principal Protected Note (PPN) as new investment products to offer to institutions and high-net-worth investors. Meanwhile, the company has maintain its focus on investment banking business as well as to improve its institutional business.

Krungthai ZMICO provides security underwriting business ranging from ordinary share, debenture, convertible debenture, to other financial debt securities. For the year ended December 31, 2019, Krungthai ZMICO had the aggregated underwriting amount of Baht 7,729 million and recorded underwriting income of Baht 84.99 million, a decrease from the underwriting amount of Baht 8,299 million and underwriting income of Baht 87.27 million in 2018.

Krungthai ZMICO expanded securities business to Myanmar by entered into the joint venture agreement with Myanmar Ruby Hill Finance Company Limited, a finance company incorporated in the Republic of the Union of Myanmar, to operate KTZ Ruby Hills Securities Company Limited (“KTzRH”). Krungthai ZMICO was the only securities company from Thailand to win a brokerage and underwriting license in the Yangon Stock Exchange from the Government of Myanmar. KTzRH commenced the business on March 25<sup>th</sup>, 2016.

Despite Krungthai ZMICO declined 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.

#### **Mutual fund and private fund management business**

As at December 31, 2019, Innotech, a subsidiary company, had 2 mutual funds under management with total net asset value of Baht 23.98 million. As at December 31, 2018, Innotech had 2 mutual funds under management with total net asset value of Baht 28.04 million. On August 23 2019, Innotech had been approved to resume normal operation of fund management by the Office of the Securities and Exchange. Moreover, on December 4, 2019, Innotech was granted an approval to operate as REIT manager.

Innotech is ready in operation system and staff for full mutual funds and private funds business. Innotech will focus on unconventional fund and fully utilize technology and innovations to manage portfolio and analyse the investments.

#### **Investment and other businesses**

- The Company had an investment in Krungthai ZMICO's ordinary shares at Baht 1,244.10 million with 49.71% shareholding.
- The Company had an investment in Scentimental's ordinary shares at Baht 26.00 million with 26.00% shareholding.
- The Company had an investment in Absolute Yoga's ordinary shares at Baht 217.80 million with 30.00% shareholding.
- Furthermore, the Company invested in the ordinary shares of other companies, debt securities, listed securities and unit trust.
- Lumpini Asset Management Company Limited, a subsidiary company, carry out the business of purchasing or taking transfer and managing of non-performing assets of financial institutions such as commercial bank, business funding or credit fancier and related collateral for the purpose of asset management, development and disposals.

In 2018, The Company has established SE Digital, a subsidiary company, to conduct digital asset business. Digital asset business has recently attracted investor interests and has high growth rate globally. It also helps expand and create synergy to the Company's current securities business by using Block Chain and Smart Contract technology in raising the capital by issuing "Securitized Token" and in controlling the conditions of investment in assets, with the assistance of the U.S. experts in the operation, system and business expansion so SE Digital is ready for full business operation in 2020.

#### **Awards and recognitions**

- The Company won an "Excellent" rating for the AGM 2019 assessed by the Thai Investors Association.
- The Company earned a "Very Good" rating for the Corporate Governance 2019 assessed by the Thai Institute of Director (IOD).

## 2. Operating results

### Operating results for the year ended December 31, 2019

#### **(1) Revenues**

In 2019, the Company and its subsidiaries had the total revenues of Baht 191.18 million, an increase of Baht 360.55 million or 213% from last year.

	2019		2018	
	Amount	%	Amount	%
Fee and service income	19.35	10.12	4.45	(2.63)
Gains (loss) and return on financial instruments	75.83	39.66	(129.34)	76.37
Share of loss from investment in associates	(11.77)	(6.16)	(49.83)	29.42
Gain on transfer of business to an associated company	0.02	0.01	0.06	(0.04)
Other incomes	107.75	56.37	5.30	(3.12)
<b>Total revenues</b>	<b>191.18</b>	<b>100.00</b>	<b>(169.36)</b>	<b>100.00</b>

#### 1.1) Fee and Service Income of Baht 19.35 million

Fee and service income from ICO portal service fee of SE Digital, fee and service income of private funds and mutual funds management of Baht 0.37 million, a decrease from last year of Baht 2.76 million from the business suspension and other fee and service income of Baht 0.99 million.

#### 1.2) Gains (loss) and return on financial instruments of Baht 75.83 million consist of

##### 1.2.1) Gain on investment of Baht 64.26 million from

- Gain on debt securities trading Baht 22.54 million
- Gain on equity securities trading Baht 41.72 million

##### 1.2.2) Interest and dividend income of Baht 11.57 million

Interest income consists of interest from deposits at bank and financial institutions, investment in debt securities and dividend income from securities.

1.3) Share of loss from investment in associates of Baht 11.77 million consist of share of loss from Krungthai ZMICO of Baht 15.57 million and share of loss from other associated companies of Baht 3.80 million.

1.4) Gain on transfer of assets and business to associated company

On May 1, 2009, the Company transferred its business and margin loan accounts to Krungthai ZMICO. The Company received returns from the transfer of business in the total amount of Baht 500 million. In 2012, The Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3 years cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement.

The Company recognized gain on transfer of business as income according to the shareholding percentage of the third parties in Krungthai ZMICO. The remaining amount was presented as “unrealized gain on transfer of business to an associated company”. The Company will realize “unrealized gain on transfer of business to an associated company” as income when the Company has lower percentage of shareholding in Krungthai ZMICO and when Krungthai ZMICO calculated depreciation or sells such transferred assets to the third parties.

For the year 2019, the Company recognized additional gain on transfer of assets to Krungthai ZMICO of Baht 0.02 million.

1.5) Other income of Baht 107.75 million

Other income came from transferred the rights of membership in the Stock Exchange of Thailand to another securities company, research fee for providing various research papers of offshore and bad debt recovered.

## (2) Expenses

In 2019, The Company and its subsidiaries had total expenses of Baht 112.52 million, an increase of Baht 71.01 million or 171% from last year.

(Million Baht)

	2019		2018	
	Amount	%	Amount	%
Employee benefits expenses	101.57	90.27	45.71	110.14
Fee and service expenses	1.66	1.48	1.13	2.73
Finance cost	9.51	8.45	30.42	73.28
Reversal bad debts and doubtful accounts	(20.06)	(17.83)	(0.05)	(0.12)
Reversal impairment loss from investment	(39.36)	(34.98)	(70.41)	(169.65)
Other expenses	59.20	52.61	34.70	83.62
<b>Total expenses</b>	<b>112.52</b>	<b>100.00</b>	<b>41.50</b>	<b>100.00</b>

2.1) Employee benefits expenses of Baht 101.57 million

Employee benefits expenses consist of personal expense of Baht 90.51 million, increased from last year due to the group’s business expansion during the year, and Directors’ remuneration of Baht 11.06 million.

- 2.2) Fee and Service Expenses of Baht 1.66 million  
Fees and Service expenses mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary.
- 2.3) Finance cost of Baht 9.51 million  
Finance cost include interest expenses and operating expenses of Bill of exchange for providing working capital and funding.
- 2.4) Reversal bad debts and doubtful debts  
For the year 2019, the Company recognized reversal doubtful debts of Baht 20.06 million due to the Company received debt repayment from the securities business receivable.
- 2.5) Reversal impairment loss from investment of Baht 39.36 million consist of  
Reversal impairment loss from investment in bill of exchange of Baht 39.87 million that Innotech had been fully impaired since 2017 and recognized impairment loss from general investment of Baht 0.51 million.
- 2.6) Other expenses of Baht 59.20 million  
Other expenses consist of premise and equipment expenses of Baht 13.26 million, consulting fee of Baht 21.18 million, communication and information expenses of Baht 2.65 million and other expenses of Baht 22.11 million. Other expenses increased of Baht 7.88 million from last year mainly from increase in professional fee expenses and loss on exchange rate.

**(3) Profit Margin**

Net profit margin was 42.54% in 2019, while in 2018 the Company had net loss and negative revenue due to loss from financial instruments.

**(4) Return on Equity**

Return on equity was 3.35% in 2019 which increased from (8.83%) in 2018.

Operating results for the year ended December 31, 2018**(1) Revenues**

In 2018, the Company and its subsidiaries had the total revenues of Baht (169.36) million, a decrease of Baht 444.76 million or 161% from last year.

(Million Baht)

	2018		2017	
	Amount	%	Amount	%
Fee and service income	4.45	(2.63)	27.38	9.94
Gains (loss) and return on financial instruments	(129.34)	76.37	248.94	90.39
Share of loss from investment in associates	(49.83)	29.42	(5.02)	(1.82)
Gain on transfer of business to an associated company	0.06	(0.04)	0.06	0.02
Other incomes	5.30	(3.12)	4.04	1.47
<b>Total revenues</b>	<b>(169.36)</b>	<b>100.00</b>	<b>275.40</b>	<b>100.00</b>

## 1.1) Fee and Service Income of Baht 4.45 million

Fee and service income consist of fee and service income of private funds and mutual funds management of Baht 3.13 million, a decrease from last year of Baht 24.25 million from the business suspension, and other fee and service income of Baht 1.32 million.

## 1.2) Gains (loss) and return on financial instruments of Baht 129.34 million consist of

## 1.2.1) Loss on investment of Baht 149.76 million from

- Gain on debt securities trading Baht 44.62 million
- Loss on equity securities trading Baht 194.38 million

## 1.2.2) Interest and dividend income of Baht 20.42 million

Interest income consists of interest from deposits at bank and financial institutions, investment in debt securities and dividend income from securities.

## 1.3) Share of loss from investment in associates of Baht 49.83 million consist of share of loss from Krungthai ZMICO of Baht 21.40 million and share of loss from other associated companies of Baht 28.43 million.

## 1.4) Gain on transfer of assets and business to associated company

On May 1, 2009, the Company transferred its business and margin loan accounts to Krungthai ZMICO. The Company received returns from the transfer of business in the total amount of Baht 500 million. In 2012, The Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3 years cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement. The Company recognized gain on transfer of business as income according to the shareholding percentage of the third parties in Krungthai ZMICO. The remaining amount was presented as "unrealized gain on transfer of business to an associated company". The Company will realize

“unrealized gain on transfer of business to an associated company” as income when the Company has lower percentage of shareholding in Krungthai ZMICO and when Krungthai ZMICO calculated depreciation or sells such transferred assets to the third parties.

For the year 2018, the Company recognized additional gain on transfer of assets to Krungthai ZMICO of Baht 0.06 million.

1.5) Other income of Baht 5.30 million

Other income came from research fee for providing various research papers of offshore, bad debt recovered and gain on exchange rate.

**(2) Expenses**

In 2018, The Company and its subsidiaries had total expenses of Baht 41.50 million, a decrease of Baht 217.18 million or 84% from last year.

(Million Baht)

	2018		2017	
	Amount	%	Amount	%
Employee benefits expenses	45.71	110.14	47.92	18.52
Fee and service expenses	1.13	2.73	5.39	2.08
Finance cost	30.42	73.28	31.78	12.28
Reversal bad debts and doubtful accounts	(0.05)	(0.12)	-	-
Impairment loss from investment (reversal)	(70.41)	(169.65)	127.26	49.19
Other expenses	34.70	83.62	46.34	17.93
<b>Total expenses</b>	<b>41.50</b>	<b>100.00</b>	<b>258.69</b>	<b>100.00</b>

2.1) Employee benefits expenses of Baht 45.71 million

Employee benefits expenses consist of personal expense of Baht 37.97 million, decreased from last year due to number of employees of Subsidiary, and Directors’ remuneration of Baht 7.74 million.

2.2) Fee and Service Expenses of Baht 1.13 million

Fees and Service expenses mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary.

2.3) Finance cost of Baht 30.42 million

Finance cost include interest expenses and operating expenses of Bill of exchange for providing working capital and funding.

2.4) Reversal bad debts and doubtful debts

For the year 2018, the Company recognized reversal doubtful debts of Baht 0.05 million.

2.5) Impairment loss from investment (reversal) of Baht 70.41 million consist of  
 Reversal impairment loss from investment in Thanh cong Securities Joint Stock Company of Baht 70.70 million and recognized impairment loss from general investment of Baht 0.29 million.

2.6) Other expenses of Baht 34.70 million  
 Other expenses consist of premise and equipment expenses of Baht 9.74 million, consulting fee of Baht 8.65 million, communication and information expenses of Baht 2.09 million and other expenses of Baht 14.22 million. Other expenses decreased of Baht 6.27 million from last year mainly from decrease in loss on exchange rate.

**(3) Profit Margin**

Net profit margin was 3.59% in 2017, while in 2018 the Company had net loss and negative revenue due to loss from financial instruments.

**(4) Return on Equity**

Return on equity was (8.83)% in 2018 which decreased from 0.40% in 2017.

**3. Financial position and asset management**

**1. Component of assets**

As at December 31, 2019, the Company and its subsidiaries had total assets of Baht 2,945.19 million by which 41.27% was current assets and 58.73% was non-current assets.

Major components of assets are as follows:

Cash and Cash Equivalent

Cash and cash equivalents as at December 31, 2019 were Baht 415.76 million, an increase of Baht 63.31 million, or 18% from as at December 31, 2018 (See details in 4.1 Cash Flow).

Investment in debt and equity

The Company and its subsidiaries invested in debt securities - bill of exchange of Baht 645.48 million, equity securities — list securities of Baht 204.52 million, and general investment of Baht 51.73 million.

As at December 31, 2019, the Company reserved allowance for impairment loss in a subsidiary's debt securities investment of Baht 65.13 million and impairment loss in general investment of Baht 5.72 million. In additional, the Company had revaluation adjustment in investment in debt and equity of Baht 53.51 million.

Investment in subsidiary companies

Innotech Asset Management Co., Ltd.

As at December 31, 2019, the subsidiary company has issued and paid-up share capital of Baht 112.70 million for 22,540,000 ordinary shares with the par value of Baht 5.00 per share and the shareholding of the Company in subsidiary is 100%.

Lumpini Asset Management Co., Ltd.

As at December 31, 2019, the subsidiary company has issued and paid-up share capital of Baht 25.00 million for 2,500,000 ordinary shares with the par value of Baht 10.00 per share and the shareholding of the Company in subsidiary is 100%.

SE Digital Co., Ltd.

As at December 31, 2019, the subsidiary company has issued and paid-up share capital of Baht 475.00 million for 4,750,000 ordinary shares with the par value of Baht 100.00 per share and the shareholding of the Company in subsidiary is 100%.

Investment in associates

Krungthai ZMICO Securities Co., Ltd.

On December 3, 2014, the Board of Investment Committee's meeting passed the resolution to buy additional investment in ordinary shares in Krungthai ZMICO which is the Company's associated company amounting 99,000 shares at Baht 19.18 each from the existing shareholder and on June 17, 2015, the Board of Investment Committee's meeting acknowledged an additional buyer investment in ordinary shares in Krungthai ZMICO amounting 170,000 shares at Baht 27.60 each from the existing shareholder. As a result, the shareholding in this associated company has increased from 49.64% to 49.71% of the paid-up share capital.

As at December 31, 2019, the Company had investment in Krungthai ZMICO which the investment under cost method and equity method were Baht 1,244.10 million and Baht 1,297.80 million, respectively.

Scentimental (Thailand) Co., Ltd.

On January 17, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Scentimental (Thailand) Co., Ltd. which the company holds exclusive rights of developing, marketing, selling and distribution of celebrities' perfumes both in Thailand and international markets. The investment value of Baht 13.80 million consists of 138,000 ordinary shares with a par value of Baht 100 per share, accounting for 46% of the paid-up share capital.

On September 14, 2018, the extraordinary shareholders' meeting of the associated company has passed a special resolution to increase its share capital from 300,000 ordinary shares to 400,000 ordinary shares with the par value of Baht 100.00 per share. The Company did not purchase the additional such shares increase. As a result, the shareholding in this associated company has decreased from 46.00% to 34.50% of issued and paid-up share capital.

On October 11, 2019, the Extraordinary Shareholders' Meeting of the associated company has passed a resolution to increase its share capital 600,000 shares, from 400,000 ordinary shares to 1,000,000 ordinary shares with the par value of Baht 100.00 per share. On October 25, 2019, the Company purchased the additional shares of 122,000 ordinary shares with the par value of Baht 100.00 per share, with the additional investment value of Baht 12.20 million. As a result, the shareholding in this associated company has decreased from 34.50% to 26.00% of issued and paid-up share capital of Scentimental (Thailand) Co., Ltd.

