



AEC SECURITIES PUBLIC COMPANY LIMITED
บริษัท หลักทรัพย์ เออีซี จำกัด (มหาชน)

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ANNUAL REPORT 2020

รายงานประจำปี



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Vision, Mission, Strategy

Vision

“Moving Your Wealth Forward”

Mission

- ~ To provide and integrated full-service to customers
- ~ To increase the standard of services
- ~ To operate with transparency and accountability
- ~ To expand the scope of business internationally

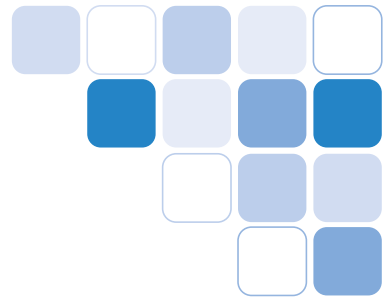
Strategy

The Company has provided different strategies for four different core businesses as follow:

- ~ Securities Brokerage
- ~ Investment Management
- ~ Investment Banking
- ~ Investment innovation

AEC securities Public Company Limited has concentrated our strategy towards providing an integrated and full service to our customers in a variety of products such as stocks, derivatives, debt instruments, mutual funds, or investment banking services for customers in both the private and public sector. To this objective, the Company has employed many qualified and experienced individuals, effort into various systems that related business and strategic partnerships in both domestically and internationally, which is not only limited to our Bangkok ofce since our Company has planned to offer its service to all regions of Thailand.

Therefore, the Company is condent that with the right strategy, quality of service and personnel, operation system and plan, the Company will be able to follow the objectives as directed by the Board of Directors.





AECS



Message from Chairman of the Board of Directors.

Dear Stakeholders,

In 2020, the pandemic of coronavirus (COVID-19) has a significant impact on Thailand's economy. The outbreak has caused turmoil in the stock market, weighed on global financial markets and heavily impacted other business sectors.

The company continues to focus on generating more income by expanding its new line of services; Wealth Management while placing importance on Investment Banking. Moreover, the company aims to improve our financial services by integrating new innovation and technology to keeping up the pace and exceeding modern consumer.

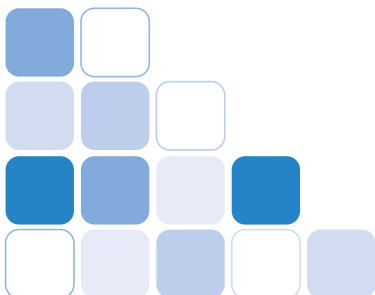
The company is thrive to effectively improve its business management, develop new businesses, and seizes new opportunities for wider corporation. Moreover, the company will operate the business under the principle of good corporate governance and good corporate social responsibility for all stakeholders and the society.

On behalf of the Board of directors, we wish to extend our heartfelt gratitude to all our stakeholders, customers and business partners for your support and staffs for your devotion in performing your duty in accordance with the company ethics and corporate governance.



Mom Rajawongse Somlabh Kitiyakara

Chairman of the Board of Directors





Mom Rajawongse Somlabh Kitiyakara

Chairman of the Board of Directors /
Independent Director

Age (Year)

- 70

Appointment as a Director

- 30 April 2013

Number of years in position

- 7 Year 8 Months

Education

- Bachelor of Business Administration, Hotel Management : Hawaii School of Business, USA

Training

Thai Institute of Directors (IOD)

- Corporate Governance for Capital Market Intermediaries (CGI 8/2015)
- Director Accreditation Program (DAP 106/2013)

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2013 – Present Chairman of the Board of Directors / Independent Director: AEC Securities PLC

Work Experience in Non-Listed Companies / Other entities

- 2019 – Present Director (Authorized Director): King Aibo Pastic Industry (Thailand) Co.,Ltd.
- 2019 – Present Director: Mitsu Auto Work Co.,Ltd.
- 2017 – Present Director (Authorized Director): King Aibo Environmental and Industry Holding (Thailand) Co., Ltd.
- 2012 – Present Director (Authorized Director): King Win International Travel Group Co., Ltd.
- 2010 – Present Director: Chatuchak Place Co., Ltd.
- 2004 – Present Director (Authorized Director): King Dragon International Tourist Group Co., Ltd.
- 1992 – Present Princess Soamsawali, the Princess Suddhanarinatha's Private Secretary:
Deves Palace

Work Experience in the past

- Chairman of Saving and Credit Cooperative: Muangthong of Savings and Credit Cooperative
- Director: King Travel International Group Co.,Ltd.

Other Position that may cause a conict of interest with the Company

- None

Legal disputes in a criminal court case, not a misdemeanor

- None

Attendance in 2020

- Board of Directors 13/13 Time





Dr. Pattanant Petchchedchoo
Independent Director and Member of
Audit Committee

Age (Year)

- 49

Appointment as a Director

- 11 November 2019

Number of years in position

- 1 Year 2 Months

Education

- Ph.D. (Accounting): University of Manchester, United Kingdom
- Master of Accountancy: Ohio State University, USA
- Master of Science in Information Technology in Business : Chulalongkorn University
- Master of Business Administration : Assumption University
- Bachelor of Accounting : Thammasat University

Training

Thai Institute of Directors (IOD)

- Strategy Formulation and Execution (SFE 27/2016)
- Advanced Audit Committee Program (AACP 19/2015)
- Risk Management for Corporate Leader (RCL 16/2015)
- Director Certification Program (DCP 19/2014)

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2019 – Present Independent Director and Member of Audit Committee: AEC Securities PLC.
- 2016 – Present Independent Director / Chairman of Audit Committee and Member of Risk Management Committee: Selic Corp PLC.

Work Experience in Non-Listed Companies / Other entities

- 2018 – Present Senior Expert: Federation of Accounting Professions, Dhurakij Pundit University
- 2018 – Present Vice President for Strategic Alliances: Dhurakij Pundit University
- 2017 – 2019 Chief Executive Officer of College of Innovative Business and Accountancy: Dhurakij Pundit University
- 2019 – Present Director: nForce Secure Co.,Ltd.
- 2017 – Present Director of the Accounting Professional Committee on Auditing: Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- 2015 – 2017 Advisor to the Board of Director on Accounting Education and Technology: Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- 2015 – Present Sub – Committee of Standards on Auditing: Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- 2013 – Present Sub – Committee of Audit: Deposit Protection Agency

Work Experience in the past

- Dean of College of Innovative Business and Accountancy: Dhurakij Pundit University
- Dean of Faculty of Accounting : Dhurakij Pundit University
- Advisor to Risk Management: NokScoot Co.,Ltd.
- Advisor to Risk Management: Nok Airline PLC.
- Internal Auditor (International Branch): Bangkok Bank PLC.

