



2018

ANNUAL REPORT

Seamico Securities Public Company Limited

Contents

2

Message from Chairman and CEO

4

Report of the Board of Directors'
Responsibilities for Financial Statements

5

Audit and Risk Management Committee Report

6

Board of Directors

7

General Information

10

Summarize of Financial Information

11

Business Policy & Overview

14

Nature of Business

26

Risk Factors

28

Shareholders and Dividend Policy

29

Management Structure

32

Corporate Governance

76

Corporate Social Responsibilities

80

Internal Control and Risk Management

81

Related Parties and
Connected Transactions

88

Management Discussion and Analysis

104

The Statements of Financial Position and
the Statements of Comprehensive Income

Message from Chairman and CEO



2018 was a volatile year for the global economy led by international trade conflicts especially the US-China trade war and rapid rise in global interest rates. We have seen the impacts to local economies, international trade, deteriorating investor and consumer confidence, and fluctuation in money markets and stock markets across the world. Thailand was no exception as seen in the SET index plunge of 10.8% last year, to close at 1,563.88. Average daily turnover of SET and MAI in 2018 was Baht 57.67 billion, an increase by 15.1% from 2017. Net foreign selling soared in line with regional stock markets.

The performance of Seamico Securities Plc. (“The Company”) in 2018 was adversely impacted by the volatile market especially in investment and securities business. The Company recorded a significant amount of unrealized mark-to-market loss predominantly from one listed security in our investment portfolio which resulted from its operating performance and fluctuations in the agricultural commodity market. However, the market value of this investment is still higher than that of our acquisition cost. Moreover, the Company’s performance this year was also affected by the lack of profit from the securities business of KT ZMICO Securities Co., Ltd. (“KT ZMICO”), our associated company.

Amidst the highly competitive environment of the brokerage industry, many brokers offered low commission on trading to attract customers and increase their market share. Together with the growth of automated and online trading and the decrease in retail investors trading in proportion to that of institutional investors trading for the first time in the history of SET, there were large impacts on the operation and performance of the entire brokerage industry. Besides the industry factors, KT ZMICO performance in 2018 was also affected by the organizational restructuring and the increase in post-employment benefits obligation to support the new Labor Protection Act. KT ZMICO currently has 2.07% of the brokerage market share and was able to maintain high non-brokerage revenue proportion, namely the fee and service income from underwriting and financial advisory and interest on margin loan. The recent organizational restructuring will also help improve its operational efficiency and decrease operating

expense in the future. KT ZMICO will continue to develop financial products and services to serve the investment need and build wealth to customers of the group and Krungthai Bank, the Company's joint venture partner in KT ZMICO.

During the year, the Company has initiated and completed major projects to strategically build up the foundation of the Company. One of the key initiatives was the expansion to digital assets business through the new subsidiary "SE Digital Co., Ltd.". In addition to a promising outlook from investor interests and high growth rate globally, digital assets business also help expand and create synergy to the Company's current securities business. The Company is currently in the process of filing for SEC approval to be ICO Portal, using Block Chain and Smart Contract technology in raising the capital by issuing "Securitized Token" and in controlling the conditions of investment in assets. In this matter, the Company has the business alliances that are experts with experiences in Block Chain technology and Digital assets from the United States to provide support to the operation, system and business networks for this new business.

For asset management business operated by Innotech Asset Management Co., Ltd., a subsidiary, the Company has new a management team with expertise in asset management to restructure the organization and reset all operating procedures and controls, in order to resume mutual fund and private fund asset management business. Innotech Asset Management will focus on unconventional fund and fully utilize technology and innovations in investment management and analysis. We expect the full operation to restart in the second quarter of 2019.

For other businesses, the Company has reshaped the strategy on our investment, strengthened the monitoring of investment and associated company, and targeted new investment that can add long-term value to the Company and create synergy to the current businesses. Moreover, the Company has enhanced the monitoring and control, internal audit, risk management and financial reporting of all the Group companies to ensure that all businesses will operate vigilantly and in compliance with good internal control and related regulatory requirements.

In addition to our expansion plan, reshaping investment portfolio strategy and increasing efficiency of monitoring and control, the Company expects a positive outlook for Thai economy in 2019 after the general election from both foreign and domestic investment and overall domestic consumption, which will help promote our businesses ranging from KT ZMICO securities business, new digital assets business to investment business in this coming year. 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.



Suthep Wongvorazathe
Chairman



Chaipatr Srivisarvacha
Chief Executive Officer

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 31st December 2018 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. Dr. Tanasak Wahawisan Member
3. Mr. Jesadavat Priebjrivat 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 4 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 2018 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 2019, 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

Board of Directors



Mr. Suthep Wongvorazathe

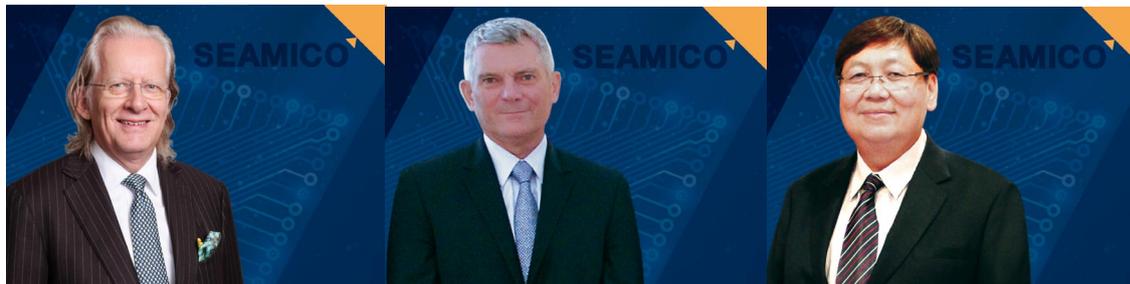
- Authorized Director
- Chairman
- Chairman of Investment Committee
- Chairman of Nominating and Compensation Committee

Mr. Chaipatr Srivisaracha

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

Asst. Prof. Pimol Srivikorn

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



Mr. Peter E. Romhild

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

Mr. Peter J. Emblin

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

Dr. Tanasak Wahawisan

- Independent Director
- Member of Audit and Risk Management Committee



Mr. Jesadavat Priebjrivat

- Director
- Member of Corporate Governance Committee

Mr. Supachai Wongvorazathe

- Director
- Member of Investment Committee

Mr. Pinit Puapan *

- Authorized Director
- Managing Director
- Member of Investment Committee

* Mr. Pinit Puapan had resigned from his directorship with effect on 1st February 2019.

General Information

Name	SEAMICO SECURITIES PUBLIC COMPANY LIMITED
Address	287 Liberty Square Building 18 th Floor, Silom Road, Bangrak, Bangkok 10500
Type of Business	Securities Business
Registration No	0107537002460
Website	www.seamico.com .
Telephone	+66 2 624 6399
Fax	+66 2 624 6398
Paid-up shares	1,307,736,926 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
Subsidiaries							
Innotech Asset Management Company Limited (formerly Solaris Asset Management Company Limited)	8 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Mutual Fund, Private Fund and provident fund management	Ordinary	20,540,000	20,540,000	255.85	100.00
Lumpini Asset Management Company Limited	18 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Purchasing or taking transfer of non-performing assets of financial institutions	Ordinary	2,500,000	2,500,000	25.00	100.00
SE Digital Company Limited	19 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok 10500	Digital Asset	Ordinary	250,000	250,000	25.00	100.00
Associates							
KT ZMICO Securities Company Limited	16 th 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	14 th Floor, 26/51 Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330	Import, export, retail and wholesale perfume and cosmetics	Ordinary	400,000	138,000	13.80	34.50
Absolute Yoga Company Limited	496-502 Room number 01-04, 11 th Floor, Amarin Plaza Building, Ploenjit Road, Lumpini, Pathumwan, Bangkok 10330	Yoga Studio, food and hotel business	Ordinary	6,000,000	1,800,000	217.80	30.00
Other							
Advance Finance Public Company Limited	40 th Floor, CRC Tower, All Seasons Place 87/2 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Finance	Ordinary	1,250,000,000	125,000,000	185.00	10.00

THE REFERENCES

(a) Share Registrar

Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng, Dindaeng Bangkok 10400, Thailand
Tel: +66 2009 9000 Fax: +66 2009 9991

(b) Auditor

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

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone: +66 2034 0000 Fax: +66 2034 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
26th Floor of the Offices at Central World,
No. 999/9 Rama I Road, Khwaeng Pathumwan, Khet Pathumwan, Bangkok 10330
Telephone: +66 2646 1888 Fax: +66 2646 1919
- Patanasith Law Office
550/36 Soi Po-pun, Asoke-Dindaeng Road, Dindaeng, Bangkok 10310
Telephone: +66 2246 6061 Fax: 66 2641 8267
- Kudun and Partners Limited
23rd Floor, Unit C and F, Dindaeng, Bangkok 10310
Telephone: +66 2838 1750 Fax: +66 2838 1795

Summarize of Financial Information

	Unit : Million Baht		
	2018	2017	2016
Total Assets	2,772.87	3,212.12	3,339.08
Paid-up Share Capital	653.87	653.87	653.87
Total Shareholders' Equity	2,052.70	2,356.94	2,674.65
Securities Business Revenues	(124.89)	276.32	160.70
Securities Business Expenses	1.13	5.39	42.77
Net Profit (loss)	(195.83)	9.87	227.02
Profitability Ratio			
Gross Profit Margin (%)	100.91	98.05	73.38
Net Profit Margin (%)	115.63	3.59	64.24
Return on Equity (%)	(8.83)	0.40	9.28
Return on Investment (%)	(13.07)	18.00	3.48
Efficiency Ratio			
Return on Total Assets (%)	(6.29)	0.29	6.90
Asset Turnover (Times)	(0.04)	0.08	0.05
Financial Policy Ratio			
Liquid Assets to Borrowing (Times)	1.65	1.79	3.28
Earning Assets to Borrowing (Times)	4.19	4.02	6.07
Liquid Assets to Total Assets (%)	31.40	37.59	45.97
Earning Assets to Total Assets (%)	79.87	84.68	85.08
Debt to Equity (Times)	0.35	0.36	0.25
Dividend Payout Ratio (%)	-	449.22	75.00
Others Ratio			
Investment in Securities to Total Asset (%)	79.87	84.68	84.94
Net Capital Rule (NCR) (%)	N/A*	N/A*	N/A*
Per share			
Book Value (Baht)	1.57	1.80	2.05
Earning (Loss) Per Share (Baht)	(0.150)	0.008	0.174
Dividend Per Share (Baht)	-	0.05	0.10
Par Value (บาท)	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.

Business Policy & Overview

Currently, 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 “KT ZMICO Securities Company Limited”. Besides, the Company has invested in many potential businesses to generate additional revenues.

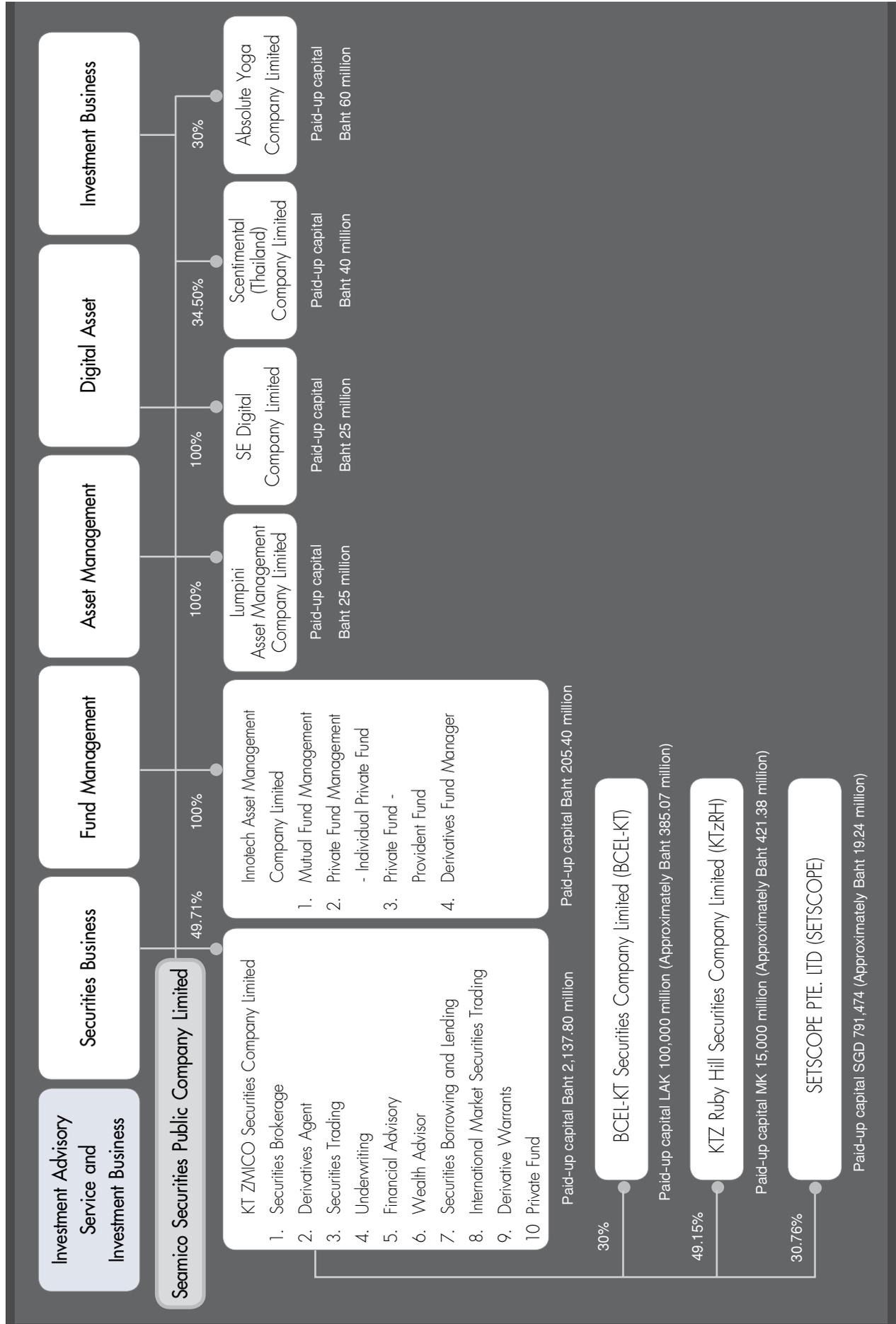
- Securities Business in CLMV consist of
 - Laos through accompanying KT ZMICO with Banque Pour Le Commerce Extérieur Lao Public to establish BCEL KRUNGTHAI (BCEL-KT); 30% of KT ZMICO holding.
 - Myanmar through accompanying KT ZMICO with Ruby Hill Finance Company to establish KTZ Ruby Hill Securities (KTzRH); 49.15% of KT ZMICO holding.
- Expand asset management business by holding 100% of Innotech Asset Management Company Limited (formerly Solaris Asset Management Co., Ltd.).
- Investment in other business by holding 100% of Lumpini Asset Management Company Limited which purchased, transferred, and managed of non-performing assets (NPA) of financial institution.
- Investment in other business by holding 100% of SE Digital Co., Ltd. which the Company is to conduct digital asset business as a digital asset broker and dealer, and ICO portal, authorized by related authorities.
- 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. In the future, they planned to extend its product into cosmetics and skincare products. In addition, they will expand the market to Myanmar, Indonesia, Cambodia, Philippines and Vietnam. The Company’s shareholding in Scentimental is at 34.50%.
 - Absolute Yoga Co., Ltd., the holding company operates in health and wellness business under “Absolute You” brand. The company holds an investment companies as following;
 - 1 Absolute Pilates Co., Ltd., operates yoga and pilates studio business, having more than 14 years of track record. It currently operates 14 branches; 13 in Bangkok and 1 in Phuket. In the second half of last year, it introduced “Rhythm Cycling” indoor spinning exercise which is now very popular in the US and Europe.
 - 2) Absolute Sanctuary and Yoga Center (Koh Samui) Co., Ltd., a boutique wellness resort with comfort facilities. The resort offers wide range of programs designed by specialist e.g., detox, spa, weight management and anti-stress suit which suiting for guests who need to refresh revitalize and rejuvenate.

- 3) Absolute Fit Food Co., Ltd., healthy food delivery using high quality ingredients and rich nutrition with low calories. The programs are developed suiting for various health targets e.g. weight management, anti-aging program.
 - 4) Absolute You Management Asia Co., Ltd., engaging in an offshore management and franchising business with respect to products and services of the group.
 - 5) The Absolute Group IP Holding PTE. LTD. operates its business about franchises.
 - 6) Oversea branches that operates yoga training business and fitness center are as follow:-
 - Singapore 2 branches are Absolute Cycle SE PTE.LTD. and Absolute you SG PTE. LTE.
 - United Kingdom is Absolute You UK Ltd.
- SETSCOPE PTE. LTD. operates its business in Singapore Thailand through accompanying KT ZMICO which is to conduct web hosting service and online service business; 30.76% of KT ZMICO holding.

Business Overview

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

- 1) Investment Advisory Service and Investment Business under Seamico Securities Public Company Limited.
- 2) Securities Business under KT ZMICO Securities Company Limited, BCEL-KT Securities Company Limited, KTZ Ruby Hill Securities Company Limited and Thanh Cong Securities Joint Stock Company.
- 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

	2018		2017		2016	
	Milion Baht	%	Milion Baht	%	Milion Baht	%
Fees and Services Income	4.45	(2.63)	27.38	9.94	103.54	29.30
Gain (loss) on investment	(149.76)	88.43	231.29	83.98	36.58	10.35
Interest and dividend income	20.42	(12.06)	17.65	6.41	20.58	5.82
Share of profit (loss) from investment in associates	(49.83)	29.42	(5.02)	(1.82)	187.80	53.14
Gain on transfer of business to an associated company	0.06	(0.04)	0.06	0.02	0.06	0.02
Other income	5.30	(3.12)	4.04	1.47	4.85	1.37
Total revenues	(169.36)	100.00	275.40	100.00	353.41	100.00

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 KTZMICO since May 1, 2009. KTZMICO 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, 2018, KTZMICO encompasses 15 branches, with 6 branches in Bangkok and 9 branches in upcountry.

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

KTZMICO is definitely positioning to be “Gateway to CLMV” and plans to offer financial service coverage into Vietnam, Laos, Myanmar and Cambodia. KTZMICO can penetrate the market and makes a relationship with CLMV countries. It makes KTZMICO specialized in this region and has network in almost all countries.

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

In July 2018, KTZMICO invested in 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. The company held 30.76% (registered capital SGD\$791,474) total investment Baht 18.25 million. This investment is aimed to cooperate with SetScope to become a leader in the investment technology firm under the concept “KTZMICO 4.0” and utilize artificial intelligence (AI) to enhance efficiency and to build up more competitive advantage in Securities brokerage business in digital 4.0 era.

3) Fund Management Business

Innotech Asset Management 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 “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 KTZMICO and BCEL. As of December 31, 2010, KTZMICO held 30% of share capital (1 million registered shares, paid-up 30%, par at 100,000 kip) with an initial investment of Baht 33.93 million from paid-up capital of Baht 113.10 million. In November 2011, KTZMICO paid the remaining 70% of unpaid-up capital, making the total investment increase to Baht 115.52 million. BCEL-KT is one of the first two securities companies in Laos. In addition, in 2015, KTZMICO 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, KTZMICO's securities business can be divided into the following categories:

- Securities Brokerage

KTZMICO 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
3. Internet Accounts - Securities trading via internet

KTZMICO provides useful information on its website, www.ktzmico.com, to help clients with their decision-making. KTZMICO applied many trading programs for investors from both in-house developed and outsources such as Znet Express, Streaming and i2Trade+. The trading programs enable clients to trade securities via Notebook, Tablet and Smartphone and supports Android, IOS Phone operating systems. KTZMICO is also developing web base trading platform as an analysis tools such as Stock Simulation Program.

KTZMICO acknowledge the significant in technology especially in Financial Technology (Fintech) which led to continuously developed Znet functions in order to satisfy customers by create more opportunities for investors in investment decision. The recommended functions consists of Advance Alert and Auto Trade, Quick Sell, Auto Trade DCA (Dollar Cost Average), eZySmart.

In 2018, KTZMICO launched "Wealthme" Application, mobile application, investors could be simply and easily open investment account via mobile application.

KTZMICO has been recognized as a market leader in providing institutions with broker-assisted, online, and direct market access trading of securities.

KTZMICO 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

KTZMICO continually provides loan for clients which contribute to the increasing of KTZMICO's trading volume. As at end of 2018, KTZMICO's outstanding credit balance loan was Baht 3.6 billion decreased from Baht 5.0 billion as at end of 2017. This business of providing loans to clients has been financed by KTB, a major shareholder.

KTZMICO manages risks by reviewing credit lines in accordance with Risk Management's protocols. KTZMICO 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	2018	2017	2016
SET & MAI Market Turnover	14,130,078	12,227,748	12,816,259
SET & MAI Market Turnover (exclude Proprietary Trading)	12,395,248	10,949,603	11,468,573
KTZMICO's Trading Volume	512,123	497,631	588,475
KTZMICO's Market Share (exclude Proprietary Trading)	2.07%	2.27%	2.57%
Rank	23	22	19

Market Turnover for 2018 was Baht 12,395,248 million; trading volume of KTZMICO was Baht 512,123 million, accounting for 2.07% market share.

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

	2018		2017		2016	
	Milion Baht	%	Milion Baht	%	Milion Baht	%
Top 10 Securities Trading Clients	94,895	17.95	87,825	17.65	110,396	18.76

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

Clients Proportion	2018	2017	2016
Retail : Institution	83:17	88:12	89:11
Local : Foreign	94:6	95:5	93:7
Cash Account : Credit Balance	82:18	79:21	78:22

Policy on opening new accounts

KTZMICO 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. KTZMICO have delegated employees with the authority to approve loans subjected to a credit line's risk level. KTZMICO 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, KTZMICO 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, Silver Futures, RSS3 Futures, Crude Oil Futures including USD Futures.