As at December 31, 2019, the Company had investment in Scentimental (Thailand) Co., Ltd. which the investment under cost method and equity method were Baht 26.00 million and Baht 15.34 million, respectively.

Absolute Yoga Co., Ltd.

On February 22, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Absolute which the holding company operates in health and wellness business under "Absolute You" brand. The investment value of Baht 217.80 million consists of 1,800,000 ordinary shares with a par value of Baht 10 per share, accounting for 30% of the paid-up share capital.

As at December 31, 2019, the Company had investment in associated companies comprising Absolute Yoga Co., Ltd. which the investment under cost method and equity method were Baht 217.80 million and Baht 197.23 million, respectively.

Securities Business Receivables

As at December 31, 2019, Securities Business receivables under litigation at Baht 42.55 million with related deduction of allowance for doubtful account of Baht 42.55 million. However, The Company has already reserved full amount of provision for doubtful accounts as per the SEC guideline.

Building improvements and equipment

Building improvement and equipment as at December 31, 2019 of Baht 11.56 million increased by Baht 4.81 million or 71% from as at December 31, 2018 by the increase from the purchase of office equipment totalling Baht 8.02 million, depreciation according to their useful lives of Baht 3.16 million and the disposal of Baht 0.05 million.

Other assets

Other assets as at December 31, 2019 were Baht 59.01 million, increased by Baht 21.90 million from as at December 31, 2018 mainly from other receivables increased of Baht 15.50 million.

## 2. Quality of Assets

In the Financial statement, the Company recorded a revaluation adjustment of assets according to the accounting standards and the SEC's regulations. The major assets can be summarised as follows:

### Investment

As at December 31, 2019, the Company had total investments of Baht 799.56 million from initial cost was Baht 923.93 million or 27.15% of total assets which the details are as follows :-

(Million Baht)

	As at December 31, 2019		As at December 31, 2018	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Trading securities</u>				
Equity securities - List securities	35.95	14.15	129.78	105.25
Equity securities - Unit trust	-	-	0.38	0.38
Debt securities - Corporate bond	3.20	3.20	-	-
Debt securities - Bill of exchange	645.48	583.80	334.17	236.11
<b>Total</b>	<b>684.63</b>	<b>601.15</b>	<b>464.33</b>	<b>341.74</b>
<u>Less</u> Revaluation adjustments	(18.35)	-	(17.59)	-
<u>Less</u> Allowance for impairment	(65.13)	-	(105.00)	-
<b>Total trading securities</b>	<b>601.15</b>	<b>601.15</b>	<b>341.74</b>	<b>341.74</b>
<u>Available-for-sale securities</u>				
Equity securities - List securities	168.56	133.40	199.81	176.57
<u>Less</u> Revaluation adjustments	(35.16)	-	(23.24)	-
<b>Total available-for-sale securities</b>	<b>133.40</b>	<b>133.40</b>	<b>176.57</b>	<b>176.57</b>
<u>Held to maturity investment</u>				
Deposit at financial institutions	19.00	19.00	23.29	23.29
<b>Total deposit at financial institutions</b>	<b>19.00</b>	<b>19.00</b>	<b>23.29</b>	<b>23.29</b>
<u>General investments</u>				
Ordinary shares	51.60	45.87	198.39	193.17
Preference shares	0.13	0.13	0.13	0.13
<b>Total</b>	<b>51.73</b>	<b>46.00</b>	<b>198.52</b>	<b>193.30</b>
<u>Less</u> Allowance for impairment	(5.72)	-	(5.22)	-
<b>Total general investments</b>	<b>46.01</b>	<b>46.00</b>	<b>193.30</b>	<b>193.30</b>
<b>Total investments</b>	<b>799.56</b>	<b>799.56</b>	<b>734.90</b>	<b>734.90</b>

The proportions of investment as at December 31, 2019 are as follows;

Investment in listed securities	19	per cent
Investment in bill of exchange	73	per cent
Investment in held to maturity investment	2	per cent
Investment in general investment	6	per cent

#### Securities Business Receivables

The Company had total securities receivables and accrued interest receivables as at December 31, 2019 of Baht 42.55 million which are Securities Business receivables under litigation with allowance for doubtful debt of Baht 42.55 million, or 100% of related loans. The Company's policy is to closely monitor all securities receivables and in cases where any client fails to settle a transaction, will engage in negotiations as the first step. If a settlement with a client cannot be negotiated or if a debtor refuses to settle a debt, legal steps will then be taken.

## 4. Liquidity and capital adequacy

### 1. Cash Flow

Cash and cash equivalents as at December 31, 2019 were Baht 415.76 million which increased from December 31, 2018 of Baht 63.31 million. The summary of cash provided and cash used in various activities are shown in the following table.

(Million Baht)

Activities	December 31, 2019	December 31, 2018
Net cash provided by (used in) operating Activities	(219.72)	330.29
Net cash provided by (used in) investing Activities	205.15	(64.53)
Net cash provided by (used in) financing Activities	77.88	(243.64)
Net increase (decrease) in cash and cash Equivalent	63.31	22.12

The Company has used cash in the activities below to generate income while maintain liquidity.

#### Operating Activities

In 2019, cash from operating activities decreased of Baht 219.72 million which came from the following transactions.

Cash increased from

- Securities business receivables decreased of Baht 20.06 million.
- Other liabilities increased of Baht 4.82 million.

Cash decreased from

- Investment in trading securities decreased of Baht 220.30 million.
- Other assets increased of Baht 18.20 million.
- Operating activities decreased of Baht 6.10 million.

### Investing Activities

In 2019, cash from investing activities increased of Baht 205.15 million.

Cash increased from

- Investment in available-for-sale securities of Baht 92.24 million.
- Investment in general investment of Baht 210.00 million
- Investment to be held to maturity of Baht 23.29 million.
- Sale of equipment of Baht 0.02 million.
- Interest and dividend from investments in securities of Baht 8.89 million.

Cash decreased from

- Purchase in general investment, investment to be held to maturity and investment in available-for-sale of Baht 104.53 million.
- Increase investment in associates of Baht 12.20 million.
- Purchase of equipment of Baht 8.02 million.
- Purchase of intangible assets of Baht 4.54 million.

### Financing Activities

In 2019, cash from financing activities increased of Baht 77.88 million due to increase share capital of Baht 497.10 million but increased from bills of exchange of Baht 389.22 million.

## 2. Liquidity Ratios

The Company had adequate liquidity as indicated by the liquidity ratios in the table below.

	December 31, 2019	December 31, 2018
Liquid Assets to Total Assets Ratio (%)	39.60	31.40
Net Liquid Capital Ratio (NCR) (%)	N/A	N/A

Since May 1, 2009, The Company was approved to temporarily cease its operation on securities and derivatives business from the Securities and Exchange Commission, therefore the Company is not required to maintain its net liquid capital.

However, since May 2, 2013 the Company was approved to reactivate its investment advisory service according to its existing Securities trading business and Derivative trading business license from the SEC by which the Company is required to maintain its net liquid capital as according to the requirement of the Notification SEC No. Kor Thor 4/2561. As at December 31, 2019, the Company is able to maintain its net liquid capital more than the condition.

## 3. Capital expenditure

See topic "Investment in Securities" under Financial Position 1. Assets and "Investing Activities" under Liquidity and capital adequacy 1. "Cash Flow".

#### 4. Sources of Capital

##### 4.1 Adequacy of Capital Structure

The debt to equity ratio as at December 31, 2019 and 2018 were 0.14 times and 0.35 times, respectively.

##### 4.2 Shareholders' equity

As at December 31, 2019, shareholders' equity was Baht 2,580.78 million, an increase of Baht 528.08 million, or 26% from as at December 31, 2018 from increased share capital of Baht 497.10 million, the net operating profit of Baht 81.33 million and decreased other components of equity of Baht 20.35 million.

##### 4.3 Liabilities

The Company has credit limit for issuing bills of exchange issued to general public of Baht 1,500 million.

#### 5. Liabilities and financial obligations

The Company has other borrowings as follows:

	As at December 31, 2019				
	Residual maturities				
	Interest rate per annum (%)	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
<b><u>Other borrowings</u></b>					
Bill of exchange	3.50	148.35	-	-	148.35
Total other borrowings		148.35	-	-	148.35

	As at December 31, 2018				
	Residual maturities				
	Interest rate per annum (%)	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
<b><u>Other borrowings</u></b>					
Bill of exchange	3.90 - 4.00	528.06	-	-	528.06
Total other borrowings		528.06	-	-	528.06

## 6. Factors that may have impacts on future performance

In 2020, Zmico foresees Thailand's economy remained chaotic and volatile as overall. Unexpected crisis, which have been arisen in both domestic and international, causing the fluctuation in trading values and market indices which might lastly affect to not only securities business of Krungthai Zmico but also other securities investment. Nonetheless, the company expands into digital asset industry. Even though digital asset is new, there are positive feedback from investors with higher business growth rate coupled with the issuance of rules and regulations compliance to the business. The company; therefore, firmly believes the expansion of digital asset in the future.

However, the Company has a strategic business plan, investment portfolio adjustment, and management control and monitoring in order to immediately take proactive actions in the changing circumstances. In addition, the Company has risk management procedures which determine the risk levels and actions taken for each triggered level and each business units, to mitigate the risks.



บริษัท ดีลอยท์ ทูเช่ โทมัทสุ จำกัด  
 สอบบัญชี จำกัด  
 เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27  
 11/1 ถนนสาทรใต้  
 แขวงยานนาวา เขตสาทร  
 กรุงเทพฯ 10120  
 โทร +66 (0) 2034 0000  
 แฟกซ์ +66 (0) 2034 0100

Deloitte Touche Tohmatsu Jaiyos  
 Audit Co., Ltd.  
 AIA Sathorn Tower, 23<sup>rd</sup> - 27<sup>th</sup> Floor  
 11/1 South Sathorn Road  
 Yannawa, Sathorn  
 Bangkok 10120, Thailand  
 Tel: +66 (0) 2034 0000  
 Fax: +66 (0) 2034 0100  
 www.deloitte.com

## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### TO THE SHAREHOLDERS AND BOARD OF DIRECTORS SEAMICO SECURITIES PUBLIC COMPANY LIMITED

#### Opinion

We have audited the consolidated financial statements of Seamico Securities Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Seamico Securities Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year ended period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Seamico Securities Public Company Limited and its subsidiaries and of Seamico Securities Public Company Limited as at December 31, 2019, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

#### Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p><b>Investments in associated companies</b></p> <p>The Company has investment in associated companies which be quantitatively significant in the Group’s consolidated financial statements and separate financial statements. The Key audit matter is whether the Group recognizes its associated companies portion under the equity method accurately in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies and detail of financial information were disclosed in Notes 4.6 and Note 10 to the financial statements respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of associated companies included:</p> <ul style="list-style-type: none"> <li>• Understand the financial information compilation process and related internal control procedures</li> <li>• Collaboratively perform the work in accordance with Thai Standard on Auditing on the work performed from the planning through the conclusion process.</li> <li>• Verify the calculation and record of a share of profit (loss) in an investment in associated companies.</li> </ul>

Key Audit Matters	Audit Responses
<p><b>Impairment of investment in associated companies</b></p> <p>As at December 31, 2019, the Group has investment in associated companies which invested in year 2017, its operation has continued loss. The Group's managements have considered the impairment indicators and estimated the impairment provision for those investments. The consideration is depended on the management judgement and key assumptions. Therefore, the key audit matter is whether the valuation of such investment and the impairment have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of investments in associated companies and the details of investments in associated companies were disclosed in Note 4.6 and Note 10 to the financial statements respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding the impairment consideration process and internal control procedures relating to the consideration of impairment of investments in associated companies</li> <li>• Reviewing the design and implementation of the internal control procedures relating to the consideration of impairment of investments in associated companies</li> <li>• Performing the operating effectiveness testing over the internal control procedures around impairment consideration process</li> <li>• Performing substantive testing as follows: <ul style="list-style-type: none"> <li>- Examining the supporting documents in relation to the management consideration of impairment indicators for investments in associated companies</li> <li>- Examining the supporting documents the Group's management used in assessing the appropriateness of valuation model and basis, key assumptions and information used in the estimation of the impairment provision for investments in associated companies</li> <li>- Testing the calculation of the impairment provision for investments in associated companies</li> <li>- Examining the supporting documents regarding the disclosures of valuation model and basis, key assumptions and information used in the estimation of the impairment provision for the investments in associated companies</li> </ul> </li> </ul>

## **Other Information**

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Dr. Suphamit Techamontrikul  
Certified Public Accountant (Thailand)  
Registration No. 3356

**BANGKOK**  
February 19, 2020

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

## SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>ASSETS</b>					
Cash and cash equivalents	5	415,755,834	352,445,320	289,709,185	288,040,386
Securities business receivables	6	-	-	-	-
Accrued fees and service income from asset management business		26,950	30,263	-	-
Investments	8.1,8.2	799,555,184	734,904,390	777,359,634	700,374,760
Short-term loans to related parties	9	-	-	19,256,967	19,343,973
Investments in subsidiaries and associated companies	10	1,510,368,386	1,503,206,802	2,051,684,627	1,561,212,761
Building improvements and equipment	11	11,559,223	6,746,404	5,977,956	6,097,868
Intangible assets	12	75,395,216	71,040,000	69,520,549	69,520,549
Deferred tax assets	13	72,827,468	66,695,918	50,109,305	43,974,245
Assets classified as held for sale		688,014	688,014	688,014	688,014
Other assets	14	59,013,672	37,111,434	10,506,665	32,762,271
<b>TOTAL ASSETS</b>		<b>2,945,189,947</b>	<b>2,772,868,545</b>	<b>3,274,812,902</b>	<b>2,722,014,827</b>

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS AT DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>LIABILITIES AND OWNERS' EQUITY</b>					
<b>LIABILITIES</b>					
Accrued fees and service expenses from asset management business		3,349	3,972	-	-
Unrealized gain on transfer of business to an associated company	33	148,205,819	148,223,367	-	-
Other borrowings	15	148,349,296	528,062,334	498,349,296	528,062,334
Employee benefits obligation	16	30,899,685	11,745,950	28,404,860	11,299,926
Other liabilities	17	36,951,631	32,130,151	31,109,361	30,009,941
Total liabilities		<u>364,409,780</u>	<u>720,165,774</u>	<u>557,863,517</u>	<u>569,372,201</u>
<b>OWNERS' EQUITY</b>					
<b>Share capital</b>					
<b>Authorized share capital</b>					
2,480,604,926 ordinary shares of Baht 0.50 each		<u>1,240,302,463</u>	<u>1,240,302,463</u>	<u>1,240,302,463</u>	<u>1,240,302,463</u>
<b>Issued and paid-up share capital</b>					
1,653,736,926 ordinary shares of Baht 0.50 each, 1,307,736,926 ordinary shares of Baht 0.50 each, fully paid	18	826,868,463	653,868,463	826,868,463	653,868,463
Premium on share capital	21	1,790,506,747	1,496,406,747	1,790,506,747	1,496,406,747
<b>Retained earnings (deficit)</b>					
<b>Appropriated</b>					
Statutory reserve	22	109,956,604	108,383,352	109,956,604	108,383,352
Unappropriated (deficit)		(43,268,047)	(131,998,637)	16,361,804	(93,142,787)
<b>Difference arising on change of partial interest</b>					
in a subsidiary		(4,560,072)	(4,560,072)	-	-
Other components of equity		(98,723,528)	(69,397,082)	(26,744,233)	(12,873,149)
Total owners' equity		<u>2,580,780,167</u>	<u>2,052,702,771</u>	<u>2,716,949,385</u>	<u>2,152,642,626</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<u><b>2,945,189,947</b></u>	<u><b>2,772,868,545</b></u>	<u><b>3,274,812,902</b></u>	<u><b>2,722,014,827</b></u>

Notes to the financial statements form an integral part of these financial statements