Other Position that may cause a conflict of interest with the Company

- None

Legal disputes in a criminal court case, not a misdemeanor

- None

Attendance in 2020

- Board of Directors 13/13 Time
- Audit Committee 10/10 Time
- Nomination and Remuneration Committee 8/8 Time



Dr. Siridech Kumsuprom

Independent Director / Chairman of
Risk Management Committee and
Member of Nomination and
Remuneration Committee

Age (Year)

- 47

Appointment as a Director

- 11 November 2019

Number of years in position

- 1 Year 2 Months

Education

- Ph.D. in Business Information Systems (IT Audit, Control and Governance) :
RMIT University, Australia
- Master of Information Systems : Griffith University, Australia
- Master of Business Administration (Accounting) : Dhurakij Pundit University
- Bachelor of Accounting : Dhurakij Pundit University

Training

Thai Institute of Directors (IOD)

- Driving Company Success with IT Governance (ITG 1/2016)
- Director Accreditation Program (DAP 122/2015)
- Risk Management Program (RMP 2/2015)

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2019 – Present Independent Director / Chairman of Risk Management Committee and Member of Nomination and Remuneration Committee: AEC Securities PLC.
- 2018 – Present Chairman of Corporate Governance: Eastern Technical Engineering PLC.
- 2018 – Present Independent Director: Hydrotek PLC.
- 2015 – Present Independent Director and Chairman of Risk Management Committee: Eastern Technical Engineering PLC.

Work Experience in Non-Listed Companies / Other entities

- 2017 – Present Director of Professional Accounting Committee on Accounting Education and Technology: Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- 2017 – Present Dean of College of Innovative Business and Accountancy: Dhurakij Pundit University
- 2017 – Present Director of Doctorate Business Administration Programs: Dhurakij Pundit University

Work Experience in the past

- Advisor to Accounting and Accounting System Design: Center Auto Lease Co.,Ltd.
- Advisor to Risk Management: Dental Corporation PLC.
- Deputy Dean for Academic Affairs, Faculty of Accounting : Dhurakij Pundit University
- Director of Institute for Professional Accountant Development, Faculty of Accounting : Dhurakij Pundit University
- Advisor to Risk Management: FN Factory Outlet PLC.
- Advisor to Accounting and Accounting System Design: ASN Broker PLC.
- Head of Accounting System Information Section, Faculty of Accounting : Dhurakij Pundit University
- Advisor to Accounting, Accounting System Design and Risk Management: Nok Airline PLC

Other Position that may cause a conflict of interest with the Company

- None
 - Board of Directors 13/13 Time
 - Audit committee 5/10 Time
 - Nomination and Remuneration Committee 8/8 Time
- None
 - Risk Management Committee 12/12 Time

Legal disputes in a criminal court case, not a misdemeanor

Attendance in 2020

- Board of Directors 13/13 Time
- Audit committee 5/10 Time
- Nomination and Remuneration Committee 8/8 Time
- Risk Management Committee 12/12 Time



Dr. Premvadee Fongsiri

Independent Director and
Member of Audit Committee

Age (Year)

- 61

Appointment as a Director

- 11 November 2019

Number of years in position

- 4 Months

Education

- Doctor of Business Administration (English Program) , Burapha University
- Master's Degree in Administration (Finance) Texas Woman's University, USA.
- Post-Bachelor Degree in Accounting (Honors) Texas Woman's University, USA.
- Post-Bachelor Degree in Accounting (Honors) Texas Woman's University, USA.
- Bachelor of Communication Arts , Chulalongkorn University
- Bachelor of Laws , Thammasat University

Training

Thai Institute of Directors (IOD)

- Director Accreditation Program,(DAP) 116/2015
- Advanced Audit Committee Program (AACP 27/2017)
- CPD for Certified Accountant,Tax Auditor, CPA

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2020 – Present Independent Director and Member of Audit Committee: AEC Securities PLC.
- 2017 – Present Independent Director and Member of Nomination and Remuneration Committee:
Eastern Technical Engineering PLC.

Work Experience in Non-Listed Companies / Other entities

- 2020 – Present Independent Director and Member of Audit Committee: Nara Thai Cuisine Co.,Ltd.
- 2008 – Present Director (Authorized Director) Audit Wise Co.,Ltd.

Work Experience in the past

- Managing Director : Stover Accounting&Consulting Co.,Ltd
- Business Service Director : Mazars Double Impact Thailand
- Finance Director : BMG Entertainment (Thailand) Co.,Ltd

Other Position that may cause a conflict of interest with the Company

- None

Legal disputes in a criminal court case, not a misdemeanor

- None

Attendance in 2020

- Board of Directors 0/13 Time ** Appointment as a Director on 15 December 2020



Mr. Paisit Kaenchan

Director / Chief Executive Director (Acting for) /
Executive Director / Member of Risk Management
Committee and Member of Nomination
and Remuneration Committee

Age (Year)

- 60

Appointment as a Director

- : 30 April 2013

Number of years in position

- 7 Year 8 Months

Education

- Master of Business Administration, (Executive M.B.A.) : Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of International Development Administration : Western Michigan University, USA
- Master of Political Science : Western Michigan University, USA
- Bachelor of Political Science : Thammasat University

Training

Thai Institute of Directors (IOD)

- Corporate Governance for Capital Market Intermediaries (CGI 8/2015)
- Role of Compensation Committee Program (RCC 18/2014)
- Role of Nomination and Governance Committee Program (RNG 6/2014)
- Risk Management Committee Program (RMP 4/2014)
- Advance Audit Committee Program (AACP 13/2014)
- Director Certification Program (DCP 56/2005)

Other Training Courses

- Thammasat Leadership Program (TLP1), Thammasat University Alumni Relations Office
- Certificate in Hotel Real Estate Investment & Asset Management 2008

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2019 – Present Director: AEC Securities PLC.
- 2019 – Present Director (Authorized Director) / President and Company Secretary: Proud Real Estate PLC.
- 2019 – Present Chairman of Audit Committee: AEC Securities PLC.
- 2014 – Present Member of Risk Management Committee: AEC Securities PLC.
- 2013 – Present Independent Director / Member of Audit Committee and Member of Nomination and Remuneration Committee: AEC Securities PLC.

Work Experience in Non-Listed Companies / Other entities

- 2019 – Present Director: Hua Hin Alpha 71 Co.,Ltd.
- 2019 – Present Director: Sky Living Co.,Ltd.
- 2019 – Present Director (Authorized Director): 168 Lucky Trade Co.,Ltd.
- 2018 – Present Director (Authorized Director): AIM Real Estate Management Co.,Ltd.
- 2016 – Present Director (Authorized Director): AIM Reit Management Co.,Ltd.
- 2012 – Present Director (Authorized Director): Hospitality Advisory Services Co.,Ltd.

