

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020
“UNAUDITED”

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. Online Securities Trading
6. Derivatives Trading
7. Securities Borrowing and Lending

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

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

The Company has sold the rights of membership in the Stock Exchange of Thailand to another securities company which will be effective from December 2, 2019 onwards.

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

The Company has subsidiaries as follows:

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

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission No. SorTor. 6/2562, dated January 8, 2019, regarding “The Form of Financial Statements for Securities Companies (No.3)”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2020 onwards. The consolidated and separate statements of financial position as at December 31, 2019 and the related consolidated and separate statements of comprehensive income for the three-month period ended March 31, 2019 have been reclassified accordingly.

The consolidated and separate statements of financial position as at December 31, 2019 have been reclassified to conform to the classification used in the consolidated and separate statements of financial position as at March 31, 2020 as follows:

As at December 31, 2019				Unit: Baht
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	Previous Classification	New Classification
Non - collateralized investments	799,555,184	777,359,634	Investments	Non - collateralized investments

The consolidated and separate statements of comprehensive income for the three-month period ended March 31, 2019 have been reclassified to conform to the classification used in the consolidated and separate statements of comprehensive income for the three-month ended March 31, 2020 as follows:

For the three-month ended March 31, 2019				Unit: Baht
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	Previous Classification	New Classification
Interest incomes	863,948	1,785,846	Gain (loss) and return on financial instruments	Interest incomes
Gain (loss) and return on financial instruments	139,407	139,407	Impairment loss from Investment	Gain (loss) and return on financial instruments
Interest expenses	5,692,050	5,692,050	Finance costs	Interest expenses

- 2.2 The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month period ended March 31, 2020 are not necessarily an indication or anticipation of the operation results for the full year.
- 2.4 Certain financial information which is normally included in annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended March 31, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month period ended March 31, 2020 have included the subsidiaries' interim financial statements for the three-month period ended March 31, 2020 which were reviewed as follow:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated totals		Revenues as a percentage to the consolidated totals	
			As at March 31, 2020	As at December 31, 2019	As at March 31, 2020	As at December 31, 2019	For the three-month period ended March 31,	
			Percent	Percent	Percent	Percent	2020	2019
Innotech Asset Management Co., Ltd.	Asset Management	Thailand	100	100	3	3	1	2
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer and managing of non-performing assets of financial institution	Thailand	100	100	1	1	-	-
SE Digital Co., Ltd.	Digital asset	Thailand	100	100	15	15	19	-

2.6 Separate financial statements

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

3. NEW THAI FINANCIAL REPORTING STANDARDS

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

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. 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 Group's financial statements, except the financial reporting standards:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

The application of these group of standards has had impact to the financial statements as follows:

Classification and measurement of financial assets

- 1) Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost.
- 2) Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI).
- 3) All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may take the following irrevocable election/designation at initial recognition of a financial asset;

The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income.

The management of the Company reviewed and assessed the Group’s existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Group’s financial assets as regards their classification and measurement:

- The Group’s investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 “Accounting for Investments in Debt and Equity Securities” have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;
- There is no change in the measurement of the Group’s investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL.

- Investments classified as held-to-maturity under TAS 105 “Accounting for Investments in Debt and Equity Securities” and loans and receivables as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost.

Classification and measurement of financial liabilities

A significant change introduced by TFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, TFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized.

The application of TFRS 9 has had no impact on the classification and measurement of the Group’s financial liabilities.

Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company and its subsidiaries to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company and its subsidiaries to recognize a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortized cost and
- (2) Securities business receivables.

In particular, TFRS 9 requires the Company and its subsidiaries to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company and its subsidiaries are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for Securities business receivables in certain circumstances.

Disclosure in relation to the initial application of TFRS 9

The table below shows information relating to financial assets that have been reclassified as a result of transition to TFRS 9.

	CONSOLIDATED FINANCIAL STATEMENT		
	Previous book value by TAS105 As at December 31, 2019	Change in book value Reclassification	New book value by TFRS 9 As at January 1, 2020
Financial assets			
Fair value through profit or loss			
Balance - Trading securities (by TAS 105)	601,146,665	-	601,146,665
Add General investment (by TAS 105)	-	46,007,412	46,007,412
Total fair value through profit or loss	601,146,665	46,007,412	647,154,077
Total financial assets	601,146,665	46,007,412	647,154,077

	SEPARATE FINANCIAL STATEMENT		
	Previous book value by TAS105 As at December 31, 2019	Change in book value Reclassification	New book value by TFRS 9 As at January 1, 2020
Financial assets			
Fair value through profit or loss			
Balance - Trading securities (by TAS 105)	597,951,115	-	597,951,115
Add General investment (by TAS 105)	-	46,007,412	46,007,412
Total fair value through profit or loss	597,951,115	46,007,412	643,958,527
Total financial assets	597,951,115	46,007,412	643,958,527

Thai Financial Reporting Standards No. 16 “Leases”

TFRS 16 supersedes Thai Accounting Standards No. 17 “Leases” together with related Interpretations. TFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Group has applied this financial reporting standards using the cumulative catch-up approach which does not restate the comparatives and recognized the cumulative effect of initially applying TFRS 16 at January 1, 2020.