In 2017, trading volume of KTZMICO was 3,656,119 contracts, accounting for 1.75% market share.

	2018	2017	2016
No. of Contracts - TFEX	104,422,200	78,990,574	69,576,164
No. of Contracts - Company	3,656,119	4,150,057	3,490,411
Market Share	1.75%	2.63%	2.51%
Rank	20	14	13

As KTZMICO emphasizes one xpanding 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. Moreover, KTZMICO also started publicizing its daily derivatives research papers for both fundamental and technical research.

- **Securities Borrowing and Lending**

KTZMICO 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 KTZMICO’s announcement.

Securities Borrowing and Lending (SBL) has been growing in demand with the development of the securities market. KTZMICO provides the service as an alternative investment and also for clients to hedge against market fluctuations. KTZMICO serves as a principal for securities listed in the SET100 Index. In 2018, KTZMICO still plans to continually expand its KTB’s customer base.

- **Derivative Warrants (DW)**

KTZMICO began offering Derivative Warrants (DW) for the first time in December 2010. In 2018 KTZMICO slow down issuance Derivative Warrants which offer 1 DW.

KTZMICO plans to offer complex financial products such as Structured Notes.

- **Securities Trading**

KTZMICO invests and trades in securities with the objective of generating additional income and has a policy of investing in high-return securities. KTZMICO 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 2018, 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.
- 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 Executive Committee.

- **Underwriting Business**

KTZMICO offers a full range of financial advisory services, including the sale of securities products. KTZMICO acts as a financial advisor and subsequently adopts the role of underwriter. KTZMICO 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. KTZMICO 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**

KTZMICO 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.

KTZMICO 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. Currently, KTZMICO acts as a financial advisor in several M&A deals.

KTZMICO is positioning itself as the gateway to CLMV. It already expanded its business to Laos through BCEL Krungthai Securities (BCEL-KT), a joint venture between BCEL bank and KTZMICO. It acts as the financial advisor to BCEL-KT and underwriter of EDL Generation, the first initial public offering in Laos. KTZMICO is confident that being able to establish a strong foothold in Laos marks the first step in realizing its goal as the gateway to CLMV.

In addition, KTZMICO has received a securities license in Myanmar from the Government of Myanmar (“GOM”). KTZMICO was the only securities company from Thailand to win a brokering license and competed with one another on the basis of service. The company is being issued ahead of the launch of the Yangon Stock Exchange. It has expanded its securities business to Myanmar through KTZ Ruby Hill Securities company Limited (“KTzRH”) holding by the portion of 49.15%, the joint venture of locally-owned Ruby Hill Finance Company and started operating in March 2016

- **Wealth Advisor**

KTZMICO 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. KTZMICO 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. KTZMICO was a unit trust selling agent, before being approved by the SEC to be a selling agent for omnibus account. It currently covers 17 Asset Management Companies. Moreover, KTZMICO continues acted as a participating dealer in ETF Fund.

- **Private Fund**

In 2012, KTZMICO was approved by the Securities and Exchange Commission to operate private fund. With the cooperation and supports of KTB, a major shareholder, the business starts operating since the late of year 2012.

- **International Market Securities Trading**

KTZMICO 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. Currently, KTZMICO offers securities trading in several major securities markets such as the U.S., Hong Kong, and Singapore. In the past year, investors’ response to the Vietnam’s Stock Exchange that is Hochiminh Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX) and Lao Securities Exchange (LSX) has been overwhelming.

In addition to KTZMICO’s efficient trading systems, KTZMICO also ensures the reliability and efficiency in the international settlements by appointing highly reputable global institutions as agent. This is to assure clients of KTZMICO’s settlement capabilities that are on par with international practice providing high efficiency and security in offshore trading.

- **Foreign Exchange Business**

In September 2018, KTZMICO 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 KTZMICO as a broker.

INDUSTRY OUTLOOK AND COMPETITION

Overall market in 2018 and 2019 outlook

The Thai stock market in 2018 fluctuated in a downtrend on the back of external factors, especially the trade war, weaker global oil prices near yearend and the global economic slowdown. Consequently, a substantial amount of capital flowed out of emerging markets. Meanwhile, the Thai stock market was pressured by uncertainty regarding the general election date. In 2018, the Thai stock market saw net selling by foreign investors at 287 billion baht, much larger than the amount of 26 billion baht in 2017. However, the Thai bond market saw continued foreign capital inflow at a total of 134 billion baht.

For the 2019E outlook, the Thai equity market is expected to gain slightly from the end of the previous year. Nevertheless, downside risk related to external factors seems to be increasing, particularly as it pertains to the global economic slowdown, which may have a negative impact on both the Thai economy and the earnings growth of listed firms. At the same time, the positive external factors should include potential easing of monetary and fiscal policies and/or new economic stimulus packages from major economies. We maintain our cautious optimism regarding the Thai economy, expecting GDP to grow by 3.8% in 2019, a slower pace than the 4.1% growth reported for 2018. Domestic demand should continue to act as the major driver. Finally, we expect the general election to have just a short-term positive impact during the pre-election period.

The total market turnover increased by 16% YoY in 2018 and the average daily turnover stood at 57,674 million baht, up by 15% from the 50,114 million baht seen in 2017. Looking ahead to 2019, we expect the average daily turnover to either remain flat or decline slightly from the level seen in 2018. The major pressures are likely to be external factors while the market should see short-term domestic catalysts from the general election as mentioned above.

Market capitalization and market turnover

	Average market capitalization (million baht)	Growth YoY (%)	Total market turnover (million baht)	Growth YoY (%)	Average daily market turnover (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

Source: Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), KT ZMICO

Funding activities through the capital market in 2018 decreased from 2017, with 18 initial public offerings (IPOs) (i.e., seven IPOs in the SET and 11 IPOs in MAI) versus 39 IPOs in 2017 (i.e., 22 IPOs in the SET and 17 IPOs in MAI). For the 2019E outlook, the number of IPOs is expected to increase from 2018, partially due to the low base from 2018. We expect funding activities to be concentrated in the latter half of 2019, in part because most firms will wait for clarity concerning the establishment of the new government post election.

In 2018, the investor mix in the stock market continued to change, as has been the case since 2014. The proportion of retail investors, in particular, continued to drop to 41% of total turnover in 2018, versus 62% in 2014. On the contrary, the proportion of foreign investors increased significantly to 36% in 2018 versus the figure of 20% in 2014. Meanwhile, the proportion of local institutional investors and brokerage firms' proprietary trading did not show significant changes, remaining at 11% and 12%, respectively, in 2018. Finally, internet trading comprised 28% of total trading volume in 2018, down from 37% in 2014. This was in line with the change in the investor mix in the market, specifically the continued increase in the proportion of foreign investors against the decline of retail investors.

Key market statistics

	2018	2017	2016
SET Index	1,563.88	1,753.71	1,542.94
Total market turnover (Million Baht)	14,130,078	12,227,748	12,816,259
SET	13,820,220	11,652,311	12,259,772
MAI	309,858	575,437	556,487
Average daily market turnover (Million Baht)	57,674	50,114	52,526
SET	56,409	47,755	50,245
MAI	1,265	2,358	2,281
Average daily market turnover (exclude proprietary trading) (Million Baht)	50,593	44,875	47,002
Average daily market turnover of proprietary trading (Million Baht)	7,081	5,238	5,524
Number of newly listed companies (IPOs)	18	39	24
SET	7	22	11
MAI	11	17	13
Internet trading value (Million Baht)	3,998,249	3,989,387	4,473,664
Internet trading total market turnover (%)	28%	33%	35%
No. of brokerage firms offering Internet trading	33	31	31
Investor breakdown by types			
Retail investors	41%	48%	54%
Domestic institutional investors	11%	11%	10%
Proprietary Trading	12%	11%	10%
Foreign investors	36%	30%	26%
Total	100%	100%	100%

Source: Stock Exchange of Thailand (SET), The Securities and Exchange Commission (SEC), KT ZMICO

The competition in the securities business remained intense in 2018 and the trend is likely to continue in 2019, due especially to the fact that new players are employing aggressive strategies to compete for clients with existing operators. In additions, some new players mainly offer online trading services and use a pricing strategy to attract clients. As a result, the market shares of existing brokerage firms declined from the year before and the system's average commission rate (excluding brokerage firms' portfolios) continued to fall, from 0.133% in 2016 and 0.125% in 2017 to 0.112% in 2018. Looking ahead, the commission rate in 2019 is likely to weaken further as competition will remain stiff, fueled particularly by operators who focus on online trading services. The proportion of retail investors is also anticipated to continue shrinking. Meanwhile, brokerage firms' ability to grow their client bases as well as expand to other revenue bases has remained rather limited. Consequently, brokers continue to depend primarily on brokerage fee income, which accounted for 61% of total revenue in 2018, although this was down from 70% in the past three to five years.

Provision of product or services

1. 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.

KTZMICO 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. KTZMICO incorporates asset, liability and capital market risk factors in order to appropriately allocate capital in a way that is most beneficial to shareholders.

2. Financing Fund from Persons related to Management or Major Shareholders

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

3. 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 KTZMICO, 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 2018, KTZMICO had Net Liquid Capital of Baht 1,046 million with NCR ratio at 24% and total shareholders' equity of Baht 2,368 million.

3. Fund Management Business

Innotech Asset Management currently holds 4 fund management licenses as follows:

1. Mutual Fund

Innotech was granted a mutual fund management license under the securities and exchange act B.E. 2535 since January 8, 2007 (License No. 0009/2549) for managing all type of mutual funds under supervision of the Securities and Exchange Commission. The company had officially started up this business since May 10, 2007.

2. Private Fund: Individual Private Fund

Innotech was granted a private fund management license (individual private fund) under the securities and exchange act B.E. 2535 since August 14, 2007 (License No. 0008/2550) for managing all type of private fund under supervision of the Securities and Exchange Commission. The company had officially started up this business since December 3, 2007.

3. Private Fund: Provident Fund

Innotech was granted a private fund management license (provident fund) under the securities and exchange act B.E. 2535 since February 22, 2010 (License No. 0001/2555) for managing all types of provident fund under supervision of the Securities and Exchange Commission. Innotech had officially started up this business since February 22, 2010. As of December 31, 2013, Innotech has none of provident fund under management.

4. Derivatives Fund Manager

Innotech was granted a derivatives fund manager license under the derivatives act B.E. 2546 since July 13, 2007 (License No. 0009/2550) for being a fund manager to invest in derivatives instruments. However, Innotech has not operated this kind of business yet.

Market and Competition

The core business of the asset management company is purchasing or accepting transfer of non performing assets including their collaterals from financial institutions for the purposes of managing or reselling. So, Market and competition in this business also depends on the characteristics and the quantities of NPL.

At present, Asset management companies and can divided into 3 types.

1. The Government is major shareholder
2. The Bank is major shareholder
3. The independent company

Lumpini Asset Management Co., Ltd. is classified into type 3. Because there are various types of NPL, Each asset management company limited may focus on the each NPLs they have competences and focus on only the NPLs of parent companies.

Provision of products or services

The company will acquiring non-performing loans (NPLs) from other financial institutions by auction and manage them through the process of debt restructuring negotiations to transform them to be regular assets for a short time and take advantage of this opportunity to benefit the economic system by considering the possibility of bidding, expected profit margin, possibility of debt collection, sources of fund and liquidity, the value of non performing asset and the value of collateral.

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 such as;
 - 1.1 Lessening the payment condition such as reducing its debts, interest amount, interest rate or revising a payment plan.
 - 1.2 Converting debt-to-equity the company may converts a loan amount into equity shares and the company gets an equity position in exchange for cancellation of the debt.
 - 1.3 Selling the debtor's asset to the bidding market to reduce its' debt and to prevent the impairment of that asset.
 - 1.4 Other approaches: asset swap, loan to debtor.
2. Non performing asset's management

The company can sell the non performing asset to 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.

Risk Factors

1. Business Risk Factors

In the past, the Company has invested in Innotech Asset Management Company Limited (formerly Solaris Asset Management Company Limited) and KT ZMICO Securities Company Limited. The increasing competitiveness and free trade completion policy in the securities business urged the company to diversify its portfolio in order to reduce risk with long-term investments. Seamico's representatives now sit on the boards of these companies, enabling them to set the policy and corporate governance standards.

The Company established Lumpini Asset Management Company Limited to do asset management company in 2015. Then, in 2017, it invested in Sentimental (Thailand) Company Limited and Absolute Yoga Company Limited. The aforementioned businesses focus on trading, import and export, distribution and supply of cosmetics, perfumes, fragrances and yoga. As the financial results for the fiscal year ended 2018 showed a continuing loss, the company will conduct a thorough review of its investments to protect it from devaluation in the future.

Innotech Asset Management Company Limited is restructuring its operations, developing new strategies and seeking a new business partner in order to return to profit.

SE Digital Company Limited was established in 2018 as part of diversification into new digital business. At present, it is awaiting approval of its application for a license from the Securities and Exchange Commission.

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 the 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 transfer.

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.

Shareholders

Major Shareholders (as at 28th December 2018)

Name	No. of Shares Held	% of Paid-up Capital
1. MR. SUTHEP WONGVORAZATHE	100,000,000	7.647
2. ER MERRY WAY LP	60,000,000	4.588
3. OCEANWIDE SECURITIES COMPANY LIMITED A/C CLIENT	48,992,954	3.746
4. MR. WACHIRA THAYANARAPORN	34,000,000	2.600
5. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	31,764,567	2.429
6. MR. PIMOL SRIVIKORN	31,373,300	2.399
7. BANK OF SINGAPORE LIMITED	27,270,410	2.085
8. MR. TAWEECHAT JURANGKUL	27,000,000	2.065
9. CHAIYUTH PITAKTEERATHAM	26,509,400	2.027
10. UOB KAY HIAN PRIVATE LIMITED	22,775,456	1.742
OTHER	898,050,839	68.672
TOTAL	1,307,736,926	100.000

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.

Management Structure

1. BOARD OF DIRECTORS

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

* Mr. Pinit Puapan had resigned from the position of an Authorized Director, the Managing Director and a Member of the Investment Committee of the Company with effect on 1st February 2019.

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. Pinit Puapan any two of these three directors signing together with the Company's seal being affixed.

ATTENDANCE RECORD IN 2018

In 2018, the Board of Directors met 9 times. Details of the attendance are as follows:

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

2. MANAGEMENT

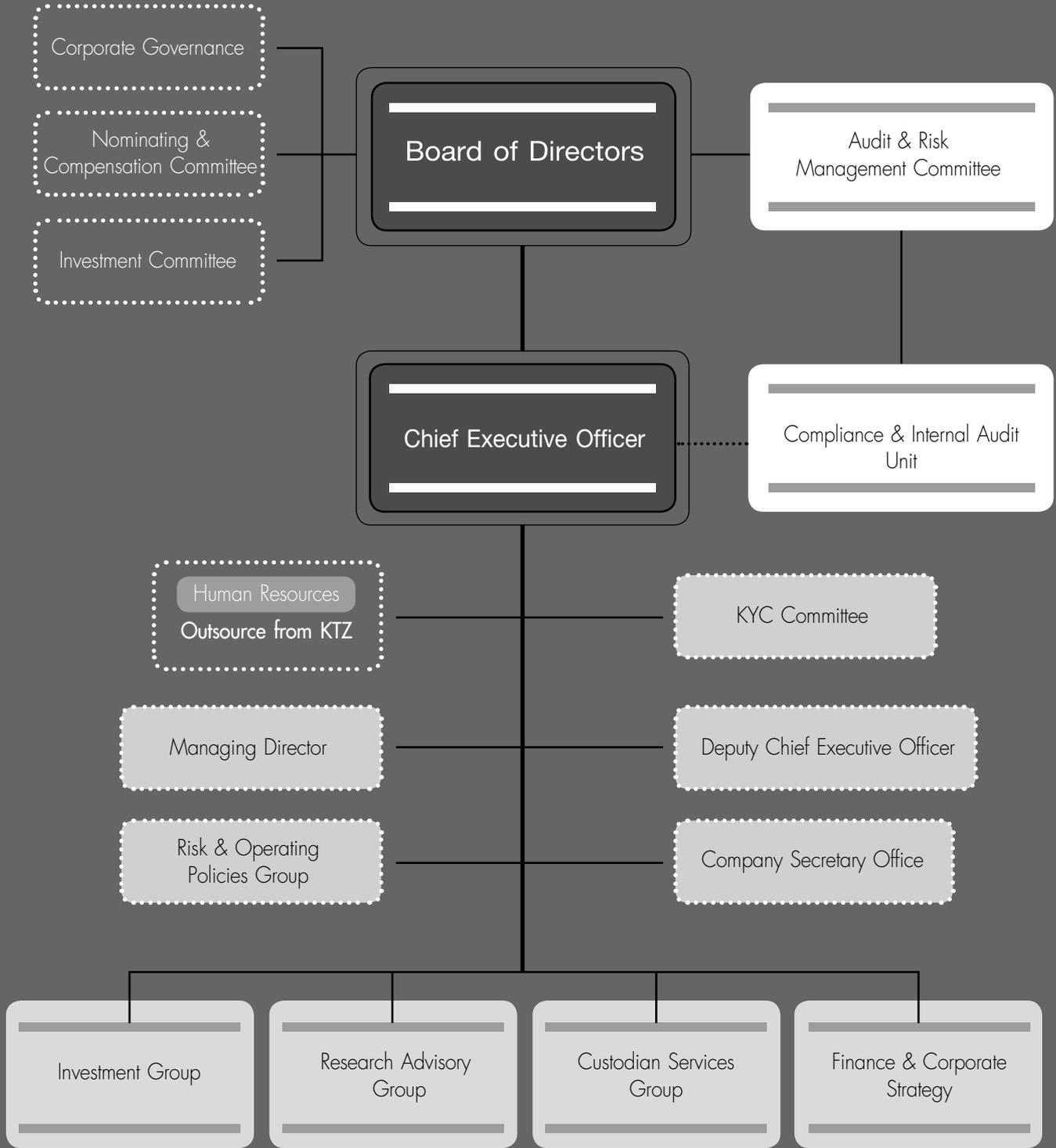
1. Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none">• Authorized Director• Chief Executive Officer• Vice Chairman• Member of Investment Committee
2. Mr. Pinit Puapan*	<ul style="list-style-type: none">• Authorized Director• Managing Director• Member of Investment Committee
3. M.L. Thongmakut Thongyai	<ul style="list-style-type: none">• Deputy Chief Executive Officer
4. Mr. Chalit Chulajaruwong	<ul style="list-style-type: none">• Executive Vice President, Compliance and Internal Audit Unit
5. Mr. Chirayu Chueyam	<ul style="list-style-type: none">• Senior Vice President, Investment Group• Senior Vice President, Custodian Services Group• Secretary to Investment Committee
6. Mr. Terapatr Mathanukraw	<ul style="list-style-type: none">• Senior Vice President, Advisory Research Group
7. Ms. Varisara Ummaritchoti	<ul style="list-style-type: none">• Chief Finance Officer• Senior Vice President, Finance and Corporate Strategy

* Mr. Pinit Puapan had resigned from the position of an Authorized Director, the Managing Director and a Member of the Investment Committee of the Company with effect on 1st February 2019.

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 9th November 2015.

Organization Chart



DIRECTORS, MANAGEMENT AND COMPANY SECRETARY PROFILES

Mr. Suthep Wongvorazathe	
Position	<ul style="list-style-type: none"> • Authorized Director • Chairman of the Board • Chairman of Investment Committee • Chairman of Nominating and Compensation Committee
Age	70 Years
Date of Appointment	20 September 2013
Education	MBA, University of Wisconsin, U.S.A. (1971)
Training	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) (2005) • Corporate Governance for Capital Market Intermediaries (CGI) (2016)
% of Shareholding	7.65%
Relationship with Management	Mr. Supachai Wongvorazathe's Father
Experience Company Group	
8 October 2013 - Present	<ul style="list-style-type: none"> • Chairman of the Board, Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none"> • Chairman of Investment Committee, Seamico Securities Plc.
12 February 2014 - Present	<ul style="list-style-type: none"> • Chairman of Nominating and Compensation Committee Seamico Securities Plc.
14 May 2014 - Present	<ul style="list-style-type: none"> • Executive Chairman, KT ZMICO Securities Co., Ltd.
22 August 2014 - Present	<ul style="list-style-type: none"> • Authorized Director, KT ZMICO Securities Co., Ltd.
26 February 2014 - 21 August 2014	<ul style="list-style-type: none"> • Non-authorized Director, KT ZMICO Securities Co., Ltd.
3 December 2018 - Present	<ul style="list-style-type: none"> • Authorized Director, SE Digital Co., Ltd.
Other Listed Companies in the SET	
February 2007 - Present	<ul style="list-style-type: none"> • Chairman, Khonburi Sugar Plc.
October 2012 - Present	<ul style="list-style-type: none"> • Chairman of Audit Committee, Independent Director The Bangchak Corporation Plc.
15 June 2015 - Present	<ul style="list-style-type: none"> • Chairman, Executive Chairman, M.K. Real Estate Development Plc.
Other Companies	
14 December 2018 - Present	<ul style="list-style-type: none"> • Director, CPD Assets Co., Ltd.
31 August 2017 - Present	<ul style="list-style-type: none"> • Director, HSH-Siam Chaophraya Holdings Co., Ltd.
8 August 2017 - Present	<ul style="list-style-type: none"> • Director, The Mall Group
24 June 2015 - Present	<ul style="list-style-type: none"> • Director, Banthat Thong Co., Ltd.
2011 - Present	<ul style="list-style-type: none"> • Authorized Director, New Corp Co., Ltd.
2009 - Present	<ul style="list-style-type: none"> • Authorized Director, Asia Kangnam Co., Ltd.
Other Past Experience	
March 2003 - April 2016	<ul style="list-style-type: none"> • Chairman of Audit Committee and Independent Director Chumporn Palm Oil Industry Plc.
2010 - 2011	<ul style="list-style-type: none"> • Chairman of Executive Board, Export-Import Bank of Thailand
2009 - 2011	<ul style="list-style-type: none"> • Director, The Board of Investment of Thailand
2007 - 2010	<ul style="list-style-type: none"> • Chairman, Pacific Assets Plc.