Work Experience in the past

- President: Grande Asset Development PLC.
- Chief Representative Development : Marriott Hotel & Resort Asia
- Executive Vice President: The Erawan Group PLC.
- SEVP and Chief Operation Officer : TCC Hotel Group
- SEVP and Chief Investment Officer : TCC Land Development
- Investment Manager: JF Thanakhom Securities PLC.
- Vice President Provident Fund Management Dept.: TISCO Finance and Securities PLC.

Other Position that may cause a conflict of interest with the Company

- None

Legal disputes in a criminal court case, not a misdemeanor

- None

Attendance in 2020

- Board of Directors 12/13 Time
- Audit Committee 6/10 Time
- Nomination and Remuneration Committee 8/8 Time
- Risk Management Committee 12/12 Time



Mrs. Rachaya Kantamaturapod

Director (Authorized Director) /

Executive Director /

Executive Vice President of

Human Resource and

Administration Dept.

Age (Year)

- 56

Appointment as a Director

- 9 July 2020

Number of years in position

- 1 Years 6 Months

Education

- Master of Business Administration (MBA) Major Marketing Management : Dhurakijpundit University
- Bachelor of Business Administration, Public Relation, Ramkhamhang University

Training

Thai Institute of Directors (IOD)

- Director Certification Program (DCP 289/2020)

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2019 – Present Director (Authorized Director) and Executive Director: AEC Securities PLC.
- 2019 – Present Executive Vice President of Human Resource and Administration Dept.: AEC Securities PLC.

Work Experience in Non-Listed Companies / Other entities

- 2019 – Present Director (Authorized Director): ACE Incorporation Co., Ltd.

Work Experience in the past

- Business Development : Thai Trade Salt Company Limited
- Advisor : PMP Advisory Company Limited
- Business Development : Salworks Company Limited
- Advisor of Chairman : JJ Land Development Company Limited
- Assistant Vice President Life Insurance Marketing Development Department :
Muangthai Life Assurance Public Company Limited

Other Position that may cause a conflict of interest with the Company

- None

Legal disputes in a criminal court case, not a misdemeanor

- None

Attendance in 2020

- Board of Directors 4/13 Time
- Executive Directors 7/14 Time
- Risk Management Committee 1/12 Time



Mr. Thaveedej Uyawong

Director (Authorized Director) /

Executive Director and Company Secretary

Age (Year)

- 62

Appointment as a Director

- 11 October 2017

Number of years in position

- 3 Years 3 Months

Education

- Master of Science (Human Resource and Organization Development) :
National Institute of Development Administration
- Certificate of Thai Barrister at Law : Institute of Legal Education ,
The Thai Bar Under The Royal Patronage
- Bachelor of Laws : Ramkhamhaeng University

Training

Thai Institute of Directors (IOD)

- Director Certification Program (DCP 251/2018)
- Corporate Governance for Capital Market Intermediaries (CGI 20/2018)
- Board Nomination and Compensation Program (BNCP 5/2018)

Other Training Courses

- Certificate of Executive Training Program (Mini MBA 56) : Thammasat University
- Certificate of Arbitration : the Best Practice for Practitioners : Asian Law Association (Thailand)
- Certificate of Accomplishment Intellectual Property Law : Institute of Legal Education,
The Thai Bar Under The Royal Patronage

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2017 – Present Director (Authorized Director) and Executive Director: AEC Securities PLC.
- 2014 – Present Company Secretary and Head of Office of Directors and Company Secretary: AEC Securities PLC.

Work Experience in Non-Listed Companies / Other entities

- 2018 – Present Director (Authorized Director): ACE Incorporation Co., Ltd.

Work Experience in the past

- Company Secretary / Vice President Department of Legal and General Affairs: RHB Securities (Thailand) PLC.
- Assistant CEO / Company Secretary: Thai-German Ceramics Industries PLC.
- General Manager: Nong - Khae Industrial Estate Thai-German Ceramics Industries PLC.
- Director (Authorize Director): Asia Leisure Development Co.,Ltd.
- Lawyer : Kloy Padsuwan Law Office

Other Position that may cause a conflict of interest with the Company

- None

Legal disputes in a criminal court case, not a misdemeanor

- None

Attendance in 2020

- Board of Directors 13/13 Time



Dr. Vichya Kreangam

Advisor to the Chairman of the Board

Age (Year)

- 39

Appointment as a Director

- 12 July 2019

จำนวนปีที่ดำรงตำแหน่ง

- 1 Year 6 Months

Education

- Doctor of the Science of Laws (J.S.D.), University of California, Berkeley, USA
- Master of Laws (LL.M.), University of California, Berkeley, USA
- Certificate of Thai Barrister at Law : Institute of Legal Education , The Thai Bar Under The Royal Patronage
- Bachelor of Laws (LL.B.) (Honors), Chulalongkorn University

Training

Thai Institute of Directors (IOD)

- Board Matters and Trends (BMT 6/2018)
- Role of the Chairman Program (RCP 42/2018)
- Corporate Governance for Executives (CGE 6/2016)
- Advanced Audit Committee Program (AACP 22/2016)
- Corporate Governance for Capital Market Intermediaries (CGI 8/2015)
- Director Accreditation Program (DAP 116/2015)

Other Training Courses

- Certificate of the rule of Jurisprudence for Democracy, Class 7 : The Constitutional Court of the Kingdom of Thailand
- Certificate of Administrative Justice for Senior Executives, Class 6 : Administrative Court

- Certificate of Senior Executives on Justice Administration, Class 16 : Office of the Judicial Training Institute
- Certificate of New Era Leadership in the Democratic Systems, Class 1: King Prajadhipok's Institute
- Diploma of Advocacy and Lawyer License : Lawyers Council Under the Royal Patronage

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in Listed Companies

- 2019 – Present Independent Director / Member of Audit Committee and Chairman of Nomination and Remuneration Committee: AEC Securities PLC.
- 2019 – Present Member of Audit Committee: Sikarin PLC.
- 2016 – Present Member of the Nominating and Remuneration Committee: Sikarin PLC.
- 2016 – 2017 Member of Risk Management and Member of Nomination and Remuneration Committee: AEC Securities PLC.
- 2014 – 2017 Member of Audit Committee / Independent Director: AEC Securities PLC.
- 2014 – Present Independent Director: Sikarin PLC.
- 2014 – Present Independent Director / Member of the Audit Committee / Chairman of Corporate Governance Committee and Member of the Nominating and Remuneration Committee: General Engineering PLC.
- 2014 – Present Independent Director / Member of the Audit Committee and Member of the Nomination, Compensation and Corporate Governance Committee: Namyong Terminal PLC.
- 2010 – Present Head of Legal Counsel: True Corporation PLC.