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>REVENUES</b>					
Fees and service income		19,350,506	4,453,411	986,111	1,326,389
Gains (losses) and return on financial instruments	23	75,829,737	(129,340,422)	73,555,724	(129,195,749)
Share of profit (loss) from investment in associates		(11,769,604)	(49,829,611)	-	-
Gain on transfer of business to an associated company	33	17,548	57,744	-	-
Other income	1	107,754,448	5,295,191	118,904,994	5,258,292
Total revenues		191,182,635	(169,363,687)	193,446,829	(122,611,068)
<b>EXPENSES</b>					
Employee benefits expenses		101,572,696	45,711,443	59,132,321	30,400,902
Fees and service expenses		1,655,892	1,132,475	908,131	666,055
Finance costs		9,509,511	30,416,190	10,212,371	30,416,190
Bad debt and doubtful accounts (reversal)		(20,057,525)	(48,727)	(20,057,525)	(48,727)
Impairment loss from investments (reversal)	25	(39,359,582)	(70,412,741)	(7,765,247)	(48,762,478)
Other expenses	26	59,194,087	34,706,058	29,076,242	23,717,454
Total expenses		112,515,079	41,504,698	71,506,293	36,389,396
PROFIT (LOSS) BEFORE INCOME TAX		78,667,556	(210,868,385)	121,940,536	(159,000,464)
INCOME TAX - INCOME	28	2,663,779	15,033,833	2,667,289	15,045,382
PROFIT (LOSS) FOR THE YEAR		81,331,335	(195,834,552)	124,607,825	(143,955,082)

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
OTHER COMPREHENSIVE PROFIT (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation		(13,214,043)	685,475	(13,529,982)	-
Share of gain on remeasurement of defined benefit obligation of an associated company		22,186,550	-	-	-
Items that will be reclassified subsequently to profit or loss					
Share of loss on other comprehensive income of associates		(15,455,362)	(27,307,811)	-	-
Loss on remeasuring available-for-sale investments	8.3	(17,338,855)	(20,516,682)	(17,338,855)	(20,516,682)
Income tax relating to items that may be reclassified subsequently to profit or loss	8.3	3,467,771	4,103,336	3,467,771	4,103,336
Other comprehensive loss for the year - net of income tax		(20,353,939)	(43,035,682)	(27,401,066)	(16,413,346)
<b>TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR</b>		<b>60,977,396</b>	<b>(238,870,234)</b>	<b>97,206,759</b>	<b>(160,368,428)</b>
<b>EARNINGS (LOSS) PER SHARE</b>					
<b>BASIC EARNINGS (LOSS) PER SHARE</b>	<b>BAHT</b>	0.05	(0.15)	0.08	(0.11)
<b>WEIGHTED AVERAGE</b>					
<b>NUMBER OF ORDINARY SHARES</b>	<b>18 SHARES</b>	1,588,328,707	1,307,736,926	1,588,328,707	1,307,736,926

Notes to the financial statements form an integral part of these financial statements

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN OWNERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS							
Notes	Issued and paid-up share capital	Premium on share capital	Appropriated retained earnings	Unappropriated retained earnings (deficit)	Gain (loss) on remeasuring available-for-sale investments	Share of other comprehensive loss of an associated company	Difference arising on change of partial interest in subsidiary	Total owners' equity	
	<b>Balance as at January 1, 2018</b>	653,868,463	1,496,406,747	108,383,352	128,521,945	3,540,197	(29,216,122)	2,356,944,510	
	Total comprehensive loss	-	-	-	(195,149,077)	(16,413,346)	-	(238,870,234)	
	Dividend payment	-	-	-	(65,371,505)	-	-	(65,371,505)	
	<b>Balance as at December 31, 2018</b>	<u>653,868,463</u>	<u>1,496,406,747</u>	<u>108,383,352</u>	<u>(131,998,637)</u>	<u>(12,873,149)</u>	<u>(56,523,933)</u>	<u>2,052,702,771</u>	
	<b>Balance as at January 1, 2019</b>	653,868,463	1,496,406,747	108,383,352	(131,998,637)	(12,873,149)	(4,560,072)	2,052,702,771	
	Increase share capital	173,000,000	294,100,000	-	-	-	-	467,100,000	
	Statutory reserve	-	-	1,573,252	(1,573,252)	-	-	-	
	Total comprehensive profit (loss)	-	-	-	90,303,842	(13,871,084)	-	60,977,396	
	<b>Balance as at December 31, 2019</b>	<u>826,868,463</u>	<u>1,790,506,747</u>	<u>109,956,604</u>	<u>(43,268,047)</u>	<u>(26,744,233)</u>	<u>(4,560,072)</u>	<u>2,580,780,167</u>	

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN OWNERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on share capital	Appropriated retained earnings	Unappropriated retained earnings (deficit)	Other components of equity	Total owners' equity	
			Statutory reserve	Gain (loss) on remeasuring available-for-sale investments			
<b>B</b>	<b>January 1, 2018</b>	653,868,463	1,496,406,747	108,383,352	116,183,800	3,540,197	2,378,382,559
<b>T.</b>	Dividend payment	-	-	-	(143,955,082)	(16,413,346)	(160,368,428)
	<b>Balance as at December 31, 2018</b>	653,868,463	1,496,406,747	108,383,352	(93,142,787)	(12,873,149)	2,152,642,626
	<b>Balance as at January 1, 2019</b>	653,868,463	1,496,406,747	108,383,352	(93,142,787)	(12,873,149)	2,152,642,626
	Increase share capital	173,000,000	294,100,000	-	-	-	467,100,000
	Statutory reserve	-	-	1,573,252	(1,573,252)	-	-
	Total comprehensive profit (loss)	-	-	-	111,077,843	(13,871,084)	97,206,759
	<b>Balance as at December 31, 2019</b>	826,868,463	1,790,506,747	109,956,604	16,361,804	(26,744,233)	2,716,949,385

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income (loss) before income tax	78,667,556	(210,868,385)	121,940,536	(159,000,464)
Adjustments on income (loss) before income tax to be cash received (paid) from operating activities:				
Depreciation and amortization	3,341,221	3,278,909	2,164,123	2,583,998
Reversal bad debt and doubtful accounts	(20,057,525)	(48,727)	(20,057,525)	(48,727)
Unrealized (gain) loss on re-measuring trading investments	762,532	(789,445)	762,532	898,226
(Gain) loss on sale from general investment	(25,000,000)	68,928,919	(25,000,000)	68,928,919
Gain on sale from available-for-sale securities	(22,157,414)	(82,582)	(22,157,414)	(82,582)
Unrealized loss from reclassification investment port	-	123,124,360	-	123,124,360
(Gain) loss on sale and disposal equipment	27,741	(61,456)	1	(9,019)
Share of loss from investment in associates	11,769,604	49,829,611	-	-
Loss on exchange rate	-	512,229	-	512,229
Impairment (reversal) loss from equity securities	506,619	(70,412,741)	506,619	(70,412,741)
Reversal impairment loss from debt securities	(39,866,201)	-	-	(25,632,496)
Impairment (reversal) loss on investment in a subsidiary	-	-	(8,271,866)	47,282,759
Finance costs	9,509,511	30,416,190	10,212,371	30,416,190
Interest and dividend income	(11,574,192)	(20,417,452)	(11,990,814)	(20,384,229)
Gain on transfer of business to an associated company	(17,548)	(57,744)	-	-
Employee benefit expenses	5,939,691	5,551,533	3,574,952	2,618,871
Gain (loss) from operating before changes in operating assets and liabilities	(8,148,405)	(21,096,781)	51,683,515	795,294
(Increase) decrease in operating assets				
Securities business receivables	20,057,525	48,727	20,057,525	48,727
Accrued fees and service income from asset management business	3,313	810,407	-	-
Investments in trading securities	(220,299,924)	300,353,408	(268,211,050)	374,593,883
Short-term loans to related parties	-	-	87,006	(19,343,973)
Other assets	(18,195,507)	39,409,832	25,617,557	20,457,674
Increase (decrease) in operating liabilities				
Accrued fees and service expenses from asset management business	(623)	(3,252)	-	-
Employee benefit paid	-	(4,687,400)	-	-
Other liabilities	4,821,216	12,649,187	396,287	11,727,123
Cash received from (paid for) operating activities	(221,762,405)	327,484,128	(170,369,160)	388,278,728
Interest expenses	(8)	-	-	-
Interest income	2,549,574	3,208,187	3,280,957	2,831,786
Income tax paid	(509,307)	(401,776)	(477,692)	(254,228)
Net cash provided by (used in) operating activities	(219,722,146)	330,290,539	(167,565,895)	390,856,286

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash paid for investment in available-for-sale securities		(47,320,750)	(84,284,328)	(47,320,750)	(84,284,328)
Cash received from sale of investment in available-for-sale securities		92,240,038	82,586	92,240,038	82,586
Cash paid for investment to be held to maturity		(19,000,000)	(23,289,155)	-	-
Cash received from investment to be held to maturity		23,289,155	23,191,912	-	-
Cash paid for purchase general investment		(38,210,880)	(25,256,800)	(38,210,880)	(25,256,800)
Cash received from sale of general investment		210,000,000	87,091,725	210,000,000	87,091,725
Cash received from capital return from general investment		-	8,359,719	-	8,359,719
Cash paid for increase investment in subsidiaries		-	-	(470,000,000)	(25,000,000)
Cash paid for increase share capital in subsidiaries		-	-	-	(82,800,000)
Cash paid for increase in capital of associate		(12,200,000)	-	(12,200,000)	-
Cash received from sale of equipment		24,396	1,136,710	-	1,080,000
Cash paid for acquisition of equipment		(8,024,291)	(2,500,460)	(2,044,212)	(2,207,284)
Cash paid for acquisition of intangible assets		(4,535,506)	(66,298,800)	-	(66,200,000)
Cash received from interest and dividend					
from investments in securities		8,893,038	17,234,400	8,893,038	17,234,400
Net cash provided by (used in) investing activities		205,155,200	(64,532,491)	(258,642,766)	(171,899,982)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from increase share capital		467,100,000	-	467,100,000	-
Cash received from other borrowing		780,777,460	1,756,737,347	780,777,460	1,756,737,347
Cash received borrowing from a subsidiary		-	-	350,000,000	-
Cash paid from other borrowing		(1,170,000,000)	(1,935,000,000)	(1,170,000,000)	(1,935,000,000)
Dividend payment		-	(65,371,505)	-	(65,371,505)
Net cash provided by (used in) financing activities		77,877,460	(243,634,158)	427,877,460	(243,634,158)
Net increase (decrease) in cash and cash equivalents		63,310,514	22,123,890	1,668,799	(24,677,854)
Cash and cash equivalents as at January 1,		352,445,320	330,321,430	288,040,386	312,718,240
<b>Cash and cash equivalents as at December 31,</b>	5	<b>415,755,834</b>	<b>352,445,320</b>	<b>289,709,185</b>	<b>288,040,386</b>
<b>Non-cash items</b>					
Increase in surplus on re-measuring					
available-for-sale investments - net of tax		(26,744,233)	(12,873,149)	(26,744,233)	(12,873,149)
Increase (decrease) in accrued dividend		(38,304)	38,304	(38,304)	38,304

Notes to the financial statements form an integral part of these financial statements

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY**

Seamico Securities Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act. on August 8, 1994 and was listed on the Stock Exchange of Thailand (“SET”) on March 17, 1995. The address of its registered office is 18<sup>th</sup> Floor, 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

The Company was granted 7 licenses to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory Service
4. Securities Underwriting
5. On-line Securities Trading
6. Derivatives Trading
7. Securities Borrowing and Lending

On May 1, 2009, the Company transferred its business and margin loan accounts to Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.) an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc. The Company has temporarily ceased its operation on securities and derivative business since May 1, 2009 until December 31, 2011 which was approved by the Office of the Securities and Exchange Commission as the letter No. SEC.Thor. 701/2552. Subsequently, the Company was granted by the Office of the Securities and Exchange Commission to extend the suspension period for securities and derivative business operation until April 30, 2013 as the letter No. SEC.Thor. 474/2554 dated April 4, 2011. Consequently, the Company applied the approval system work flow of investment advisory service under the existing securities business license to the Office of the Securities and Exchange Commission. The Company was approved to re-operate its investment advisory services according to the letter No. SEC. BorThor. 994/2556 dated on May 2, 2013 starting from May 2, 2013 onwards.

Moreover, On July 4, 2017, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2018 according to the letter No. BorSorChor. 0004/2560.

On July 11, 2018, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2019 according to the letter No. BorSorChor.0002/2561.

The Company has sold the rights of membership in the Stock Exchange of Thailand to another securities company which will be effective from December 2, 2019 onwards. The Company have already recognized other income in the statement of comprehensive income for the year ended December 31, 2019.

Currently, the major businesses of the Company are related to investment and securities businesses which shall not compete with Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.).

The Company has subsidiaries as follows:

1. Innotech Asset Management Co., Ltd. operates its business in Thailand and has been granted permission to manage mutual fund, private fund, provident fund and REIT manager.
2. Lumpini Asset Management Co., Ltd. operates its business in Thailand. The main objective of the Company is to carry out the business of purchasing or taking transfer and managing of non-performing assets of financial institution which is its commercial bank, business funding or credit foncier license to revoke include related collateral for the purpose of asset management, development and disposals.
3. SE Digital Co., Ltd. operates its business in Thailand. The main objective of the Company is to conduct digital asset business and on October 7, 2019, SE Digital Co., Ltd. has obtained an approval to operate as an ICO portal by the Office of the Securities and Exchange Commission.

As at December 31, 2019, Innotech Asset Management Co., Ltd. can maintain its capital adequacy according to the requirement of the Office of the Securities and Exchange Commission and on August 23, 2019, the Company had been approved to resume normal operation of fund management by the Office of the Securities and Exchange Commission (see Note 32.1).

## **2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS**

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2019 onward, and also the Notification of the Office of the Securities and Exchange Commission ("SEC") No. SorTor. 22/2559, dated June 2, 2016, regarding "The Form of Financial Statements for Securities Companies (No. 2)" which becomes effective for fiscal years beginning effective on or after January 1, 2017.

### 2.3 Basis of consolidated financial statements

- (a) The consolidated financial statements include the financial statements of Seamico Securities Public Company Limited (the “Company”) and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated totals		Revenues as a percentage to the consolidated totals	
							For the years ended	
			December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31,	
			Percent	Percent	Percent	Percent	Percent	Percent
Innotech Asset Management Co., Ltd.	Asset Management	Thailand	100	100	3	3	1	(3)
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer and managing of non-performing assets of financial institution	Thailand	100	100	1	1	-	-
SE Digital Co., Ltd.	Digital asset	Thailand	100	100	15	1	12	-

- (b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (c) The financial statements of the subsidiaries are prepared using the same accounting periods and significant accounting policies as the Company.
- (d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- (e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within owners' equity in the consolidated statement of financial position.

### 2.4 Separate financial statements

The separate financial statements, which present investments in subsidiaries under the cost method.

### 3. NEW THAI FINANCIAL REPORTING STANDARDS

#### 3.1 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

#### 3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group in the period of initial application

#### Group of Financial Instruments Standards

##### **Thai Accounting Standards ("TAS")**

TAS 32 Financial Instruments: Presentation

##### **Thai Financial Reporting Standards ("TFRS")**

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

##### **Thai Financial Reporting Standard Interpretations ("TFRIC")**

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Group's management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

#### Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether on Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group in the period of initial application.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except those disclosed in the significant accounting policies.

Significant accounting policies adopted by the Company and its subsidiaries are summarized below:

##### 4.1 Revenue and expense recognition

###### 4.1.1 Fees and services income

For the year ended December 31, 2019, the Group's change the basis according to the adoption of TFRS No. 15 "Revenue from Contracts with Customers". Therefore, the accounting policy for fees and services income for the years ended December 31, 2019 and 2018 were contrast as below.

###### **For the year ended December 31, 2019**

Fees and services income

###### Fund management fee income

Management fee is recognized as a performance obligation satisfied over time which is charged at a percentage of the net asset value of the funds, on the basis stipulated in each fund's agreements.

###### Selling agent fee

Selling agent fee is comprised of commission income from front end fee and back end fee which are recognized on completion of the transaction, and retaining fee income which is recognized when service rendered over the period of time.