Mr. Chaipatr Srivisarvacha	
Position	<ul style="list-style-type: none"> • Authorized Director • Vice Chairman • Chief Executive Officer • Member of Investment Committee
Age	59 Years
Date of Appointment	18 April 2007
Education	MBA (Finance), Illinois Benedictine College (1984)
Training	<ul style="list-style-type: none"> • 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	1.45%
Relationship with Management	None
Experience Company Group	
22 May 2007 - Present	<ul style="list-style-type: none"> • Authorized Director, Seamico Securities Plc.
7 January 2009 - Present	<ul style="list-style-type: none"> • Authorized Director, KT ZMICO Securities Co., Ltd.
1 May 2009 - Present	<ul style="list-style-type: none"> • Chief Executive Officer, KT ZMICO Securities Co., Ltd.
29 November 2011 - Present	<ul style="list-style-type: none"> • Non-authorized Director, Innotech Asset Management Co., Ltd.
Other Listed Companies in the SET	
September 2018 - February 2019	<ul style="list-style-type: none"> • Chairman, Audit Committee, The Stock Exchange of Thailand
28 May 2015 - 27 May 2019	<ul style="list-style-type: none"> • Governor, The Stock Exchange of Thailand
14 March 2011 - Present	<ul style="list-style-type: none"> • Independent Director, Precious Shipping Plc.
28 December 2015 - Present	<ul style="list-style-type: none"> • Chairman of the Board of Directors, Thaifoods Group Plc.
Other Companies	
23 May 2016 - Present	<ul style="list-style-type: none"> • Non-authorized Director, TSFC Securities Public Co., Ltd.
Other Past Experience	
28 May 2012 - 27 May 2014	<ul style="list-style-type: none"> • Governor, The Stock Exchange of Thailand
19 June 2013 - 27 May 2014	<ul style="list-style-type: none"> • Member of Audit Committee, The Stock Exchange of Thailand
20 June 2012 - 19 June 2013	<ul style="list-style-type: none"> • Director, Thailand Futures Exchange Plc.
1 January 2013 - 19 June 2013	<ul style="list-style-type: none"> • Chairman Derivatives Investor Protection Fund Committee Thailand Futures Exchange Plc.
August 2009 - June 2018	<ul style="list-style-type: none"> • Chairman of the Board, Executive Chairman, Thanh Cong Securities J.S.C
2003 - 16 May 2013	<ul style="list-style-type: none"> • Independent Director and Audit Committee Member, Brooker Group Plc.
8 September 2010 - 3 November 2011	<ul style="list-style-type: none"> • Independent Director and Chairman of Audit Committee Dhanarak Asset Development Co., Ltd.
31 January 2011 - 3 November 2011	<ul style="list-style-type: none"> • Chairman, DAD SPV Co., Ltd.
3 July 2001 - 18 April 2007	<ul style="list-style-type: none"> • Independent Director and Audit Committee Member Thanachart Bank Plc.
1999 - 2003	<ul style="list-style-type: none"> • Independent Director, Pacific Assets Plc.
1999	<ul style="list-style-type: none"> • Director and Executive Director, Krung Thai Bank Plc.

Mr. Pinit Puapan*

Position	<ul style="list-style-type: none"> • Authorized Director • Managing Director • Member of Investment Committee
Age	51 Years
Date of Appointment	30 January 2009
Education	<ul style="list-style-type: none"> • Advanced Management Program, Harvard Business School (2006) • MSC, Economics, London School of Economics (1990) • BA, Economics & Political Science, Tufts University (1989)
Training	<ul style="list-style-type: none"> • Audit Committee Program (2004) • Director Accreditation Program (DAP) (2004) • Corporate Governance for Capital Market Intermediaries (CGI) (2015) • Certificate, Leader Program, Capital Market Academy (CMA 11) (2011) • Certificate, Advanced Security Management Program, The Association National Defense College of Thailand (ASMP 5) (2014) • Public Director Certification Program (PDI 15), King Prajadhipok's Institute (2016) • Executive Energy Program, The Federation of Thai Industries (EEP3) (2017) • Oxford Programme on Negotiation Programme in Bangkok, Executive Education and Enrichment Institute (2018) • Corporate Governance in Digital Era, Fiscal Policy Research Institute Foundation (2018)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
4 March 2009 - 31 January 2019	<ul style="list-style-type: none"> • Authorized Director, Seamico Securities Plc.
3 July 2007 - 31 January 2019	<ul style="list-style-type: none"> • Managing Director, Seamico Securities Plc.
8 November 2013 - 31 January 2019	<ul style="list-style-type: none"> • Member of Investment Committee, Seamico Securities Plc.
14 September 2018 - 31 January 2019	<ul style="list-style-type: none"> • Authorized Director, Scentimental (Thailand) Co., Ltd.
28 May 2007 - 8 November 2013	<ul style="list-style-type: none"> • Member of the Executive Committee, Seamico Securities Plc.
22 May 2007 - 21 October 2008	<ul style="list-style-type: none"> • Authorized Director, Seamico Securities Plc.
28 April 2009 - 17 April 2017	<ul style="list-style-type: none"> • Director, Solaris Asset Management Co., Ltd.
28 October 2008 - 20 April 2018	<ul style="list-style-type: none"> • Authorized Director, KT ZMICO Securities Co., Ltd.
28 October 2008 - 31 December 2014	<ul style="list-style-type: none"> • Managing Director, KT ZMICO Securities Co., Ltd.
August 2009 - 29 March 2013	<ul style="list-style-type: none"> • Director, Thanh Cong Securities J.S.C.
2010 - 31 January 2012	<ul style="list-style-type: none"> • Director, BCEL-KT Securities Co., Ltd.
Other Listed Companies in the SET	
2002 - Present	<ul style="list-style-type: none"> • Audit Committee and Independent Director Charn Issara Development Plc.
8 June 2015 - Present	<ul style="list-style-type: none"> • Non-authorized Director, CAT Telecom Plc.
22 December 2015 - Present	<ul style="list-style-type: none"> • Non-authorized Director, Srisawad Corporation Plc.
23 May 2017 - Present	<ul style="list-style-type: none"> • Non-authorized Director, Srisawad Finance Plc.
20 December 2017 - Present	<ul style="list-style-type: none"> • Authorized Director, Thai Airways International Plc.

Other Companies	
2002 - Present	<ul style="list-style-type: none"> • Director, Thai Dairy Industry Co., Ltd.
2008 - Present	<ul style="list-style-type: none"> • Director, Ideas 1606 Co., Ltd.
2013 - Present	<ul style="list-style-type: none"> • Authorized Director, Veyla Cha Am Residences Co., Ltd.
Present	<ul style="list-style-type: none"> • Authorized Director, Talon Holdings Co., Ltd.
2014 - Present	<ul style="list-style-type: none"> • Authorized Director, Mali Group 1962 Co., Ltd.

* Mr. Pinit Puapan has resigned from the position of an Authorized Director, the Managing Director and a Member of the Investment Committee of Seamico Securities Plc. with effect from 1st February 2019 onward.

Mr. Peter John Emblin	
Position	<ul style="list-style-type: none"> • Independent Director • Member of Investment Committee • Member of Nominating and Compensation Committee
Age	60 Years
Date of Appointment	26 February 2010
Education	<ul style="list-style-type: none"> • Bachelor of Business RMIT University Melb.Australia • Fellow of the Financial Services Institute of Australasia • Chartered Director Thai Institute of Directors
Training	<ul style="list-style-type: none"> • Director Certification Program (DCP 153/2011) (2011) • Corporate Governance for Capital Market Intermediaries (CGI 9/2015) (2015) • Chartered Director Class (CDC 10/2015) (2015) • Diploma Director Certification Program (2012)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
20 September 2013 - Present	<ul style="list-style-type: none"> • Independent Director, Seamico Securities Plc. • Member of Nominating and Compensation Committee Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none"> • Member of Investment Committee, Seamico Securities Plc.
20 September 2013 - 13 November 2014	<ul style="list-style-type: none"> • Member of Corporate Governance Committee, Seamico Securities Plc.
18 March 2010 - 19 September 2013	<ul style="list-style-type: none"> • Director, Seamico Securities Plc.
11 November 2010 - 8 November 2013	<ul style="list-style-type: none"> • Member of Executive Committee, Seamico Securities Plc.
Other Listed Companies in the SET	None
Other Companies	
1 December 2016 - Present	<ul style="list-style-type: none"> • Advisor, D.W.P. Co., Ltd.
1 December 2016 - Present	<ul style="list-style-type: none"> • Advisor, Delight Plus Co., Ltd.
Other Past Experience	
April 2014 - 30 November 2016	<ul style="list-style-type: none"> • Advisor, MBMG Corporate Solutions Co., Ltd.
November 2008 - 31 December 2013	<ul style="list-style-type: none"> - Executive, Thai Strategic Capital Management Co., Ltd.

Mr. Peter Emil Romhild

Position	<ul style="list-style-type: none"> • Independent Director • Chairman of Audit and Risk Management Committee • Member of Nominating and Compensation Committee
Age	67 Years
Date of Appointment	27 April 2012
Education	EAC's Internal School, Copenhagen
Training	<ul style="list-style-type: none"> • Directors Accreditation Program (DAP) (2011) • Director Certification Program (DCP) (2012) • 3rd 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)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
10 May 2012 - Present	<ul style="list-style-type: none"> • Independent Director, Seamico Securities Plc. • Member of Nominating and Compensation Committee, Seamico Securities Plc.
9 May 2014 - Present	<ul style="list-style-type: none"> • Chairman of Audit and Risk Management Committee, Seamico Securities Plc.
10 May 2012 - 8 May 2014	<ul style="list-style-type: none"> • Member of Audit and Risk Management Committee, Seamico Securities Plc.
10 May 2012 - 20 September 2013	<ul style="list-style-type: none"> • Member of Corporate Governance Committee, Seamico Securities Plc.
January 2019 - Present	<ul style="list-style-type: none"> • Director, Scentimental (Thailand) Co., Ltd.
February 2017 - December 2018	<ul style="list-style-type: none"> • Chairman, Scentimental (Thailand) Co., Ltd.
Other Listed Companies in the SET	None
Other Companies	
February 2018 - Present	<ul style="list-style-type: none"> • Executive Board Director, KTT Services (Thailand) Co., Ltd.
2016 - Present	<ul style="list-style-type: none"> • Executive Board Director, ECCO (Vietnam) Co., Ltd.
April 2012 - Present	<ul style="list-style-type: none"> • Vice Chairman, ECCO (Thailand) Co. Ltd.
October 2013 - Present	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Advisor, Berli Jucker Pcl.
January 2007 - December 2011	<ul style="list-style-type: none"> • Sr. Executive Vice President, Berli Jucker Pcl.
January 2001 - December 2007	<ul style="list-style-type: none"> • Executive Vice President, Berli Jucker Pcl.

Mr. Jesadavat Priebjivat	
Position	<ul style="list-style-type: none"> • Authorized Director • Member of Corporate Governance Committee
Age	62 Years
Date of Appointment	10 May 2013
Education	<ul style="list-style-type: none"> • MBA, New York University, U.S.A. (1984) • MEA, George Washington University, U.S.A. (1980)
Training	<ul style="list-style-type: none"> • Role of the Chairman Program (ROCP) V. 2 (2011) • Corporate Good Governance for the Director & Executives of Enterprise & Public Organization V. 4 (2010) • Director Certification Program (DCP) V. 115 (2009) • Audit Committee Program (ACP) V. 1 (2009) • Change Management for Top Executive Program (GRID Thailand) (2009) • Corporate Governance for Capital Market Intermediaries (CGI) (2016)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
6 February 2019 - Present	<ul style="list-style-type: none"> • Authorized Director, Seamico Securities Plc.
28 November 2018 - 5 February 2019	<ul style="list-style-type: none"> • Non-authorized Director, Seamico Securities Plc.
1 February 2017 - 27 November 2018	<ul style="list-style-type: none"> • Member of Audit and Risk Management Committee, Seamico Securities Plc.
28 May 2013 - 27 November 2018	<ul style="list-style-type: none"> • Independent Director, Seamico Securities Plc.
20 September 2013 - Present	<ul style="list-style-type: none"> • Member of Corporate Governance Committee, Seamico Securities Plc.
3 December 2018 - Present	<ul style="list-style-type: none"> • Authorized Director, SE Digital Co., Ltd.
Other Listed Companies in the SET	
June 2010 - Present	<ul style="list-style-type: none"> • Chairman, Gratitude Infinite Plc.
May 2008 - Present	<ul style="list-style-type: none"> • Chairman of Audit Committee, Sansiri Plc.
Other Past Experience	
May 2011 - March 2014	<ul style="list-style-type: none"> • Chairman of Audit Committee, Trang Seafood Products Plc.
June 2010 - 2012	<ul style="list-style-type: none"> • Chief Financial Officer, CAT Telecom Plc.

Assistant Professor Pimol Srivikorn

Position	<ul style="list-style-type: none"> • Non-authorized Director • Chairman of Corporate Governance Committee • Member of Investment Committee
Age	54 Years
Date of Appointment	20 September 2013
Education	<ul style="list-style-type: none"> • MBA, University of California at Los Angeles John E. Anderson, U.S.A. (1989)
% of Shareholding	2.40%
Relationship with Management	None
Experience Company Group	
8 October 2013 - Present	<ul style="list-style-type: none"> • Non-authorized Director, Seamico Securities Plc. • Chairman of Corporate Governance Committee, Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none"> • Member of Investment Committee, Seamico Securities Plc.
March 2017 - Present	<ul style="list-style-type: none"> • Authorized Director, Absolute Yoga Co., Ltd.
Other Listed Companies in the SET	
May 1993 - Present	<ul style="list-style-type: none"> • Chairman, TCM Corporation Public Company Limited (Former Thailand Carpet Manufacturing Plc.)
Other Companies	
January 1989 - Present	<ul style="list-style-type: none"> • Owner and Executive Director, Intercontinental Hotel Bangkok
March 2007 - Present	<ul style="list-style-type: none"> • President , Taekwondo Association of Thailand
December 2011 - Present	<ul style="list-style-type: none"> • License Holder and School Director Srivikorn School - Srivikorn Business School
January 2012 - Present	<ul style="list-style-type: none"> • Executive Director, Srivikorn Group Holding Co., Ltd.
March 2015-Present	<ul style="list-style-type: none"> • Chief Executive Officer , Scomadi Thailand Co., Ltd.
Other Past Experience	
January 2013 - 3 May 2016	<ul style="list-style-type: none"> • Independent Director and Chairman of Audit Committee Nok Airlines Plc.

Dr. Tanasak Wahawisan	
Position	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee
Age	60 Years
Date of Appointment	28 April 2014
Education	<ul style="list-style-type: none"> Graduate School of International Studies, University of Denver Ph.D. International Studies (1986-1988) Graduate School of International Studies, University of Denver M.A. International Studies (1985-1986) Department of Political Science, The Ohio State University M.A. Political Science (1980-1981) Faculty of Political Science, Chulalongkorn University B.A. Political Science (International Relations) (1976-1979)
Training	<ul style="list-style-type: none"> Directors Certification Program Corporate Governance for Capital Market Intermediaries (CGI) (2015)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
25 August 2014 - Present	<ul style="list-style-type: none"> Independent Director, Seamico Securities Plc.
28 August 2014 - Present	<ul style="list-style-type: none"> Member of Audit and Risk Management Committee, Seamico Securities Plc.
Other Listed Companies in the SET	None
Other Companies	
2017 - Present	<ul style="list-style-type: none"> Chairman, Automation and Technology Service Co., Ltd.
16 April 2014 - Present	<ul style="list-style-type: none"> Independent Director and Member of Audit Committee, Advance Finance Plc.
2011 - Present	<ul style="list-style-type: none"> Director, PHM International Co., Ltd.
2000 - Present	<ul style="list-style-type: none"> Director and General Manager, Apollo (Thailand) Co., Ltd.
2006 - Present	<ul style="list-style-type: none"> Founding Member and Lecturer Institute of Diplomacy and International Studies, Rangsit University

Mr. Supachai Wongvorazathe

Position	<ul style="list-style-type: none"> • Non-authorized Director • Member of Investment Committee
Age	43 Years
Date of Appointment	27 April 2017
Education	<ul style="list-style-type: none"> • Charter, CFA Institute, CFA Charterholder (2002) • Thunderbird, School of Global Management, Master of International Management, Arizona, USA (1999 - 2000) • Chulalongkorn University, Bachelor of Business Administration (1993-1997)
% of Shareholding	0%
Relationship with Management	Mr. Suthep Wongvorazathe's son
Experience Company Group	
16 May 2017 - Present	<ul style="list-style-type: none"> • Non-authorized Director, Seamico Securities Plc. • Member of Investment Committee, Seamico Securities Plc.
3 December 2018 - Present	<ul style="list-style-type: none"> • Authorized Director, SE Digital Co., Ltd.
Other Listed Companies in the SET	None
Other Companies	
9 May 2018 - Present	<ul style="list-style-type: none"> • Director, Tenharu (Thailand) Co., Ltd.
16 March 2017 - Present	<ul style="list-style-type: none"> • Director, Menya Itto (Thailand) Co., Ltd.
13 August 2013 - Present	<ul style="list-style-type: none"> • Director, Suchi Ichi (Thailand) Co., Ltd.
8 August 2013 - Present	<ul style="list-style-type: none"> • Director, Gastrotheque Co., Ltd.
Other Past Experience	
2011- 1 August 2018	<ul style="list-style-type: none"> • Senior Vice President, Optasia Capital Co., Ltd.
May 2004 - April 2008	<ul style="list-style-type: none"> • Director, Grant Thornton Specialist Advisory Services Ltd
June 2002 - April 2004	<ul style="list-style-type: none"> • Vice President, Cerberus Thailand LLC
November 2000 - May 2002	<ul style="list-style-type: none"> • Assistant Manager, Prime Partners Asset Management Pte. Ltd (Singapore)
June 2000 - September 2000	<ul style="list-style-type: none"> • Associate Intern, Merrill Lynch (Singapore) Pte. Ltd

M.L. Thongmakut Thongyai	
Position	<ul style="list-style-type: none"> Deputy Chief Executive Officer
Age	49 Years
Date of Appointment	7 May 2018
Education	<ul style="list-style-type: none"> Master of Business Administration, The American University, Washington D.C, U.S.A (1992-1994) Bachelor of Design in Industrial Design The University of South Australia, Adelaide, Australia (1987-1991)
Training	<ul style="list-style-type: none"> Corporate Governance for Capital Market Intermediaries (CGI)
% of Shareholding	0.153%
Relationship with Management	None
Experience	
7 May 2018 - Present	<ul style="list-style-type: none"> Deputy Chief Executive Officer, Seamico Securities Plc.
30 May 2018 - Present	<ul style="list-style-type: none"> Authorized Director, KT ZMICO Securities Co., Ltd.
1 June 2018 - Present	<ul style="list-style-type: none"> Managing Director, KT ZMICO Securities Co., Ltd.
Other Listed Companies in the SET	None
Other Companies	
May 2017 - Present	<ul style="list-style-type: none"> Board of Directors, TSFC Securities Public Co., Ltd.
March 2015 - Jan 2018	<ul style="list-style-type: none"> Board of Directors, ASCO
Other Past Experience	
January 2010 - January 2018	<ul style="list-style-type: none"> Chief Executive Officer, SCB Securities Co., Ltd.
2004 - 2010	<ul style="list-style-type: none"> Head of Equities: Managing Director, Citicorp Securities Thailand
1999 - 2004	<ul style="list-style-type: none"> SVP Head of Sales - Trading, CLSA Securities Thailand
1995 - 1999	<ul style="list-style-type: none"> AVP, Institutional Equities Sales, Securities One PLC. (KGI)

Mr. Chalit Chulajaruwong

Position	<ul style="list-style-type: none"> Executive Vice President, Compliance and Internal Audit Unit
Age	55 years
Education	<ul style="list-style-type: none"> Master of Accounting (Financial Accounting), Chulalongkorn University
Training	<ul style="list-style-type: none"> Knowledge of Operational Supervision Compliance officer for Dept 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	<ul style="list-style-type: none"> Executive Vice President, Compliance and Internal Audit Unit, Seamico Securities Plc.
Other Listed Companies in the SET	
October 2004 - October 2013	<ul style="list-style-type: none"> Executive Vice President Compliance Department, Country Group Securities Plc.
Other Companies	
October 2013 - November 2018	<ul style="list-style-type: none"> Executive Vice President Compliance and Internal Audit Line, Asia Wealth Securities Co., Ltd.
May 1992 - April 2004	<ul style="list-style-type: none"> Assistant Director, Asset Management Supervision Department, Securities and Exchange Commission
April 1988 - May 1992	<ul style="list-style-type: none"> Inspector Financial Institutions Development Fund Department, Bank Of Thailand

Mr. Chirayu Chueyam	
Position	<ul style="list-style-type: none"> Senior Vice President, Investment Group Senior Vice President, Custodian Services Group Secretary to Investment Committee
Age	44 Years
Education	<ul style="list-style-type: none"> MBA, Chulalongkorn University BBA, Chulalongkorn University
Training	<ul style="list-style-type: none"> Corporate Governance for Capital Market Intermediaries (2017)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
August 2013 - Present	<ul style="list-style-type: none"> Senior Vice President, Investment Group Senior Vice President, Custodian Services Group Secretary to Investment Committee Seamico Securities Plc.
December 2015 - Present	<ul style="list-style-type: none"> Authorized Director, Lumpini Asset Management Co., Ltd.
Other Listed Companies in the SET	None
Other Past Experience	
August 2016 - December 2018	<ul style="list-style-type: none"> Authorized Director and Executive Director, Innotech Asset Management Co., Ltd.
February 2017 - September 2018	<ul style="list-style-type: none"> Authorized Director, Scentimental (Thailand) Co., Ltd.
April 2014 - December 2016	<ul style="list-style-type: none"> Director, Beacon Offshore Co., Ltd.
September 2009 - July 2013	<ul style="list-style-type: none"> Senior Manager, Portfolio Management, Intouch Holding Plc.
July 2007 - August 2009	<ul style="list-style-type: none"> Vice President, Investment Banking, Seamico Securities Plc.
May 2005 - December 2006	<ul style="list-style-type: none"> Investment Manager, New Business, Shin Corporations Plc.
April 1999 - April 2005	<ul style="list-style-type: none"> Assistant Vice President, CapMaxx Co., Ltd.