Work Experience in Non-Listed Companies / Other entities

- 2020 – Present Speaker : The Thai Bar Under The Royal Patronage
- 2018 – Present Sub – committee : Sub – committee on scrutinization laws relating to energy business operations: Energy Regulatory Commission
- 2018 – Present Sub – committee : Sub – committee on Participation, Follow – up examination, evaluation law on the National Reform
- 2017 – 2019 Chairman of the Sub-Committee: Public Relations and Hearing Sub-Committee
- 2013 – Present Executive Director: The Badminton Associate of Thailand under Royal Patronage of His Majesty the King
- 2010 – Present Lecturer: Faculty of Law: Assumption University

Work Experience in the past

- Scholar Committee for the sports, Arts, Cultures, Religion, Ethics and Morals :
National Reform Steering Assembly
- Advisor of the Sub-Committee of the National Reform Steering Assembly:
National Reform Steering Assembly
- Member of the Board : Chulalongkorn Law School Alumni Association
- Sub-Committee on ICT and Public Media : The Senate
- Advisor to Sub-Committee on Research for Regulation, Order and Laws relating to ICT and Telecommunications : The House of Representatives
- Visiting Lecturer : School of Law, Bangkok University
- Visiting Lecturer : School of Law, Nakorn Sri Thamarat Rajabhat University
- Associate Lawyer: White& Case (Thailand) Co.,Ltd.

Other Position that may cause a conflict of interest with the Company

- None

Legal disputes in a criminal court case, not a misdemeanor

- None

Attendance in 2020

- Board of Directors 13/13 Time
- Nomination and Remuneration Committee 4/8 Time

Executive Director

Dr.Praphol Milindachinla

Chief Executive Director
(Authorized Director)

Age (Year)

- 62

Education

- Doctor of Philosophy, Public Administration
- Master of Arts, Political Science
Kasetsart University
- Bachelor of Political Science
Kasetsart University

Shareholding (%)

- 24.96 %

Relationship between Directors and Executive

- Father of Miss Pathita Milindhajinda

Work Experience in the past

- 2020 – Present Chief Executive Officer
AEC Securities PLC.
- 2018 – Present Chairman of the
Board of Director
- 2013 – 2017 Director and Chief
Executive Officer
AEC Securities PLC.

Mr. Thaveedej Uyawong

Director (Authorized Director) /
Executive Director and
Company Secretary

Age (Year)

- 61

Education

- Master of Science (Human Resource and
Organization Development), National
Institute of Development Administration
- Certificate of Thai Barrister at Law : Institute of
Legal Education , The Thai Bar Under
The Royal Patronage
- Bachelor of Laws, Ramkhamhaeng University

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in the past

- 2018 – Present Director (Authorized Director)
ACE Incorporation Co.,Ltd.
- 2017 – Present Director (Authorized Director)
and Executive Director
AEC Securities PLC.
- 2014 – Present Company Secretary
and Head of Officer
directors and Company Secretary
AEC Securities PLC.

Executive Director

Mrs. Rachaya Kantamaturapod
Executive Director and Executive Vice President of Human Resource and Administration Dept.

Age (Year)

- 56

Education

- Master of Business Administration (Marketing Management), Dhurakijpundit University
- Bachelor of Business Administration (Public Relation), Ramkhamhang University

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in the past

- 2019 – Present Executive Director and Executive Vice President of Human Resource and Administration Dept. AEC Securities PLC.
- 2016 – Present Business Development Thai Trade Salt Co.,Ltd
- 2018 – 2019 Advisor AAMC Asset Management Co.,Ltd.
- 2016 – 2018 Advisor PMP Advisory Co.,Ltd
- 2014 - 2015 Business Development Salworks Company Limited

Miss.Pathita Milindhajinda
Executive Director and Chief Operating Officer

Age (Year)

- 27

Education

- Master of MSc International Marketing, graduated with Merit : University of Strathclyde, United Kingdom
- Bachelor of Business Administration in Journalism (Mass Media studies), English program with Second Class Honours: Thammasat University

Shareholding (%)

- 0.08 %

Relationship between Directors and Executive

- Daughter of Dr.Praphol Milindachinla

Work Experience in the past

- 2020 – Present Executive Director and Chief Operating Officer AEC Securities PLC.
- 2019 – 2020 Director (Authorized Director) ACE Incorporation Co.,Ltd.
- 2018 – 2019 Assistant Director of Business Development AEC Securities PLC.
- 2018 Marketing Strategist Buzzebees Co.,Ltd.,
- 2017 - 2018 Consulting Project Strathclyde Business School, UK
- 2016 - 2017 Trainee (SIP Program) Bangkok Bank PLC.

Executive Director

Mr. Wiwat Augsupipat

Executive Vice President of Internal Control and Compliance Dept.

Age (Year)

- 47

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Business Administration, Assumption University

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in the past

- 2019 – Present Executive Vice President of Internal Control and Compliance Dept. AEC Securities PLC.
- 2016 – 2019 Senior Vice President of Credit Control Dept. AEC Securities PLC.
- 2015 – 2016 Vice President of Internal Control and Compliance Dept. Merchant Partners Asset Management Co., Ltd.
- 2014 – 2015 Senior Vice President of Internal Control and Compliance Dept. Apple wealth Securities PLC.

Ms. Obom Rattanapol

Senior Vice President of Finance Dept.

Age (Year)

- 56

Education

- Master of Science (Applied Statistics), National Institute of Development Administration
- Bachelor of Economics Kasetsart University

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in the past

- 2014 – Present Senior Vice President AEC Securities PLC.
- 2549 – 2557 Senior Vice President Finansia Syrus Securities PLC.

Executive Director

Ms. Manee Khemthong

Vice President of Accounting Dept

Age (Year)

- 55

Education

- Bachelor of Accounting, Ramkhamhang University

Shareholding (%)

- None

Relationship between Directors and Executive

- None

Work Experience in the past

- 2015 – Present Vice President of Accounting Dept.
AEC Securities PLC.
- 2013 – 2015 Assistant Vice President of
Accounting Dept.
RHB OSK Securities (Thailand) PLC.
- 2012 – 2013 Vice President of Accounting Dept.
CIMB International (Thailand) PLC.
- 1998 – 2012 Assistant Vice President of
Accounting Dept.
SICCO Securities PLC.