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at its carrying amount as if TFRS 16 had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate at the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company’s Group’s incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 are 3% -5 %.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact recognized as at January 1, 2020:

	CONSOLIDATED FINANCIAL STATEMENTS	Unit : Baht SEPARATE FINANCIAL STATEMENTS
Operating lease commitments disclosed as at December 31, 2019	17,961,699	9,258,831
<u>Less</u> Lease for which the underlying asset is of low value	(281,840)	(119,840)
<u>Less</u> Contracts reassessed as service agreements	(9,988,762)	(5,630,741)
	<u>7,691,097</u>	<u>3,508,250</u>
<u>Less</u> Deferred interest expenses	(3,308,274)	(1,195,399)
Additional lease liabilities from TFRS 16 adoption	4,382,823	2,312,851
Finance lease liabilities as at December 31, 2019	9,438,200	5,290,317
Lease liabilities recognized as at January 1, 2020	<u><u>13,821,023</u></u>	<u><u>7,603,168</u></u>

The recognized right-of-use assets relate to the following types of assets:

	CONSOLIDATED FINANCIAL STATEMENTS	Unit : Baht SEPARATE FINANCIAL STATEMENTS
As at January 1, 2020		
Building	12,544,746	7,603,168
Vehicles	1,276,277	-
Total right-of-use assets	<u><u>13,821,023</u></u>	<u><u>7,603,168</u></u>

As at March 31, 2020, the Group presented right-of-use assets included in building improvements and equipment items amounting to Baht 12.84 million and lease liabilities included in other liabilities amounting to Baht 13.08 million in the consolidated financial statements.

As at March 31, 2020, the Company presented right-of-use assets included in building improvements and equipment items amounting to Baht 5.72 million and lease liabilities included in other liabilities amounting to Baht 7.23 million in the separate financial statements.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on 22 April 2020, detail as follows

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies as were used for the financial statements for the year ended December 31, 2019, except the adoption of Group of Financial Instruments Standards and Thai Financial Reporting Standards 16 “Leases” which described in Note 3 to the financial statements.

4.1 Financial instruments

Financial assets and financial liabilities are recognized in the Group’s consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

- (i) Debt instruments that meet the following conditions are measured subsequently at amortized cost;
 - The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income;
 - The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Gains and return on financial instruments" line item in profit or loss.

- (iv) All other financial assets are measured subsequently at FVTPL.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost and securities business receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes allowance for lifetime ECL for investments in debt instruments that are measured at amortized cost and securities business receivables.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes allowance for lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

4.2 Leases

The Group as the lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes				
with original maturity less than 3 months	292,260,341	427,917,336	192,088,199	301,820,064
<u>Less</u> Cash deposits held for customers*	<u>(12,141,924)</u>	<u>(12,161,502)</u>	<u>(12,086,551)</u>	<u>(12,110,879)</u>
Total cash and cash equivalents	<u>280,118,417</u>	<u>415,755,834</u>	<u>180,001,648</u>	<u>289,709,185</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 March 31, 2020 and December 31, 2019, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.14 million and Baht 12.16 million, respectively, and the separate statements of financial position in amounting to Baht 12.09 million and Baht 12.11 million, respectively, which the Company must return to the customers at call.

As at March 31, 2020 and December 31, 2019, the securities business customers with outstanding balance of 420 accounts and 425 accounts, respectively, which were transferred to Krungthai Zmico Securities Co., Ltd. (see Note 23), have not yet returned the open account agreements for securities trading to Krungthai Zmico Securities Co., Ltd. Such customers have deposits for securities trading of Baht 4.26 million and Baht 4.28 million, respectively, and shares with the values of Baht 68.15 million and Baht 103.73 million, respectively. However, when the customers have returned the open account agreements for securities trading to Krungthai Zmico Securities Co., Ltd., the assets of these customers will be returned to Krungthai Zmico Securities Co., Ltd.

6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

	Unit : Baht	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at March 31, 2020	As at December 31, 2019
Other receivables		
Receivables under litigation	39,409,788	42,548,314
Total securities business receivables	39,409,788	42,548,314
<u>(Less)</u> Allowance for expected credit loss	<u>(39,409,788)</u>	<u>(42,548,314)</u>
Total	<u>-</u>	<u>-</u>

The Company classified securities business receivables and allowance for expected credit loss was as follow:

	Unit : Baht		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at March 31, 2020		
	Securities business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
<u>Securities business receivables</u>			
Performing debts	-	-	-
Under-performing debts	-	-	-
Non-performing debts	39,409,788	39,409,788	(39,409,788)
Total	<u>39,409,788</u>	<u>39,409,788</u>	<u>(39,409,788)</u>

	Unit : Baht		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2019		
	Securities business receivables and accrued interest receivables	Allowance for doubtful account	Securities business receivables and accrued interest receivables - net
Normal debts	-	-	-
Substandard debts	-	-	-
Doubtful debts	42,548,314	(42,548,314)	-
Total	<u>42,548,314</u>	<u>(42,548,314)</u>	<u>-</u>

7. NON - COLLATERALISED INVESTMENTS

7.1 Non - collateralised investments were as follows:

	Unit : Baht
	CONSOLIDATED FINANCIAL STATEMENTS As at March 31, 2020
1. Investments, fair value through profit or loss	
Equity securities :	
Listed securities	16,429,124
Ordinary shares	46,850,253
Total equity securities	<u>63,279,377</u>
Debt securities	
Bill of exchange	593,626,143
Unit trust	44,135,058
Corporate debt securities	3,195,550
Total debt securities	<u>640,956,751</u>
Total investments, fair value through profit or loss	<u>704,236,128</u>
2. Investments, fair value through other comprehensive income	
Listed securities	<u>87,652,952</u>
Total investments, fair value through other comprehensive income	<u>87,652,952</u>
3. Investments, amortized cost securities	
Certificate of deposits	<u>19,000,000</u>
Total investments, amortised cost securities	<u>19,000,000</u>
Total non-collateralised investments	<u>810,889,080</u>
	SEPARATE FINANCIAL STATEMENTS As at March 31, 2020
1. Investments, fair value through profit or loss	
Equity securities :	
Listed securities	16,429,124
Ordinary shares	46,850,253
Total equity securities	<u>63,279,377</u>
Debt securities	
Bill of exchange	593,626,143
Unit trust	44,135,058
Total debt securities	<u>637,761,201</u>
Total investments, fair value through profit or loss	<u>701,040,578</u>
2. Investments, fair value through other comprehensive income	
Listed securities	<u>87,652,952</u>
Total investments, fair value through other comprehensive income	<u>87,652,952</u>
Total non-collateralised investments	<u>788,693,530</u>