Mr. Terapatr Mathanukraw	
Position	<ul style="list-style-type: none"> Senior Vice President, Advisory Research Group
Age	55 Years
Education	<ul style="list-style-type: none"> MBA (Finance), Eastern Michigan University, U.S.A.
Training	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Senior Vice President, Research Advisory Group Seamico Securities Plc.
2015 - Present	<ul style="list-style-type: none"> Authorized Director, Lumpini Asset Management Co., Ltd.
2011 - 2015	<ul style="list-style-type: none"> Fund Manager, Portfolio Management, KT-ZMICO Securities Co., Ltd.
Other Listed Companies in the SET	None

Miss Varisara Ummaritchoti

Position	<ul style="list-style-type: none"> • Chief Financial Officer • Senior Vice President, Finance and Corporate Strategy
Age	36 Years
Education	<ul style="list-style-type: none"> • 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)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
July 2018 - Present	<ul style="list-style-type: none"> • Chief Financial Officer
May 2018 - Present	<ul style="list-style-type: none"> • Senior Vice President, Finance and Corporate Strategy Seamico Securities Plc.
October 2018 - Present	<ul style="list-style-type: none"> • Authorized Director, SE Digital Co., Ltd.
Other Listed Companies in the SET	None
Other Past Experience	
April 2013 - April 2018	<ul style="list-style-type: none"> • Vice President, Corporate Strategy, SCB Securities Co., Ltd.
October 2012 - February 2013	<ul style="list-style-type: none"> • Department Manager, Financial Analyst, Bumrungrad Hospital Plc.
October 2009 - September 2012	<ul style="list-style-type: none"> • Senior Manager, Corporate Finance and Strategy, Indorama Ventures Plc.
August 2007 - September 2009	<ul style="list-style-type: none"> • Senior Consultant, PricewaterhouseCoopers FAS Ltd.
July 2003 - August 2006	<ul style="list-style-type: none"> • Auditor, PricewaterhouseCoopers ABAS Ltd.

Mrs. Pornpilas Harnchanpanich

Position	<ul style="list-style-type: none"> • Company Secretary • Secretary to the Board of Directors • Vice President, Company Secretary Office
Age	53 Years
Education	<ul style="list-style-type: none"> • Bachelor of Arts, Kasetsart University (1986)
Training	<ul style="list-style-type: none"> • Company Secretary Program (CSP# 2/2002) (IOD) (2002) • Corporate Secretary Development Program (Course 10 Days) (Faculty of Commerce and Accountancy, Chulalongkorn University and Thai Listed Companies Association) (2003) • Corporate Secretary Development Program (Course 3 Days) (Thai Listed Companies Association and the SET) (2007) • Fundamental Practice for Corporate Secretary (FPCS 18) (Course 4 Days) (Thai Listed Companies Association) (2008) • Board Reporting (BRP #3/2010) (IOD) (2010) • Effective Minutes Taking (EMT #17/2010) (IOD) (2010) • Fundamental Practice for Corporate Secretary (FPCS 23) (Course 4 Days) (Thai Listed Companies Association) (2011) • Advanced for Corporate Secretaries (Course 4 Days) (Company Secretary Association, Thai Listed Companies Association, the SET, the SEC) (2015) • Company Reporting Program (CRP#16/2016) (IOD) (2016) • CSR for Corporate Sustainability (P01) (#9/2016) (the SET) (2016) • IOD Open House 1/2018 (Thai Institute of Directors) (2018) • Exploring the Future of Sustainable Business "MEGATRENDS"(2018) • Enhancing Good Corporate Governance based on CGR Scorecard, Thai Institute of Directors (2018)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
January 2016 - Present	<ul style="list-style-type: none"> • Company Secretary and Secretary to the Board of Directors Seamico Securities Plc.
July 2014 - Present	<ul style="list-style-type: none"> • Vice President, Company Secretary Office, Seamico Securities Plc.
2001 - June 2014	<ul style="list-style-type: none"> • Assistant Vice President, Office of the Board of Directors Seamico Securities Plc.
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 8 th Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Asset Management
Date of Establishment	28th June 2006

Director	Position
1. Mrs. Pannee Sathavarodom	Chairman
2. Mr. Somporn Sasiroj	Authorized Director and Manager
3. Mr. Pichai Yimjaipoonsup	Authorized Director
4. Mr. Chaipatr Srivisarvacha	Director
5. Mr. Vuthichai Tumasaroj	Independent Director

Subsidiary Company

Company Name	Lumpini Asset Management Company Limited
Location	287 Liberty Square 18 th 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 st December 2015

Director	Position
1. Mr. Lertsak Polanun	Chairman, Authorized Director
2. Mr. Somporn Sasiroj	Managing Director, Authorized Director
3. Mr. Chaipatr Srivisarvacha	Authorized Director
4. Mr. Chirayu Chueyam	Authorized Director
5. Mr. Terapatr Mathanukraw	Authorized Director

Subsidiary Company

Company Name	SE Digital Company Limited
Location	287 Liberty Square 19 th 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 th October 2018

Director	Position
1. Mr. Suthep Wongvorazathe	Chairman, Authorized Director
2. Mr. Chaipatr Srivisarvacha	Authorized Director
3. Mr. Jesadavat Priebjivat	CEO, Authorized Director
4. Mr. Supachai Wongvorazathe	Authorized Director
5. Ms. Varisara Ummaritchoti	Authorized Director

Associated Company

Company Name	KT ZMICO Securities Company Limited
Location	287 Liberty Square 16 th Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Securities
Date of Establishment	30 th 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, Chief Executive Officer
5. M.L. Thongmakut Thongyai	Authorized Director, Managing Director
6. Mr. Poonpat Sripleng	Authorized Director
7. Mr. Werapong Suppasedsak	Authorized Director
8. Mr. Rawin Boonyanusasna	Authorized Director
9. Mr. Prasith Wasupath	Director, Audit Committee Member
10. Mr. Thawat Yooyod	Independent Director, Audit Committee Member
11. Mr. Chao Arunyawat	Director

Associated Company

Company Name	Scentimental (Thailand) Co., Ltd.
Location	26/5 1 Orakarn Building, 14 th Floor, SoiChidlom, Ploen Chit Road, Lumpini Sub-district, Patumwan District, Bangkok
Type of Business	Selling and distributing perfumes
Date of Establishment	29 th July 2016

Director	Position
1. Mr. Pinit Puapan	Authorized Director
2. Mr. Peter E. Romhild	Authorized Director
3. Mr. Boonkiet Chokwatana	Authorized Director
4. Mr. Nattapat Petchratanaporn	Authorized Director
5. Mr. Niphon Raksriaksorn	Non-Authorized Director
6. Ms. Sunsanee Wongvorazathe	Non-authorized Director
7. Mr. Yeo Tien Wei Marvin	Non-authorized Director

Associated Company

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

4. REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2018

1. Monetary Remuneration

Directors

Name	Responsibilities	Remuneration	
		Directors' Fee	Bonus*
1. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> • Authorized Director • Chairman • Chairman of Investment Committee • Chairman of Nominating and Compensation Committee 	1,020,000	355,740
2. Mr. Chaipatr Srivisarvacha**	<ul style="list-style-type: none"> • Authorized Director • Chief Executive Officer • Vice Chairman • Member of Investment Committee 	-	-
3. Mr. Pinit Puapan**	<ul style="list-style-type: none"> • Authorized Director • Managing Director • Member of Investment Committee 	-	-
4. Asst. Prof. Pimol Srivikorn	<ul style="list-style-type: none"> • Director • Member of Investment Committee • Chairman of Corporate Governance Committee 	480,000	217,760
5. Mrs. Phornpun Phornprapha***	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee 	38,333	10,294
6. Mr. Peter J. Emblin	<ul style="list-style-type: none"> • Independent Director • Member of Investment Committee • Member of Nominating and Compensation Committee 	600,000	271,606
7. Mr. Peter E. Romhild	<ul style="list-style-type: none"> • Independent Director • Chairman of Audit and Risk Management Committee • Member of Nominating and Compensation Committee 	525,000	221,126
8. Mr. Jesadavat Priebjriyat	<ul style="list-style-type: none"> • Director • Member of Corporate Governance Committee 	505,000	204,299
9. Dr. Tanasak Wahawisan	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee 	505,000	204,299
10. Mr. Supachai Wongvorazathe	<ul style="list-style-type: none"> • Director • Member of Investment Committee 	585,000	264,876
Total		4,258,333	1,750,000

Note * Bonus of 2018 performance paid in 2019

** Two executive directors are not entitled to directors' remuneration.

*** Mrs. Phornpun Phornprapha had resigned from her directorship with effect on 1st February 2018.

Executive Directors and Management

Type of Remuneration	Remuneration (Baht)
Salary and Bonus	11,487,840

2. Other Remuneration

For 2018, the Company contributed Baht 769,106.80 for the management to the Company's provident fund.

Corporate Governance

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 2018, the Company received a “Very Good Grade” from the Thai IOD survey of good governance.

The Company has implemented several parts of the practice guidelines already such as allowing minority shareholders to forward their suggestions before the AGM and also faster dissemination of AGM’s resolutions after the AGM and continues to implement further Good Governance Principles.

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 2018, the Company website was adjusted to allow shareholders to propose additional agenda items and nominate qualified directors prior to the AGM meeting.

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. 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. Employee brain storming, and the creating and sharing opinions is strongly encouraged. Such things to emerge from this access have been the energy saving project, the development of working systems, derivatives products, the financial advisory program and etc.

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.

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 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.

3.5 Society, Community, Environment

The Company is fully aware of its social responsibility and participates in several social services. Environmental friendly practices that preserve natural resources are encouraged, such as the use of paperless technologies via the use of electronic-mail and other modern communication tools and recycles any suitable paper. It also looks to effectively reduce electricity consumption and other associated environmental costs.

3.6 Creditors, Suppliers, Competitors

Responsibility to outside organizations and agents, such as creditors, suppliers and competitors is at the forefront of company thinking. It strives to treat them fairly and equitably in any negotiations, based on good business practices, and does not take advantage of its competitors.

There are clear procedures on whistle-blowing for related parties or stakeholders and these are published on the website or annual report.

All stakeholders can lodge their complaints directly to the Company or express opinions through various channels as follows:

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 18th 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 18th Floor, Silom Road
Bangrak, Bangkok 10500, Thailand

The structure of the businesses of the Company's and Articles of Association are available on the website.

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.

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

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

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. 17	Changed during 2018 Increase / (Decrease)			31 Dec. 18
		Acquisition	Disposition		
1. Mr. Suthep Wongvorazathe	100,000,000	-	-	100,000,000	7.647
Spouse and Minor Child	-	-	-	-	-
2. Mr. Chaipatr Srivisarvacha	10,623,600	8,267,523	-	18,891,123	1.445
Spouse and Minor Child	-	-	-	-	-
3. Mr. Pinit Puapan	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
4. Asst. Prof. Pimol Srivikorn	31,373,300	-	-	31,373,300	2.399
Spouse and Minor Child	-	-	-	-	-
5. Mr. Peter J. Emblin	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
6. Mr. Peter E. Romhild	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
7. Mr. Jesadavat Priebjrivat	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
8. Dr. Tanasak Wahawisan	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
9. Mr. Supachai Wongvorazathe	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
10. M.L. Thongmakut Thongyai	-	2,000,000	-	2,000,000	0.153
Spouse and Minor Child	-	-	-	-	-
11. Chalit Chulajaruwong	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
12. Mr. Chirayu Chueyam	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
13. Mr. Terapatr Mathanukraw	17	-	-	17	0.000001
Spouse and Minor Child	-	-	-	-	-
14. Ms. Varisara Ummaritchoti	-	-	-	-	-
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 2018, 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.

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 2018 dated 27th April 2018 approved directors' remuneration which comprised of the retainer fee, attendance fee and the annual director bonus for the year 2018 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	20,000	15,000
Audit and Risk Management Committee Meeting	30,000	25,000
Other Committee Meeting	20,000	15,000

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 2018

See details in "REMUNERATION FOR DIRECTORS AND MANAGEMENT".

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 2018 are shown in the section "ATTENDANCE RECORD IN 2018"

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 18th Floor,

Silom Road, Bangrak, Bangkok 10500, Thailand

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

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:

- 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.
- Sending a Compliance and Internal Audit report directly to the Audit Committee.
- Setting up an authorization level appropriate for internal control and risk management.
- Established a Corporate Governance Committee.

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.
- 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 SET or 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

No individual Director of the Company may sit on more than five boards of listed companies simultaneously without exception. And independent directors may not serve on the board beyond nine years from the date of their first appointment without exception.

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.

In 2018, the Company supported directors in attending the continuing the below development programs or seminars for director.

Director's Name	Course	Institution Name
Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> • National Directors Conference 2018 • A Lunch Talk & Conversation • Innovation Finance for Future Growth • CEO Networking 2018 	<ul style="list-style-type: none"> • Thai Institute of Directors • TDRI • Bank of Thailand • Stock Exchange of Thailand
Mr. Pinit Puapan	<ul style="list-style-type: none"> • Oxford Programme on Negotiation Programme in Bangkok • Corporate Governance in Digital Era 	<ul style="list-style-type: none"> • Executive Education and Enrichment Institute • Fiscal Policy Research Institute Foundation (2018)
Mr. Peter E. Romhild	<ul style="list-style-type: none"> • Anti - Bribery & Anti - Corruption 2018 	<ul style="list-style-type: none"> • Deloitte AC Forum

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 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 Board structure of the Company has been determined by the following:

The Composition of the Board of Directors

Executive Directors 2 persons

Non-Executive Directors 7 persons

Consisting of:

Independent Directors 3 persons

Other Directors 4 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.

At a meeting of the Board of Directors, at least one half of the total number of directors present shall form a quorum. In the year 2018, 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 Company has appointed a Company Secretary who is educated and trained in company secretarial practices as shown in "DIRECTORS AND MANAGEMENT PROFILES"

Work 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.

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.

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 specify 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.

2. SUB-COMMITTEE

1. Investment Committee

Name	Position	Meeting Attended in 2018
1. Mr. Suthep Wongvorazathe	Chairman	12/12
2. Mr. Chaipatr Srivisarvacha	Director	12/12
3. Mr. Pinit Puapan	Director	12/12
4. Assistant Professor Pimol Srivikorn	Director	6/12
5. Mr. Peter J. Emblin	Director	12/12
6. Mr. Supachai Wongvorazathe	Director	12/12
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 2018
1. Mr. Peter E. Romhild	Chairman	3/4
2. Dr. Tanasak Wahawisan	Director	4/4
3. Mr. Jesadavat Priebjriwat	Director	4/4
Mr. Sombat Vithayavatcharoen	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 creditability, 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 2018
1. Mr. Suthep Wongvorazathe	Chairman	2/2
2. Mr. Peter E. Romhild	Director	2/2
3. Mr. Peter J. Emblin	Director	2/2
Mr. Chaipatr Srivisarvacha	Secretary	

Scope of Duties and Responsibilities of the Nominating and Compensation Committee

1. 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
2. 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.
3. To propose the suitable person to be director of the Company and take responsibility in setting criteria of selecting the most suitable candidate.

4. Corporate Governance Committee

Name	Position
1. Assistant Professor Pimol Srivikorn	Chairman
2. Mr. Jesadavat Priebjivat	Director

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

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

3. 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.

4. SUBSIDIARIES AND ASSOCIATES SUPERVISION

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

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

	Name	Shareholding (%) (%)
1.	Seamico Securities Plc.	99.99
2.	Other Shareholders	00.01

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

	Name	Shareholding (%) (%)
1.	Seamico Securities Plc.	99.99
2.	Other Shareholders	00.01

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

	Name	Shareholding (%) (%)
1.	Seamico Securities Plc.	99.99
2.	Other Shareholders	00.01

4) KT ZMICO Securities Co., Ltd. (Associated Company)

	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)

	Name	Shareholding (%) (%)
1.	Seamico Securities Plc.	34.50
2.	Vitayasithi Co., Ltd.	25.00
3.	Mr. Niphon Raksriaksorn	18.75
3.	Myanmar Personal Care Co. Pte. Ltd.	10.50
4.	Mr. Charin Saksirisilp	7.50
5.	Mr. Robert Man Fai Li	3.75

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

	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

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 KT ZMICO, an associated company. This agreement follows the transfer by the company of its operating assets and major staff to KT ZMICO 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 2018, 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.

5. 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 KT ZMICO 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.

6. 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 2018 of Baht 960,000, 440,000 and 150,000 respectively.

2. Non-audit fee

-None-

7. 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.

The Company and KT ZMICO Securities Company Limited together with an affiliated company had approached to develop and contributed to major development with variety aspects through different organization who are serving with particular areas in which details of activities are as following.

- **Education**

Fostering a new generation of bright and ethical people is the best investment for the future, so learning and development has always been one of the key initiatives project. In 2018 the company has granted funds to the following organization;

1. Occupational Training Room at Ban Klonyong School, Nakhon Pathom province



Sewing machines delivery
for Sewing Room



Sewing Room



Home Economics Room



Beauty Salon Room

2. Kindergarten school building at Educational Management for Highland Communities, Mor Taloar Village, Tak province



Before



After



Delivery Ceremony on
11 September 2018



Kindergarten learning activities

3. Dream for Sharing Project: Uthai Thani School

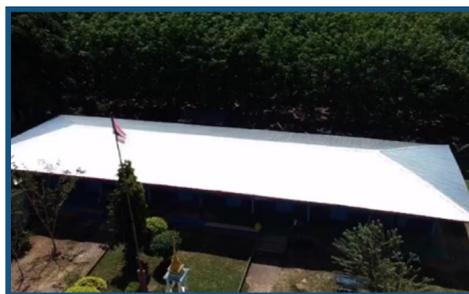
- 1) Support for purchasing stationeries, sport equipment, school uniforms for students of Ban Mai Rom Yen School, Uthai Thani province



- 2) Support budget to renovate the roof of the school building that is damaged and unsafe at Wat Phum Bamphen Dhama School, Uthai Thani province



Before



After

4. Partnership School

Partnership School is the collaboration of all relevant parties, the private sector included, in the provision of educational services at these schools. But another important fact marks these schools out from other state schools: they will operate very independently. The company collaborate with Mechai Viravaidya Foundation in this project for 3 years.

5. Support the charity golf for an education development of Mechai Pattana (Bamboo) School, Buriram province

- **Economy & Business**

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 wheelchairs for Thai With Disability Foundation

3. 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 the The National Council on Social Welfare of Thailand and the Ministry of Finance
- Donating school bags to children in the area of Tha Song Yang District, Tak Province
- Raising funds to help disaster victims from the Xe-Pian Dam incident at Lao PDR.

- **Medical**

The company has a policy to support medical development. To help people who are in need of financial resources to receive a standardized and comprehensive treatment opportunity. In 2018, the company has provided financial support for the operations of various agencies as follows:

1. U-Nite Health Center, Umphang Hospital, Tak Province

The company supported budget for the construction of health center building and multi-purpose building to provide basic medical service to patients who live in remote area and have to face problems with accessing to public health care.



Remote distance is an obstacle to access to public health care



During the construction of health care buildings and expected to be complete in 2019

2. Danmakhamtia Hospital, Kanjanaburi Province

The company supported budget for purchasing medical equipment including defibrillation and fanem transport incubator for newborn babies.



Deliver the medical equipment



Fanem transport incubator



Defibrillation

3. Banphaeo International Eye Hospital, Samut Sakhon Province

The company supported the budget to build Banphaeo International Eye Hospital to be the center for ophthalmic expertise. Both in the treatment academic and research.

- **Religion**

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

- **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.



Singha Broker Cup



Broker Badminton Championship 2018



SET-Broker Table Tennis Championship 2018

Internal Control and Risk Management

For 2018, the Audit and Risk Management Committee held 4 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 including concerning management officers to review the annual financial statements for 2018 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.

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, 2018 had presented fairly in all material respect, the financial position of the Company and its subsidiary.