Company Highlights

Unit: Million Baht

	Consolidated financial statements as of		
	December 31, 2020	December 31, 2019	December 31, 2018
Financial Data			
Total assets	757.19	1,316.99	2,072.19
Total liabilities	97.43	533.17	1,134.90
Total shareholders' Equity	659.76	783.82	937.29
Paid – up share capital	4,284.87	1,224.25	1,224.25
Total revenues	34.94	252.34	655.19
Loss for the years	(317.60)	(268.04)	(85.95)
Loss per share (Baht)	(0.13)	(0.19)	(0.07)
ROA (%)	(28.99)	(14.04)	(3.46)
ROE (%)	(45.41)	(29.71)	(8.54)
Net profit margin (%)	(860.28)	(94.27)	(13.12)
Statistics as of	December 31, 2020	December 31, 2018	December 31, 2019
Close price (baht)	0.17	0.33	0.49
Market Cap.	728.43	404.00	599.88
P/E (Times)	N/A	N/A	N/A
P/B (Times)	1.13	0.52	0.64
Book value per share (Baht)	0.15	0.64	0.77
Dividend yield (Baht)	N/A	N/A	N/A



General Information

Name of Company	:	AEC Securities Public Company Limited
Nature of Business	:	Securities Business <ul style="list-style-type: none"> ■ Securities Brokerage ■ Derivatives Brokerage ■ Securities Trading ■ Investment Banking ■ Underwriting ■ Lending and borrowing ■ Selling Agent ■ Wealth Management
Head Office Address	:	63 Athenee Tower, 17 th Floor, Unit No. 1701, 1705-1707, Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Company Registration No.	:	0107536001575 (formerly Bor.Mor.Jor. 231)
Company Website	:	www.aecs.com
Telephone	:	0 2659 3456
Facsimile	:	0 2659 3457
Registered Capital	:	5,815,182,788 Baht (As of 31 December 2020)
Paid-up Capital	:	4,284,871,528 Baht (As of 31 December 2020)
Number of Share	:	5,815,182,788 Shares
Par Value	:	1 Baht
Type of Share	:	Ordinary shares
External Auditors	:	Ms. Wannawat Hemachayart Certified Public Accountant Registration No.7049 and/or Mr.Sompop Pholprasarn Certified Public Accountant Registration No.6941 Mazars Company Limited Empire Tower, Tower 2, 12 th Floor, South Sathorn Road, Yannawa, Bangkok 10120
Company's Registrar	:	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel. : 0 2009 9000 Fax : 0 2009 9991 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th

Legal Advisor**:** **Kudan and Partners Limited**

127 Gaysorn Towers, 23rd Floor, Unit C,F
Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330

APS Law Firm Company Limited

190/319 Moo.6, Phraek Sa, Muang, Samut Prakarn 10280

Yong Law Office

62/122, Ban Chang, Muang, Pathum Thani, 12000

Sivakorn Legal Counsellors Office Limited

7, Soi Ladprao 43 (Santikam 47),Ladprao Road,
Samsennok,Huaykwang,Bangkok 10310

Investor Relations**:** **The Office of Director and Company Secretary****AEC Securities Public Company Limited**

63 Athenee Tower, 17th Floor, Unit No. 1701, 1705-1707, Wireless
Road, Lumpini, Pathumwan, Bangkok 10330

Tel. : 0 2659 3456

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History of the Company

AEC Securities Public Company Limited (formerly United Securities Public Company Limited) (the “Company”) was incorporated under the laws of the Kingdom of Thailand on 6 July 1971 and became a public company on 15 December 1993 under the Public Companies Act. The Company became listed on the Stock Exchange of Thailand on 8 August 2001.

The Company operates its business in Thailand with the core business as Securities and Derivatives Brokerage. The Company has received the following licenses to operate as a securities company from the Ministry of Finance, the Securities Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”): (1) Securities Brokerage (2) Securities Trading (3) Investment Advisory (4) Underwriting (5) Securities Borrowing and Lending (6) Capital Fund (7) Derivatives Agent/Brokerage.

Year 2020

- On 20 July 2020, the Annual General Meeting of Shareholder for year 2020 has approved the agenda as follows;
 1. Approved the increase of registered capital of the company from 1,224,249,008 Baht (one billion two hundred twenty-four million two hundred forty-nine thousand eight Baht) to 5,815,182,778 Baht (five billion eight hundred fifteen million one hundred eighty-two thousand seven hundred seventy-eight Baht) dividend into 5,815,182,788 shares at a par value of 1 Baht per share by issuing ordinary share of 4,590,993,780 shares
 2. Approved the allotment of newly ordinary shares not exceeding 4,590,933,780 shares offered to existing shareholders of the company in proportion to their current shareholding (Right Offering: RO) 3,060,622,520 shares. The offering ratio shall be 0.4 of existing ordinary share to 1 newly issued ordinary shares (fractions were rounded down) and offering price was at 0.10 Baht per share (point one zero Baht)
 3. Approved the issuance of warrant (AEC-W6) of 1,530,311,260 shares at a ratio of 2 newly ordinary share for 1 unit of warrant (AEC-W6), the fraction was rounded down) without charge. In addition, the exercise price is at 0.20 Baht (point twenty Baht) per share. The warrant (AEC-W6) was offered to existing shareholders of the company who has subscribed the Right Offering (RO)
 4. Approved the issuance of debenture at the amount of 2,000,000,000 Baht (Two billion Baht).
- On 13 November 2020, the Board of Directors has appointed Dr. Premvadee Fongsiri as Independent Director and member of Audit Committee.

Year 2019

- On 28 February 2019, the Meeting of the Board of Directors No. 1/2019 has resolved as follows;
 1. Acknowledge the resignation of Dr. Noppadol Mingchinda from the Director (Authorized Director) of the Company, effective since 1 March 2019 onwards.
 2. Appointment to Dr. Sathit Limpongpan as Advisor of the Company.
- On 22 April 2019, The Annual General Meeting for year 2019 has resolved and appointed Mr. Waiwit Udayachalerm as a Director (Authorized Director) in replacement Dr. Noppadol Mingchinda who has resigned from director position the end of term)
- On 22 April 2019, the Meeting of the Board of Directors No. 2/2019 has resolved and appointed Professor Dr. Chaiya Yimwilai as Chairman of Executive Committee, effective since 22 April 2019 onwards.

- On 2 May 2019, Mr. Seree Suwanpanont has resigned from Independent Director and Audit Committee, effective since 1 May 2019 onwards.
- On 12 July 2019, the Meeting of the Board of Directors No. 4/2019 has resolved as following;
 1. Acknowledge the resignation of Mr. Chanachai Joonjiraporn as a Director (Authorized Director), Executive Director and Chief Executive Officer of the Company, effective since 25 July 2019 onwards.
 2. Appointed Mr. Waiwit Udayachalerm as Acting Chief Executive Officer, effective since 26 July 2019 onwards.
 3. Appointed Dr. Vichya Krea-ngam as Independent Director and Audit Committee in replacement of Mr. Seree Suwanpanont who has resigned from the independent director and member of Audit Committee position, effective since 12 July 2019 onwards.
- On 26 July 2019, the Company changed the Head Office's address of the Company, effective since 26 July 2019 onwards.
- On 27 August 2019, the Meeting of the Board of Directors No. 5/2019 has appointed Mr. Waiwit Udayachalerm as Chief Executive Officer, effective since 1 August 2019 onwards.
- On 30 August 2019, Associate Professor Suchart Laopreeda has resigned from Independent Director, Chairman of Audit Committee and Nomination and Remuneration Committee, effective since 1 September 2019 onwards.
- On 13 September 2019, Professor Dr. Chaiya Yimwilai has resigned from Vice Chairman of the Board of Director and Chairman of Executive Committee, effective since 15 September 2019 onwards.
- On 11 November 2019, the Meeting of the Board of Directors No. 6/2019 has resolved as following;
 1. Appointed Mr. Paisit Kaenchan as Chairman of Audit Committee
 2. Appointed Dr. Pattanant Petchchedchoo as Independent Director and Audit Committee in replace of Assoc. Suchart Laopreeda Independent Director and Audit Committee who director has resigned.
 3. Appointed Dr. Siridech Kumsuprom as Independent Director in replace of Professor Dr. Chaiya Yimwilai has resigned, Chairman of Risk Management Committee and Nomination and Remuneration Committee in replace of Assoc. Suchart Laopreeda who director has resigned.