###### Bond representative fee

Bond representative fee is recognized as a performance obligation satisfied over time, and recognized based on contractual rate agreed with customers.

###### **For the year ended December 31, 2018**

###### Fee and service income

Fee are recognized as income on an accrual basis and service income is recognized on the basis of percentage of completion, as specified in the service

###### 4.1.2 Gain (loss) on trading in securities

Gain (loss) on trading in securities is recognized as income or expenses on the transaction dates.

#### 4.1.3 Interest and dividend on investments in securities

Interest on investments is recognized as income on an accrual basis. Dividend on investments is recognized as income when the dividend is declared.

#### 4.1.4 Expenses

Expenses are recognized on an accrual basis.

#### 4.2 Interest on borrowing

Interest on borrowing is recognized as an expense on an accrual basis.

#### 4.3 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts and credit balance for securities trading is recorded as the assets and liabilities of the Company for internal control purposes. At the end of reporting period, the Company writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the Company.

#### 4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with original maturity not more than 3 months and without commitments, call note receivables and term note receivables with original maturity not more than 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

#### 4.5 Investments in debt and equity securities

Investments in securities held for trading are determined at fair value. Gain or loss arising from change in value of securities is included in the statements of comprehensive income.

Investments in available-for-sale securities, both held for short-term and long-term investments, are determined at fair value. The change in value of securities is recorded in other components of equity until securities are sold, then, the change shall be included in the profit or loss in statement of comprehensive income.

Investments in debt securities due within one year and expected to be held to maturity are determined at amortized cost.

The premium/discount on debt securities is amortized using the effective rate method with the amortized amount presented as an adjustment to interest income.

Investments in non-marketable equity securities, which the Company holds as general investments, are valued at cost, net of allowance for impairment (if any).

Gains and losses on sale of investments are determined by the weighted average method and recognized in the statements of comprehensive income.

Loss on impairment (if any) of investments in available-for-sale securities and general investments are included in statement of comprehensive income when the carrying amount exceeds its recoverable value.

The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of unit trust is determined from its net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

#### 4.6 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are accounted for under the cost method in the separate financial statement net of allowances for impairment (if any).

Investments in subsidiaries and associated companies are accounted for under the equity method in the consolidated financial statements.

#### 4.7 Receivable and payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No.2)”.

#### 4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise three categories which are receivables from securities and derivatives businesses of cash accounts, loan for securities purchases and other receivables. Receivables from securities and derivatives businesses of cash accounts are the receivables that were derived from cash settlements within 2 working days and 1 working day, respectively, after the securities and derivatives purchasing date. Loans for securities purchases are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue receivables from securities and derivatives businesses of cash accounts and restructured or installment receivables.

The allowance for doubtful accounts on securities and derivatives business receivables is based on management’s review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission’s Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral.

Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full. The Company has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expectable not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines of the Office of the Securities and Exchange Commission as follows:

- a) Assets classified as loss are to satisfy the following criteria:
  - 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
  - 2) Loan balances which the Company has forgiven
- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
  - 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance
  - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
  - 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

Loans classified as loss will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the loan balances.

#### 4.9 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by reference to its cost on a straight-line basis over the following estimated useful lives:

Building improvement	5 years
Office equipment	3 - 5 years
Vehicles	5 years

## Impairment

At the end of reporting period, the Company reviews whether there is an indicator indicating that the assets are impaired. In case there is an indicator, the Company will estimate the recoverable amount of such assets. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized as an expense immediately.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of building improvement and equipment. These are included in the statements of comprehensive income.

### 4.10 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortization.

Amortization is charged to the statements of comprehensive income on a straight-line basis over its estimated useful life as follow:

Computer software	5 years
-------------------	---------

Intangible assets with indefinite useful life consist of deferred license fees and Digital token which are tested for impairment annually and whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

### 4.11 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the assets are available for immediate sale in its present condition.

Assets held for sale consist of immovable property which is stated at the lower of cost or fair value after deducting cost to sell. Loss on impairment will be recorded as expense in the statements of comprehensive income.

Gain or loss on disposals of assets classified as held for sale is recognized in the statements of comprehensive income at the date of disposal.

### 4.12 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives businesses with outside parties, such as the net payable balances of cash accounts.

#### 4.13 Long-term lease

##### 4.13.1 Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged as expense to the statements of comprehensive income over the lease term.

##### 4.13.2 Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as finance lease. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using term of contract. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statements of comprehensive income.

#### 4.14 Employee benefits

##### 4.14.1 Provident fund

The Company and its subsidiaries set up a provident fund which is a defined contribution plan. Assets of the provident fund have been separated from assets of the Company and its subsidiaries and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiaries. The contributions for provident fund are recorded as expense in the statements of comprehensive income for the period they incur.

##### 4.14.2 Post-employment benefits

The Company and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Gains or losses from changes in estimate are recognized as other comprehensive income in the statements of comprehensive income for the period they incur. Expenses related to employee benefits are recognized in the statements of comprehensive income in order to allocate such costs throughout the service period.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

#### 4.14.3 Unused paid vacation leave

The Company and its subsidiaries recognize the expected cost of short-term employee benefits in the form of accumulating unused paid vacation leave when the employees render service that increases their entitlement to future paid vacation leave. The expected cost of accumulating unused paid vacation leave is measured as the additional amount that the Company and its subsidiaries expect to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

#### 4.15 Provisions

The Company and its subsidiaries recognize provisions in the financial statements when the amount of the liability can be reliably estimated and it is current commitment that is probable that loss of resources which are of economic benefit to the Company and its subsidiaries will result from settlement of such commitments.

#### 4.16 Income tax

Income tax comprises current income tax and deferred income tax.

##### 4.16.1 Current income tax

Current income tax is the amount income tax expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### 4.16.2 Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Company and its subsidiaries generally recognize deferred tax liabilities for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered by the Company and its subsidiaries. The Company and its subsidiaries do not recognize deferred tax assets and liabilities for the goodwill.

The Company and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to off set the recognized amounts and the Company and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company and its subsidiaries present income tax expenses or income related to profit or loss in the statement of comprehensive income. Current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period are recognized directly in other comprehensive income.

#### 4.17 Earnings (loss) per share

Basic earnings (loss) per share are determined by dividing net income (loss) for the period by the weighted average number of ordinary shares held by outside parties outstanding during the period.

During the periods, the Company has no potential ordinary share for calculating diluted earnings (loss) per share.

#### 4.18 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the end of reporting period are translated to Thai Baht at the exchange rate prevailing at the end of reporting period. Gain and loss resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income.

#### 4.19 Risk management and prevention

Financial instruments carried in the statements of financial position include cash and cash equivalents, securities business receivables and investments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 4.20 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and closed members of family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

#### 4.21 Use of management judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant judgments and estimates are as follows:

##### Allowance for impairment on investments in associated companies

The Company and its subsidiaries treat investments in associated companies as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

#### 4.22 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

## 5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	427,917,336	364,718,370	301,820,064	300,308,119
<u>Less</u> Cash deposits held for customers*	<u>(12,161,502)</u>	<u>(12,273,050)</u>	<u>(12,110,879)</u>	<u>(12,267,733)</u>
Total cash and cash equivalents	<u>415,755,834</u>	<u>352,445,320</u>	<u>289,709,185</u>	<u>288,040,386</u>

(\* According to the announcement of the SEC, deposit accounts for the customers are not required to present as assets and liabilities in the financial statements.)

As at December 31, 2019 and 2018, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.16 million and Baht 12.27 million, respectively, and the separate statements of financial position in amounting to Baht 12.11 million and Baht 12.27 million, respectively, which the Company must return to the customers at call.

As at December 31, 2019 and 2018, the securities business customers with outstanding balance of 425 accounts and 439 accounts, respectively, which were transferred to Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.) (see Note 33), have not yet returned the open account agreements for securities trading to Krungthai Zmico Securities Co., Ltd. such customers have deposits for securities trading of Baht 4.28 million and Baht 4.44 million, respectively, and shares with the values of Baht 103.73 million and Baht 122.17 million, respectively. However, when the customers have returned the open account agreements for securities trading to Krungthai Zmico Securities Co., Ltd., the assets of these customers will be returned to Krungthai Zmico Securities Co., Ltd.

## 6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2019	2018
	Baht	Baht
Other receivables		
Receivables under litigation	46,548,314	62,605,839
Total securities business receivables	46,548,314	62,605,839
<u>Less</u> Allowance for doubtful accounts (see Note 7)	<u>(46,548,314)</u>	<u>(62,605,839)</u>
Total	<u>-</u>	<u>-</u>

The Company has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables No. Kor Thor. 33/2543 dated August 25, 2000, which is updated by the Notification No. Kor Thor. 5/2544 dated February 15, 2001 as follows:

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>					
<b>As at December 31, 2019</b>			<b>As at December 31, 2018</b>		
<b>Securities business receivables and accrued interest receivables Baht</b>	<b>Allowance for doubtful account set up by the Company Baht</b>	<b>Securities business receivables and accrued interest receivables - net Baht</b>	<b>Securities business receivables and accrued interest receivables Baht</b>	<b>Allowance for doubtful accounts set up by the Company Baht</b>	<b>Securities business receivables and accrued interest receivables - net Baht</b>
Normal debts	-	-	-	-	-
Substandard debts	-	-	-	-	-
Doubtful debts	42,548,314	(42,548,314)	62,605,839	(62,605,839)	-
<b>Total</b>	<b>42,548,314</b>	<b>(42,548,314)</b>	<b>62,605,839</b>	<b>(62,605,839)</b>	<b>-</b>

The substandard and doubtful debts (securities business receivables and accrued interest receivables) are classified by aging as follows:

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
<b>As at December 31, 2019 Baht</b>	<b>As at December 31, 2018 Baht</b>
Over 3 years	42,548,314
<b>Total</b>	<b>62,605,839</b>
	<b>42,548,314</b>
	<b>62,605,839</b>

## 7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
<b>As at December 31, 2019 Baht</b>	<b>As at December 31, 2018 Baht</b>
Beginning balance of the period	62,605,839
Reversal doubtful accounts	(20,057,525)
<b>Ending balance of the period (see Note 6)</b>	<b>62,605,839</b>
	<b>62,654,566</b>
	<b>(48,727)</b>

## 8. INVESTMENTS

8.1 The Company has investments in debt and equity securities classified by investment type as follows:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>			
	<b>As at December 31, 2019</b>		<b>As at December 31, 2018</b>	
	<b>Cost/ Book value</b>	<b>Fair value</b>	<b>Cost/ Book value</b>	<b>Fair value</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<u>Trading securities</u>				
Equity securities - Listed securities	35,951,541	14,148,784	129,776,771	105,247,574
Unit trust securities	-	-	380,512	382,629
Debt securities - Corporate bond	3,195,550	3,195,550	-	-
Debt securities - Bill of exchange	645,486,175	583,802,331	334,176,059	236,112,869
Total	684,633,266	601,146,665	464,333,342	341,743,072
<u>Less</u> Revaluation adjustments	(18,352,802)	-	(17,590,270)	-
<u>Less</u> Allowance for impairment	(65,133,799)	-	(105,000,000)	-
Total trading securities	601,146,665	601,146,665	341,743,072	341,743,072
<u>Available-for-sale securities</u>				
Equity securities – Listed securities	168,559,655	133,401,107	199,809,914	176,569,011
<u>Less</u> Revaluation adjustments	(35,158,548)	-	(23,240,903)	-
Total available-for-sale securities	133,401,107	133,401,107	176,569,011	176,569,011
<u>Held-to-maturity investments</u>				
Deposits at financial institutions	19,000,000	19,000,000	23,289,155	23,289,155
Total held-to-maturity investments	19,000,000	19,000,000	23,289,155	23,289,155
<u>General investments</u>				
Ordinary shares	51,607,203	45,882,412	198,396,323	193,178,152
Preference shares	125,000	125,000	125,000	125,000
Total	51,732,203	46,007,412	198,521,323	193,303,152
<u>Less</u> Allowance for impairment	(5,724,791)	-	(5,218,171)	-
Total general investments	46,007,412	46,007,412	193,303,152	193,303,152
Total investments	799,555,184	799,555,184	734,904,390	734,904,390

SEPARATE FINANCIAL STATEMENTS

	As at December 31, 2019		As at December 31, 2018	
	Cost/		Cost/	
	Book value	Fair value	Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities – Listed securities	35,951,541	14,148,784	129,776,771	105,247,574
Unit trust securities	-	-	380,512	382,629
Debt securities – Bill of exchange	580,352,376	583,802,331	217,935,584	224,872,394
Total	616,303,917	597,951,115	348,092,867	330,502,597
Less Revaluation adjustments	(18,352,802)	-	(17,590,270)	-
Total trading securities	597,951,115	597,951,115	330,502,597	330,502,597
<u>Available-for-sale securities</u>				
Equity securities – Listed securities	168,559,655	133,401,107	199,809,914	176,569,011
Less Revaluation adjustments	(35,158,548)	-	(23,240,903)	-
Total available-for-sale securities	133,401,107	133,401,107	176,569,011	176,569,011
<u>General investments</u>				
Ordinary shares	51,607,203	45,882,412	198,396,323	193,178,152
Preference shares	125,000	125,000	125,000	125,000
Total	51,732,203	46,007,412	198,521,323	193,303,152
Less Allowance for impairment	(5,724,791)	-	(5,218,171)	-
Total general investments	46,007,412	46,007,412	193,303,152	193,303,152
Total investments	777,359,634	777,359,634	700,374,760	700,374,760

As at December 24, 2018, the Company reclassified one of its securities from trading investment to available-for-sale investments due to the company changed investment policy to held long-term for such investments. This had resulted in loss on reclassification of investment in amount of Baht 123.12 million.

8.2 Investments in deposits at financial institutions with outstanding maturities of contracts as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2019			
	Within 1 year	1 – 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Deposits at financial institutions	19,000,000	-	-	19,000,000
Total held-to-maturity investments	19,000,000	-	-	19,000,000

CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2018			
	Within 1 year	1 – 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Deposits at financial institutions	23,289,155	-	-	23,289,155
Total held-to-maturity investments	23,289,155	-	-	23,289,155

(The separate financial statements as at December 31, 2019 and 2018, held-to-maturity investments: Nil)

## 8.3 Gain (loss) on re-measuring available-for-sale investments recognized in owners' equity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Beginning balance of the period	(12,873,149)	3,540,197	(12,873,149)	3,540,197
Changes during the period				
- from deferred tax adjustment	3,467,771	4,103,336	3,467,771	4,103,336
- from re-measuring of investments	(17,338,855)	(20,516,682)	(17,338,855)	(20,516,682)
Ending balance of the period	<u>(26,744,233)</u>	<u>(12,873,149)</u>	<u>(26,744,233)</u>	<u>(12,873,149)</u>

## 8.4 The Company has general investments in companies that have financial position and performance problems as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2019			As at December 31, 2018		
	Cost/ Book value	Fair value	Allowance for impairment loss	Cost/ Book value	Fair value	Allowance for impairment loss
	Baht	Baht	Baht	Baht	Baht	Baht
Ordinary shares	7,808	1,036	6,772	7,808	962	6,846
	<u>7,808</u>	<u>1,036</u>	<u>6,772</u>	<u>7,808</u>	<u>962</u>	<u>6,846</u>

## 9. SHORT-TERM LOANS TO RELATED PARTIES

The Company has short-term loans to a subsidiary which without collateral and the details are as follows:

	SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2019					
	Interest rate Per annum (%)	Contract Date	Maturity Date	Principle amount Baht	Accrued Interest Baht	Total Baht
Loan	5.00	September 24, 2019	July 16, 2020	19,000,000	256,967	19,256,967
Total				<u>19,000,000</u>	<u>256,967</u>	<u>19,256,967</u>

	SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2018					
	Interest rate Per annum (%)	Contract Date	Maturity Date	Principle amount Baht	Accrued Interest Baht	Total Baht
Loan*	5.00	July 16, 2018	July 16, 2019	9,000,000	208,356	9,208,356
Loan	5.00	September 24, 2018	September 24, 2019	10,000,000	135,617	10,135,617
Total				<u>19,000,000</u>	<u>343,973</u>	<u>19,343,973</u>

\* The Company agreed to extend the maturity date of the short-term loan agreement amounting to Baht 9 million from July 16, 2019 to September 24, 2019.