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
		2018	2017	2016		
1) Innotech Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisarvacha and Related by way of the company's representative as common director is Mr. Chirayu Chueyarn	<ul style="list-style-type: none"> - Accrued private fund management fee expenses - Management fee for private fund - Interest income from Bill of Exchange 	-	-	0.03	<ul style="list-style-type: none"> - At the rate determined under the contract 0.2% of net asset value per year - At the rate determined under the contract 	The Company holds 100%
2) Lumpini Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisarvacha and Related by way of the company's representative as common director are Mr. Chirayu Chueyarn and Mr. Terapatr Mathanukraw	<ul style="list-style-type: none"> - Rental income 	0.26	0.26	0.18	<ul style="list-style-type: none"> - At the rate determined under the contract Baht 22,050 per month from May 2016 to January 2019 	The Company holds 100%

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2018	2017	2016		
3) KT Zmico Securities Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha and Related by way of the company's representative as common director is M.L. Thongmakut Thongyai	<ul style="list-style-type: none"> - Cash balance for securities trading - Accrued private fund management fee expenses - Other payables - Dividend received - Research fee income - Service expenses 	4.99 0.10 0.18 - 3.00 2.17	3.19 - 0.35 - 3.00 4.41	9.79 - 0.61 137.82 3.00 3.63	<ul style="list-style-type: none"> - Actual cash deposit - Actual outstanding value of payables - 2016: 1.07 baht per share - At the rate determined under the contract Baht 250,000 per month - At the rate determined under the contract at rate of Baht 197,500 per month since January 2016 at rate of Baht 407,500 per month since July 2016 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 - At the rate determined under the contract - At the rate determined under the contract 1.00-1.25% of net asset value per year 	The Company holds 49.71%
4) Scenitmental (Thailand) Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Peter E. Romhild and Mr. Pinit Puapan	<ul style="list-style-type: none"> - Other fee expenses - Management fee for private fund - Interest income from Bill of Exchange 	1.80 0.64 6.30	2.25 - 2.85	1.17 - -	<ul style="list-style-type: none"> - At the rate determined under the contract - At the rate determined under the contract 1.00-1.25% of net asset value per year - At the rate determined under the contract 	The Company holds 46% and holds 34.50% since September 14, 2018 onwards
5) Beacon Offshore Ltd. (Seamico's associated until December 13, 2016) Related by way of the company's representative as common director is Mr. Chiray Chueyarn	<ul style="list-style-type: none"> - Interest income from Bill of Exchange 	-	-	0.54	- At the rate determined under the contract	The Company holds 18.70% and Seamico sold all ordinary shares of Beacon offshore Ltd. on December 13, 2016

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

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2018	2017	2016		
6) Phra Khanong Land Co., Ltd. (Seamico's under joint control) Related by way of the company's representative as common director is Mr. Warot Wanankawit	- Interest income from Bill of Exchange	-	-	27.15	- At the rate determined under the contract	
7) Related between Innotech Asset Management Co., Ltd. and KT Zmico Securities Co., Ltd. (Seamico's current subsidiary and associated)	- Selling agent fee expenses - Service fee expenses - Commission expense for securities trading	- 0.80 -	- 0.80 0.03	1.69 0.80 0.01	- At the rate determined under the contract - At the rate determined under the contract of Baht 66,600 per month since June 2014 - At the rate determined under the contract	

2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2018	2017	2016		
1) Innotech Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipat Srivisaracha and Mr. Chirayu Chueyarn Related by way of the company's representative as common director is Mr. Chirayu Chueyarn	- Investment in common shares - Payment for additional ordinary shares - Share subscription paid in advance - Investment value in private fund - Investment in debt securities - Bill of exchange - Investment in Bill of exchange - Withdrawal from Bill of exchange	55.52 82.80 20.00 - 160.00 240.00	- - - - 54.37 430.00 350.00	98.83 - - 57.26 - - -	- Investment portion 100% - 8 million shares 10.35 baht per share - At net asset value of the fund - 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. Chaipat Srivisaracha and Mr. Chirayu Chueyarn Related by way of the company's representative as common director are Mr. Chirayu Chueyarn and Mr. Terapat Mathanukraw	- 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
		2018	2017	2016		
3) SE Digital Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha, Mr. Jesadavat Priebrivat, Mr. Supachai Wongvorazathe, Related by way of the company's representative as common director is Ms.Varisara Ummaritchoi	- Investment in common shares	25.00	-	-	- Investment portion at 100%	The company started investment since October 12, 2018
4) KT Zmico Securities Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha and Related by way of the company's representative as common director is M.L. Thongmakut Thongyai	- Investment in common shares - Investment value in private fund - Investment in private fund - Withdrawal private fund	1,244.10 97.57 156.05 46.00	1,244.10 - - - -	1,244.10 - - - -	- Investment portion at 49.71% - At net asset value of the fund - At investment value - At investment value	The company started investment since May 2018
5) Scentimental (Thailand) Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Peter E. Romhild and Mr. Pinit Puapan	- Investment in common shares - Investment value in debt securities - Bill of exchange - Investment in Bill of exchange - Withdrawal from Bill of exchange	13.80 52.23 133.67 133.70	13.80 52.26 80.84 57.15	- - - -	- Investment portion at 46% and 34.50% since September 14, 2018 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. Pimoi Srivilkorn	- Investment in common shares	217.80	217.80	-	- Investment portion at 30%	

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2018	2017	2016		
7) Thanh Cong Securities Joint Stock Company Related by way of common director is Mr. Chaipatr Srivisarvacha	- Investment in common shares	-	85.32	104.80	- 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) Beacon Offshore Ltd. (Seamico's associated until December 13, 2016) Related by way of the company's representative as common director is Mr. Chirayu Chueyarn	- Investment in Bill of exchange - Withdrawal from Bill of exchange	- -	- -	35.04 52.77	- At investment value - At investment value	The Company holds 18.70% Seamico sold all ordinary shares of Beacon offshore Ltd. on December 13, 2016
9) Phra Khanong Land Co., Ltd. (Seamico's under joint control) Related by way of the company's representative as common director is Mr. Warot Wanankawit	- Investment in Bill of exchange - Withdrawal from Bill of exchange	- -	- -	490.33 969.13	- At investment value - At investment value	
10) K TZ Ruby Hill Securities Co., Ltd. (Invest by KT Zmico Securities Co., Ltd.) Representative from KT Zmico Securities Co., Ltd. as common director	- Advance payment for investment	-	48.77	53.49	- At investment value	

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2018	2017	2016		
11) Thai Food Group Plc. Related by way of common director is Mr. Chaipatr Srivisarvacha	- Investment in common shares and warrants	107.76	214.63	281.82	- At investment value	

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2018	2017	2016		
1) Innotech Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisarvacha and Related by way of the company's representative as common director is Mr. Chirayu Chueyayam	- Short-term loans - Accrued interest - Interest income from short-term loans	19.00 0.34 0.35	- - -	- - -	- At the rate determined under the contract 5% per year - At investment value - At the rate determined under the contract	

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2018	2017	2016		
	- No transaction -					

Audit Committee's opinion with regard to related parties and connected transaction as of December 31, 2018

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.

Management Discussion and Analysis

1. Overall operating results for the year ended December 31, 2018

Seamico Securities Public Company Limited (“The Company”) and its subsidiaries incurred the net loss of Baht 195.83 million for the year ended December 31, 2018 comparing with the net profit of Baht 9.87 million last year. The decrease of Baht 205.70 million are mainly from:

Total revenues decreased mainly from return on financial instruments from loss on reclassification of investment of one listed security amounting to Baht 123.12 million, which is an unrealized loss from mark-to-market price of investment due to a significant decline in its trading price. While in 2017 the Company recorded extraordinary gain from reclassification of this investment of Baht 180.56 million. Besides, the decrease in return on financial instruments was also caused by the sale of Thanh Cong Securities Joint Stock Company, which the Company had fully recorded the impairment and reversed the transaction, resulting in the decrease in total expenses. In addition, the Company recognized share of loss from associated companies of Baht 49.83 million, decreased by Baht 44.81 million from last year, which comprised of share of loss from KT ZMICO Securities Company Limited (“KT ZMICO”) of Baht 21.40 million from loss from mark-to-market price of investments and an increase in post-employment benefits obligation expense, and share of loss from other associated companies of Baht 28.43 million.

Total expenses of the Company decreased by Baht 217.18 million, mainly from the reversal of allowance for impairment loss on disposal of Thanh Cong investment, while last year the Company recorded the allowance for impairment loss in a subsidiary’s debt securities investment in WCI Holding Company Limited of Baht 105.00 million. Moreover, the company’s operating expenses decreased from last year from the suspension of one subsidiary’s operation.

Key factors resulting in the Company performance in 2018

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

Securities Business

- The SET Index closed at 1,563.88 points at the end of 2018 which decreased by 11% from the end of 2017 that closed at 1,753.71 points.
- The combined market capitalisation of the SET and MAI decreased from Baht 17,926 billion at the end of 2017 to Baht 16,219 billion at the end of 2018, or a decrease of 10%.

- Average daily trading volume of the equity market (SET & MAI) increased from Baht 50.11 billion in 2017 to Baht 57.67 billion in 2018, or an increase of 15%.
- Average daily trading volume of the derivatives market increased from Baht 323,732 contracts in 2017 to Baht 426,213 contracts in 2018, or an increase of 32%.

In 2018, KT ZMICO had a market share of 2.07% in the equity market (SET & MAI trading value excluding proprietary trading) and ranked 23rd among all securities companies. For derivatives market, KT ZMICO achieved 1.75% market share and 20th rank.

In 2017, KT ZMICO gained a market share of 2.27% in the equity market (SET & MAI trading value excluding proprietary trading) and ranked 22nd among all securities companies. For derivatives market, KT ZMICO obtained 2.63% market share and 14th rank.

The customer base of KT ZMICO increased by 6% from 2017, mainly from the 20% increase in the number of customer referred from Krungthai Bank. KT ZMICO continue to utilize Fintech technology to drive the business and strengthen its competitiveness. In 2018, KT ZMICO has enhanced the eZySmart application in sending trading orders and creating DCA investment portfolio, and included the private fund portfolio performance in the application. WealthMe application is the newly developed application that facilitates investors in opening trading account via their smartphones without submitting additional supporting documents in paper. Furthermore, KT ZMICO has updated its website www.ktzmico.com to deliver more effective investment information and securities trading program and support all devices.

KT ZMICO also provide Block Trade service in addition to derivatives trading service, in both short and long transaction by act as a counterparty for investor to trade Single Stock Futures (SSF) at a pre-arranged terms. The company has received a foreign exchange licenses from the Bank of Thailand (BOT), which is the first time BOT giving permission to securities companies to conduct foreign exchange business to buy, sell, or exchange foreign currencies with their clients for investment in securities.

KT ZMICO provides security underwriting business ranging from ordinary share, debenture, convertible debenture, to other financial debt securities. For the year ended December 31, 2018, KT ZMICO had the aggregated underwriting amount of Baht 8,299 million and recorded underwriting income of Baht 87.27 million, an increase from the underwriting amount of Baht 7,368 million and underwriting income of Baht 82.12 million in 2017.

In 2017, KT 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”). KT 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 25th, 2016.

KT ZMICO reported the operating loss for the first time in 2018. Though the average market trading volume improved from last year, the highly competitive brokerage industry especially in lowering trading commission to attract customers and the decrease in retail investor trading proportion have led to the decline in the industry’s

average commission rate and brokerage fee. While KT ZMICO was able to maintain high fee and service income from underwriting and financial advisory and margin loan interest income, it was affected by the decrease in return on financial instruments, the extraordinary expense from organizational restructuring, and the adjustment of post-employment benefits obligation to support the new Labor Protection Act.

Mutual fund and private fund management business

As at December 31, 2018, Innotech Asset Management Company Limited (“Innotech”), a subsidiary company, had 2 mutual funds and private funds under management with total net asset value of Baht 28.04 million. As at December 31, 2017, Innotech had 34 mutual funds and private funds under management with total net asset value of Baht 2,864 million. Innotech is currently on the process of people, resources and operating system preparation to reactivate 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 KT ZMICO’s ordinary shares at Baht 1,244.10 million with 49.71% shareholding.
- The Company had an investment in Scentimental Company Limited’s ordinary shares at Baht 13.80 million with 34.50% shareholding.
- The Company had an investment in Absolute Yoga Company Limited’s ordinary shares at Baht 217.80 million with 30.00% shareholding.
- Furthermore, the Company invested in the ordinary shares of other companies, private fund, 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 Company Limited (“SE Digital”), a subsidiary company, to conduct digital asset business as a digital asset broker and dealer, and ICO portal, authorized by related authorities. 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. The Company is currently in the process of filing for SEC approval to be ICO Portal, 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.

Awards and recognitions

- The Company won an “Excellent” rating for the AGM 2018 assessed by the Thai Investors Association.
- The Company earned a “Very Good” rating for the Corporate Governance 2018 assessed by the Thai Institute of Director (IOD).

2. Operating results

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
Total revenues	(169.36)	100.00	275.40	100.00

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 KT 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 KT ZMICO Securities Co., Ltd. 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 year 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 KT 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 KT ZMICO and when KT 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 KT 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
Total expenses	41.50	100.00	258.69	100.00

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.

Operating results for the year ended December 31, 2017

(1) Revenues

In 2017, the Company and its subsidiaries had the total revenues of Baht 275.40 million, a decrease of Baht 78.01 million or 22% from last year.

(Million Baht)

	2017		2016	
	Amount	%	Amount	%
Fee and service income	27.38	9.94	103.54	29.30
Gains and return on financial instruments	248.94	90.39	57.16	16.17
Share of profit (loss) from investment in associates	(5.02)	(1.82)	187.80	53.14
Gain on transfer of business to an associated company	0.06	0.02	0.06	0.02
Other incomes	4.04	1.47	4.85	1.37
Total revenues	275.40	100.00	353.41	100.00

1.1) Fee and Service Income

Fee and service income of Baht 27.38 million came from fee and service income from private funds and mutual funds management. Fee and service income decreased of Baht 76.16 million from last year due to decrease in Asset Under Management from Baht 23.35 billion to Baht 2.86 billion or 88%.

1.2) Gains and return on financial instruments

Gains and return on financial instruments of Baht 248.94 million which consist of

1.2.1) Gain on investment of Baht 231.29 million came from

- Gain on debt securities trading Baht 69.85 million
- Gain on equity securities trading Baht 161.44 million

1.2.2) Interest and dividend income

Interest income of Baht 17.65 million consist of deposits at bank and financial institutions, investment in debt and dividend income from securities.

1.3) Share of profit (loss) from investment in associates

The Company recognized share of loss from associated company under equity method of Baht 5.02 million consist of share of profit from KT ZMICO of Baht 1.58 million and share of loss from other associated companies of Baht 6.60 million, while in 2016 the Company had large amount of share of profit from KT ZMICO from its satisfactory performance.

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

On May 1, 2009, the Company transferred its business to KT ZMICO with the payment of Baht 500 million received from KT ZMICO. On May 4, 2009 the Company received upfront payment of Baht 300 million. The remaining payment of Baht 200 million will be received within 3 years based on the operating results of KT ZMICO. 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 gain on transfer of business as income according to the shareholding percentage of the third parties in KT ZMICO. 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 assets to the associated company” as income when the Company has lower percentage of shareholding in KT ZMICO and when KT ZMICO calculate depreciation or sells such transferred assets to the third parties.

For the year 2017, the Company recognized additional gain on transfer of assets to KT ZMICO of Baht 0.06 million.

1.5) Other income

The Company had other income of Baht 4.04 million mainly from research fee for providing various research papers of offshore of Baht 3.00 million, bad debt recovered and gain on disposal equipment.

(2) Expenses

In 2017, The Company and its subsidiaries had total expenses of Baht 258.69 million, an increase of Baht 142.17 million or 122% from the previous year.

(Million Baht)

	2017		2016	
	Amount	%	Amount	%
Employee benefits expenses	47.92	18.52	59.33	50.92
Fee and service expenses	5.39	2.08	42.77	36.71
Finance cost 31.78	31.78	12.28	23.46	20.13
Bad debts and doubtful accounts	-	-	4.05	3.48
Impairment loss from investment (reversal)	127.26	49.19	(51.91)	(44.55)
Other expenses 46.34	46.34	17.93	38.82	33.31
Total expenses	258.69	100.00	116.52	100.00

2.1) Employee benefits expenses

Employee benefits expenses consist of personal expense of Baht 39.30 million decreased from the last year due to accrued personal expenses decreased, and Directors' remuneration of Baht 8.62 million.

2.2) Fee and Service Expenses

Fees and Service expenses of Baht 5.39 million mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary company.

2.3) Finance cost

Finance cost were interest expenses and operating expenses of Bill of exchange for providing more working capital.

2.4) Bad debts and doubtful debts

For the year 2017, the Company did not record bad debts and doubtful debts due to fully set up allowance for bad debt and doubtful debts.

2.5) Impairment loss from investment (reversal)

The Company recognized impairment loss from investment of Baht 127.26 million from debt securities which the subsidiaries invested of Baht 105.00 million, and from the investment in Thanh Cong Securities Joint Stock Company of Baht 19.48 million and general investment of Baht 2.78 million.

2.6) Other expenses

Other expenses consist of premise and equipment expenses of Baht 11.03 million, consulting fee of Baht 11.68 million, communication and information expenses of Baht 3.12 million and other expenses of Baht 20.49 million which other expenses increased of Baht 5.76 million from the previous year mainly from loss on exchange rate increased.

(3) Profit Margin

In 2017, the net profit margin decreased from 64.24% in 2016 to 3.59% in 2017. This mainly resulted from lower share of profit from investment in associates and the allowance for impairment loss from investment.

(4) Return on Equity

Return on equity was 0.40% in 2017 which decreased from 9.28% in 2016.

3. Financial position and asset management

1. Component of assets

As at December 31, 2018, the Company and its subsidiaries had total assets of Baht 2,772.87 million by which 39.21% was current assets and 60.79% was non-current assets.

Major components of assets are as follows:

- Cash and Cash Equivalent

Cash and cash equivalents as at December 31, 2018 were Baht 352.45 million, an increase of Baht 22.12 million, or 7% from as at December 31, 2017 (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 334.18 million, equity securities - list securities of Baht 329.59 million, unit trust of Baht 0.38 million, and general investment of Baht 198.52 million.

As at December 31, 2018, the Company reserved allowance for impairment loss in a subsidiary's debt securities investment in WCI Holding Co., Ltd. of Baht 105.00 million and impairment loss in general investment of Baht 5.22 million. In addition, the Company had revaluation adjustment in investment in debt and equity of Baht 40.83 million.

- Investment in subsidiary companies

Innotech Asset Management Co., Ltd.

As at December 31, 2018, the subsidiary company has issued and paid-up share capital of Baht 205.40 million for 20,540,000 ordinary shares with the par value of Baht 10.00 per share and the shareholding of the Company in subsidiary is 100%.

Lumpini Asset Management Co., Ltd.

As at December 31, 2018, 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, 2018, the subsidiary company has issued and paid-up share capital of Baht 25.00 million for 250,000 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

KT 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 KT ZMICO Securities Co., Ltd. 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 KT ZMICO Securities Co., Ltd. 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, 2018, the Company had investment in KT ZMICO Securities Co., Ltd which the investment under cost method and equity method were Baht 1,244.10 million and Baht 1,306.64 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.

As at December 31, 2018, the Company had investment in Scentimental (Thailand) Co., Ltd. which the investment under cost method and equity method were Baht 13.80 million and Baht 6.80 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, 2018, 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 189.77 million, respectively.

- Securities Business Receivables

As at December 31, 2018, Securities Business receivables under litigation at Baht 62.61 million with related deduction of allowance for doubtful account of Baht 62.61 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, 2018 of Baht 6.75 million decreased by Baht 1.73 million or 20% from as at December 31, 2017 from the disposal of Baht 1.00 million, depreciation according to their useful lives of Baht 3.23 million, offset by the increase from the purchase of office equipment totalling Baht 2.50 million.

- Other assets

Other assets as at December 31, 2018 were Baht 37.11 million, decreased by Baht 39.03 million from as at December 31, 2017 mainly from return of advance payment for investment in Myanmar decreased of Baht 48.77 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, 2018, the Company had total investments of Baht 734.90 million from initial cost was Baht 885.95 million or 26.50% of total assets which the details are as follows :-

(Million Baht)

	As at December 31, 2018		As at December 31, 2017	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Trading securities</u>				
Equity securities - List securities	129.78	105.25	277.50	245.97
Equity securities - Unit trust	0.38	0.38	-	-
Debt securities - Corporate bond	-	-	25.31	27.02
Debt securities - Bill of exchange	334.17	236.11	693.37	599.81
Total	464.33	341.74	996.18	872.80
<u>Less</u> Revaluation adjustments	(17.59)	-	(18.38)	-
<u>Less</u> Allowance for impairment	(105.00)	-	(105.00)	-
Total trading securities	341.74	341.74	872.80	872.80
<u>Available-for-sale securities</u>				
Equity securities - List securities	199.81	176.57	7.35	4.43
<u>Less</u> Revaluation adjustments	(23.24)	-	(2.92)	-
Total available-for-sale securities	176.57	176.57	4.43	4.43
<u>Held to maturity investment</u>				
Deposit at financial institutions	23.29	23.29	23.19	23.19
Total deposit at financial institutions	23.29	23.29	23.19	23.19
<u>General investments</u>				
Ordinary shares	198.39	193.17	338.03	262.40
Preference shares	0.13	0.13	0.13	0.13
Total	198.52	193.30	338.16	262.53
<u>Less</u> Allowance for impairment	(5.22)	-	(75.63)	-
Total general investments	193.30	193.30	262.53	262.53
Total investments	734.90	734.90	1,162.95	1,162.95

The proportions of investment as at December 31, 2018 are as follows;

Investment in listed securities and unit trust	39 per cent
Investment in bill of exchange	32 per cent
Investment in held to maturity investment	3 per cent
Investment in general investment	26 per cent

- **Securities Business Receivables**

The Company had total securities receivables and accrued interest receivables as at December 31, 2018 of Baht 62.61 million which are Securities Business receivables under litigation with allowance for doubtful debt of Baht 62.61 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, 2018 were Baht 352.45 million which increased from December 31, 2017 of Baht 22.12 million. The summary of cash provided and cash used in various activities are shown in the following table.

(Million Baht)

Activities	December 31, 2018	December 31, 2017
Net cash provided by operating Activities	330.29	67.21
Net cash used in investing Activities	(64.53)	(158.84)
Net cash provided (used in) by financing Activities	(243.64)	45.59
Net increase (decrease) in cash and cash Equivalent	22.12	(46.04)

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

- **Operating Activities**

In 2018, cash from operating activities increased of Baht 330.29 million which came from the following transactions.