Year 2018

- On 24 January 2018, the resignation of Mr. Sombat Narawutthichai, Director and Chairman of Executive Committee and other positions in the Company.

- On 19 February 2018, the Meeting of the Board of Directors No. 2/2018 appointed Director replacement of Director who resigns as follows:
 1. Appointed Pro.Dr.Chaiya Yimwilai as Vice Chairman of the Board of Directors replace of Mr.Weerasak Kosurat who resigns, effective on 19 February 2018 onwards.
 2. Appointed Pro.Dr.Chaiya Yimwilai as Acting of Chairman of Executive Committee replace of Mr.Sombat Narawutthichai who resigns, effective on 19 February 2018 onwards. This is until the recruitment of qualified candidates is considered.
- On 10 May 2018, the Meeting of the Board of Director No.4/2018 appointed Dr. Noppadol Mingchinda as Director (Authorized Director) and Executive Director, replacement of Director who resigns effective on 10 May 2018 onwards.
- On 31 May 2018, the Company would like to inform the changing of paid-up capital of the Company as the follows detail;
 1. The paid-up capital of the Company amount of Baht 1,224,249,008 (One Thousand Two Hundred Twenty Four Million Two Hundred Forty Nine Thousand and Eight Baht Only)
 2. The number of issued and paid-up share amount of 1,224,249,008 shares (One Thousand Two Hundred Twenty Four Million Two Hundred Forty Nine Thousand and Eight Shares) and which is the whole amount of ordinary share.
- On 8 June 2018, The company report on Utilization of increase Capital, according the Company to warrants to purchase ordinary shares of AEC Securities Public Company Limited No.4 (AEC W-4) in an amount of 114,501,049 units issued by AEC Securities Public Company Limited and allocated to the existing shareholders based on the shareholding ratio and the last warrants No.4 (AEC-W4) conversion right, which was exercised on 25 May 2018 in the ratio of 1 new ordinary share per 1 unit of warrant at 1 baht per share, in which two shareholder exercised conversion right accounting for a 3,550 capital increase of ordinary shares in the total amount of 3,550 baht (at a par value of 1 baht) as detailed in the referenced document and warrants to purchase the remaining ordinary shares shall be cancelled. Therefore, the Company used it as a revolving fund for the Company's business operation as per its objectives.
- On 5 October 2018, the Company closed its Park Venture branch effective as of 15 November 2018 onward.
- On 8 October 2018, the Company closed its Phahon Yothin branch effective as of 8 November 2018 onward.
- On 12 October 2018, according a resolution of the Meeting of Board of Director No.5/2108 held on 12 July 2018 has approved to enter into the memorandum of an agreement for acquisition of share of O Money Co., Ltd. ("O Money") and O Mobile Co., Ltd. ("O Mobile") Totaling baht 50 million. And assigned to the Executive Committee investigate the investment which the Executive Committee Meeting No.15/2018 held on 28 September 2018 has approved investigate the investment in accordance with the resolution of the above mentioned.

- On 31 October 2018, the Company closed its Nakhon Sri Thamarat branch effective as of 30 November 2018 onward.
- On 9 November 2018, the Company closed 9 branches as Hadyai branch (2) Silom branch (3) Saraburi branch (4) Fashion Island branch (5) Nakhon Ratchasima branch (6) Chiang mai-Mahidol branch (7) Chiangmai-Changklan branch (8) Bangna branch (9) Soi Soonvijai branch and effective on 11 December 2018 onward.
- On 12 November 2018, the Meeting of the Board of Director No.8/2018 held on 12 November 2018 has resolved to grant approval for the Company to dispose of the Company's assets in respect of securities and derivative retail brokerage business to UOB Kay Hian Securities (Thailand) Public Company Limited and Country Group Securities Public Company Limited, totally nine branches of the Company, with a total transaction value of not exceeding 244.10 million baht. In this regard, the Board of Directors' Meeting authorized the Executive Committee to have power to take actions in connection with the entry into the Asset Disposition Transaction, including the negotiation of conditions and other obligations pertaining to such transaction and to amend, agree upon, enter into and execute an asset purchase agreement with each purchaser.
- On 20 December 2018, the Company establishment of new subsidiary as ACE Incorporation Co., Ltd. has a register capital 1,000,000 baht divide into amount of 100,000 ordinary shares. Par value 10 baht per share. Objective are Investment in a limited company and a public company limited and being shareholders or partnerships including investment with person and juristic person for operating all types of lawful business both domestic and international.
- On 21 December 2018, the Board of Director No.6/2018 held on 28 August 2018 and the Executive Committee No.17/2018 held on 9 November 2018 has approved to investment in Zipmex Co., Ltd. ("Zipmex") and Zipmex Asia Pte. Ltd. ("Zipmex Asia") amount baht 15 million and baht 17.69 million and The Board of Directors No.5/2018 held on 12 July, 2018 has approved to investment in ACE Incorporation Co., Ltd. amount baht 0.99 million. Totaling baht 33.68 million.

Year 2017

- On 31 January 2017, the resignation of Mr. Thada Chanprasit, Executive director and Co-Chief Executive Officer
- On 31 March 2017, the Company sold its shareholding in AAMC in the amount of 299,996 shares at 61.25 THB per share, totaling at 18,374,755 THB. The sale was in accordance with the resolution of the meeting the Board of Directors No. 1/2016, held on 26 February 2016, to sell the ordinary shares in AAMC, and as a result, the Company has to reserve for non-performing assets, impacting the balance sheet of the Company. The proceeds from the sale will be used as cash flow for the Company, to be determined by the Executive Committee of the Company.
- On 10 April 2017, the Warrant of the Company No. AEC-W2 had its last exercise date in the amount of 165,660,189 units, which was allocated to existing shareholders at the ratio of 1:1 with the exercise price of 2 THB per share. There

was 1 shareholder who exercised their right at 700 shares, totaling 14,000 THB (Par value at 1 THB), the proceed of which will be used as cash flow for the Company. The remaining warrants shall be cancelled.