As at December 31, 2019, The Company has investments in debt and equity securities classified by investment type as follows:

CONSOLIDATED FINANCIAL STATEMENTS As at December 31, 2019		
	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>		
Equity securities - Listed securities	35,951,541	14,148,784
Unit trust	-	-
Debt securities - Corporate bond	3,195,550	3,195,550
Debt securities - Bill of exchange	645,486,175	583,802,331
Total	<u>684,633,266</u>	<u>601,146,665</u>
<u>Less</u> Revaluation adjustments	(18,352,802)	-
<u>Less</u> Allowance for impairment	(65,133,799)	-
Total trading securities	<u>601,146,665</u>	<u>601,146,665</u>
<u>Available-for-sale securities</u>		
Equity securities - Listed securities	168,559,655	133,401,107
<u>Less</u> Revaluation adjustments	(35,158,548)	-
Total available-for-sale securities	<u>133,401,107</u>	<u>133,401,107</u>
<u>Held-to-maturity investments</u>		
Deposits at financial institutions	<u>19,000,000</u>	<u>19,000,000</u>
Total held-to-maturity investments	<u>19,000,000</u>	<u>19,000,000</u>
<u>General investments</u>		
Ordinary shares	51,607,203	45,882,412
Preference shares	125,000	125,000
Total	<u>51,732,203</u>	<u>46,007,412</u>
<u>Less</u> Allowance for impairment	(5,724,791)	-
Total general investments	<u>46,007,412</u>	<u>46,007,412</u>
Total investments	<u>799,555,184</u>	<u>799,555,184</u>

**SEPARATE
FINANCIAL STATEMENTS
As at December 31,
2019**

	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>		
Equity securities – Listed securities	35,951,541	14,148,784
Unit trust	-	-
Debt securities – Bill of exchange	580,352,376	583,802,331
Total	<u>616,303,917</u>	<u>597,951,115</u>
<u>Less</u> Revaluation adjustments	(18,352,802)	-
Total trading securities	<u>597,951,115</u>	<u>597,951,115</u>
<u>Available-for-sale securities</u>		
Equity securities – Listed securities	168,559,655	133,401,107
<u>Less</u> Revaluation adjustments	(35,158,548)	-
Total available-for-sale securities	<u>133,401,107</u>	<u>133,401,107</u>
<u>General investments</u>		
Ordinary shares	51,607,203	45,882,412
Preference shares	125,000	125,000
Total	<u>51,732,203</u>	<u>46,007,412</u>
<u>Less</u> Allowance for impairment	(5,724,791)	-
Total general investments	<u>46,007,412</u>	<u>46,007,412</u>
Total investments	<u>777,359,634</u>	<u>777,359,634</u>

7.2 Deposit at financial institutions and debt securities classified by remaining periods to maturity

	Unit : Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	As at March 31, 2020			
	Within 1 year	1 - 5 years	Over 5 years	Total
Certificate of deposits	19,000,000	-	-	19,000,000
Total	<u>19,000,000</u>	<u>-</u>	<u>-</u>	<u>19,000,000</u>

	Unit: Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2019			
	Within 1 year	1 - 5 years	Over 5 years	Total
Certificate of deposits	19,000,000	-	-	19,000,000
Total	<u>19,000,000</u>	<u>-</u>	<u>-</u>	<u>19,000,000</u>

(The separate financial statements as at March 31, 2020 and December 31, 2019: Nil)

7.3 Gain (loss) on changes in investment in equity instrument designated at fair value through other comprehensive income recognized in owners' equity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31, 2020 Baht	December 31, 2019 Baht	March 31, 2020 Baht	December 31, 2019 Baht
Beginning balance of the period	(26,744,233)	(12,873,149)	(26,744,233)	(12,873,149)
Changes during the period				
- from re-measuring of investments	3,771,173	(17,338,855)	3,771,173	(17,338,855)
- from deferred tax adjustment	(754,235)	3,467,771	(754,235)	3,467,771
Ending balance of the period	<u>(23,727,295)</u>	<u>(26,744,233)</u>	<u>(23,727,295)</u>	<u>(26,744,233)</u>

7.4 Investment in equity instruments designated at fair value through other comprehensive income was as follow:

Investments	Reason for use of alternative in presentation as mentioned	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			Reason to transfer
		As at March 31, 2020			
		Fair value	Dividend received for the three-month period ended March 31, 2020	Retained earnings (deficit) transferred in owner's equity	
Thai Foods Group Plc.	Intention to held in long-term period	65,621,730	-	-	-
Charm Issara Development Plc.	Intention to held in long-term period	12,818,000	-	-	-
AIM Commercial Growth Freehold And Leasehold Real Estate Investment Trust	Intention to held in long-term period	8,885,184	384,640	-	-
Other	Intention to held in long-term period	328,038	-	-	-
Total		<u>87,652,952</u>	<u>384,640</u>	<u>-</u>	-

During the period ended of March 31, 2020, the Company writes off investments as follows:

Write - off items :	Fair value at write - off date	Dividend received	Retained earning or Retained losses from write - off	Unit : Baht
				Reason to transfer
Thai Foods Group Plc.	64,087	-	(173,913)	Sell
Yeah1 Group Corporation	8,224,859	-	(41,056,469)	Sell
Total	<u>8,288,946</u>	<u>-</u>	<u>(41,230,382)</u>	

7.5 The Company has investments in equity securities in companies that have financial position and performance problems as follows:

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at March 31, 2020			As at December 31, 2019		
	Cost/ Book value Baht	Fair value Baht	Allowance for expected credit loss Baht	Cost/ Book value Baht	Fair value Baht	Allowance for expected credit loss Baht
Ordinary shares	7,808	6,751	1,057	7,808	6,772	1,036
	<u>7,808</u>	<u>6,751</u>	<u>1,057</u>	<u>7,808</u>	<u>6,772</u>	<u>1,036</u>

8. SHORT-TERM LOANS TO RELATED PARTIES

The Company has short-term loans to a subsidiary which without collateral and the details are as follows:

SEPARATE FINANCIAL STATEMENTS						
As at March 31, 2020						
	Interest Rate Per annum (%)	Contract Date	Maturity Date	Principle Amount Baht	Accrued Interest Baht	Total Baht
Loan	5.00	September 24, 2019	July 16, 2020	19,000,000	493,169	19,493,169
Total				<u>19,000,000</u>	<u>493,169</u>	<u>19,493,169</u>

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2019						
	Interest Rate Per annum (%)	Contract Date	Maturity Date	Principle Amount Baht	Accrued Interest Baht	Total Baht
Loan	5.00	September 24, 2019	July 16, 2020	19,000,000	256,967	19,256,967
Total				<u>19,000,000</u>	<u>256,967</u>	<u>19,256,967</u>

9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company's investments in its subsidiaries and associated companies, which are companies registered under Thai laws and operating in Thailand, are summarized below:

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at	As at	As at	As at	As at	As at	As at	As at
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2020	2019	2020	2019	2020	2019	2020	2019
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	
Associate										
Krungthai Zmico										
Securities Co., Ltd.	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,324.8	1,297.8
Scentimental (Thailand) Co., Ltd.	Import retail and whole sale perfume and cosmetics	Ordinary share	100.0	100.0	26.00	26.00	26.0	26.0	14.0	15.4
Absolute Yoga Co., Ltd.	Yoga studio, food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	199.2	197.2
							<u>1,487.9</u>	<u>1,487.9</u>	<u>1,538.0</u>	<u>1,510.4</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	As at	As at	As at	As at	As at	As at	As at
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2020	2019	2020	2019	2020	2019	2020	2019
		Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	
Subsidiaries										
Innotech Asset Management Co., Ltd.	Mutual, private and provident fund	Ordinary management share	67.6	112.7	100.00	100.00	275.8	275.8	54.7	63.8
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer and managing of non-performing asset of financial institution	Ordinary share	25.0	25.0	100.00	100.00	25.0	25.0	24.2	24.2
SE Digital Co., Ltd.	Digital Assets	Ordinary share	475.0	475.0	100.00	100.00	475.0	475.0	429.4	442.7
<u>Less</u> Allowance for impairment							(221.1)	(212.0)	-	-
							<u>554.7</u>	<u>563.8</u>	<u>508.3</u>	<u>530.7</u>
Associate										
Krungthai Zmico Securities Co., Ltd.	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,324.8	1,297.8
Scentimental (Thailand) Co., Ltd.	Import export retail and whole sale perfume and cosmetics	Ordinary share	100.0	100.0	26.00	26.00	26.0	26.0	14.0	15.4
Absolute Yoga Co., Ltd.	Yoga studio, food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	199.2	197.2
							<u>1,487.9</u>	<u>1,487.9</u>	<u>1,538.0</u>	<u>1,510.4</u>
							<u>2,042.6</u>	<u>2,051.7</u>	<u>2,046.3</u>	<u>2,041.1</u>

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 March 31, 2020			As at December 31, 2019		
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
	Krungthai Zmico Securities Co., Ltd.	Others	Total	Krungthai Zmico Securities Co., Ltd.	Others	Total
Total assets	3,034.0	163.5	3,197.5	3,075.6	154.8	3,230.4
Total liabilities	(1,893.4)	(104.8)	(1,998.2)	(1,944.4)	(98.7)	(2,043.1)
Net assets	<u>1,140.6</u>	<u>58.7</u>	<u>1,199.3</u>	<u>1,131.2</u>	<u>56.1</u>	<u>1,187.3</u>

	For the three-month period ended			For the three-month period ended		
	March 31, 2020			December 31, 2019		
	Million Baht			Million Baht		
	Krungthai Zmico Securities Co., Ltd.	Others	Total	Krungthai Zmico Securities Co., Ltd.	Others	Total
Total revenue	152.6	41.1	193.7	129.8	44.4	174.2
Share of profit (loss) from investment in associates	19.3	0.6	19.9	(4.6)	(1.3)	(5.9)
Net other comprehensive income (loss) for the period	7.7	-	7.7	(10.7)	-	(10.7)

Scentimental (Thailand) Co., Ltd.

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

Innotech Asset Management Co., Ltd

On December 11, 2018, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to increase the registered capital of Baht 20.00 million from Baht 205.40 million to Baht 225.40 million with 2,000,000 ordinary shares of Baht 10.00 per share and will be sold to the existing shareholders at the par value to be used as capital and to maintain the capital adequacy of Management Company according to Notification of the Office of the Securities and Exchange Commission. The subsidiary company already received cash for such increased share capital on December 19, 2018 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on January 4, 2019.