Cash increased from

- Securities business receivables decreased of Baht 0.05 million.
- Accrued fees and service income from asset management business decreased of Baht 0.81 million.
- Investment in trading securities decreased of Baht 300.35 million.
- Other assets decreased of Baht 39.41 million.
- Other liabilities increased of Baht 7.96 million.

Cash decreased from

- Operating activities decreased of Baht 18.29 million.

- **Investing Activities**

In 2018, cash from investing activities decreased of Baht 64.53 million.

Cash increased from

- Investment in available-for-sale securities of Baht 0.08 million.
- Investment to be held to maturity of Baht 23.19 million.
- Sale and capital return from general investment of Baht 95.45 million.
- Sale of equipment of Baht 1.14 million.
- Interest and dividend from investments in securities of Baht 17.24 million.

Cash decreased from

- Purchase in general investment, investment to be held to maturity and investment in available-for-sale of Baht 132.83 million.
- Purchase of equipment of Baht 2.50 million.
- Purchase of intangible assets of Baht 66.30 million.

- **Financing Activities**

In 2018, cash from financing activities decreased of Baht 243.64 million due to lower bills of exchange of Baht 178.27 million and dividend payment to shareholders of Baht 65.37 million.

2. Liquidity Ratios

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

	December 31, 2018	December 31, 2017
Liquid Assets to Total Assets Ratio (%)	31.40	37.59
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, 2018, 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

Adequacy of Capital Structure

The debt to equity ratio as at December 31, 2018 and 2017 were 0.35 times and 0.36 times, respectively.

Shareholders' equity

As at December 31, 2018, shareholders' equity was Baht 2,356.94 million, a decrease of Baht 304.24 million, or 13% from as at December 31, 2017 from the net operating loss of Baht 195.83 million, dividend payment of Baht 65.37 million, and loss from other components of equity of Baht 43.04 million.

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:

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

	Interest rate per annum (%)	As at December 31, 2016			
		Residual maturities			
		Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Other borrowings					
Bill of exchange	3.90 - 4.00	675.91	-	-	675.91
Total other borrowings		675.91	-	-	675.91

6. Factors that may have impacts on future performance

In 2019 the Company expects a positive outlook for Thai economy post-general election from both foreign and domestic investment sector and overall domestic consumption. The increase in stock market trading volume and SET index will have a positive impact to KT ZMICO securities business, the Company's investment business and the growth of digital assets business in Thailand. Changes in related rules and regulations will play an important role to the growth of our new digital assets business.

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.

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 subsidiary (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, 2018, 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, 2018, and financial performance and cash flows for the year ended period 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>Investments in associated companies</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"> • Understand the financial information compilation process and related internal control procedures • Collaboratively perform the work in accordance with Thai Standard on Auditing on the work performed from the planning through the conclusion process. • Verify the calculation and record of a share of profit (loss) in an investment in associated companies.

Key Audit Matters	Audit Responses
<p data-bbox="178 333 767 405">Impairment of investment in associated companies</p> <p data-bbox="178 443 767 913">As at December 31, 2018, 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 data-bbox="178 952 767 1131">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 data-bbox="780 333 1177 365">Key audit procedures included:</p> <ul style="list-style-type: none"> <li data-bbox="780 443 1347 589">• Understanding the impairment consideration process and internal control procedures relating to the consideration of impairment of investments in associated companies <li data-bbox="780 611 1347 757">• Reviewing the design and implementation of the internal control procedures relating to the consideration of impairment of investments in associated companies <li data-bbox="780 779 1347 880">• Performing the operating effectiveness testing over the internal control procedures around impairment consideration process <li data-bbox="780 902 1347 1765">• Performing substantive testing as follows: <ul style="list-style-type: none"> <li data-bbox="826 958 1347 1104">- Examining the supporting documents in relation to the management consideration of impairment indicators for investments in associated companies <li data-bbox="826 1126 1347 1406">- 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 data-bbox="826 1429 1347 1529">- Testing the calculation of the impairment provision for investments in associated companies <li data-bbox="826 1552 1347 1765">- 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

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.



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

BANGKOK
February 22, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
ASSETS					
Cash and cash equivalents	5	352,445,320	330,321,430	288,040,386	312,718,240
Securities business receivables	6	-	-	-	-
Accrued fees and service income from asset management business		30,263	840,670	-	-
Investments	8.1,8.2	734,904,390	1,162,950,875	700,374,760	1,178,814,138
Short-term loans to related parties	9	-	-	19,343,973	-
Investments in subsidiaries and associates	10	1,503,206,802	1,580,344,224	1,561,212,761	1,500,695,520
Building improvements and equipment	11	6,746,404	8,474,218	6,097,868	7,474,908
Intangible assets	12	71,040,000	4,792,724	69,520,549	3,320,549
Deferred tax assets	13	66,695,918	47,558,749	43,974,245	24,825,527
Assets classified as held for sale		688,014	688,014	688,014	688,014
Other assets	14	37,111,434	76,144,630	32,762,271	52,647,675
TOTAL ASSETS		<u>2,772,868,545</u>	<u>3,212,115,534</u>	<u>2,722,014,827</u>	<u>3,081,184,571</u>

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, 2018

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
Accrued fees and service expenses from					
asset management business		3,972	7,224	-	-
Unrealized gain on transfer of business to					
an associated company	35	148,223,367	148,281,111	-	-
Other borrowing	15	528,062,334	675,908,797	528,062,334	675,908,797
Employee benefits obligation	16	11,745,950	11,567,292	11,299,926	8,681,055
Other liabilities	17	32,130,151	19,406,600	30,009,941	18,212,160
Total liabilities		<u>720,165,774</u>	<u>855,171,024</u>	<u>569,372,201</u>	<u>702,802,012</u>
OWNERS' EQUITY					
Share capital					
Authorized share capital					
2,480,604,926 ordinary shares of Baht 0.50 each		<u>1,240,302,463</u>		<u>1,240,302,463</u>	
1,883,929,172 ordinary shares of Baht 0.50 each			<u>941,964,586</u>		<u>941,964,586</u>
Issued and paid-up share capital					
1,307,736,926 ordinary shares of Baht 0.50 each,					
fully paid	18	653,868,463	653,868,463	653,868,463	653,868,463
Premium on share capital	21	1,496,406,747	1,496,406,747	1,496,406,747	1,496,406,747
Retained earnings (deficit)					
Appropriated					
Statutory reserve	22	108,383,352	108,383,352	108,383,352	108,383,352
Unappropriated (deficit)		(131,998,637)	128,521,945	(93,142,787)	116,183,800
Difference arising on disposal of partial interest					
in subsidiary		(4,560,072)	(4,560,072)	-	-
Other components of equity		(69,397,082)	(25,675,925)	(12,873,149)	3,540,197
Total owners' equity		<u>2,052,702,771</u>	<u>2,356,944,510</u>	<u>2,152,642,626</u>	<u>2,378,382,559</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u><u>2,772,868,545</u></u>	<u><u>3,212,115,534</u></u>	<u><u>2,722,014,827</u></u>	<u><u>3,081,184,571</u></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, 2018

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
REVENUES					
Fees and service income	23	4,453,411	27,378,858	1,326,389	-
Gains (loss) and return on financial instruments	24	(129,340,422)	248,944,946	(129,195,749)	247,089,110
Share of loss from investment in associates		(49,829,611)	(5,016,471)	-	-
Gain on transfer of business to an associated company	35	57,744	56,898	-	-
Other incomes		5,295,191	4,037,012	5,258,292	4,056,026
Total revenues		<u>(169,363,687)</u>	<u>275,401,243</u>	<u>(122,611,068)</u>	<u>251,145,136</u>
EXPENSES					
Employee benefits expenses		45,711,443	47,920,808	30,400,902	24,079,585
Fees and service expenses	26	1,132,475	5,394,716	666,055	262,551
Finance costs		30,416,190	31,780,706	30,416,190	31,780,706
Reversal bad debts and doubtful accounts		(48,727)	-	(48,727)	-
Impairment loss from investments (reversal)	27	(70,412,741)	127,262,629	(48,762,478)	146,727,411
Other expenses	28	34,706,058	46,328,745	23,717,454	32,778,402
Total expenses		<u>41,504,698</u>	<u>258,687,604</u>	<u>36,389,396</u>	<u>235,628,655</u>
PROFIT (LOSS) BEFORE INCOME TAX		(210,868,385)	16,713,639	(159,000,464)	15,516,481
INCOME TAX - INCOME (EXPENSES)	30	15,033,833	(6,839,983)	15,045,382	(964,383)
PROFIT (LOSS) FOR THE YEAR		<u>(195,834,552)</u>	<u>9,873,656</u>	<u>(143,955,082)</u>	<u>14,552,098</u>

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
OTHER COMPREHENSIVE PROFIT (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation		685,475	(1,954,178)	-	(1,574,687)
Share of loss on remeasurement of defined benefit obligation of associates		-	(3,079,007)	-	-
Items that may be reclassified subsequently to profit or loss					
Share of loss on other comprehensive income of associates		(27,307,811)	(20,317,769)	-	-
Loss on remeasuring available-for-sale investments	8.3	(20,516,682)	(33,801,686)	(20,516,682)	(33,801,686)
Reclassified relating to change of investment classification	8.3	-	(180,558,845)	-	(180,558,845)
Income tax relating to items that may be reclassified subsequently to profit or loss	8.3	4,103,336	42,872,106	4,103,336	42,872,106
Other comprehensive loss for the year, net of income tax		(43,035,682)	(196,839,379)	(16,413,346)	(173,063,112)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(238,870,234)</u>	<u>(186,965,723)</u>	<u>(160,368,428)</u>	<u>(158,511,014)</u>
EARNINGS (LOSS) PER SHARE					
BASIC EARNINGS (LOSS) PER SHARE	BAHT	(0.150)	0.008	(0.110)	0.011
WEIGHTED AVERAGE					
NUMBER OF ORDINARY SHARES	SHARES	1,307,736,926	1,307,736,926	1,307,736,926	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, 2018

UNIT : BAHT

Note	CONSOLIDATED FINANCIAL STATEMENTS								Total owners' equity
	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 associates	Difference arising on change of partial interest in subsidiary	Total	
Balance as at January 1, 2017	653,868,463	1,496,406,747	108,383,352	254,424,618	175,028,622	(8,898,353)	(4,560,072)	2,674,653,377	
Total comprehensive loss	-	-	-	4,840,471	(171,488,425)	(20,317,769)	-	(186,965,723)	
Dividend payment	-	-	-	(130,743,144)	-	-	-	(130,743,144)	
Balance as at December 31, 2017	<u>653,868,463</u>	<u>1,496,406,747</u>	<u>108,383,352</u>	<u>128,521,945</u>	<u>3,540,197</u>	<u>(29,216,122)</u>	<u>(4,560,072)</u>	<u>2,356,944,510</u>	
Balance as at January 1, 2018	653,868,463	1,496,406,747	108,383,352	128,521,945	3,540,197	(29,216,122)	(4,560,072)	2,356,944,510	
Total comprehensive loss	-	-	-	(195,149,077)	(16,413,346)	(27,307,811)	-	(238,870,234)	
Dividend payment	-	-	-	(65,371,505)	-	-	-	(65,371,505)	
Balance as at December 31, 2018	<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>(4,560,072)</u>	<u>2,052,702,771</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, 2018

UNIT : BAHT

	Note	SEPARATE FINANCIAL STATEMENTS						Total
		Issued and paid-up share capital	Premium on share capital	Appropriated retained earnings Statutory reserve	Unappropriated retained earnings (deficit)	Other components of equity Gain (loss) on re-measuring available-for-sale investments	owners' equity	
Balance as at January 1, 2017		653,868,463	1,496,406,747	108,383,352	233,949,533	175,028,622	2,667,636,717	
Total comprehensive loss		-	-	-	12,977,411	(171,488,425)	(158,511,014)	
Dividend payment	19	-	-	-	(130,743,144)	-	(130,743,144)	
Balance as at December 31, 2017		<u>653,868,463</u>	<u>1,496,406,747</u>	<u>108,383,352</u>	<u>116,183,800</u>	<u>3,540,197</u>	<u>2,378,382,559</u>	
Balance as at January 1, 2018		653,868,463	1,496,406,747	108,383,352	116,183,800	3,540,197	2,378,382,559	
Total comprehensive loss		-	-	-	(143,955,082)	(16,413,346)	(160,368,428)	
Dividend payment	19	-	-	-	(65,371,505)	-	(65,371,505)	
Balance as at December 31, 2018		<u>653,868,463</u>	<u>1,496,406,747</u>	<u>108,383,352</u>	<u>(93,142,787)</u>	<u>(12,873,149)</u>	<u>2,152,642,626</u>	

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, 2018

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	(210,868,385)	16,713,639	(159,000,464)	15,516,481
Adjustments on income (loss) before income tax to be cash received (paid) from operating activities:				
Depreciation and amortization	3,278,909	3,736,014	2,583,998	2,522,147
Reversal bad debts and doubtful accounts	(48,727)	-	(48,727)	-
Unrealized gain (loss) on re-measuring trading investments	(789,445)	17,223,611	898,226	15,361,838
Loss on sale from general investment	68,928,919	-	68,928,919	-
Gain on sale from available-for-sale investment	(82,582)	-	(82,582)	-
Unrealized (gain) loss from reclassification investment port	123,124,360	(180,558,845)	123,124,360	(180,558,845)
Gain on sale and disposal equipment	(61,456)	(461,448)	(9,019)	(461,448)
Share of loss from investment in associates	49,829,611	5,016,471	-	-
Loss on exchange rate	512,229	307,900	512,229	307,900
Impairment loss from equity securities (reversal)	(70,412,741)	22,262,629	(70,412,741)	22,262,629
Impairment loss from debt securities (reversal)	-	105,000,000	(25,632,496)	25,632,496
Impairment loss on investment in subsidiary	-	-	47,282,759	98,832,286
Finance cost	30,416,190	31,780,706	30,416,190	31,780,706
Interest and dividend income	(20,417,452)	(17,650,104)	(20,384,229)	(16,804,943)
Gain on transfer of business to an associated company	(57,744)	(56,898)	-	-
Employee benefit expenses	5,551,533	1,862,730	2,618,871	1,156,055
Gain (loss) from operating before changes in operating assets and liabilities	(21,096,781)	5,176,405	795,294	15,547,302
(Increase) decrease in operating assets				
Securities business receivables	48,727	-	48,727	-
Accrued fees and service income from asset management business	810,407	5,812,064	-	-
Investments in trading securities	300,353,408	75,074,235	374,593,883	59,538,185
Short-term loans to related parties	-	-	(19,343,973)	-
Other assets	39,409,832	(3,389,782)	20,457,674	9,784,829
Increase (decrease) in operating liabilities				
Accrued fees and service expenses from asset management business	(3,252)	(748,968)	-	-
Employee benefits paid	(4,687,400)	(154,260)	-	-
Other liabilities	12,649,187	(20,224,550)	11,727,123	(13,729,398)
Cash received from (paid for) operating activities	327,484,128	61,545,144	388,278,728	71,140,918
Interest income	3,208,187	6,840,165	2,831,786	6,343,917
Income tax paid	(401,776)	(1,180,025)	(254,228)	(117,854)
Net cash provided by operating activities	330,290,539	67,205,284	390,856,286	77,366,981

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for investment in available-for-sale securities		(84,284,328)	-	(84,284,328)	-
Cash received from sale investment					
in available-for-sale securities		82,586	-	82,586	-
Cash paid for investment to be held to maturity		(23,289,155)	(23,191,912)	-	-
Cash received from investment to be held to maturity		23,191,912	73,356,186	-	50,356,186
Cash paid for purchase general investment		(25,256,800)	(25,000)	(25,256,800)	(25,000)
Cash received from sale general investment		87,091,725	-	87,091,725	-
Cash received from capital return from general investment		8,359,719	15,218,000	8,359,719	15,218,000
Cash paid for purchase investment in subsidiary		-	-	(25,000,000)	-
Cash paid for increase share capital in subsidiary		-	-	(82,800,000)	-
Cash paid for purchase invesment in associates		-	(231,600,000)	-	(231,600,000)
Cash received from sale of equipment		1,136,710	2,000,000	1,080,000	2,000,000
Cash paid for acquisition of equipment		(2,500,460)	(5,731,575)	(2,207,284)	(5,652,575)
Cash paid for acquisition of intangible assets		(66,298,800)	(10,051)	(66,200,000)	-
Cash received from interest and dividend					
from investments in securities		17,234,400	11,145,772	17,234,400	10,797,347
Net cash used in investing activities		<u>(64,532,491)</u>	<u>(158,838,580)</u>	<u>(171,899,982)</u>	<u>(158,906,042)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid on liabilities under finance lease agreements		-	(17,120)	-	(17,120)
Cash received from other borrowing		1,756,737,347	2,726,349,409	1,756,737,347	2,726,349,409
Cash paid from other borrowing		(1,935,000,000)	(2,550,000,000)	(1,935,000,000)	(2,550,000,000)
Dividend payment		(65,371,505)	(130,743,144)	(65,371,505)	(130,743,144)
Net cash provided (used in) by financing activities		<u>(243,634,158)</u>	<u>45,589,145</u>	<u>(243,634,158)</u>	<u>45,589,145</u>
Net increase (decrease) in cash and cash equivalents		22,123,890	(46,044,151)	(24,677,854)	(35,949,916)
Cash and cash equivalents as at January 1,		330,321,430	376,365,581	312,718,240	348,668,156
Cash and cash equivalents as at December 31,	5	<u>352,445,320</u>	<u>330,321,430</u>	<u>288,040,386</u>	<u>312,718,240</u>
Non-cash items					
Increase in (gain) loss on re-measuring					
available-for-sale investments - net of tax		(12,873,149)	3,540,197	(12,873,149)	3,540,197
Increase in accrued dividend		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, 2018**

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 18th 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 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 August 4, 2016, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2017 according to the letter No. BorSorChor.0005/2559.

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.

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

The Company has subsidiaries as follows:

1. Innotech Asset Management Co., Ltd. (formerly Solaris Asset Management Co., Ltd.) operates its business in Thailand and has been granted permission to manage mutual fund, private fund and provident fund.
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 fancier 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 as a digital asset broker and dealer, and ICO portal, authorized by related authorities.

A subsidiary has net loss of Baht 22.34 million for the year ended December 31, 2018 and as at December 31, 2018, the subsidiary has accumulated loss of Baht 172.68 million. However, as at December 31, 2018, the subsidiary can maintain its capital adequacy according to the requirement of the Office of the Securities and Exchange Commission. Currently, the subsidiary is in the process to prepare staff and Company's system work flow according to the business plan in order to reactivate its fund management business (see Note 34).

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 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 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 The consolidated financial statements for the year ended December 31, 2018 included the accounts of the Company, Innotech Asset Management Co., Ltd., Lumpini asset Management Co., Ltd. and SE Digital Co., Ltd., whereas, the consolidated financial statements for the years ended December 31, 2017 included the accounts of the Company, Innotech Asset Management Co., Ltd., and Lumpini Asset Management Co., Ltd. which the Company has a holding of 100% in their equity of three subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated
- 2.4 The consolidated financial statements for the years ended December 31, 2018 and 2017 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd., Scentimental (Thailand) Co., Ltd. and Absolute Yoga Co., Ltd.
- 2.5 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

3. NEW THAI FINANCIAL REPORTING STANDARDS

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

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. 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

- 3.2.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards 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, 2019 onwards.

Thai Financial Reporting Standards (“TFRS”)

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation (“TFRIC”)

TFRIC 22	Foreign Currency Transactions and Advance Consideration
----------	---

There is the key change to the core principle of TFRS 15, which introduces a 5-step approach to revenue recognition, as follow:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied. TFRS 15 will supersede the Standards and Interpretations relating to revenue upon its effective date.

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 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, 2019 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 reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standards (“TAS”)

TAS 28 (Revised 2018)	Investment in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

Thai Accounting Standard No.28 (Revised 2018) “Investment in Associates and Joint Ventures” clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss, and clarifies the consideration about the impairment of an investment in an associate or a joint venture. This accounting standard requires retrospective method for such amendment.

Thai Accounting Standard No.40 (Revised 2018) “Investment Property” clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.2 (Revised 2018) “Share-based Payment” adds the requirements, which require prospective method for the amendment as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

3.2.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments 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, as follows:

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 TFRSs 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 TFRSs will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

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 is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Revenue and expense recognition

Brokerage fees

Brokerage fees on securities and derivatives trading are recognized as income on the transaction dates.

Fees and service income

Fees 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 agreement.

Interest on margin loans

Interest is recognized on an accrual basis, but where there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

In the following cases, collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralized
- 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 this is clear evidence and a high degree of certainty that full repayment will be received
- 4) Problem financial institution loans
- 5) Other receivables from which interest payment is overdue for 3 months or more

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission.

Gain (loss) on trading in securities and derivatives

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

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.

Expenses

Expenses are recognized on an accrual basis.

4.2 Interest on borrowing

Interest on borrowing is recognized as 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 subsidiary and associated companies

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

Investments in subsidiary 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 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 profit or loss and other 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 to the statements of profit or loss and other 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 subsidiary 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 subsidiary and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiary. 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 subsidiary 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.

4.14.3 Unused paid vacation leave

The Company and its subsidiary 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 subsidiary 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 subsidiary recognize provisions in the financial statements when the amount of the liability can be reliable estimated and it is current commitment that is probable that loss of resources which are of economic benefit to the Company and its subsidiary 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 subsidiary 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 subsidiary. The Company and its subsidiary do not recognize deferred tax assets and liabilities for the goodwill.

The Company and its subsidiary 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 subsidiary to off set the recognized amounts and the Company and its subsidiary 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 subsidiary 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 which are as follow:

Provisions for employee benefits

Past service cost related to plan amendment is recognized as an expense in the income statement when the plan amendment is occurred. The management of the Company and its subsidiaries judgmentally consider that an obligation arises only when the legislation is virtually certain to be enacted as drafted.