## 10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company's investments in its subsidiaries and associated companies, which are companies registered under Thai laws and operating in Thailand, are summarized below:

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at							
			December 31, 2019	December 31, 2018						
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Associates</b>										
Krungthai Zmico										
Securities Co., Ltd.	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,297.8	1,306.6
Scentimental (Thailand) Co., Ltd.										
	Import and whole sale perfume and cosmetics	Ordinary share	100.0	40.0	26.00	34.50	26.0	13.8	15.4	6.8
Absolute Yoga Co., Ltd.										
	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	197.2	189.8
							<u>1,487.9</u>	<u>1,475.7</u>	<u>1,510.4</u>	<u>1,503.2</u>

SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at							
			December 31, 2019	December 31, 2018						
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Subsidiaries</b>										
Innotech Asset Management Co., Ltd.										
	Mutual, private and provident fund	Ordinary share	112.7	205.4	100.00	100.00	275.8	255.8	63.8	55.5
Lumpini Asset Management Co., Ltd.										
	Purchasing or taking transfer and managing of non-performing asset of financial institution	Ordinary share	25.0	25.0	100.00	100.00	25.0	25.0	24.2	24.2
SE Digital Co., Ltd.										
	Digital Assets	Ordinary share	475.0	25.0	100.00	100.00	475.0	25.0	442.7	23.8
<b>Less</b> Allowance for impairment							<u>(212.0)</u>	<u>(220.3)</u>	<u>-</u>	<u>-</u>
							<u>563.8</u>	<u>85.5</u>	<u>530.7</u>	<u>103.5</u>

SEPARATE FINANCIAL STATEMENTS

Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Associate</b>										
Krungthai Zmico Securities Co., Ltd.	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,297.8	1,306.6
Scentimental (Thailand) Co., Ltd.	Import Export	Retail								
	and whole sale perfume and cosmetics	Ordinary share	100.0	40.0	26.00	34.50	26.0	13.8	15.4	6.8
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.0	30.00	217.8	217.8	197.2	189.8
							1,487.9	1,475.7	1,510.4	1,503.2
							2,051.7	1,561.2	2,041.1	1,606.7

Summarized financial information in respect of the associated companies in the financial statements which calculated by the percentage of shareholding are as follows:

	As at December 31, 2019			As at December 31, 2018		
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
	Krungthai Zmico Securities Co., Ltd.	Others	Total	Krungthai Zmico Securities Co., Ltd.	Others	Total
Total assets	3,075.6	154.8	3,230.4	3,311.4	146.2	3,457.6
Total liabilities	(1,944.4)	(98.7)	(2,043.1)	(2,171.4)	(105.7)	(2,277.1)
Net assets	1,131.2	56.1	1,187.3	1,140.0	40.5	1,180.5

	For the year ended December 31, 2019			For the year ended December 31, 2018		
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
	Krungthai Zmico Securities Co., Ltd.	Others	Total	Krungthai Zmico Securities Co., Ltd.	Others	Total
Total revenue	545.6	184.0	729.6	664.1	157.8	821.9
Share of profit (loss) from investment in associates	(15.6)	3.8	(11.8)	(21.4)	(28.4)	(49.8)
Net other comprehensive profit (loss) for the years	6.7	-	6.7	(27.3)	-	(27.3)

#### Sentimental (Thailand) Co., Ltd.

On January 17, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Scentimental (Thailand) Co., Ltd. which is the Company's associated company. The investment value of Baht 13.80 million consists of 138,000 ordinary shares with a par value of Baht 100.00 per share, accounting for 46% of the paid-up share capital of the Company in the associated company.

On September 14, 2018, the Extraordinary General Meeting of Shareholders of the associated company has passed a special resolution to increase its share capital 100,000 shares, from 300,000 ordinary shares to 400,000 ordinary shares with the par value of Baht 100.00 per share. The Company did not purchase the additional such shares increase. As a result, the shareholding in this associated company has decreased from 46.00% to 34.50% of issued and paid-up share capital of the associated company.

On October 11, 2019, the Extraordinary Shareholders' Meeting of the associated company has passed a resolution to increase its share capital 600,000 shares, from 400,000 ordinary shares to 1,000,000 ordinary shares with the par value of Baht 100.00 per share. On October 25, 2019, the Company purchased the additional shares of 122,000 ordinary shares with the par value of Baht 100.00 per share, with the additional investment value of Baht 12.20 million. As a result, the shareholding in this associated company has decreased from 34.50% to 26.00% of issued and paid-up share capital of the associated company, and the investment value of Baht 26 million.

#### Absolute Yoga Co., Ltd

On February 22, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Absolute Yoga Co., Ltd. which is the Company's associated company. The investment value of Baht 217.80 million consists of 1,800,000 ordinary shares with a par value of Baht 10.00 per share, accounting for 30% of the paid-up share capital of the Company in the associated company.

#### Innotech Asset Management Co., Ltd

On March 15, 2018, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. which is the Company's subsidiary passed a special resolution to increase the registered capital of Baht 80.00 million from Baht 125.40 million to Baht 205.40 million with the par value of Baht 10.00 per share and will be sold to the existing shareholders at the Baht 10.35 per or Baht 82.80 million to be used as capital and to maintain the capital adequacy of Management Company according to Notification of the Office of the Securities and Exchange Commission. On April 26, 2018, the Company purchased such shares of Baht 82.80 million. The subsidiary registered the increase of its registered capital with the Office of the Company Limited and Partnership Registration on April 27, 2018.

On December 11, 2018, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to increase the registered capital of Baht 20.00 million from Baht 205.40 million to Baht 225.40 million with 2,000,000 ordinary shares of Baht 10.00 per share and will be sold to the existing shareholders at the par value to be used as capital and to maintain the capital adequacy of Management Company according to Notification of the Office of the Securities and Exchange Commission. The subsidiary company already received cash for such increased share capital on December 19, 2018 and registered the increase in authorized share capital and issued and paid-up share capital with the Office of the Company Limited and Partnership Registration on January 4, 2019.

On August 16, 2019, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to decrease the registered and paid-up capital from Baht 225.40 million to Baht 112.70 million by decreasing par value from Baht 10.00 to Baht 5.00 and to offset the premium on share capital to reduce retained deficit and registered the decrease in authorized share capital and issued and paid-up share capital with the Office of the Company Limited and Partnership Registration on September 26, 2019.

As at December 31, 2019, the paid-up share capital of Innotech Asset Management Co., Ltd. is Baht 112.70 million consisting of 22,540,000 ordinary shares of Baht 5.00 per share and as at December 31, 2018, the paid-up share capital is Baht 205.40 million consisting of 20,540,000 ordinary shares of Baht 10.00 per share. As at December 31, 2019 and 2018, the subsidiary's shares are held by the Company 100%.

#### SE Digital Co., Ltd

On August 24, 2018, the Board of Directors Meeting passed the resolution to invest in ordinary shares of SE Digital Co., Ltd. which is the Company's subsidiary company is Baht 25.00 million. Moreover, On March 28, 2019, the ordinary shareholders' meetings of SE Digital Co., Ltd. passed the resolution to increase the registered capital of Baht 450.00 million from Baht 25.00 million to Baht 475.00 million with 4,750,000 ordinary shares of Baht 100.00 per share and will be sold to the existing shareholders at the par value to be used in business operations. The subsidiary company already received cash for such increased share capital on March 28, 2019 and registered the increase in authorized share capital and issued and paid-up share capital with the Office of the Company Limited and Partnership Registration on March 29, 2019.

As at December 31, 2019, the paid-up share capital of SE Digital Co., Ltd. is Baht 475.00 million consisting of 4,750,000 ordinary shares of Baht 100.00 per share and as at December 31, 2018, the paid-up share capital is Baht 25.00 million consisting of 250,000 ordinary shares of Baht 100.00 per share. As at December 31, 2019 and 2018, the subsidiary's shares are held by the Company 100%.

## 11. BUILDING IMPROVEMENTS AND EQUIPMENT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2019 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2019 Baht
<b>Cost</b>				
Building improvement	7,803,814	5,187,439	(93,848)	12,897,405
Office equipment	7,945,069	2,836,852	-	10,781,921
Vehicles	7,378,000	-	-	7,378,000
Total cost	<u>23,126,883</u>	<u>8,024,291</u>	<u>(93,848)</u>	<u>31,057,326</u>
<b>Accumulated depreciation</b>				
Building improvement	(7,363,058)	(748,921)	43,307	(8,068,672)
Office equipment	(6,997,839)	(936,410)	-	(7,934,249)
Vehicles	(2,019,582)	(1,475,600)	-	(3,495,182)
Total accumulated depreciation	<u>(16,380,479)</u>	<u>(3,160,931)</u>	<u>43,307</u>	<u>(19,498,103)</u>
<b>Total building improvements and equipment</b>	<u>6,746,404</u>			<u>11,559,223</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2018 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2018 Baht
<b>Cost</b>				
Building improvement	7,769,017	81,092	(46,295)	7,803,814
Office equipment	12,572,286	531,368	(5,158,585)	7,945,069
Vehicles	7,428,000	1,888,000	(1,938,000)	7,378,000
Total cost	<u>27,769,303</u>	<u>2,500,460</u>	<u>(7,142,880)</u>	<u>23,126,883</u>
<b>Accumulated depreciation</b>				
Building improvement	(6,414,725)	(994,622)	46,289	(7,363,058)
Office equipment	(11,401,930)	(753,937)	5,158,028	(6,997,839)
Vehicles	(1,478,430)	(1,478,826)	937,674	(2,019,582)
Total accumulated depreciation	<u>(19,295,085)</u>	<u>(3,227,385)</u>	<u>6,141,991</u>	<u>(16,380,479)</u>
<b>Total building improvements and equipment</b>	<u>8,474,218</u>			<u>6,746,404</u>
<b>Depreciation for the years ended December 31,</b>				
2019				<u>3,160,931</u>
2018				<u>3,227,385</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2019 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2019 Baht
<b>Cost</b>				
Building improvement	4,937,027	1,344,988	(428)	6,281,587
Office equipment	2,260,707	699,224	-	2,959,931
Vehicles	7,378,000	-	-	7,378,000
Total cost	<u>14,575,734</u>	<u>2,044,212</u>	<u>(428)</u>	<u>16,619,518</u>
<b>Accumulated depreciation</b>				
Building improvement	(4,544,477)	(368,306)	427	(4,912,356)
Office equipment	(1,913,807)	(320,217)	-	(2,234,024)
Vehicles	(2,019,582)	(1,475,600)	-	(3,495,182)
Total accumulated depreciation	<u>(8,477,866)</u>	<u>(2,164,123)</u>	<u>427</u>	<u>(10,641,562)</u>
<b>Total building improvements and equipment</b>	<u>6,097,868</u>			<u>5,977,956</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	January 1,			December 31,
	2018			2018
	Baht	Baht	Baht	Baht
<b>Cost</b>				
Building improvement	4,863,935	73,092	-	4,937,027
Office equipment	2,014,515	246,192	-	2,260,707
Vehicles	7,428,000	1,888,000	(1,938,000)	7,378,000
Total cost	<u>14,306,450</u>	<u>2,207,284</u>	<u>(1,938,000)</u>	<u>14,575,734</u>
<b>Accumulated depreciation</b>				
Building improvement	(3,589,077)	(955,400)	-	(4,544,477)
Office equipment	(1,764,035)	(149,772)	-	(1,913,807)
Vehicles	(1,478,430)	(1,478,826)	937,674	(2,019,582)
Total accumulated depreciation	<u>(6,831,542)</u>	<u>(2,583,998)</u>	<u>937,674</u>	<u>(8,477,866)</u>
<b>Total building improvements and equipment</b>	<u>7,474,908</u>			<u>6,097,868</u>
<b>Depreciation for the years ended December 31,</b>				
2019				<u>2,164,123</u>
2018				<u>2,583,998</u>

As at December 31, 2019 and 2018, in the consolidated financial statements, there are certain building improvements and equipment items which have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounting to Baht 13.84 million and Baht 9.02 million, respectively.

For the separate financial statements as at December 31, 2019 and 2018, the Company has building improvements and equipment items which have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation, of those assets amounting to Baht 6.51 million and Baht 1.80 million, respectively.

## 12. INTANGIBLE ASSETS

	Useful lives	CONSOLIDATED FINANCIAL STATEMENTS				Balance as at
		Balance as at	Additions	Amortization	Write-off/	
		January 1,			Transfer out	
		2019				
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset Management	Indefinite*	100,000	-	-	-	100,000
REIT License	5 years	-	400,000	(6,137)	-	393,863
Digital Token	Indefinite**	66,200,000	-	-	-	66,200,000
Computer software	5 years	151,507	2,411,506	(174,153)	-	2,388,860
Computer software under installation	-	-	1,724,000	-	-	1,724,000
Total		<u>71,040,000</u>	<u>4,535,506</u>	<u>(180,290)</u>	<u>-</u>	<u>75,395,216</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Useful lives	Balance as at January 1, 2018 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2018 Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset Management	Indefinite*	100,000	-	-	-	100,000
Digital Token	Indefinite**	-	66,200,000	-	-	66,200,000
Computer software	5 years	104,231	98,800	(51,524)	-	151,507
<b>Total</b>		<b>4,792,724</b>	<b>66,298,800</b>	<b>(51,524)</b>	<b>-</b>	<b>71,040,000</b>

Amortization for the years ended December 31,

2019	180,290
2018	51,524

SEPARATE FINANCIAL STATEMENTS

	Useful lives	Balance as at January 1, 2019 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2019 Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Digital Token	Indefinite**	66,200,000	-	-	-	66,200,000
Computer software	5 years	1	-	-	-	1
<b>Total</b>		<b>69,520,549</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,520,549</b>

SEPARATE FINANCIAL STATEMENTS

	Useful lives	Balance as at January 1, 2018 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2018 Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Digital Token	Indefinite**	-	66,200,000	-	-	66,200,000
Computer software	5 years	1	-	-	-	1
<b>Total</b>		<b>3,320,549</b>	<b>66,200,000</b>	<b>-</b>	<b>-</b>	<b>69,520,549</b>

Amortization for the years ended December 31,

2019	-
2018	-

\* Deferred license fees have indefinite useful lives as they have no expiry date and they are expected to contribute to the Company and its subsidiaries' net cash inflows indefinitely.

\*\* Digital token has indefinite useful lives and they are expected to contribute to the Company and its subsidiary's net cash flows indefinitely.

On October 8, 2018, the Company purchased Digital Token which issued and offered by a company in the United States with the amount equals to USD 2 million or Baht 66.20 million which the company expects to receive the return on the operating results of that assets under the management of such digital token.

As at December 31, 2019 and 2018, for the consolidated financial statements, the original cost before deducting accumulated amortization of computer software items which have been fully amortized but are still in use is Baht 7.65 million and Baht 7.55 million, respectively. As at December 31, 2019 and 2018, for the separate financial statements, the Company has computer software items which have been fully amortized but are still in use is Baht 0.02 million.