- On 24 April 2017, the Company changed its registered capital of the Company to 1,224,245,458 THB and changed its paid-up capital of the Company to 1,224,245,458 shares.
- On 11 May 2017, the Board of Directors of the Company appointed Mr. Sombat Narawuttichai as Authorized Director and Member of the Executive Committee in replacement of Mr. Praphol Milindachinla. The Board of Directors of the Company also appointed Dr. Vichaya Krea-Ngam as Independent Director.
- On 2 June 2017, Mr. Polchet Likittanasombat and Mr. Pissanu Wichitcholachai both resigned as Director and Member of the Executive Committee of the Company
- On 8 June 2017, Miss Siriporn Tongkam resigned as Independent Director, Member of the Audit Committee and other positions in the Company.
- On 19 June 2017, Mr. Weerasak Kowsurat resigned as Independent Director and other positions in the Company.
- On 27 June 2017, the Board of Directors of the Company appointed Associate Professor Suchart Laopreeda as Independent Director and Member of the Audit Committee in replacement of Miss Siriporn Tongkam.
- On 4 August 2017, Mr. Angkoon Pimpakorn resigned as Director and Chairman of the Executive Committee.
- On 22 August 2017, the Company closed its Ladprao office effective as of 25 September 2017.
- On 30 August 2017, the Meeting of the Board of Directors No. 6/2017 appointed Mr. Sombat Narawuttichai as Chairman of the Executive Committee instead of Mr. Angkoon Pimpakorn.
- On 15 September 2017, Professor Dr. Chaiya Yimwilai, Independent Director and Chairman of the Audit Committee, and Dr. Vichaya Krea-Ngam, Independent Director, both resigned as Directors of the Company and other positions in the Company.
- On 11 October 2017, the Meeting of the Board of Directors No. 7/2017 appointed the following Directors:
 1. Mr. Thaveedej Uyawong as Authorized Director instead of Mr. Polchet Likittanasombat.
 2. Mr. Seri Suwannapanon as Independent Director and Member of the Audit Committee instead of Professor Dr. Chaiya Yimwilai.

Year 2016

- On 21 March 2016, the resignation of Mrs. Amporn Chiammunchit from the position of Acting Chief Executive Officer

- On 21 March 2016, the Board of Directors Meeting No. 2/2016 resolved to appoint Mr. Chanachai Joonjiraporn as a Director (Authorized Director) and Executive Director in replacement of Dr. Chaipant Pongtanakorn who resign.
- On 21 March 2016, the Board of Directors Meeting No. 2/2016 Mr. Chanachai Joonjiraporn as a Chief Executive Officer in replacement of Mrs. Amporn Chiammunchit who resign.
- On 21 March 2016, the Board of Directors Meeting No. 2/2016 resolved to approved the change of the Company's authorized signatories from " Mr. Praphol Milindachinla; Mr. Polchet Likittanasombat ; Mr. Thada Chanprasit and Mr. Angoon Phimpkorn two of four directors jointly sign and affix with the Common seal of the Company" to be "Mr. Praphol Milindachinla; Mr. Polchet Likittanasombat ; Mr.Thada Chanprasit ;Mr. Angoon Phimpkorn and Mr. Chanachai Joonjiraporn two of five directors jointly sign and affix with the Common seal of the Company
- On 29 April 2016, The Annual General Meeting of Shareholder for the year 2016 has approved the issuance and offering of the debenture in the amount not exceeding THB 2,000 billion to enhance business operations as well as working capital and expansion. Including repayment of debt and other purpose as the Board of Director deems appropriate.
- On 13 June 2016, the resignation of Mr. Pisit Phatumban, Executive director and Co-Chief Executive Officer
- On 29 June 2016, the Board of Director Meeting No.1/2016 held on 26 February 2016 to approved the sale of common shares of The AAMC Asset Management Company Limited ("AAMC") a subsidiary of the Company of 899,996 shares, representing 90 percent of the total shares of the AAMC. The Executive Committee or the authorized person that Executive Committee approves is tasked with the implementation of the agreed conditions and the preparation of contract documents.

With the aim to reduce the impact of the AAMC's business is to buy distressed property for management and the company must set aside assets in the financial statements. This will have an impact on the financial statements of the Company and payment for shares is to be used as working capital to operate its business.

The transaction was to buy shares of the AAMC amount 600,000 shares (the shares paid up share 40 percent or 40 baht per share) at a price of 61.25 baht per share, totaling 36.75 million baht.

After transaction, Mr. Polchet Likittanasombat and Mr. Angoon Phimpkorm representative of AEC Securities Public Company Limited is resignation as Director of the AAMC and AAMC end condition, a subsidiary of the company.
- On 27 June 2016, the resignation of Mr. Thada Chanprasit for the positions of Co-Chief Executive Officer
- On 11 December 2016, Mr. Weerasak Futrakul has resigned from Director of Corporate Governance and Social Responsibility Committee

Year 2015

- On 26 January 2015, the Board of Director Meeting No.1/2015 approved the issuance and allotment of newly issued ordinary shares to specific person under private placement, with the condition that any subscription of 2 new ordinary shares and a type 1 Warrant (AEC-W3) amount to 50,000,000 shares and that the price of any sale of ordinary shares through PP must not be less than 90 percent of the average price of such ordinary shares 15 days before establishing the price. Together with warrant (AEC-W3) in the amount of 0 Baht per warrant, a share conversion ratio of 1:1 and a conversion price of 3 Baht, convertible on the last business day of March and September of every year.

- On 12 March 2015, the Board of Director Meeting No.3/2015 acknowledge to Mr. Praphol Milindachinla is resigned from Acting of Chief Executive Officer will be effective on 1 April 2015 onward and the meeting resolved to appointment as follows;
 1. Appointment Mr. Thada Chanprasit as Director (authorized) Executive Director and Co-Chief Executive Officer replace to Mr. Kobkiat Boontharawara.
 2. Appointment Mr. Pisit Patumban as Executive Director and Co-Chief Executive Officer and has been approved by Securities and Exchange Commission on 22 April 2015.

- On 30 April 2015, The Annual General Meeting of Shareholder for the year 2015 has approve as follows;
 1. The reduction of the registered capital of the Company and amendment of Clause 4. Of Memorandum of Association of the Company from Baht 1,331,716,928 to Baht 1,325,403,898
 2. The increase of the registered capital of the Company and amendment of Clause 4. Of Memorandum of Association of the Company from Baht 1,325,403,898 to Baht 2,414,615,498.
And has registered capital reduction and increase Department of Business Development on 14 May 2015
 3. The issuance and offering of the newly issued ordinary shares of the Company in the amount not exceeding 300,000,000 shares at the par value of Baht 1 each to the existing shareholders of the Company in proportion to their respective shareholding ("Right Offering: RO") in combination with the Warrant to purchase the ordinary shares of the Company –Type 4 (AEC-W4) ("AEC-W4" or "Warrants-Type 4") in the amount not exceeding 300,000,000 units.