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,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	364,718,370	342,458,733	300,308,119	324,854,543
<u>Less</u> Cash deposits held for customers*	<u>(12,273,050)</u>	<u>(12,137,303)</u>	<u>(12,267,733)</u>	<u>(12,136,303)</u>
Total cash and cash equivalents	<u>352,445,320</u>	<u>330,321,430</u>	<u>288,040,386</u>	<u>312,718,240</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, 2018 and 2017, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.27 million and Baht 12.14 million, respectively, and the separate statements of financial position in amounting to Baht 12.27 million and Baht 12.14 million, respectively, which the Company must return to the customers at call.

As at December 31, 2018 and 2017, the securities business customers with outstanding balance of 439 accounts and 428 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 35), have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 4.44 million and Baht 4.31 million, respectively, and shares with the values of Baht 122.17 million and Baht 152.67 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Other receivables		
Receivables under litigation	62,605,839	62,654,566
Total securities business receivables	62,605,839	62,654,566
<u>Less</u> Allowance for doubtful accounts (see Note 7)	(62,605,839)	(62,654,566)
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:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2018			As at December 31, 2017		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful account set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	-	-	-	-	-	-
Substandard debts	-	-	-	-	-	-
Doubtful debts	62,605,839	(62,605,839)	-	62,654,566	(62,654,566)	-
Total	<u>62,605,839</u>	<u>(62,605,839)</u>	<u>-</u>	<u>62,654,566</u>	<u>(62,654,566)</u>	<u>-</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Over 3 years	62,605,839	62,654,566
Total	<u>62,605,839</u>	<u>62,654,566</u>

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Beginning balance of the period	62,654,566	62,654,566
Doubtful accounts (reversal)	(48,727)	-
Ending balance of the period (see Note 6)	<u>62,605,839</u>	<u>62,654,566</u>

8. INVESTMENTS

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2018		As at December 31, 2017	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - Listed securities	129,776,771	105,247,574	277,495,814	245,972,314
Equity securities – Unit trust	380,512	382,629	-	-
Debt securities - Corporate bond	-	-	25,309,476	27,024,289
Debt securities - Bill of exchange	334,176,059	236,112,869	693,381,940	599,810,912
Total	<u>464,333,342</u>	<u>341,743,072</u>	<u>996,187,230</u>	<u>872,807,515</u>
Less Revaluation adjustments	(17,590,270)	-	(18,379,715)	-
Less Allowance for impairment	<u>(105,000,000)</u>	<u>-</u>	<u>(105,000,000)</u>	<u>-</u>
Total trading securities	<u>341,743,072</u>	<u>341,743,072</u>	<u>872,807,515</u>	<u>872,807,515</u>
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	199,809,914	176,569,011	7,351,996	4,425,246
Less Revaluation adjustments	<u>(23,240,903)</u>	<u>-</u>	<u>(2,926,750)</u>	<u>-</u>
Total available-for-sale securities	<u>176,569,011</u>	<u>176,569,011</u>	<u>4,425,246</u>	<u>4,425,246</u>
<u>Held-to-maturity investments</u>				
Deposits at financial institutions	<u>23,289,155</u>	<u>23,289,155</u>	<u>23,191,912</u>	<u>23,191,912</u>
Total held-to-maturity investments	<u>23,289,155</u>	<u>23,289,155</u>	<u>23,191,912</u>	<u>23,191,912</u>
<u>General investments</u>				
Ordinary shares	198,396,323	193,178,152	338,032,114	262,401,202
Preference shares	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Total	<u>198,521,323</u>	<u>193,303,152</u>	<u>338,157,114</u>	<u>262,526,202</u>
Less Allowance for impairment	<u>(5,218,171)</u>	<u>-</u>	<u>(75,630,912)</u>	<u>-</u>
Total general investments	<u>193,303,152</u>	<u>193,303,152</u>	<u>262,526,202</u>	<u>262,526,202</u>
Total investments	<u>734,904,390</u>	<u>734,904,390</u>	<u>1,162,950,875</u>	<u>1,162,950,875</u>

SEPARATE FINANCIAL STATEMENTS

	As at December 31, 2018		As at December 31, 2017	
	Cost/		Cost/	
	Book value	Fair value	Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities - Listed securities	129,776,771	105,247,574	277,495,814	245,972,314
Equity securities – Unit trust	380,512	382,629	-	-
Debt securities - Corporate bond	-	-	25,309,476	27,024,289
Debt securities - Bill of exchange	217,935,584	224,872,394	651,381,940	638,866,087
Total	348,092,867	330,502,597	954,187,230	911,862,690
<u>Less</u> Revaluation adjustments	(17,590,270)	-	(16,692,044)	-
<u>Less</u> Allowance for impairment	-	-	(25,632,496)	-
Total trading securities	330,502,597	330,502,597	911,862,690	911,862,690
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	199,809,914	176,569,011	7,351,996	4,425,246
<u>Less</u> Revaluation adjustments	(23,240,903)	-	(2,926,750)	-
Total available-for-sale securities	176,569,011	176,569,011	4,425,246	4,425,246
<u>General investments</u>				
Ordinary shares	198,396,323	193,178,152	338,032,114	262,401,202
Preference shares	125,000	125,000	125,000	125,000
Total	198,521,323	193,303,152	338,157,114	262,526,202
<u>Less</u> Allowance for impairment	(5,218,171)	-	(75,630,912)	-
Total general investments	193,303,152	193,303,152	262,526,202	262,526,202
Total investments	700,374,760	700,374,760	1,178,814,138	1,178,814,138

As at February 22, 2017, the Company reclassified one of its securities from available-for-sale investments to trading investments due to the company has planned to sell such investments in the near term. The reclassification was affected to gain on change investments from reclassified such investment in amount of Baht 180.56 million.

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 investment for such investments. The reclassification was affected to loss on change investments from reclassified such investment in amount of Baht 123.12 million.

As at December 31, 2017, the subsidiary provided additional allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million in the consolidated financial statements which resulted to the Company provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million in the separate financial statements (see Note 10).

8.2 Investments in deposits at financial institutions with outstanding maturities of contracts as follows:

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

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2017				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Deposits at financial institutions	23,191,912	-	-	23,191,912
Total held-to-maturity investments	23,191,912	-	-	23,191,912

(The separate financial statements as at December 31, 2018 and 2017, held-to-maturity investments: nil.)

8.3 Gain (loss) on re-measuring available-for-sale investments recognized in owners' equity

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
	Baht	Baht	Baht	Baht
Beginning balance of the period	3,540,197	175,028,622	3,540,197	175,028,622
Changes during the period				
- from deferred tax adjustment	4,103,336	42,872,106	4,103,336	42,872,106
- from re-measuring of investments	(20,516,682)	(33,801,686)	(20,516,682)	(33,801,686)
- from change of investment classification	-	(180,558,845)	-	(180,558,845)
Ending balance of the period	(12,873,149)	3,540,197	(12,873,149)	3,540,197

8.4 The Company has general investments in companies that have financial position and performance problems as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2018			As at December 31, 2017		
	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht
Ordinary shares	7,808	962	6,846	7,808	879	6,929
	7,808	962	6,846	7,808	879	6,929

9. SHORT-TERM LOANS TO RELATED PARTIES

As at December 31, 2018, the Company has short-term loans to subsidiary amounting to Baht 19 million and accrued interest amounting to Baht 343,973 which without collateral and having interest at rate of 5% per annum. Such short-term loans will mature on July 16, 2019 amounting to Baht 9 million and on September 24, 2019 amounting to Baht 10 million, respectively (as at December 31, 2017: Nil).

10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Company's investments in its subsidiaries and associates, 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	Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associates										
KT ZMICO										
Securities Co., Ltd	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,306.6	1,355.3
Scentimental (Thailand) Co., Ltd	Import and whole sale perfume	Export								
	Retail									
	and	Ordinary								
	cosmetics	share	40.0	30.0	34.50	46.00	13.8	13.8	6.8	14.2
Absolute Yoga Co., Ltd	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	189.8	210.8
							<u>1,475.7</u>	<u>1,475.7</u>	<u>1,503.2</u>	<u>1,580.3</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, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries										
Innotech Asset Management Co., Ltd.	Mutual, private and provident fund management	Ordinary share	205.4	125.4	100.00	100.00	255.8	173.1	55.5	(25.6)
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	24.5
SE Digital Co., Ltd	Digital Assets	Ordinary share	25.0	-	100.00	-	25.0	-	23.8	-
<u>Less</u> Allowance for impairment							(220.3)	(173.1)	-	-
							<u>85.5</u>	<u>25.0</u>	<u>103.5</u>	<u>(1.1)</u>
Associates										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,306.6	1,355.3
Scentimental (Thailand) Co., Ltd.	Import and whole sale perfume and cosmetics	Ordinary share	40.0	30.0	34.50	46.00	13.8	13.8	6.8	14.2
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	189.8	210.8
							<u>1,475.7</u>	<u>1,475.7</u>	<u>1,503.2</u>	<u>1,580.3</u>
							<u>1,561.2</u>	<u>1,500.7</u>	<u>1,606.7</u>	<u>1,579.2</u>

In August 2017, the subsidiary sued an issuer of bill of exchange of Baht 105.00 million because the issuer cannot make repayment when the Bill of Exchange was matured, therefore the subsidiary provided allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million presented in the consolidated financial statements as at December 31, 2017. For the separate financial statements, the Company provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million (see Note 8).

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, 2018			As at December 31, 2017		
	Million Baht			Million Baht		
	KT ZMICO Securities Co., Ltd.	Others	Total	KT ZMICO Securities Co., Ltd.	Others	Total
Total assets	3,311.4	146.2	3,457.6	4,403.8	162.9	4,566.7
Total liabilities	(2,171.4)	(105.7)	(2,277.1)	(3,215.1)	(95.4)	(3,310.5)
Net assets	1,140.0	40.5	1,180.5	1,188.7	67.5	1,256.2

	For the year ended December 31, 2018			For the year ended December 31, 2017		
	Million Baht			Million Baht		
	KT ZMICO Securities Co., Ltd.	Others	Total	KT ZMICO Securities Co., Ltd.	Others	Total
Total revenue	664.1	157.8	821.9	741.6	111.0	852.6
Share of profit (loss) from investment in associates	(21.4)	(28.4)	(49.8)	1.6	(6.6)	(5.0)
Net other comprehensive income (loss) for the period	(27.3)	-	(27.3)	(23.4)	-	(23.4)

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 shareholders' meeting 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 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.

On March 15, 2018, the Extraordinary General Shareholders Meeting of Innotech Asset Management Co., Ltd. (formerly Solaris Asset Management Co., Ltd.) which is the Company's subsidiary passed the 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 registrar of Partnership and Companies on April 27, 2018.

On December 11, 2018, the Extraordinary General Shareholders Meeting 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 Registrar of Partnerships and Companies on January 4, 2019. As at December 31, 2018, this amount is recorded as share subscription received in advance in the subsidiary's statements of financial position.

As at December 31, 2018, the paid-up share capital of Innotech Asset Management Co., Ltd. is Baht 205.40 million consisting of 20,540,000 ordinary shares of Baht 10.00 per share and as at December 31, 2017, the paid-up share capital is Baht 125.40 million consisting of 22,800,000 ordinary shares of Baht 5.5 per share. As at December 31, 2018 and 2017, the subsidiary's shares are held by the Company 100%.

As at December 31, 2018 and 2017, the paid-up share capital of Lumpini Asset Management Co., Ltd. which is the Company's subsidiary is Baht 25.00 million, consisting of 2,500,000 ordinary shares of Baht 10.00 per share. As at December 31, 2018 and 2017, the subsidiary's shares are held by the Company 100%.

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, consisting of 250,000 ordinary shares of Baht 100.00 per share. As at December 31, 2018, the subsidiary's shares are held by the Company 100%.

11. BUILDING IMPROVEMENTS AND EQUIPMENT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2018 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2018 Baht
Cost				
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>
Accumulated depreciation				
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>
Total building improvements and equipment	<u>8,474,218</u>			<u>6,746,404</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Balance as at January 1, 2017 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2017 Baht
Cost				
Building improvement	7,701,654	67,363	-	7,769,017
Office equipment	12,564,154	174,212	(166,080)	12,572,286
Vehicles	5,782,600	5,490,000	(3,844,600)	7,428,000
Total cost	26,048,408	5,731,575	(4,010,680)	27,769,303
Accumulated depreciation				
Building improvement	(5,317,684)	(1,097,041)	-	(6,414,725)
Office equipment	(10,343,042)	(1,194,764)	135,876	(11,401,930)
Vehicles	(2,417,966)	(1,396,716)	2,336,252	(1,478,430)
Total accumulated depreciation	(18,078,692)	(3,688,521)	2,472,128	(19,295,085)
Total building improvements and equipment	7,969,716			8,474,218
Depreciation for the year ended December 31,				
2018				3,227,385
2017				3,688,521

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2018 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2018 Baht
Cost				
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	14,306,450	2,207,284	(1,938,000)	14,575,734
Accumulated depreciation				
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	(6,831,542)	(2,583,998)	937,674	(8,477,866)
Total building improvements and equipment	7,474,908			6,097,868

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2017 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2017 Baht
Cost				
Building improvement	4,796,572	67,363	-	4,863,935
Office equipment	2,085,383	95,212	(166,080)	2,014,515
Vehicles	5,782,600	5,490,000	(3,844,600)	7,428,000
Total cost	12,664,555	5,652,575	(4,010,680)	14,306,450
Accumulated depreciation				
Building improvement	(2,617,737)	(971,340)	-	(3,589,077)
Office equipment	(1,745,820)	(154,091)	135,876	(1,764,035)
Vehicles	(2,417,966)	(1,396,716)	2,336,252	(1,478,430)
Total accumulated depreciation	(6,781,523)	(2,522,147)	2,472,128	(6,831,542)
Total building improvements and equipment	5,883,032			7,474,908
Depreciation for the year ended December 31,				
2018				2,583,998
2017				2,522,147

As at December 31, 2018 and 2017, in the consolidated financial statements, there are certain building improvements and equipment items that have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 9.02 million and Baht 11.53 million, respectively.

For the separate financial statements as at December 31, 2018 and 2017, 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 amounted to Baht 1.80 million and Baht 1.55 million, respectively.

12. INTANGIBLE ASSETS

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2018	Additions	Amortization	Write-off/ Transfer out	Balance as at December 31, 2018
		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
Digital Token	Indefinite**	-	66,200,000	-	-	66,200,000
Computer software	5 years	104,231	98,800	(51,524)	-	151,507
Total		4,792,724	66,298,800	(51,524)	-	71,040,000

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2017	Additions	Amortization	Write-off/ Transfer out	Balance as at December 31, 2017
		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
Computer software	5 years	141,674	10,050	(47,493)	-	104,231
Total		4,830,167	10,050	(47,493)	-	4,792,724

Amortization for the year ended December 31,

2018	51,524
2017	47,493

SEPARATE FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2018	Additions	Amortization	Write-off/ Transfer out	Balance as at December 31, 2018
		Baht	Baht	Baht	Baht	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
Total		3,320,549	66,200,000	-	-	69,520,549

SEPARATE FINANCIAL STATEMENTS

	Useful lives	Balance as at January 1, 2017 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2017 Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Computer software	5 years	1	-	-	-	1
Total		<u>3,320,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,320,549</u>

Amortization for the year ended December 31,

2018	<u>-</u>
2017	<u>-</u>

* Deferred license fees have indefinite useful lives as they have no expiring date and they are expected to contribute to the Company and its subsidiary's 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 inflows indefinitely

On October 8, 2018, the Company purchased Digital Token which issued and offered by a company in 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, 2018 and 2017, 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 7.55 million. As at December 31, 2018 and 2017, 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 FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Deferred tax assets				
Allowance for doubtful accounts	199,304	205,960	199,304	205,960
Allowance for impairment of investments	46,576,128	56,328,606	46,576,128	56,328,606
Unrealized loss on re-measuring trading investments	4,966,206	6,304,700	4,966,206	6,304,700
Unrealized loss on re-measuring available-for-sale investments	3,218,287	-	3,218,287	-
Other assets	10,357	10,357	10,357	10,357
Unrealized gain on transfer of business to an associated company	<u>22,721,673</u>	<u>22,733,222</u>	<u>-</u>	<u>-</u>
	<u>77,691,955</u>	<u>85,582,845</u>	<u>54,970,282</u>	<u>62,849,623</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	10,331,927	36,474,937	10,331,927	36,474,937
Unrealized gain on re-measuring available-for-sale investments	-	885,049	-	885,049
Amortization of license fees	<u>664,110</u>	<u>664,110</u>	<u>664,110</u>	<u>664,110</u>
	<u>10,996,037</u>	<u>38,024,096</u>	<u>10,996,037</u>	<u>38,024,096</u>
Deferred tax assets	<u>66,695,918</u>	<u>47,558,749</u>	<u>43,974,245</u>	<u>24,825,527</u>

The movements of deferred tax assets and liabilities during the periods are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
	Baht	Baht	Baht	Baht
Deferred tax assets				
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>
Deferred tax liabilities				
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>

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	211,285	(5,325)	-	205,960
Allowance for impairment of investments	26,983,118	29,345,488	-	56,328,606
Employee benefit obligations	390,866	(390,866)	-	-
Unrealized loss on re-measuring trading investments	2,112,743	4,191,957	-	6,304,700
Other assets	10,357	-	-	10,357
Tax loss carried forward	5,754,969	(5,754,969)	-	-
Unrealized gain on transfer of business to an associated company	22,744,602	(11,380)	-	22,733,222
	<u>58,207,940</u>	<u>27,374,905</u>	<u>-</u>	<u>85,582,845</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,940,204	34,534,733	-	36,474,937
Unrealized gain on re-measuring				
Available-for-sale investments	43,757,155	-	(42,872,106)	885,049
Unrealized gain on exchange rate	73,050	(73,050)	-	-
Amortization of derivative license	910,905	(246,795)	-	664,110
	<u>46,681,314</u>	<u>34,214,888</u>	<u>(42,872,106)</u>	<u>38,024,096</u>
Deferred tax assets	<u>11,526,626</u>	<u>(6,839,983)</u>	<u>42,872,106</u>	<u>47,558,749</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
	Baht	Baht	Baht	Baht
Deferred tax assets				
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>
Deferred tax liabilities				
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>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	211,285	(5,325)	-	205,960
Allowance for impairment of investments	26,983,118	29,345,488	-	56,328,606
Unrealized loss on re-measuring trading investments	2,028,330	4,276,370	-	6,304,700
Other assets	10,357	-	-	10,357
	<u>29,233,090</u>	<u>33,616,533</u>	<u>-</u>	<u>62,849,623</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,820,971	34,653,966	-	36,474,937
Unrealized gain on re-measuring available-for-sale investments	43,757,155	-	(42,872,106)	885,049
Unrealized gain on exchange rate	73,050	(73,050)	-	-
Amortization of derivative license	664,110	-	-	664,110
	<u>46,315,286</u>	<u>34,580,916</u>	<u>(42,872,106)</u>	<u>38,024,096</u>
Deferred tax assets (liabilities)	<u>(17,082,196)</u>	<u>(964,383)</u>	<u>42,872,106</u>	<u>24,825,527</u>

As at December 31, 2018 and 2017, the Company has unused tax losses carry forward of Baht 170.10 million and Baht 82.76 million, respectively, which will be expired within 5 years.