### 13. DEFERRED INCOME TAX

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	199,304	199,304	199,304	199,304
Allowance for impairment of investments	45,023,093	46,576,128	45,023,093	46,576,128
Unrealized loss on re-measuring trading investments	4,360,551	4,966,206	4,360,551	4,966,206
Unrealized loss on re-measuring available-for-sale investments	6,686,058	3,218,287	6,686,058	3,218,287
Other assets	10,357	10,357	10,357	10,357
Unrealized gain on transfer of business to an associated company	22,718,163	22,721,673	-	-
	<u>78,997,526</u>	<u>77,691,955</u>	<u>56,279,363</u>	<u>54,970,282</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	5,505,948	10,331,927	5,505,948	10,331,927
Amortization of license fees	664,110	664,110	664,110	664,110
	<u>6,170,058</u>	<u>10,996,037</u>	<u>6,170,058</u>	<u>10,996,037</u>
Deferred tax assets	<u>72,827,468</u>	<u>66,695,918</u>	<u>50,109,305</u>	<u>43,974,245</u>

The movements of deferred tax assets and liabilities during the periods are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized	December 31,
	2019	profit or loss	in other	2019
		(see Note 28)	comprehensive	
	Baht	Baht	income	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	199,304	-	-	199,304
Allowance for impairment of investments	46,576,128	(1,553,035)	-	45,023,093
Unrealized loss on re-measuring trading investments	4,966,206	(605,655)	-	4,360,551
Unrealized loss on re-measuring Available-for-sale investments	3,218,287	-	3,467,771	6,686,058
Other assets	10,357	-	-	10,357
Unrealized gain on transfer of business to an associated company	22,721,673	(3,510)	-	22,718,163
	<u>77,691,955</u>	<u>(2,162,200)</u>	<u>3,467,771</u>	<u>78,997,526</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	10,331,927	(4,825,979)	-	5,505,948
Amortization of derivative license	664,110	-	-	664,110
	<u>10,996,037</u>	<u>(4,825,979)</u>	<u>-</u>	<u>6,170,058</u>
Deferred tax assets	<u>66,695,918</u>	<u>2,663,779</u>	<u>3,467,771</u>	<u>72,827,468</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2018	Items as recognized in profit or loss (see Note 28)	Items as recognized in other comprehensive income	As at December 31, 2018
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	205,960	(6,656)	-	199,304
Allowance for impairment of investments	56,328,606	(9,752,478)	-	46,576,128
Unrealized loss on re-measuring trading investments	6,304,700	(1,338,494)	-	4,966,206
Unrealized loss on re-measuring Available-for-sale investments	-	-	3,218,287	3,218,287
Other assets	10,357	-	-	10,357
Unrealized gain on transfer of business to an associated company	22,733,222	(11,549)	-	22,721,673
	<u>85,582,845</u>	<u>(11,109,177)</u>	<u>3,218,287</u>	<u>77,691,955</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	36,474,937	(26,143,010)	-	10,331,927
Unrealized gain on re-measuring Available-for-sale investments	885,049	-	(885,049)	-
Amortization of derivative license	664,110	-	-	664,110
	<u>38,024,096</u>	<u>(26,143,010)</u>	<u>(885,049)</u>	<u>10,996,037</u>
Deferred tax assets	<u>47,558,749</u>	<u>15,033,833</u>	<u>4,103,336</u>	<u>66,695,918</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2019	Items as recognized in profit or loss (see Note 28)	Items as recognized in other comprehensive income	As at December 31, 2019
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	199,304	-	-	199,304
Allowance for impairment of investments	46,576,128	(1,553,035)	-	45,023,093
Unrealized loss on re-measuring trading investments	4,966,206	(605,655)	-	4,360,551
Unrealized loss on re-measuring available-for-sale investments	3,218,287	-	3,467,771	6,686,058
Other assets	10,357	-	-	10,357
	<u>54,970,282</u>	<u>(2,158,690)</u>	<u>3,467,771</u>	<u>56,279,363</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	10,331,927	(4,825,979)	-	5,505,948
Amortization of derivative license	664,110	-	-	664,110
	<u>10,996,037</u>	<u>(4,825,979)</u>	<u>-</u>	<u>6,170,058</u>
Deferred tax assets	<u>43,974,245</u>	<u>2,667,289</u>	<u>3,467,771</u>	<u>50,109,305</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized	December 31,
	2018	profit or loss (see Note 28)	in other comprehensive income	2018
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	205,960	(6,656)	-	199,304
Allowance for impairment of investments	56,328,606	(9,752,478)	-	46,576,128
Unrealized loss on re-measuring trading investments	6,304,700	(1,338,494)	-	4,966,206
Unrealized loss on re-measuring available-for-sale investments	-	-	3,218,287	3,218,287
Other assets	10,357	-	-	10,357
	<u>62,849,623</u>	<u>(11,097,628)</u>	<u>3,218,287</u>	<u>54,970,282</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	36,474,937	(26,143,010)	-	10,331,927
Unrealized gain on re-measuring available-for-sale investments	885,049	-	(885,049)	-
Amortization of derivative license	664,110	-	-	664,110
	<u>38,024,096</u>	<u>(26,143,010)</u>	<u>(885,049)</u>	<u>10,996,037</u>
Deferred tax assets	<u>24,825,527</u>	<u>15,045,382</u>	<u>4,103,336</u>	<u>43,974,245</u>

As at December 31, 2019 and 2018, the Company has unused tax losses carry forward of Baht 15.28 million and Baht 170.10 million, respectively, which will be expired within 5 years.

#### 14. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Baht	Baht	Baht	Baht
Accrued interest income	230,455	75,569	-	72,868
Accrued dividend income	-	38,304	-	38,304
Prepaid insurance	806,547	134,900	149,160	134,900
Prepaid repair and maintenance	229,687	87,019	-	-
Prepaid SET fee	153,270	109,389	153,270	109,389
Prepaid other	801,836	152,230	260,379	137,480
Other deposits	2,124,733	944,035	1,066,944	596,550
Corporate income tax claim receivable	12,147,564	12,232,216	3,095,645	2,617,954
Advance payment for legal fee of funds managed by a subsidiary	14,443,039	14,279,980	-	-
Share subscription of subsidiary paid in advance	-	-	-	20,000,000
Other receivables	24,218,300	8,722,734	5,326,246	8,722,734
Others	3,858,241	335,058	455,021	332,092
Total	<u>59,013,672</u>	<u>37,111,434</u>	<u>10,506,665</u>	<u>32,762,271</u>

## 15. OTHER BORROWINGS

As at December 31, 2019 and 2018, the Company has other borrowings, as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2019				
Interest rate per annum (%)	Within 1 year Baht	Residual maturities		Total Baht
		1 - 5 years Baht	Over 5 years Baht	
<b>Other borrowings</b>				
Bill of exchange	3.50	148,349,296	-	148,349,296
Total other borrowings		148,349,296	-	148,349,296

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2018				
Interest rate per annum (%)	Within 1 year Baht	Residual maturities		Total Baht
		1 - 5 years Baht	Over 5 years Baht	
<b>Other borrowings</b>				
Bill of exchange	4.00	528,062,334	-	528,062,334
Total other borrowings		528,062,334	-	528,062,334

SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2019				
Interest rate per annum (%)	Within 1 year Baht	Residual maturities		Total Baht
		1 - 5 years Baht	Over 5 years Baht	
<b>Other borrowings</b>				
Bill of exchange	3.50	148,349,296	-	148,349,296
Loan	3.50	350,000,000	-	350,000,000
Total other borrowings		498,349,296	-	498,349,296

SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2018				
Interest rate per annum (%)	Within 1 year Baht	Residual maturities		Total Baht
		1 - 5 years Baht	Over 5 years Baht	
<b>Other borrowings</b>				
Bill of exchange	4.00	528,062,334	-	528,062,334
Total other borrowings		528,062,334	-	528,062,334

Movements in other borrowings during the years ended December 31, 2019 and 2018 are summarized below:

	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
	<b>As at December 31, 2019 Baht</b>	<b>As at December 31, 2018 Baht</b>
Beginning balance	528,062,334	675,908,797
Financing cash flow		
Cash received from other borrowing	780,777,460	1,756,737,347
Cash paid from other borrowing	(1,170,000,000)	(1,935,000,000)
Non - cash item changes		
Finance cost	9,509,502	30,416,190
Ending balance	<u>148,349,296</u>	<u>528,062,334</u>

	<b>SEPARATE FINANCIAL STATEMENTS</b>	
	<b>As at December 31, 2019 Baht</b>	<b>As at December 31, 2018 Baht</b>
Beginning balance	528,062,334	675,908,797
Financing cash flow		
Cash received from other borrowing	780,777,460	1,756,737,347
Cash received borrowing from a subsidiary	350,000,000	-
Cash paid from other borrowing	(1,170,000,000)	(1,935,000,000)
Non - cash item changes		
Finance cost	9,509,502	30,416,190
Ending balance	<u>498,349,296</u>	<u>528,062,334</u>

## 16. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation consists of the following:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>As at December 31, 2019 Baht</b>	<b>As at December 31, 2018 Baht</b>	<b>As at December 31, 2019 Baht</b>	<b>As at December 31, 2018 Baht</b>
Post-employment benefits obligation	29,150,909	11,125,769	27,219,542	10,747,603
Unused paid vacation leave	1,748,776	620,181	1,185,318	552,323
	<u>30,899,685</u>	<u>11,745,950</u>	<u>28,404,860</u>	<u>11,299,926</u>

### Post-employment benefits obligation

The Company and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan, which are considered as unfunded defined benefit plans.

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefits plans are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Current service cost	4,449,120	1,549,497	2,602,073	1,388,068
Interest cost	341,428	180,928	339,884	175,412
Past service cost	20,549	990,892	-	990,892
	<u>4,811,097</u>	<u>2,721,317</u>	<u>2,941,957</u>	<u>2,554,372</u>

Movements in the present value of the post-employment benefits obligation are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	11,125,769	10,544,435	10,747,603	8,193,231
Current service cost	4,449,120	1,549,497	2,602,073	1,388,068
Interest cost	341,428	180,928	339,884	175,412
Past service cost	20,549	990,892	-	990,892
Improve employee benefits from termination	-	3,232,892	-	-
Actuarial (gain) loss in statement of comprehensive income				
- from experience adjustment	12,843,971	(673,985)	13,183,977	-
- from changes in demographic assumption	567,669	-	541,022	-
- from changes in financial assumption	(197,597)	(11,490)	(195,017)	-
Employee benefit paid during the years	-	(4,687,400)	-	-
Ending balance of post-employment benefits obligation	<u>29,150,909</u>	<u>11,125,769</u>	<u>27,219,542</u>	<u>10,747,603</u>

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which will be effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Company have recorded the effect of such plan amendment and already recognized past service cost as an expense of Baht 0.99 million in the statement of comprehensive income for the year ended December 31, 2018.

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at December 31, 2019 and 2018 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (% per annum)	
	As at December 31, 2019	As at December 31, 2018
	<b>Financial assumptions</b>	
Discount rate	1.40 - 1.87	1.91 - 2.61
Employee turnover rate	4.0 - 29.0	6.0 - 29.0
	Subject to range of age of employee	Subject to range of age of employee
Expected rate of salary increase	5.0	6.0

Significant actuarial assumptions for the determination of the defined benefit obligation are expected salary increase rate, mortality rate, and discount rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
	Salary incremental rates - 1% increase	1,031,970	691,636	865,221
Salary incremental rates - 1% decrease	(929,284)	(637,522)	(787,420)	(605,187)
Life expectancy rate - 1% increase	63,544	41,263	53,756	39,654
Life expectancy rate - 1% decrease	(63,244)	(41,069)	(53,515)	(39,467)
Turnover rate - 1% increase	(987,114)	(562,151)	(839,695)	(524,776)
Turnover rate - 1% decrease	431,123	214,999	318,144	171,490
Discount rate - 1% increase	(937,364)	(519,588)	(798,299)	(486,837)
Discount rate - 1% decrease	1,060,708	573,577	893,139	535,557

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

## 17. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Withholding tax payable	2,096,661	466,244	564,944	364,824
Value-added-tax payable	505,534	206,744	111,624	206,744
Others payable	7,773,509	12,763,498	6,509,891	11,761,565
Accrued expenses	19,610,537	5,622,978	16,908,945	4,805,930
Amounts of capital reduction and dividend not redeemed by shareholders	5,896,124	5,781,551	5,896,124	5,781,551
Deposit for share payment	-	5,000,000	-	5,000,000
Others	1,069,266	2,289,136	1,117,833	2,089,327
Total	<u>36,951,631</u>	<u>32,130,151</u>	<u>31,109,361</u>	<u>30,009,941</u>

## 18. SHARE CAPITAL

On December 12, 2018, the Extraordinary General Meeting of Shareholders approved the resolutions are as follow:

- 1) Approved the Company's registered capital decrease from the registered capital of Baht 941,964,586 to Baht 653,868,463 by cancelling 576,192,246 authorized but unissued ordinary shares at the par value of Baht 0.50 per share which the Company registered with the Ministry of Commerce on December 25, 2018.
- 2) Approved the Company's registered capital increase from the registered capital of Baht 653,868,463 to Baht 1,240,302,463 by issuing newly ordinary shares not exceeding 1,172,868,000 shares at the par value of Baht 0.50 per share to be offered for sale to a specific investor on the private placement basis and to accommodate the exercise of the warrants to purchase the Company's newly issued ordinary share with the Ministry of Commerce on December 26, 2018.
- 3) Approved the issuance and allocation of not exceeding 346,000,000 newly issued ordinary shares of the Company at the par value of Baht 0.50 per share, at the offering price of Baht 1.35 per share, totaling Baht 467,100,000 to be offered for sale to a specific investor on the private placement basis which the Company already received cash for such share capital increase on March 8, 2019 and registered the increase in authorized share capital and issued and paid-up share capital with the Ministry of Commerce on March 11, 2019.
- 4) Approved the issuance and allocation of the warrants to purchase the Company's newly issue ordinary shares No. 4 (ZMICO-W4) to the Company's existing shareholders in proportion to their existing shareholdings by way of right offering (the "Warrants") in the amount of not exceeding 413,434,000 units free of charge at the ratio of 4 existing ordinary shares to 1 unit of the Warrants (any fraction thereof would be disregarded), for a term of not exceeding 5 years from the issue date of the Warrants, with the exercise ratio of 1 unit to 2 newly issued ordinary shares, and at the exercise price of Baht 2.70 per share. The Company had allocated the Warrants on April 18, 2019.

As at December 31, 2019, the Company has authorized share capital of Baht 1,240,302,463 and issued and paid-up share capital of Baht 826,868,463 and as at December 31, 2018, the Company has authorized share capital of Baht 1,240,302,463 and issued and paid-up share capital of Baht 653,868,463.

Weighted average number of ordinary shares as at December 31, 2019 and 2018 are calculated as follows:

	<b>As at December 31, 2019 Shares</b>	<b>As at December 31, 2018 Shares</b>
Beginning balance (Baht 0.50 per share)	1,307,736,926	1,307,736,926
Increase during the years	280,591,781	-
Weighted average number of ordinary shares	<u>1,588,328,707</u>	<u>1,307,736,926</u>

## 19. DIVIDEND PAID

On April 26, 2019, the Annual General Meeting of Shareholders of the year 2019 has passed the resolution to omit the dividend payment for the operation for the year ended December 31, 2018.

On April 27, 2018, the Annual General Meeting of Shareholders of the year 2018 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2017 to the shareholders at the rate of Baht 0.05 per share equalling to Baht 65.37 million. The dividend was paid on May 15, 2018.

## 20. CAPITAL MANAGEMENT

The objectives of capital management of the Company and its subsidiaries are to sustain the Company and its subsidiaries' ability to continue as a going concern in order to generate returns to the shareholders and benefits for other stakeholders and also to maintain an optimal capital structure.

In addition, the Company and its subsidiaries have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission and Thailand Clearing House Co., Ltd. ("TCH").

However, since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. Kor Thor. 4/2561 regarding "Ongoing capital adequacy of some specific intermediaries".

As at December 31, 2019 and 2018, the Company is able to maintain its net liquid capital more than the required condition.

## 21. PREMIUM ON SHARE CAPITAL

The share premium account is set up under the provisions of Section 51 of the Public Companies Act. B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

## 22. STATUTORY RESERVE

Under the Public Limited Company Act. B.E. 2535, section 116, the Company is required to set aside as a statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The statutory reserve is not available for dividend distribution.

As at December 31, 2019 and 2018, the Company has statutory reserve at the rate of 8.87 and 8.74 percent of authorized share capital, respectively.