On August 16, 2019, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to decrease the registered and paid-up capital from Baht 225.40 million to Baht 112.70 million by decreasing par value from Baht 10.00 to Baht 5.00 and to offset the premium on share capital to reduce retained deficits and registered the decrease in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on September 26, 2019.

On February 14, 2020, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to decrease the registered and paid-up capital from Baht 112.70 million to Baht 67.62 million by decreasing number of authorized share capital from 22,540,000 shares to 13,524,000 shares and to offset the premium on share capital to reduce retained deficits and registered the decrease in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on March 30, 2020.

SE Digital Co., Ltd

On August 24, 2018, the Board of Directors Meeting passed the resolution to invest in ordinary shares of SE Digital Co., Ltd. which is the Company's subsidiary company of Baht 25.00 million. Moreover, On March 28, 2019, the ordinary shareholders' meetings of SE Digital Co., Ltd. passed the resolution to increase the registered capital of Baht 450.00 million from Baht 25.00 million to Baht 475.00 million with 4,750,000 ordinary shares of Baht 100.00 per share and will be sold to the existing shareholders at the par value to be used in business operations. The subsidiary company already received cash for such increased share capital on March 28, 2019 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on March 29, 2019.

10. ALLOWANCE FOR EXPECTED CREDIT LOSS

Allowances for expected credit loss as at March 31, 2020 consisted of the following:

Unit : Baht				
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT			
	Allowance for performing	Allowance for under- performing	Allowance for non- performing	Total
<u>Securities business receivables</u>				
Beginning balance	-	-	42,548,314	42,548,314
Change in allowance for ECL during the period	-	-	(3,138,526)	(3,138,526)
Ending balance	-	-	39,409,788	39,409,788

Allowances for doubtful accounts as at December 31, 2019 consisted of the following:

Unit: Baht	
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS December 31, 2019	
<u>Securities business receivables</u>	
Balances - beginning of the year	62,605,839
<u>Less</u> Reversal of allowances for doubtful accounts during the year	(20,057,525)
Balances - ending of the year	42,548,314

11. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Accrued interest income	1,014,352	230,455	456,374	-
Prepaid insurance	1,356,847	806,547	347,588	149,160
Prepaid repair and maintenance	1,223,114	229,687	-	-
Prepaid SET fee	362,486	153,270	362,486	153,270
Other prepaid expense	877,157	801,836	273,646	260,379
Other deposits	2,081,933	2,124,733	1,024,144	1,066,944
Corporate income tax claim receivable	3,234,962	12,147,564	3,195,591	3,095,645
Advance payment for legal fee of funds managed				
by subsidiary	14,429,548	14,443,039	-	-
Other receivables	22,658,168	24,218,300	1,505,242	5,326,246
Others	4,643,591	3,858,241	332,637	455,021
Total	<u>51,882,158</u>	<u>59,013,672</u>	<u>7,497,708</u>	<u>10,506,665</u>

12. OTHER BORROWINGS

As at March 31, 2020 and December 31, 2019, the Company has other borrowings, as follows:

	Interest rate per annum (%)	CONSOLIDATED FINANCIAL STATEMENTS			
		Within 1 year	1 - 5 years	Over 5 years	Total
		Baht	Baht	Baht	Baht
As at March 31, 2020					
Residual maturities					
Other borrowings					
Bill of exchange	3.50	99,272,472	-	-	99,272,472
Total other borrowings		<u>99,272,472</u>	<u>-</u>	<u>-</u>	<u>99,272,472</u>

	Interest rate per annum (%)	CONSOLIDATED FINANCIAL STATEMENTS			
		Within 1 year	1 - 5 years	Over 5 years	Total
		Baht	Baht	Baht	Baht
As at December 31, 2019					
Residual maturities					
Other borrowings					
Bill of exchange	3.50	148,349,296	-	-	148,349,296
Total other borrowings		<u>148,349,296</u>	<u>-</u>	<u>-</u>	<u>148,349,296</u>

	Interest rate per annum (%)	SEPARATE FINANCIAL STATEMENTS			
		Within 1 year	1 - 5 years	Over 5 years	Total
		Baht	Baht	Baht	Baht
As at March 31, 2020					
Residual maturities					
Other borrowings					
Bill of exchange	3.50	99,272,472	-	-	99,272,472
Loan	3.50	350,000,000	-	-	350,000,000
Total other borrowings		<u>449,272,472</u>	<u>-</u>	<u>-</u>	<u>449,272,472</u>

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

	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	3.50	148,349,296	-	-	148,349,296
Loan	3.50	350,000,000	-	-	350,000,000
Total other borrowings		498,349,296	-	-	498,349,296

Movements in other borrowings during the three-month periods ended March 31, 2020 and 2019 are summarized below:

CONSOLIDATED
FINANCIAL STATEMENTS

	As at March 31, 2020 Baht	As at March 31, 2019 Baht
Beginning balance	148,349,296	528,062,334
Financing cash flow		
Cash received from other borrowings	-	385,801,868
Cash paid from other borrowings	(50,000,000)	(500,000,000)
Non - cash item changes		
Interest expenses	923,176	5,692,050
Ending balance of the period	99,272,472	419,556,252

SEPARATE
FINANCIAL STATEMENTS

	As at March 31, 2020 Baht	As at March 31, 2019 Baht
Beginning balance	498,349,296	528,062,334
Financing cash flow		
Cash received from other borrowings	-	385,801,868
Cash paid from other borrowings	(50,000,000)	(500,000,000)
Non - cash item changes		
Interest expenses	923,176	5,692,050
Ending balance of the period	449,272,472	419,556,252

13. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31, 2020 Baht	December 31, 2019 Baht	March 31, 2020 Baht	December 31, 2019 Baht
Withholding tax payable	1,374,985	2,096,661	654,734	564,944
Value-added-tax payable	105,126	505,534	84,709	111,624
Others payable	6,583,523	7,773,509	6,056,103	6,509,891
Accrued expenses	5,980,102	19,610,537	5,354,769	16,908,945
Amounts of capital reduction and dividend not redeemed by shareholders	5,896,122	5,896,124	5,896,122	5,896,124
Liabilities under lease agreements	13,080,950	-	7,234,551	-
Others	739,214	1,069,266	790,513	1,117,833
Total	33,760,022	36,951,631	26,071,501	31,109,361

14. SHARE CAPITAL

On December 12, 2018, the Extraordinary General Meeting of Shareholders approved the resolutions are as follow:

- 1) Approved the Company's registered capital decrease from the registered capital of Baht 941,964,586 to Baht 653,868,463 by cancelling 576,192,246 authorized but unissued ordinary shares at the par value of Baht 0.50 per share which the Company registered with the Ministry of Commerce on December 25, 2018.
- 2) Approved the Company's registered capital increase from the registered capital of Baht 653,868,463 to Baht 1,240,302,463 by issuing newly ordinary shares not exceeding 1,172,868,000 shares at the par value of Baht 0.50 per share to be offered for sale to a specific investor on the private placement basis and to accommodate the exercise of the warrants to purchase the Company's newly issued ordinary share with the Ministry of Commerce on December 26, 2018.
- 3) Approved the issuance and allocation of not exceeding 346,000,000 newly issued ordinary shares of the Company at the par value of Baht 0.50 per share, at the offering price of Baht 1.35 per share, totaling Baht 467,100,000 to be offered for sale to a specific investor on the private placement basis which the Company already received cash for such share capital increase on March 8, 2019 and registered the increase in authorized share capital and issued and paid-up share capital with the Ministry of Commerce on March 11, 2019.
- 4) Approved the issuance and allocation of the warrants to purchase the Company's newly issue ordinary shares No. 4 (ZMICO-W4) to the Company's existing shareholders in proportion to their existing shareholdings by way of right offering (the "Warrants") in the amount of not exceeding 413,434,000 units free of charge at the ratio of 4 existing ordinary shares to 1 unit of the Warrants (any fraction thereof would be disregarded), for a term of not exceeding 5 years from the issue date of the Warrants, with the exercise ratio of 1 unit to 2 newly issued ordinary shares, and at the exercise price of THB 2.70 per share. The Company had allocated the Warrants on April 18, 2019.

As at March 31, 2020 and December 31, 2019, the Company has authorized share capital of Baht 1,240,302,463 and issued and paid-up share capital of Baht 826,868,463.

Weighted average number of ordinary shares as at March 31, 2020 and December 31, 2019 are calculated as follows:

	As at March 31, 2020 Shares	As at December 31, 2019 Shares
Beginning balance (Baht 0.50 per share)	1,653,736,926	1,307,736,926
Increase during the period	-	280,591,781
Weighted average number of ordinary shares	<u>1,653,736,926</u>	<u>1,588,328,707</u>

15. INTEREST INCOMES

	Unit: Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2020	2019	2020	2019
Deposit at financial institutions	575,152	859,764	456,374	746,045
Others	279,456	4,184	236,202	1,039,801
Total	<u>854,608</u>	<u>863,948</u>	<u>692,576</u>	<u>1,785,846</u>

16. GAINS AND RETURN ON FINANCIAL INSTRUMENTS

	Unit: Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2020	2019	2020	2019
Gains on investment	6,474,345	33,365,362	6,442,564	33,016,677
Dividends income	4,671,448	315,109	4,671,448	315,109
Total	<u>11,145,793</u>	<u>33,680,471</u>	<u>11,114,012</u>	<u>33,331,786</u>

17. 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 were as follows:

	Unit: Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2020	2019	2020	2019
Directors' remuneration	2,750,968	2,046,667	2,140,000	1,826,667

18. INCOME TAX

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Income tax - income	292,218	772,188	292,218	774,994
Total	<u>292,218</u>	<u>772,188</u>	<u>292,218</u>	<u>774,994</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Profit (loss) before tax	(7,785,440)	210,026	(14,395,607)	12,541,835
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied by the income tax rate - income (expenses)	1,557,088	(42,005)	2,879,121	(2,508,367)
Tax effect of the non-deductible income and expense	9,505,889	(2,518,522)	8,183,856	(49,354)
Effect of the temporary difference not recognized as deferred tax assets	(183,446)	(131,463)	(183,446)	(131,463)
Use of tax loss carry forward (unused tax)	(10,587,313)	3,464,178	(10,587,313)	3,464,178
Income tax - income	<u>292,218</u>	<u>772,188</u>	<u>292,218</u>	<u>774,994</u>

19. 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:

19.1 Balances with related parties as at March 31, 2020 and December 31, 2019 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Subsidiaries				
Innotech Asset Management Co., Ltd.				
Investment in a subsidiary (see Note 9)	-	-	54,732,966	63,789,107
Short - term loans	-	-	19,000,000	19,000,000
Accrued interest	-	-	493,169	256,967
Other receivables	-	-	8,209	8,807
Lumpini Asset Management Co., Ltd.				
Investment in a subsidiary (see Note 9)	-	-	25,000,000	25,000,000
SE Digital Co., Ltd.				
Investment in a subsidiary (see Note 9)	-	-	475,000,000	475,000,000
Short - term loan	-	-	350,000,000	350,000,000
Accrued interest expenses	-	-	3,748,634	702,869
Associates				
Krungthai Zmico Securities Co., Ltd.				
Investment in an associate (see Note 9)	1,324,815,804	1,297,802,506	1,244,095,520	1,244,095,520
Cash balance for securities trading	59,987,252	5,151,455	59,987,252	5,151,455
Other receivables	-	5,317,439	-	5,317,439
Other payables	111,361	323,553	111,361	323,553
Scentimental (Thailand) Co., Ltd.				
Investment in an associate (see Note 9)	13,966,547	15,340,486	26,000,000	26,000,000
Absolute Yoga Co., Ltd.				
Investment in an associate (see Note 9)	199,170,504	197,225,394	217,800,000	217,800,000
Related companies				
Under common directors				
Thai Foods Group Plc.				
Investment in ordinary shares	65,621,730	88,868,494	65,621,730	88,868,494
Crystal Sealed Professional Car Coating Co., Ltd.				
Investment in ordinary shares	37,800,000	37,800,000	37,800,000	37,800,000

19.2 Significant transactions with related parties for the three-month periods ended March 31, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the three-month periods ended March 31,		For the three-month periods ended March 31,		
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	
Subsidiaries					
Innotech Asset Management Co., Ltd.					
Interest income from short-term loans	-	-	236,202	234,247	At the rate determined under the contract 5% per year
Service fee Income	-	-	1,290,000	860,000	At the rate determined under the contract of Baht 430,000 per month (see Note 19.3.4)
Rental income	-	-	219,375	146,250	At the rate determined under the contract of Baht 73,125 per month
Other income	-	-	12,303	2,670	At the actual rate
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	-	37,260	At the rate determined under the contract Baht 7,605 per month and cancelled the contract since December 31, 2019 onward
SE Digital Co., Ltd.					
Interest income from short-term loans	-	-	-	801,370	At the rate determined under the contract 5% per year
Service fee income	-	-	1,410,000	940,000	At the rate determined under the contract of Baht 470,000 per month (see Note 19.3.5)
Rental income	-	-	-	160,290	At the rate determined under the contract of Baht 80,145 per month
Other income	-	-	-	3,203	At the actual rate
Associates					
Krungthai Zmico Securities Co., Ltd.					
Research fee	750,000	750,000	750,000	750,000	At the rate determined under the contract of Baht 250,000 per month (see Note 19.3.2)
Service expenses	154,080	154,080	154,080	154,080	At the rate determined under the contract (see Note 19.3.1)
Other fee expenses	53,554	533,738	53,554	533,738	At the rate determined under the contract
Management fee of private fund	-	269,428	-	269,428	At the rate determined under the contract (see Note 19.3.3)
Investment in private fund manage by associates	-	199,658,120	-	199,658,120	Investment value
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	-	2,036,016	-	2,036,016	At the rate determined under the contract
Investment in Bill of exchange	-	23,825,065	-	23,825,065	Investment value
Withdrawal from Bill of exchange	-	37,913,044	-	37,913,044	Investment value
Related with subsidiaries and associate					
Service fee expenses	279,000	252,600	-	-	At the rate determined under the contract

For the three-month periods ended March 31, 2020 and 2019, compensations paid to key management personnel under TAS 24 “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	periods ended		periods ended	
	March 31,		March 31,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Short-term employee benefits	5,627,108	2,052,088	2,684,167	1,246,088
Post-employment benefits	744,849	289,088	372,570	221,593
Total	<u>6,371,957</u>	<u>2,341,176</u>	<u>3,056,737</u>	<u>1,467,681</u>

19.3 Significant agreements with related parties

19.3.1 On May 28, 2009, the Company entered into the agreement with Krungthai ZMICO Securities Co., Ltd. for management service of operating, information technology including information system development and technical support, compliance, human resource management, general support and general management. The term of agreement is one year by payment in amount of Baht 150,000 per month. Subsequently, the Company made the agreement to change the fee to be Baht 60,000 per month effectively from July 3, 2017 and to change the fee to Baht 48,000 per month effectively from July 2, 2018.

On April 1, 2020, the Company made the agreement to change the fee to be Baht 68,000 per month effectively from April 1, 2020 to March 31, 2021. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.

19.3.2 On May 1, 2013, the Company entered into agreement with Krungthai ZMICO Securities Co., Ltd. for providing various research papers of offshore. The term of agreement is 2 years and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.

19.3.3 On March 21, 2018, the Company entered into an agreement with Krungthai ZMICO Securities Co., Ltd. which is associated company. The associated company will manage the Company’s fund for two years. Contract, which will be renew for one year each unless either the Company notifies for the cancellation in written. Under the agreement, the Company agreed to pay a management fee at rated of 1.00 - 1.25 percent per annum of the net asset value of the fund.

19.3.4 On February 1, 2019, the Company entered into agreement with Innotech Asset Management Co., Ltd. which is subsidiary company for providing service of compliance and internal audit, risk management and accounting. The Company will receive a monthly fee of Baht 430,000 with the term of the agreement of is one year from February 1, 2019 to January 31, 2020. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.

19.3.5 On February 1, 2019, the Company entered into agreement with SE Digital Co., Ltd. which is subsidiary company for providing service of compliance and internal audit, risk management, accounting and corporate administration. The Company will receive a monthly fee of Baht 470,000 with the term of the agreement of is one year from February 1, 2019 to January 31, 2020. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.