As at December 31, 2018 and 2017, the subsidiary has unused tax loss carry forward of Baht 54.77 million and Baht 58.11 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, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Baht	Baht	Baht	Baht
Accrued interest income	75,569	154,009	72,868	152,103
Accrued dividend income	38,304	-	38,304	-
Prepaid insurance	134,900	127,418	134,900	127,418
Prepaid repair and maintenance	87,019	87,111	-	-
Prepaid SET fee	109,389	109,389	109,389	109,389
Prepaid other	152,230	319,167	137,480	94,546
Other deposits	944,035	936,001	596,550	589,251
Corporate income tax claim receivable	12,232,216	11,743,758	2,617,954	2,479,054
Advance payment for investment in Myanmar	-	48,771,900	-	48,771,900
Advance payment for legal fee of funds managed by subsidiary	14,279,980	13,440,792	-	-
Share subscription of subsidiary paid in advance	-	-	20,000,000	-
Other receivables	8,722,734	-	8,722,734	-
Others	335,058	455,085	332,092	324,014
Total	37,111,434	76,144,630	32,762,271	52,647,675

15. OTHER BORROWINGS

As at December 31, 2018 and 2017, the Company has other borrowings, as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2018				
	Interest rate per annum (%)	Residual maturities			Total Baht
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Other borrowings					
Bill of exchange	4.00	528,062,334	-	-	528,062,334
Total other borrowings		528,062,334	-	-	528,062,334

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2017				
	Interest rate per annum (%)	Residual maturities			Total Baht
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Other borrowings					
Bill of exchange	3.90 - 4.00	675,908,797	-	-	675,908,797
Total other borrowings		675,908,797	-	-	675,908,797

Movements in other borrowings during the year ended December 31, 2018 and 2017 are summarized below:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Beginning balance	675,908,797	467,778,822
Financing cash flow		
Cash received from other borrowing	1,756,737,347	2,726,349,409
Cash paid from other borrowing	(1,935,000,000)	(2,550,000,000)
Non - cash item changes		
Finance cost	30,416,190	31,780,566
Ending balance of the period	<u>528,062,334</u>	<u>675,908,797</u>

16. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Post-employment benefits obligation	11,125,769	10,544,435	10,747,603	8,193,231
Unused paid vacation leave	<u>620,181</u>	<u>1,022,857</u>	<u>552,323</u>	<u>487,824</u>
	<u>11,745,950</u>	<u>11,567,292</u>	<u>11,299,926</u>	<u>8,681,055</u>

Post-employment benefits obligation

The Company and its subsidiary 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 FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31, 2018 Baht	For the year ended December 31, 2017 Baht	For the year ended December 31, 2018 Baht	For the year ended December 31, 2017 Baht
Current service cost	1,549,497	1,669,865	1,388,068	996,966
Interest cost	180,928	178,340	175,412	140,852
Past service cost	<u>990,892</u>	<u>-</u>	<u>990,892</u>	<u>-</u>
	<u>2,721,317</u>	<u>1,848,205</u>	<u>2,554,372</u>	<u>1,137,818</u>

Movements in the present value of the post-employment benefits obligation are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year		For the year	
	ended December 31,		ended December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	10,544,435	6,896,312	8,193,231	5,480,726
Current service cost	1,549,497	1,669,865	1,388,068	996,966
Interest cost	180,928	178,340	175,412	140,852
Past service cost	990,892	-	990,892	-
Improve employee benefits from termination	3,232,892	-	-	-
Actuarial (gain) loss in statement of comprehensive income				
- from experience adjustment	(673,985)	714,179	-	744,577
- from changes in demographic assumption	-	588,192	-	356,476
- from changes in financial assumption	(11,490)	651,807	-	473,634
Employee benefit paid during the year	(4,687,400)	(154,260)	-	-
Ending balance of post-employment benefits obligation	<u>11,125,769</u>	<u>10,544,435</u>	<u>10,747,603</u>	<u>8,193,231</u>

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new 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 that of the last 400 days, based on the final wage rate. The management of the Company and its subsidiaries judgmentally consider that plan amendment is occurred and recognized past service cost as an expense when the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. The Company has recorded the effect of such plan amendment and already recognized past service cost as an expense of Baht 0.99 million in the income statement 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, 2018 and 2017 are as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	(% per annum)	
	December 31, 2018	December 31, 2017
Financial assumptions		
Discount rate	1.91 - 2.61	1.91 - 2.20
Employee turnover rate	6.0 - 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	6.0	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		SEPARATE	
	FINANCIAL STATEMENTS December 31, 2018	FINANCIAL STATEMENTS December 31, 2017	FINANCIAL STATEMENTS December 31, 2018	FINANCIAL STATEMENTS December 31, 2017
Salary incremental rates - 1% increase	691,636	657,584	654,898	459,048
Salary incremental rates - 1% decrease	(637,522)	(607,882)	(605,187)	(426,907)
Life expectancy rate - 1% increase	41,263	42,581	39,654	34,353
Life expectancy rate - 1% decrease	(41,069)	(42,384)	(39,467)	(34,189)
Turnover rate - 1% increase	(562,151)	(635,324)	(524,776)	(443,708)
Turnover rate - 1% decrease	214,999	372,071	171,490	159,281
Discount rate - 1% increase	(519,588)	(584,735)	(486,837)	(409,890)
Discount rate - 1% decrease	573,577	644,915	535,557	449,401

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 As at December 31, 2018 Baht	FINANCIAL STATEMENTS As at December 31, 2017 Baht	FINANCIAL STATEMENTS As at December 31, 2018 Baht	FINANCIAL STATEMENTS As at December 31, 2017 Baht
Withholding tax payable	466,244	416,943	364,824	265,140
Value-added-tax payable	206,744	238,814	206,744	207,260
Other payables	12,763,498	6,432,466	11,761,565	6,159,501
Accrued expenses	5,622,978	5,607,701	4,805,930	4,975,182
Amounts of capital reduction and dividend not redeemed by shareholders	5,781,551	5,586,454	5,781,551	5,586,454
Deposit for share payment	5,000,000	-	5,000,000	-
Others	2,289,136	1,124,222	2,089,327	1,018,623
Total	<u>32,130,151</u>	<u>19,406,600</u>	<u>30,009,941</u>	<u>18,212,160</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 registrar of Partnership and Companies 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 registrar of Partnership and Companies 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 is still in the process for payment of newly issued ordinary shares and to consider approving 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.

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 and as at December 31, 2017 the Company has authorized share capital of Baht 941,964,586 and issued and paid-up share capital of Baht 653,868,463.

Net asset value

As at December 31, 2018 and 2017, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date, is as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Net asset value (per share)	1.57	1.80	1.65	1.82

19. DIVIDEND

On April 27, 2018, the ordinary shareholders' meeting 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.

On April 27, 2017, the ordinary shareholders' meeting of the year 2017 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2016 to the shareholders at the rate of Baht 0.10 per share equalling to Baht 130.74 million. The dividend was paid on May 15, 2017.

20. CAPITAL MANAGEMENT

The objectives of capital management of the Company and its subsidiary are to sustain the Company and its subsidiary's 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 subsidiary 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, 2018 and 2017, 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, 2018 and 2017, the Company has statutory reserve at the rate of 8.74 and 11.51 percent, respectively, of the registered capital.

23. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	3,127,022	27,378,858	-	-
Other	1,326,389	-	1,326,389	-
Total	<u>4,453,411</u>	<u>27,378,858</u>	<u>1,326,389</u>	<u>-</u>

24. GAIN (LOSS) AND RETURN ON FINANCIAL INSTRUMENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Gain (loss) on investment	(149,757,874)	231,294,842	(149,579,978)	230,284,167
Interest and dividend income	<u>20,417,452</u>	<u>17,650,104</u>	<u>20,384,229</u>	<u>16,804,943</u>
Total	<u>(129,340,422)</u>	<u>248,944,946</u>	<u>(129,195,749)</u>	<u>247,089,110</u>

25. DIRECTORS' REMUNERATION

Directors 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 year 2018 was approved by the ordinary shareholders' meeting of the Company and its subsidiary which were held on April 27, 2018 and April 17, 2018, respectively. Directors' remuneration for the year 2017 was approved by the ordinary shareholders' meetings of the Company and its subsidiary which were held on April 27, 2017 and April 17, 2017, respectively.

26. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	57,019	1,346,603	-	-
Referral expense	58,047	426,663	-	-
Others	1,017,409	3,621,450	666,055	262,551
Total	1,132,475	5,394,716	666,055	262,551

27. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Impairment loss from equity securities (reversal)	(70,412,741)	22,262,629	(70,412,741)	22,262,629
Impairment loss from debt securities (reversal)	-	105,000,000	(25,632,496)	25,632,496
Impairment loss on investment in subsidiary	-	-	47,282,759	98,832,286
Total	(70,412,741)	127,262,629	(48,762,478)	146,727,411

28. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Premises and equipment expenses	9,742,403	11,032,056	5,782,624	6,151,693
Consulting fee	8,646,013	11,680,816	6,723,921	8,689,038
Communication and information expenses	2,091,546	3,124,174	1,176,519	1,199,833
Entertainment expenses	75,322	320,824	71,182	98,760
Publication and marketing expenses	590,942	669,994	57,459	97,798
Traveling expenses	1,360,066	984,970	968,900	692,666
SET fee	4,603,815	2,948,486	4,603,815	2,948,486
Stationery and office supply	684,042	861,926	594,080	457,291
Taxation	192,969	423,062	107,324	417,289
Loss on exchange rate	-	8,740,518	-	8,740,518
Meeting and conference	624,698	511,021	604,858	478,293
Professional fee	2,694,178	3,108,385	1,818,596	1,684,596
Others	3,400,064	1,922,513	1,208,176	1,122,141
Total	<u>34,706,058</u>	<u>46,328,745</u>	<u>23,717,454</u>	<u>32,778,402</u>

29. PROVIDENT FUND

The Company and its subsidiary 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 subsidiary 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 year ended December 31, 2018 and 2017, the Company has contributed Baht 1.05 million and Baht 0.94 million, respectively, to the fund and the subsidiary has contributed Baht 0.41 million and Baht 0.87 million, respectively, to the fund.

30. CORPORATE INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31,		For the year ended December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Income tax – income (expenses) (see Note 13)	15,033,833	(6,839,983)	15,045,382	(964,383)
Total	15,033,833	(6,839,983)	15,045,382	(964,383)

Reconciliation of income tax and the results of the accounting profit (loss) multiplied by the income tax rate are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31,		For the year ended December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Profit (loss) before tax	(210,868,385)	16,713,639	(159,000,464)	15,516,481
Tax rate	20%	20%	20%	20%
The result of the account profit (loss) multiplied by the income tax rate – income (expenses)	42,173,677	(3,342,728)	31,800,093	(3,103,296)
Tax effect of the non-deductible income and expense	(4,621,406)	24,934,002	1,239,363	998,078
Effect of the temporary difference not recognized as deferred tax assets	(525,056)	(158,155)	(525,056)	(158,155)
Effect of tax loss carried forward not recognized as deferred tax assets	(17,469,018)	1,298,990	(17,469,018)	1,298,990
Deferred tax relating to the deductible of temporary difference	-	(5,864,220)	-	-
Use of tax loss carry forward (unused tax)	(4,524,364)	(23,707,872)	-	-
Income tax – income (expenses) (see Note 13)	15,033,833	(6,839,983)	15,045,382	(964,383)

31. 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:

Balances with related parties as at December 31, 2018 and 2017 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Subsidiaries				
Innotech Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	55,517,240	-
Investment in debt securities - Bill of exchange	-	-	-	54,367,504
Short - term loans	-	-	19,000,000	-
Accrued interest	-	-	343,973	-
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)	-	-	25,000,000	-
Associates				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 10)	1,306,638,315	1,355,344,483	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	4,991,795	3,194,347	4,991,795	3,194,347
Accrued private fund management fee expenses	95,199	-	95,199	-
Other payables	181,614	351,834	181,614	351,834
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 10)	6,800,642	14,160,569	13,800,000	13,800,000
Investment in debt securities - Bill of Exchange	52,230,513	52,264,684	52,230,513	52,264,684
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 10)	189,767,845	210,839,172	217,800,000	217,800,000
Related companies				
Under common directors				
Thanh Cong Securities Joint Stock Company				
Investment in ordinary shares	-	85,317,444	-	85,317,444
KTZ Ruby Hill Securities Co., Ltd.				
Advance payment for investment in Myanmar	-	48,771,900	-	48,771,900
Thai Foods Group Plc.				
Investment in ordinary shares	107,755,140	214,633,980	107,755,140	214,633,980

Significant transactions with related parties for the year ended December 31, 2018 and 2017 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the year ended		For the year ended		
	December 31,		December 31,		
	2018	2017	2018	2017	
	Baht	Baht	Baht	Baht	
Subsidiaries					
Innotech Asset Management Co., Ltd.					
Management fee of private fund	-	-	-	245,281	At the rate determined under the contract 0.2% of net asset value per year
Interest income from Bill of exchange	-	-	4,230,137	6,157,634	At the rate determined under the contract
Investment in Bill of exchange	-	-	160,000,000	430,000,000	Investment value
Withdrawal from Bill of exchange	-	-	240,000,000	350,000,000	Investment value
Interest income from short-term loans	-	-	351,644	-	At the rate determined under the contract 5% per year
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	264,600	264,600	At the rate determined under the contract of Baht 22,050 per month
Associates					
KT ZMICO Securities Co., Ltd.					
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 32.3)
Service expenses	2,169,960	4,413,750	2,169,960	4,413,750	At the rate determined under the contract (see Note 32.1)
Other fee expenses	1,803,558	2,247,477	1,803,558	2,247,477	At the rate determined under the contract
Management fee of private fund	640,544	-	640,544	-	At the rate determined under the contract 1.00% – 1.25% of net asset value per year
Investment in private fund manage by associates	156,045,620	-	156,045,620	-	Investment value
Withdrawal private fund manage by associates	46,000,000	-	46,000,000	-	Investment value
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	6,299,204	2,845,938	6,299,204	2,845,938	At the rate determined under the contract
Investment in Bill of exchange	133,666,625	80,843,582	133,666,625	80,843,582	Investment value
Withdrawal from Bill of exchange	133,700,796	57,154,062	133,700,796	57,154,062	Investment value
Related with subsidiary and associate					
Selling agent fee expense	349	737	349	737	At the rate determined under the contract
Service fee expenses	799,200	799,200	799,200	799,200	At the rate determined under the contract of Baht 66,600 per month
Commission expense for securities trading	-	25,495	-	25,495	At the rate determined under the contract

For the year ended December 31, 2018 and 2017, compensations paid to key management personnel under TAS 24 (Revised 2017) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Short-term employee benefits	7,454,129	7,413,993	5,187,013	3,904,843
Post-employment benefits	821,811	835,292	710,079	687,432
Total	<u>8,275,940</u>	<u>8,249,285</u>	<u>5,897,092</u>	<u>4,592,275</u>

32. COMMITMENTS

Transactions with related parties

32.1 On May 28, 2009, the Company entered into the agreement with 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, on June 1, 2014, the Company made the agreement to change the fee to Baht 197,500 per month from June 1, 2014 to May 31, 2015. The agreement is automatically extended on an annual basis. Subsequently, on July 3, 2017, the Company made the agreement to change the fee to be Baht 60,000 per month from July 3, 2017 to June 30, 2018. The agreement is automatically extended on an annual basis. The Company already cancelled the agreement. Subsequently, on June 1, 2018, the Company made the agreement to change the fee to Baht 48,000 per month 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 KT ZMICO Securities Company Limited for providing management service of operating. The term of agreement is one year. The term of agreement is from July 1, 2016 to June 30, 2017. The agreement is automatically extended for three months each, unless by earlier mutual termination of 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 September 30, 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.

- 32.2 On October 17, 2012, the Company entered into an agreement with Innotech Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company's fund for one year. Contract, which will be expired on October 17, 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund. However, on November 29, 2017, the Company cancelled the agreement.
- 32.3 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited 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.
- 32.4 On January 12, 2016, the Company entered into an agreement with KTZ Ruby Hill Securities Company Limited. Such company shall act as the investment advisory, Brokerage and Dealing to the Company for the purpose of the securities trade in both Yangon Stock Exchange or YSX and OTC market. The term of agreement is 2 years and can be extended if it is agreed by both parties. The Company agreed to pay fees at rated determined under the agreement.
- 32.5 On March 21, 2018, the Company entered into an agreement with KT ZMICO Securities Co., Ltd. which is associate company. The associate 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.

Transactions with other business parties

- 32.6 As at December 31, 2018 and December 31, 2017, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

	CONSOLIDATED		(Unit: Million Baht) SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
Within 1 year	0.3	3.4	0.2	2.3
Over 1 year to 5 years	-	0.3	-	0.2
Total	0.3	3.7	0.2	2.5

33. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the year ended December 31, 2018 and 2017 are as follows:

(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	(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)

(Unit: Thousand Baht)

For the year ended December 31, 2017

	Securities segment	Asset Management segment	Investment and others segment	Consolidated Financial statement
Revenue from external customers	1,584	27,379	115,082	144,045
Total revenues	1,584	27,379	115,082	144,045
Segment income (loss)	1,584	(22,981)	115,082	93,685
Unallocated income and expenses :				
Gain on transfer of business to the associated company				57
Other income				4,037
Servicing and administrative expenses				(81,065)
Income tax – expenses				(6,840)
Net profit				9,874

Assets classified by segment of the Company as at December 31, 2018 and December 31, 2017 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Non-Performing Assets Management segment	Unallocated assets	Consolidated Financial statement
Assets by segment						
As at December 31, 2018	1,306,638	55,517	931,473	24,237	455,004	2,772,869
As at December 31, 2017	1,355,344	60,067	1,390,129	24,537	382,039	3,212,116

34. RISK MANAGEMENT

34.1 Liquidity risk

The Company

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 32/2560 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, 2018 and 2017, 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. Kor Thor. 4/2561 regarding “Ongoing capital adequacy of some specific intermediaries”.

However, as at December 31, 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, 2018, the subsidiary is able to maintain the capital adequacy which is in accordance with the SEC’s regulations (see Note no.1).

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2018 and 2017 are as follows:

(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
Financial assets							
Cash and cash equivalents	352	-	-	-	-	-	352
Securities business receivables	-	-	-	-	-	63	63
Investments	-	259	-	-	476	-	735
Total	352	259	-	-	476	63	1,150
Financial liabilities							
Other borrowing	-	528	-	-	-	-	528
Total	-	528	-	-	-	-	528

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	330	-	-	-	-	-	330
Securities business receivables	-	-	-	-	-	63	63
Investments	-	623	16	11	513	-	1,163
Total	330	623	16	11	513	63	1,556
Financial liabilities							
Other borrowing	-	676	-	-	-	-	676
Total	-	676	-	-	-	-	676

(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
Financial assets							
Cash and cash equivalents	288	-	-	-	-	-	288
Securities business receivables	-	-	-	-	-	63	63
Investments	-	224	-	-	476	-	700
Total	288	224	-	-	476	63	1,051
Financial liabilities							
Other borrowing	-	528	-	-	-	-	528
Total	-	528	-	-	-	-	528

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	313	-	-	-	-	-	313
Securities business receivables	-	-	-	-	-	63	63
Investments	-	639	16	11	513	-	1,179
Total	313	639	16	11	513	63	1,555
Financial liabilities							
Other borrowing	-	676	-	-	-	-	676
Total	-	676	-	-	-	-	676

34.2 Significant financial instruments risk

As at December 31, 2018 and 2017, the Company and its subsidiary have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

34.2.1 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 subsidiary and their cash flows:

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of net financial instruments

reprising 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	5 years				Floating rate	Fixed rate
Financial assets											
Cash and cash equivalents	289	-	-	-	-	-	63	352	0.375 - 1.20	-	
Securities business receivables	-	-	-	-	-	63	-	63	-	-	
Investments	-	-	259	-	-	-	476	735	-	1.25 - 1.50	
Total	289	-	259	-	-	63	539	1,150			
Financial liabilities											
Other borrowing	-	-	528	-	-	-	-	528	-	4.00	
Total	-	-	528	-	-	-	-	528			

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

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	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	312	-	-	-	-	-	18	330	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	623	16	11	-	513	1,163	-	1.50
Total	312	-	623	16	11	63	531	1,556		
Financial liabilities										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
Total	-	-	676	-	-	-	-	676		

(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	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	225	-	-	-	-	-	63	288	0.375 - 1.20	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	224	-	-	-	476	700	-	-
Total	225	-	224	-	-	63	539	1,051		
Financial liabilities										
Other borrowing	-	-	528	-	-	-	-	528	-	4.00
Total	-	-	528	-	-	-	-	528		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2017

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	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	296	-	-	-	-	-	17	313	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	639	16	11	-	513	1,179	-	-
Total	296	-	639	16	11	63	530	1,555		
Financial liabilities										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
Total	-	-	676	-	-	-	-	676		

The average yield on average financial asset balances for interests bearing financial instruments are presented in the following table:

(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2018			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
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
Financial liabilities			
Other borrowing	722,083,333	28,612,632	3.96

(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	375,508,879	3,432,646	0.91
Investment in debt securities	802,300,389	64,151,760	8.00
Held-to-maturity investment	43,738,769	3,056,685	6.99
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65

(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2018			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	303,809,325	2,824,166	0.93
Investment in debt securities	532,104,807	59,466,533	11.18
Financial liabilities			
Other borrowing	722,083,333	28,612,632	3.96

(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	347,996,312	3,346,951	0.96
Investment in debt securities	762,766,204	63,911,838	8.38
Held-to-maturity investment	20,622,162	2,645,644	12.83
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65

34.2.2 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 subsidiary to incur a financial loss. The financial assets of the Company and its subsidiary 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.

34.2.3 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, 2018, 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, 2018
Ordinary shares			
EDL-GEN	Lao People's Democratic Republic LAK	8,325,774	0.003775
AMC III	United States USD	293	32.1924
YEG	Vietnamese VND	34,414,335	0.00139

34.2.4 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.

34.2.5 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.

34.2.5.1 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, 2018	December 31, 2017		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	105,247,574	245,972,314	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
Trading securities				
Unit trust	382,629	-	2	Net asset value of the last working day of the reporting period
Debt securities -				
Corporate bond	-	27,024,289	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities -				
Bill of exchange	236,112,869	599,810,912	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				
Equity securities	176,569,011	4,425,246	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, 2018	December 31, 2017		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	105,247,574	245,972,314	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
Trading securities				
Unit trust	382,629	-	2	Net asset value of the last working day of the reporting period
Debt securities -				
Corporate bond	-	27,024,289	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities -				
Bill of exchange	224,872,394	638,866,087	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				
Equity securities	176,569,011	4,425,246	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

34.2.5.2 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, 2018		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	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 Borrowing Bill of Exchange	528,062,334	528,062,334	3	Net present value of expected cash outflow

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	As at December 31, 2017		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	330,321,430	330,321,430	3	Net present value of expected cash inflow
Held to-maturity investments	23,191,912	23,191,912	3	Net present value of expected cash inflow
General Investment Equity securities	262,526,202	262,526,202	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of Exchange	675,908,797	675,908,797	3	Net present value of expected cash outflow

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2018		Fair value hierarchy	Valuation techniques and key inputs
	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
<u>Financial liabilities</u>				
Other Borrowing Bill of exchange	528,062,334	528,062,334	3	Net present value of expected cash outflow

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS			Valuation techniques and key inputs
	As at December 31, 2017		Fair value hierarchy	
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	312,718,240	312,718,240	3	Net present value of expected cash inflow
General Investment Equity securities	262,526,202	262,526,202	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of exchange	675,908,797	675,908,797	3	Net present value of expected cash outflow

35. TRANSFER OF BUSINESS

On May 1, 2009, the Company transferred its business and margin loan accounts to 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 year ended December 31, 2018 and 2017, the Company recognized additional gain on transfer of business to the associated company of Baht 0.06 million.

As at December 31, 2018 and 2017, the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.22 million and Baht 148.28 million, respectively.

36. EVENT AFTER THE REPORTING PERIOD

On January 15, 2019, the Company entered into the share sale agreement in a general investment with 125 million share and total amount of Baht 210 million. The Company received payment from the buyer for the whole amount on February 15, 2019 in accordance with the conditions specified in the acquisition agreement.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 22, 2019.

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