## 23. GAINS (LOSSES) AND RETURN ON FINANCIAL INSTRUMENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Gains (losses) on investment	64,255,545	(149,757,874)	61,564,910	(149,579,978)
Interest and dividend income	11,574,192	20,417,452	11,990,814	20,384,229
Total	<u>75,829,737</u>	<u>(129,340,422)</u>	<u>73,555,724</u>	<u>(129,195,749)</u>

## 24. DIRECTORS' REMUNERATION

Directors' remuneration represent the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the years 2019 and 2018 were approved from the Annual General Meeting of Shareholders of the Company and its subsidiaries as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Directors' remuneration	11,058,334	7,738,833	9,000,000	6,008,333
	<u>11,058,334</u>	<u>7,738,833</u>	<u>9,000,000</u>	<u>6,008,333</u>

**25. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Impairment loss from equity securities (reversal)	506,619	(70,412,741)	506,619	(70,412,741)
Reversal impairment loss from debt securities	(39,866,201)	-	-	(25,632,496)
Impairment loss on investment in a subsidiary (reversal)	-	-	(8,271,866)	47,282,759
Total	<u>(39,359,582)</u>	<u>(70,412,741)</u>	<u>(7,765,247)</u>	<u>(48,762,478)</u>

**26. OTHER EXPENSES**

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Premises and equipment expenses	13,257,110	9,742,403	7,954,294	5,782,624
Consulting fee	21,177,498	8,646,013	4,661,455	6,723,921
Communication and information expenses	2,649,030	2,091,546	1,207,640	1,176,519
Entertainment expenses	305,709	75,322	146,757	71,182
Publication and marketing expenses	1,063,576	590,942	36,808	57,459
Traveling expenses	1,654,802	1,360,066	1,238,796	968,900
SET fee	3,385,360	4,603,815	3,385,360	4,603,815
Stationery and office supply	740,577	684,042	349,276	594,080
Taxation	1,410,415	192,969	1,242,973	107,324
Loss on exchange rate	1,448,236	-	1,448,236	-
Meeting and conference	1,798,497	624,698	1,337,600	604,858
Professional fee	6,778,620	2,694,178	3,427,780	1,818,596
Others	3,524,657	3,400,064	2,639,267	1,208,176
Total	<u>59,194,087</u>	<u>34,706,058</u>	<u>29,076,242</u>	<u>23,717,454</u>

**27. PROVIDENT FUND**

The Company and its subsidiaries set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company and its subsidiaries match the individuals' contributions. The provident fund are managed by MFC Asset Management Public Company Limited, which granted the license by Government to be an authorized fund manager in accordance with the Provident Fund Act B.E. 2530. Whereas the provident fund are managed by TMB Asset Management Public Company Limited since December 2018.

For the years ended December 31, 2019 and 2018, the Company has contributed Baht 1.90 million and Baht 1.05 million, respectively, to the fund and the subsidiaries has contributed Baht 0.34 million and Baht 0.41 million, respectively.

## 28. INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Income tax - income (see Note 13)	2,663,779	15,033,833	2,667,289	15,045,382
Total	<u>2,663,779</u>	<u>15,033,833</u>	<u>2,667,289</u>	<u>15,045,382</u>

Reconciliation of income tax and the results of the accounting profit (loss) multiplied by the income tax rate are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		STAT SEPARATE FINANCIAL EMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Profit (loss) before tax	78,667,556	(210,868,385)	121,940,536	(159,000,464)
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied by the income tax rate – income (expenses)	(15,733,511)	42,173,677	(24,388,107)	31,800,093
Tax effect of the non-deductible income and expense	(8,526,794)	(4,621,406)	131,312	1,239,363
Effect of the temporary difference not recognized as deferred tax assets	(714,975)	(525,056)	(714,975)	(525,056)
Effect of tax loss carried forward not recognized as deferred tax assets	-	(17,469,018)	-	(17,469,018)
Use of tax loss carry forward (unused tax)	<u>27,639,059</u>	<u>(4,524,364)</u>	<u>27,639,059</u>	<u>-</u>
Income tax - income (expenses)	<u>2,663,779</u>	<u>15,033,833</u>	<u>2,667,289</u>	<u>15,045,382</u>

## 29. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries have significant business transactions with related persons and companies that related by way of common shareholders and/or common directors. The Company's management believes that the pricing policy the Company charged to related parties were the arm's length price applied in the normal course of business. These transactions can be summarized as follows:

29.1 Balances with related parties as at December 31, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2019 Baht	As at December 31, 2018 Baht	As at December 31, 2019 Baht	As at December 31, 2018 Baht
<b>Subsidiaries</b>				
Innotech Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	63,789,107	55,517,241
Short - term loans	-	-	19,000,000	19,000,000
Accrued interest	-	-	256,967	343,973
Other receivables	-	-	8,807	-
Lumpini Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	25,000,000	25,000,000
SE Digital Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	475,000,000	25,000,000
Short - term loan	-	-	350,000,000	-
Accrued interest expenses	-	-	702,869	-
<b>Associates</b>				
Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.)				
Investment in associate (see Note 10)	1,297,802,506	1,306,638,315	1,244,095,520	1,244,095,520
Investment in private fund managed by associate	-	97,570,267	-	97,570,267
Cash balance for securities trading	5,151,455	4,991,795	5,151,455	4,991,795
Other receivables	5,317,439	-	5,317,439	-
Accrued private fund management fee expenses	-	95,199	-	95,199
Other payables	323,553	181,614	323,553	181,614
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 10)	15,340,486	6,800,642	26,000,000	13,800,000
Investment in debt securities - Bill of Exchange	-	52,230,513	-	52,230,513
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 10)	197,225,394	189,767,845	217,800,000	217,800,000
<b>Related companies</b>				
<b>Under common directors</b>				
Thai Foods Group Plc.				
Investment in ordinary shares	88,868,494	107,755,140	88,868,494	107,755,140
Crystal Sealed Professional Car Coating Co., Ltd.				
Investment in ordinary shares	37,800,000	-	37,800,000	-

## 29.2 Significant transactions with related parties for the years ended December 31, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the years ended December 31,		For the years ended December 31,		
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	
<b>Subsidiaries</b>					
Innotech Asset Management Co., Ltd.					
Interest income from Bill of exchange	-	-	-	4,230,137	At the rate determined under the contract
Investment in Bill of exchange	-	-	-	160,000,000	Investment value
Withdrawal from Bill of exchange	-	-	-	240,000,000	Investment value
Interest income from short-term loans	-	-	949,296	351,644	At the rate determined under the contract 5% per year
Service fee Income	-	-	4,730,000	-	At the rate determined under the contract of Baht 430,000 per month (see Note 29.3.4)
Rental income	-	-	804,375	-	At the rate determined under the contract of Baht 73,125 per month
Other income	-	-	545,802	-	At the actual rate
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	105,705	264,600	At the rate determined under the contract of Baht 22,050 per month and Baht 7,605 per month since February 1, 2019 onward
SE Digital Co., Ltd.					
Service fee Income	-	-	5,170,000	-	At the rate determined under the contract of Baht 470,000 per month (see Note 29.3.5)
Rental income	-	-	480,870	-	At the rate determined under the contract of Baht 80,145 per month
Other income	-	-	28,104	-	At the actual rate
Interest expenses from short-term loans	-	-	702,869	-	At the rate determined under the contract 3.5% per year
<b>Associates</b>					
Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.)					
Interest income from Bill of exchange	341,880	-	341,880	-	At the rate determined under the contract
Investment in Bill of exchange	199,658,120	-	199,658,120	-	Investment value
Withdrawal from Bill of exchange	199,658,120	-	199,658,120	-	Investment value
Research fee	3,000,000	3,000,000	3,000,000	3,000,000	At the rate determined under the contract of Baht 250,000 per month (see Note 29.3.2)
Other income	2,250,000	-	2,250,000	-	At the rate determined under the contract
Service expenses	616,320	2,169,960	616,320	2,169,960	At the rate determined under the contract (see Note 29.3.1)
Other fee expenses	1,305,645	1,803,558	1,305,645	1,803,558	At the rate determined under the contract
Management fee of private fund	878,583	640,544	878,583	640,544	At the rate determined under the contract (see Note 29.3.3)
Investment in private fund manage by associates	-	156,045,620	-	156,045,620	Investment value
Withdrawal private fund manage by associates	110,045,620	46,000,000	110,045,620	46,000,000	Investment value
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	4,998,923	6,299,204	4,998,923	6,299,204	At the rate determined under the contract
Investment in Bill of exchange	76,277,564	133,666,625	76,277,564	133,666,625	Investment value
Withdrawal from Bill of exchange	128,508,077	133,700,796	128,508,077	133,700,796	Investment value
<b>Related with subsidiaries and associate</b>					
Service fee expenses	1,089,600	799,200	-	-	At the rate determined under the contract

For the years ended December 31, 2019 and 2018, compensations paid to key management personnel under TAS 24 (Revised 2018) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Short-term employee benefits	18,643,619	7,454,129	7,344,619	5,187,013
Post-employment benefits	2,432,813	821,811	1,050,834	710,079
Total	<u>21,076,432</u>	<u>8,275,940</u>	<u>8,385,453</u>	<u>5,897,092</u>

### 29.3 Significant agreements with related parties

29.3.1 On May 28, 2009, the Company entered into the agreement with Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.) for management service of operating, information technology including information system development and technical support, compliance, human resource management, general support and general management. The term of agreement is one year by payment in amount of Baht 150,000 per month. Subsequently, the Company made the agreement to change the fee to be Baht 60,000 per month effectively from July 3, 2017 and to change the fee to Baht 48,000 per month effectively from July 2, 2018 to June 30, 2019. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 30 days before the expiry date of the agreement in each time.

On June 30, 2016, the Company entered into agreement with Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.) for providing management service of operating. The term of agreement is one year which the Company pays monthly fee and the rate of Baht 210,000. Subsequently, on September 29, 2017, the Company made the agreement to change the fee to be Baht 230,000 per month from October 1, 2017 to December 31, 2018. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 7 days before the expiry date of the agreement in each time. However, on July 1, 2018, the Company cancelled the agreement.

29.3.2 On May 1, 2013, the Company entered into agreement with Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.) for providing various research papers of offshore. The term of agreement is 2 years and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.

- 29.3.3 On March 21, 2018, the Company entered into an agreement with Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.) which is associated company. The associated company will manage the Company's fund for two years. Contract, which will be renew for one year each unless either the Company notifies for the cancellation in written. Under the agreement, the Company agreed to pay a management fee at rated of 1.00 - 1.25 percent per annum of the net asset value of the fund.
- 29.3.4 On February 1, 2019, the Company entered into agreement with Innotech Asset Management Co., Ltd. which is subsidiary company for providing service of compliance and internal audit, risk management and accounting. The Company will receive a monthly fee of Baht 430,000 with the term of the agreement of is one year from February 1, 2019 to January 31, 2020. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.
- 29.3.5 On February 1, 2019, the Company entered into agreement with SE Digital Co., Ltd. which is subsidiary company for providing service of compliance and internal audit, risk management, accounting and corporate administration. The Company will receive a monthly fee of Baht 470,000 with the term of the agreement of is one year from February 1, 2019 to January 31, 2020. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.

### 30. COMMITMENTS WITH NON-RELATED PARTIES

As at December 31, 2019 and 2018, the Company and its subsidiaries have the following outstanding rental and service commitments under long-term lease agreements for its office building, equipment and vehicle are as follows:

	(Unit: Million Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Within 1 year	7.8	0.3	4.4	0.2
Over 1 year to 5 years	10.2	-	4.8	-
Total	18.0	0.3	9.2	0.2

### 31. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiaries for the years ended December 31, 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	For the year ended December 31, 2019			
	Securities segment	Asset Management segment	Investment and others segment	Consolidated Financial statement
Revenue from external customers	(15,567)	370	137,967	122,770
Total revenues	(15,567)	370	137,967	122,770
Segment income (loss)	(15,567)	(32,875)	137,967	89,525
Unallocated income and expenses :				
Gain on transfer of business to the associated company				18
Other income				107,754
Servicing and administrative expenses				(118,630)
Income tax - income				2,664
Net profit				81,331

	(Unit: Thousand Baht)			
	For the year ended December 31, 2018			
	Securities segment	Asset Management segment	Investment And others segment	Consolidated Financial statement
Revenue from external customers	(21,398)	3,127	(86,033)	(104,304)
Total revenues	(21,398)	3,127	(86,033)	(104,304)
Segment income (loss)	(21,398)	(25,039)	(86,033)	(132,470)
Unallocated income and expenses :				
Gain on transfer of business to the associated company				58
Other income				5,295
Servicing and administrative expenses				(83,752)
Income tax - income				15,034
Net loss				(195,835)

Assets classified by segment of the Company as at December 31, 2019 and 2018 were presented as follows:

	(Unit: Thousand Baht)					
	Securities segment	Assets Management segment	Investment and others segment	Assets Management segment	Unallocated assets	Consolidated Financial statement
<b>Assets by segment</b>						
As at December 31, 2019	1,297,803	86,270	1,438,388	24,260	98,469	2,945,190
As at December 31, 2018	1,306,638	76,929	921,182	24,314	443,806	2,772,869

### 32. RISK MANAGEMENT

Liquidity risk

#### The Company

Under the Notification of the Office of the Securities and Exchange Commission No. KorThor. 35/2560 regarding “Net Liquid Capital Ratio - NCR”, securities company is required to maintain its net liquid capital at the end of working day not less than Baht 15 million and not less than 7% of general liabilities.

The Company was granted securities business licenses of derivatives agent under the Derivative Act. The Company has to maintain its net liquid capital at the end of working day at least Baht 25 million and at least 7% of general liabilities and assets held as collateral except in case the Company discontinued its derivatives agent business and notified to the Office of the Securities and Exchange Commission, the Company has to maintain its net liquid capital as mentioned in the above paragraph.

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Ordinary Members” regarding the “Qualification of Ordinary Membership”, the Ordinary Membership is required to have owners’ equity at least Baht 500 million for membership operating especially in derivatives business.

However, as at December 31, 2019 and 2018, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note 1).

Since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. KorThor. 4/2561 regarding “Ongoing capital adequacy of some specific intermediaries”.

As at December 31, 2019 and 2018, the Company is able to maintain its net liquid capital more than the condition.

### Subsidiaries

Under the Notification of the Office of the Securities and Exchange Commission No. KorNor. 20/2552, regarding “The Capital Adequacy of Management Company”, the asset management company has to maintain owners’ equity at least Baht 20 million for mutual fund management business, at least Baht 20 million for private fund management business with provident fund and at least Baht 10 million for private fund management business without provident fund management. Under the Notification of the Office of the Securities and Exchange Commission No. ThorNor. 42/2552, regarding “The Responsibility Insurance of Management Company and the Notification for Capital Adequacy of Management Company”, the warning level at Baht 30 million for mutual fund management business, the warning level at Baht 30 million for private fund management business with provident fund and the warning level at Baht 15 million for private fund management business without provident fund management. In case the Company cannot maintain the capital adequacy over the warning level, the Company has to report to the Office of the Securities and Exchange Commission including the plan to recover its owners’ equity to the warning level.

On January 17, 2018, the Securities and Exchange Commission issued the Notification of the Office of the Securities and Exchange Commission No. KorThor. 3/2561, regarding “The Capital Adequacy of mutual fund management, private fund management, securities brokerage and securities trading, securities underwriting and derivatives fund management” which effective on April 1, 2018. The subsidiary has to maintain the 3 parts of its capital in order to comply with this notification.

1. Owner's equity: The Company has to maintain its equity at least Baht 20 million.
2. Liquid capital: The Company has to maintain its liquid capital at least the average 3 months per year of business operation expenses.
3. Professional Indemnity Insurance: At least either 0.01 percent of net asset value or the amount of an insurance coverage is required.

As at December 31, 2019 and 2018, the subsidiary is able to maintain the capital adequacy which is in accordance with the SEC's regulations (see Note 1).