20. COMMITMENTS WITH NON-RELATED PARTIES

As at March 31, 2020 and December 31, 2019, the Company and its subsidiaries have the following outstanding equipment rental and service commitments are as follows: (As at December 31, 2019 including long-term lease agreements for its office building and vehicle)

	(Unit: Thousand Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at March 31, 2020	As at December 31, 2019	As at March 31, 2020	As at December 31, 2019
Within 1 year	4,508	7,788	2,744	4,428
Over 1 year to 5 years	4,632	10,174	2,321	4,831
Total	<u>9,140</u>	<u>17,962</u>	<u>5,065</u>	<u>9,259</u>

21. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiaries for the three-month periods ended March 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended March 31, 2020			
	Securities segment	Asset Management segment	Investment and others segment	Consolidated Financial statement
Revenue from external customers	19,296	122	16,238	35,656
Total revenues	<u>19,296</u>	<u>122</u>	<u>16,238</u>	<u>35,656</u>
Segment income (loss)	19,296	(9,132)	16,238	26,402
Unallocated income and expenses :				
Gain on transfer of business to the associated company				-
Other income				1,675
Servicing and administrative expenses				(35,862)
Income tax - income				292
Net loss				<u>(7,493)</u>

(Unit: Thousand Baht)

For the three-month period ended March 31, 2019

	Securities segment	Asset Management segment	Investment And others segment	Consolidated Financial statement
Revenue from external customers	(4,643)	97	33,577	29,031
Total revenues	(4,643)	97	33,577	29,031
Segment income (loss)	(4,643)	(5,640)	33,577	23,294
Unallocated income and expenses :				
Gain on transfer of business to the associated company				14
Other income				1,142
Servicing and administrative expenses				(24,240)
Income tax - income				772
Net profit				982

Assets classified by segment of the Company as at March 31, 2020 and December 31, 2019 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Assets Management segment	Unallocated assets	Consolidated Financial statement
Assets by segment						
As at March 31, 2020	1,324,816	78,248	1,084,861	24,330	344,442	2,856,697
As at December 31, 2019	1,297,803	86,270	1,438,388	24,260	98,469	2,945,190

22. RISK MANAGEMENT

Liquidity risk

The Company

Under the Notification of the Office of the Securities and Exchange Commission No. KorThor. 35/2560 regarding “Net Liquid Capital Ratio - NCR”, securities company is required to maintain its net liquid capital at the end of working day not less than Baht 15 million and not less than 7% of general liabilities.

The Company was granted securities business licenses of derivatives agent under the Derivative Act. The Company has to maintain its net liquid capital at the end of working day at least Baht 25 million and at least 7% of general liabilities and assets held as collateral except in case the Company discontinued its derivatives agent business and notified to the Office of the Securities and Exchange Commission, the Company has to maintain its net liquid capital as mentioned in the above paragraph.

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Ordinary Members” regarding the “Qualification of Ordinary Membership”, the Ordinary Membership is required to have owners’ equity at least Baht 500 million for membership operating especially in derivatives business.

However, as at March 31, 2020 and December 31, 2019, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note 1).

Since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. KorThor. 4/2561 regarding “Ongoing capital adequacy of some specific intermediaries”.

As at March 31, 2020, 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 March 31, 2020, the subsidiary is able to maintain the capital adequacy which is in accordance with the SEC’s regulations.

23. 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 three-month period ended March 31, 2019, the Company recognized additional gain on transfer of business to the associated company of Baht 0.01 million.

As at March 31, 2020 and December 31, 2019, the remaining amount of unrealized gain on transfer of business to an associated company were Baht 148.20 million.

24. FAIR VALUE MEASUREMENT

Certain financial assets and financial liabilities of the Company and its subsidiaries 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.

CONSOLIDATED FINANCIAL STATEMENTS				(Unit : Baht)
Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	March 31, 2020	December 31, 2019		
Financial Assets				
Non - Collateralised Investment				
Fair value through profit or loss				
Listed securities	16,429,124	14,148,784	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
Ordinary shares	46,850,253	46,007,412	2	Net asset value of the last working day of the reporting period and cost
Debt securities - Bill of exchange	593,626,143	583,802,331	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Unit trust securities	44,135,058	-	2	Net asset value of the last working day of the reporting period
Debt securities - Corporate bond	3,195,550	3,195,550	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Fair value through other comprehensive income				
Listed securities	87,652,952	133,401,107	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)

Financial assets/ Financial liabilities	SEPARATE FINANCIAL STATEMENTS			Valuation techniques and key inputs
	March 31, 2020	Fair value December 31, 2019	Fair value hierarchy	
<u>Financial Assets</u>				
Non - Collateralised Investment				
Fair value through profit or loss				
Listed securities	16,429,124	14,148,784	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
Ordinary shares	46,850,253	46,007,412	2	Net asset value of the last working day of the reporting period and cost
Debt securities - Bill of exchange	593,626,143	583,802,331	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Unit trust securities	44,135,058	-	2	Net asset value of the last working day of the reporting period
Fair value through other comprehensive income				
Listed securities	87,652,952	133,401,107	1	Latest bid prices of the last working day of the reporting period as quoted on the stock exchange

25. LITIGATIONS

On March 18, 2019, the Company and an associated company have been jointly sued for the infringement in one financial service.

On November 20, 2019, the Company, an associated company and a third party have been jointly sued from seven prosecutors for the infringement in the same case mentioned above.

At the present, the cases are under the consideration of the Civil Court. The Company's management and lawyer have considered and believed that the Company has sufficient evidence to refute the allegations for both cases.

Subsequently, on March 17, 2020, the Company, an associated company and third party 30 persons have been jointly sued from the same seven prosecutors above in criminal case which is currently in the process of preliminary hearing. The company is looking for lawyer to defend the lawsuit case.

26. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the audit committee and authorized director of the Company on June 4, 2020.