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2019 and 2018 are as follows:

(Unit: Million Baht)

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2019  
Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	416	-	-	-	-	-	416
Securities business receivables	-	-	-	-	-	43	43
Investments	-	603	3	-	194	-	800
<b>Total</b>	<b>416</b>	<b>603</b>	<b>3</b>	<b>-</b>	<b>194</b>	<b>43</b>	<b>1,259</b>
<b>Financial liabilities</b>							
Other borrowings	-	148	-	-	-	-	148
<b>Total</b>	<b>-</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148</b>

(Unit: Million Baht)

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2018  
Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	352	-	-	-	-	-	352
Securities business receivables	-	-	-	-	-	63	63
Investments	-	259	-	-	476	-	735
<b>Total</b>	<b>352</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>476</b>	<b>63</b>	<b>1,150</b>
<b>Financial liabilities</b>							
Other borrowings	-	528	-	-	-	-	528
<b>Total</b>	<b>-</b>	<b>528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528</b>

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	290	-	-	-	-	-	290
Securities business receivables	-	-	-	-	-	43	43
Investments	-	583	-	-	194	-	777
Loan	-	19	-	-	-	-	19
<b>Total</b>	<b>290</b>	<b>602</b>	<b>-</b>	<b>-</b>	<b>194</b>	<b>43</b>	<b>1,129</b>
<b>Financial liabilities</b>							
Other borrowings	-	498	-	-	-	-	498
<b>Total</b>	<b>-</b>	<b>498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498</b>

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	288	-	-	-	-	-	288
Securities business receivables	-	-	-	-	-	63	63
Investments	-	224	-	-	476	-	700
Loan	-	-	19	-	-	-	19
<b>Total</b>	<b>288</b>	<b>224</b>	<b>19</b>	<b>-</b>	<b>476</b>	<b>63</b>	<b>1,070</b>
<b>Financial liabilities</b>							
Other borrowings	-	528	-	-	-	-	528
<b>Total</b>	<b>-</b>	<b>528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528</b>

## 32.2 Significant financial instruments risk

As at December 31, 2019 and 2018, the Company and its subsidiaries have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

### 32.2.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Company and its subsidiaries and their cash flows:

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS											
As at December 31, 2019											
Outstanding balances of net financial instruments											
repricing or maturity dates											
	Floating interest rate		Within			Non-performing receivables		No interest	Total	Interest rate (Percent)	
	At call		1 year	1-5 years	Over 5 years			Floating rate		Fixed rate	
<b>Financial assets</b>											
Cash and cash equivalents	369	-	-	-	-	-	-	47	416	0.375 - 1.20	-
Securities business receivables	-	-	-	-	-	-	43	-	43	-	-
Investments	-	-	603	3	-	-	-	194	800	-	1.60 - 9.00
<b>Total</b>	<b>369</b>	<b>-</b>	<b>603</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>241</b>	<b>1,259</b>		
<b>Financial liabilities</b>											
Other borrowings	-	-	148	-	-	-	-	-	148	-	3.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148</b>		

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS											
As at December 31, 2018											
Outstanding balances of net financial instruments											
repricing or maturity dates											
	Floating interest rate		Within			Non-performing receivables		No interest	Total	Interest rate (Percent)	
	At call		1 year	1-5 years	Over 5 years			Floating rate		Fixed rate	
<b>Financial assets</b>											
Cash and cash equivalents	289	-	-	-	-	-	-	63	352	0.375 - 1.20	-
Securities business receivables	-	-	-	-	-	-	63	-	63	-	-
Investments	-	-	259	-	-	-	-	476	735	-	1.25-13.00
<b>Total</b>	<b>289</b>	<b>-</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>539</b>	<b>1,150</b>		
<b>Financial liabilities</b>											
Other borrowings	-	-	528	-	-	-	-	-	528	-	4.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528</b>		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS  
As at December 31, 2019  
Outstanding balances of net financial instruments  
repricing or maturity dates

	Floating interest rate	At call	Within				Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years	Over				Floating rate	Fixed rate
<b>Financial assets</b>											
Cash and cash equivalents	258	-	-	-	-	-	32	290	0.375-1.20	-	
Securities business receivables	-	-	-	-	-	43	-	43	-	-	
Investments	-	-	583	-	-	-	194	777	-	6.35-9.00	
Loan	-	-	19	-	-	-	-	19	-	5.00	
<b>Total</b>	<b>258</b>	<b>-</b>	<b>602</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>226</b>	<b>1,129</b>			
<b>Financial liabilities</b>											
Other borrowing	-	-	498	-	-	-	-	498	-	3.50	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498</b>			

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS  
As at December 31, 2018  
Outstanding balances of net financial instruments  
repricing or maturity dates

	Floating interest rate	At call	Within				Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years	Over				Floating rate	Fixed rate
<b>Financial assets</b>											
Cash and cash equivalents	225	-	-	-	-	-	63	288	0.375 - 1.20	-	
Securities business receivables	-	-	-	-	-	63	-	63	-	-	
Investments	-	-	224	-	-	-	476	700	-	9.00 - 12.00	
Loan	-	-	-	19	-	-	-	19	-	5.00	
<b>Total</b>	<b>225</b>	<b>-</b>	<b>224</b>	<b>19</b>	<b>-</b>	<b>63</b>	<b>539</b>	<b>1,070</b>			
<b>Financial liabilities</b>											
Other borrowing	-	-	528	-	-	-	-	528	-	4.00	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528</b>			

The average yield on average financial asset balances for interests bearing financial instruments are presented in the following table:

(Unit : Baht)			
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>			
<b>As at December 31, 2019</b>			
<b>Financial Instruments</b>	<b>Average balance</b>	<b>Interest income / Interest expense</b>	<b>Average yield (Percent)</b>
<b>Financial assets</b>			
Cash and cash equivalents	449,457,357	2,276,170	0.51
Investment in debt securities	487,149,380	25,468,761	5.23
Held-to-maturity investment	22,636,837	356,437	1.57
<b>Financial liabilities</b>			
Other borrowings	248,333,333	8,900,053	3.58
(Unit : Baht)			
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>			
<b>As at December 31, 2018</b>			
<b>Financial Instruments</b>	<b>Average balance</b>	<b>Interest income / Interest expense</b>	<b>Average yield (Percent)</b>
<b>Financial assets</b>			
Cash and cash equivalents	335,523,990	2,876,497	0.86
Investment in debt securities	547,960,525	59,288,637	10.82
Held-to-maturity investment	23,261,597	332,535	1.43
<b>Financial liabilities</b>			
Other borrowings	722,083,333	28,612,632	3.96
(Unit : Baht)			
<b>SEPARATE FINANCIAL STATEMENTS</b>			
<b>As at December 31, 2019</b>			
<b>Financial Instruments</b>	<b>Average balance</b>	<b>Interest income / Interest expense</b>	<b>Average yield (Percent)</b>
<b>Financial assets</b>			
Cash and cash equivalents	214,713,239	1,443,233	0.67
Investment in debt securities	233,936,787	23,335,529	9.98
Loan	35,027,397	1,750,666	5.00
<b>Financial liabilities</b>			
Other borrowings	277,500,000	9,602,922	3.46
(Unit : Baht)			
<b>SEPARATE FINANCIAL STATEMENTS</b>			
<b>As at December 31, 2018</b>			
<b>Financial Instruments</b>	<b>Average balance</b>	<b>Interest income / Interest expense</b>	<b>Average yield (Percent)</b>
<b>Financial assets</b>			
Cash and cash equivalents	303,809,325	2,824,166	0.93
Investment in debt securities	532,104,807	59,466,533	11.18
Loan	7,032,877	351,644	5.00
<b>Financial liabilities</b>			
Other borrowings	722,083,333	28,612,632	3.96

### 32.2.2 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Company and its subsidiaries to incur a financial loss. The financial assets of the Company and its subsidiaries are not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statements of financial position.

### 32.2.3 Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company expects that there may be an effect from changes in exchange rates resulting from a portion of assets in foreign currencies which are not hedged.

As at December 31, 2019, the Company had unhedged foreign currency - denominated assets as follows:

Asset	Foreign currency	Amount (Unit: thousand)	Exchange rate (Baht per foreign exchange rate) as at December 31, 2019
Ordinary shares	Lao People's Democratic Republic LAK	8,325,774	0.003374
Ordinary shares	United States USD	293	29.8855
Ordinary shares	Vietnamese VND	34,414,335	0.001294

### 32.2.4 Market situation risk

The Company's exposure to market situation risk is the risk that volatility on the Stock Exchange of Thailand and The Thailand Futures Exchange will substantially reduce the value of the Company's investments. However, the Company manages such risk at acceptable levels through risk management policies as well as a risk monitoring function.

### 32.2.5 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented here in is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

32.2.5.1 Certain financial assets and financial liabilities of the Company are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	December 31, 2019	December 31, 2018		
<u>Financial Assets</u>				
Investments				
Trading securities				
Listed securities	14,148,784	105,247,574	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Unit trust securities	-	382,629	2	Net asset value of the last working day of the reporting period
Debt securities - Corporate bond	3,195,550	-	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Debt securities - Bill of exchange	583,802,331	236,112,869	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities Listed securities	133,401,107	176,569,011	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	December 31, 2019	December 31, 2018		
<u>Financial Assets</u>				
Investments				
Trading securities				
Listed securities	14,148,784	105,247,574	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Unit trust securities	-	382,629	2	Net asset value of the last working day of the reporting period
Debt securities - Bill of exchange	583,802,331	224,872,394	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities Listed securities	133,401,107	176,569,011	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

### 32.2.5.2 Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2019		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	415,755,834	415,755,834	3	Net present value of expected cash inflow
Held to-maturity investments	19,000,000	19,000,000	3	Net present value of expected cash inflow
General Investment Equity securities	46,007,412	46,007,412	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowings Bill of Exchange	148,349,296	148,349,296	3	Net present value of expected cash outflow

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2018		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	352,445,320	352,445,320	3	Net present value of expected cash inflow
Held to-maturity investments	23,289,155	23,289,155	3	Net present value of expected cash inflow
General Investment Equity securities	193,303,152	193,303,152	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowings Bill of Exchange	528,062,334	528,062,334	3	Net present value of expected cash outflow

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2019		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	289,709,185	289,709,185	3	Net present value of expected cash inflow
General Investment Equity securities	46,007,412	46,007,412	3	Net asset value of invested company
Loan	19,000,000	19,000,000	3	Net present value of expected cash outflow
<u>Financial liabilities</u>				
Other Borrowings Bill of exchange	148,349,296	148,349,296	3	Net present value of expected cash outflow
Loan	350,000,000	350,000,000	3	Net present value of expected cash outflow

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2018			
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	288,040,386	288,040,386	3	Net present value of expected cash inflow
General Investment Equity securities	193,303,152	193,303,152	3	Net asset value of invested company
Loan	19,000,000	19,000,000	3	Net present value of expected cash outflow
<u>Financial liabilities</u>				
Other Borrowings	528,062,334	528,062,334	3	Net present value of expected cash outflow
Bill of exchange				

### 33. TRANSFER OF BUSINESS

On May 1, 2009, the Company transferred its business and margin loan accounts to Krungthai Zmico Securities Co., Ltd. (formerly KT ZMICO Securities Co., Ltd.), an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc. The Company received returns from the transfer of business in the total amount of Baht 500 million. At the end of year 2011, the Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3-year cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement.

The Company recognized such gain on transfer of business to an associated company as income in the consolidated financial statements according to the shareholding percentage of the third parties in the associated company. The remaining amount was presented as “unrealized gain on transfer of business to an associated company”. The Company will realize such “unrealized gain on transfer of business to an associated company” as income when the Company has lower percentage of shareholding in the associated company and when the associated company calculates depreciation or sells such transferred assets to the third parties.

For the years ended December 31, 2019 and 2018, the Company recognized additional gain on transfer of business to the associated company of Baht 0.02 million and Baht 0.06 million, respectively.

As at December 31, 2019 and 2018, the remaining amount of unrealized gain on transfer of business to an associated company were Baht 148.20 million and Baht 148.22 million, respectively.

#### **34. LITIGATIONS**

On March 18, 2019, the Company and an associated company have been jointly sued for the infringement in one financial service.

On November 20, 2019, the Company, an associated company and a third party have been jointly sued from seven prosecutors for the infringement in the same case mentioned above.

At the present, the cases are under the consideration of the Civil Court. The Company's management and lawyer have considered and believed that the Company has sufficient evidence to refute the allegations for both cases.

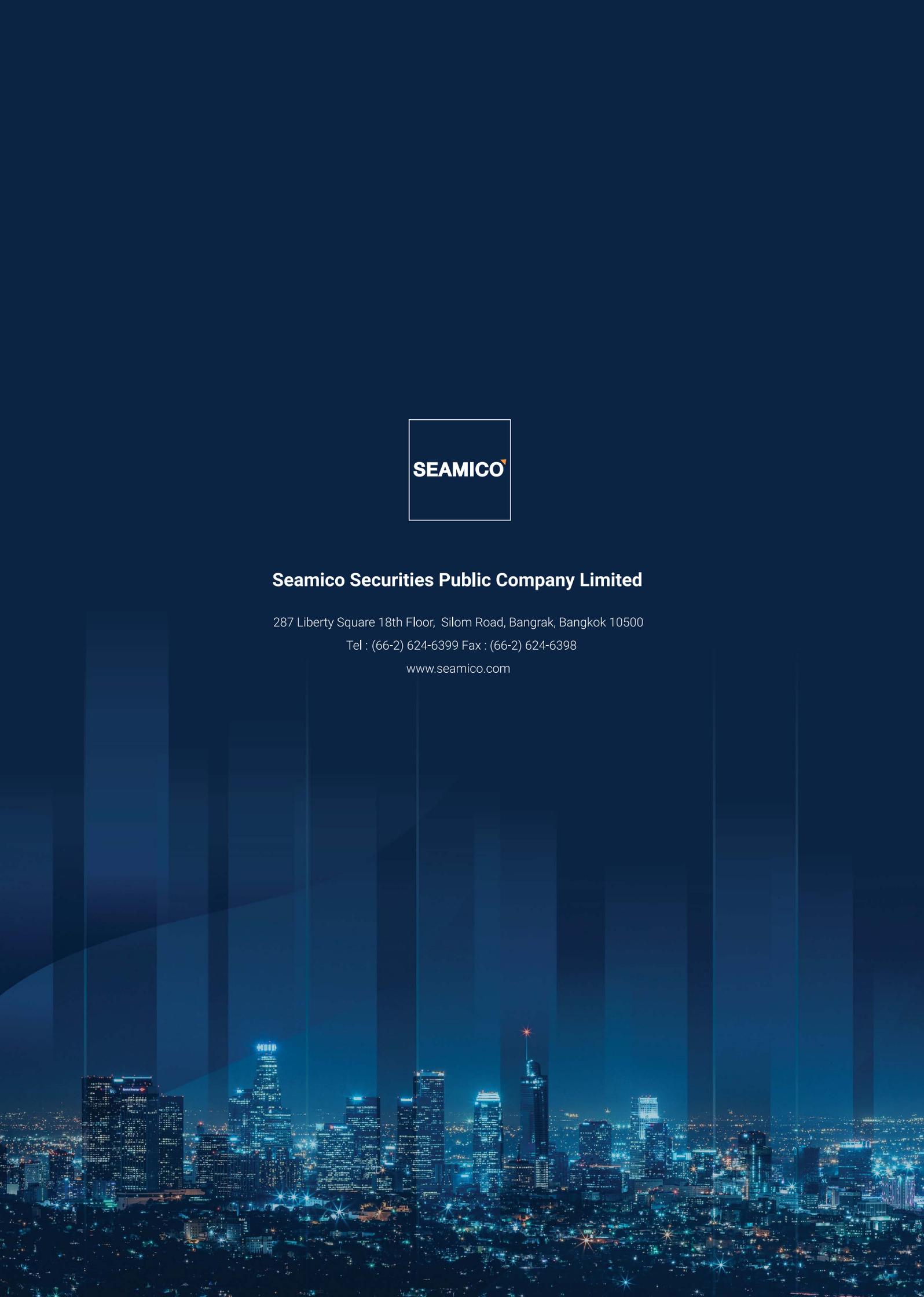
#### **35. EVENT AFTER THE REPORTING PERIOD**

On February 14, 2020, the Extraordinary General Meeting of Innotech Asset Management Co., Ltd. which is the Company's subsidiary passed the resolution to decrease the registered and paid-up capital from Baht 112.70 million to Baht 67.62 million by decreasing ordinary shares from 22,540,000 shares to 13,524,000 shares at par value of Baht 5 for reduce retained deficit.

#### **36. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 19, 2020.



A nighttime cityscape of Bangkok, Thailand, featuring numerous illuminated skyscrapers and buildings against a dark blue sky. The lights create a vibrant, glowing effect across the urban landscape.

**SEAMICO**

**Seamico Securities Public Company Limited**

287 Liberty Square 18th Floor, Silom Road, Bangrak, Bangkok 10500

Tel : (66-2) 624-6399 Fax : (66-2) 624-6398

[www.seamico.com](http://www.seamico.com)