The newly issued ordinary shares as aforementioned shall be offered to the existing shareholders at the ratio of 4 existing ordinary shares to 1 newly issued ordinary share in combination with 1 unit of the Warrants to purchase the ordinary shares of the Company –Type 4 (i.e. 1 newly issued ordinary share to 1 unit of the Warrants). The offering price for newly issued ordinary shares shall be Baht 1 per share and for the Warrants–Type 4 shall be Baht 0 per unit. The exercise price for the Warrants-Type 4 shall be Baht 1 per share (except in case of rights adjustment), provided that any fraction of shares or Warrants derived from the calculations shall be disregarded and the existing shareholders who exercise their right to subscribe the newly issued shares are required to subscribe all Warrants-Type 4 at the same time and in line with their proportion.
 4. The issuance and offering of the newly issued ordinary shares of the Company in the amount not exceeding 200,000,000 shares at the par value of Baht 1 each to the Private Placement subscriber(s) (Private Placement : PP) pursuant to the Notification of the Capital Market Advisory Board TorChor. 28/2551 re: the Application for Approval of Offer for Sale of Newly Issued Shares (as amended) in combination with the Warrants to purchase

the ordinary shares of the Company-Type 5 (AEC-W5) (“AEC-W5” or “Warrants-Type 5”) in the amount not exceeding 200,000,000 units.

The subscription is subject to the conditions that 1 newly issued ordinary shares in combination with 1 unit of the Warrants-Type 5. The offering price for the newly issued ordinary shares shall be Baht 1 per share and for the Warrants-Type 5 shall be baht 0 per unit. The exercise price for the Warrants-Type 5 shall be Baht 1 per share (except in case of rights adjustment).

5. The allocation of the newly issued ordinary shares in the amount of 89,211,600 shares in order to be reserved for the rights adjustment of Warrants – Type 2 (AEC-W2) and Warrants – Type 3 (AEC-W3). The Company must adjust the rights of Warrants-Type 2 (AEC-W2) and Warrants-Type 3 (AEC-W3) once the Company has issued and offering the newly issued ordinary shares. Warrants-Type 4 (AEC-W4) and Warrants-Type 5 (AEC-W5) in order to be in line with the conditions concerning the rights adjustment as stipulated in Item 4.2.1) (b) and (c) of the indicative terms and conditions of Warrants-Type 2 (AEC-W2) and Warrants-Type3 (AEC-W3).
- On 16 July 2015, Mr. Apichai Taechaubol, Directors/Non-Authorized Director resigned from Board of Directors of the company.
 - On 24 July 2015, Mr. Chaipant Pongtanakorn, Executive Director and Director resigned from Executive Director and Directors.
 - On 27 July 2015, the Board of Directors Meeting No. 6/2015 resolved to appoint Mr. Angoon Phimpkorn as Executive Director and Director (Authorized Director), replacing Mr. Apichai Taechaubol and received approval from the Securities and Exchange Commission on 21 August 2015.
 - On 27 August, 2015, Mr. Chaiwat Utaiwan, Advisor to the Board of Directors resigned from Advisor to the Board of Director.
 - On 24 December, 2015, the Company appointed Mrs. Amporn Chiammunchit, Chief Operating Officer as Acting Chief Executive Officer and received approval from the Securities and Exchange Commission on 25 January, 2016.

Business

1 Revenue and Expense Structure of the Company

Revenue	Consolidated financial statements					
	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Brokerage fees from securities business	25,795,868	73.82	41,500,439	16.45	339,428,092	51.81
Brokerage fees from derivatives business	7,106,662	20.34	10,604,989	4.20	89,061,188	13.59
Fees and service income	23,138,370	66.21	84,939,122	33.66	104,174,091	15.90
Interest incomes	26,821,608	76.76	64,130,198	25.41	83,562,060	12.76
Gains (losses) and return on financial instruments	(40,794,840)	(116.75)	47,293,929	18.74	3,874,483	0.59
Share of loss from investment in associates	(9,401,176)	(26.90)	(4,482,177)	(1.77)	(45,283)	(0.01)
Other incomes	2,277,320	6.52	8,352,677	3.31	35,139,022	5.36
Total revenues	34,943,812	100.00	252,339,177	100.00	655,193,653	100.00

Expense	Consolidated financial statements					
	2020		2019		2018	
	Baht	%	Baht	Baht	%	Baht
Employee benefit expenses	101,833,398	28.90	172,771,310	33.20	387,365,568	52.20
Fees and service expenses	24,630,218	6.99	35,380,212	6.80	107,254,589	14.45
Impairment loss on investments	-	-	139,903,265	26.89	-	-
Expected credit loss	106,646,538	30.26	-	-	-	-
Interest expenses	11,922,379	3.38	18,526,345	3.56	44,155,093	5.95
Other expenses	107,385,506	30.47	153,752,641	29.55	203,322,060	27.40
Total Expenses	352,418,039	100.00	520,333,773	100.00	742,097,310	100.00

Note : Statement of comprehensive income transaction for the year ended 31 December 2018, some transactions have been reclassified in accordance with the statement of comprehensive income transactions for the years ended 31 December 2020 and 2019 as follows:

	(Baht)		
	Consolidated financial statements		
	For the year ended 31 December 2018		
	Before reclassifications	Reclassifications	After reclassifications
<i>Statement of comprehensive income</i>			
Interest on margin loans	19,955,151	(19,955,151)	-
Interest income	-	83,562,060	83,562,060
Gains and return on financial instruments	67,481,392	63,606,909	3,874,483

1. Business Lines

AEC Securities Public Company Limited operates a core business as securities brokerage for securities and Derivatives listed on the Stock Exchange of Thailand (SET) and the Thailand Futures Exchange (TFEX) by providing investment opportunities to customers.

In addition to operating as securities brokerage for securities and derivatives listed on SET and TFEX, the Company also operates the following business:

- Securities Brokerage
- Derivatives Brokerage
- E-Trading
- Investment Banking
- Mutual Funds
- Securities Borrowing and Lending
- Private Funds

➤ Securities Brokerage

In the goal towards earning trust from the customers in providing investment opportunities, the Company is prepared with qualified personnel that are experienced in providing investment advice for a variety of purposes. In addition, the Company has a complete research department who provide excellent content and guidance as tools for the customers to make their investment decisions more effectively.

Types of Securities Trading Account

• Cash Account

A cash account is a type of securities trading account that the customer can trade under a trading limit that is considered and evaluated from the amount of cash that the customer provided according to the rules and regulations of the Company. The cash or security that the customer provides must have a value of 20% of the trading limit (according to the regulation of SET effective on 2 May 2013). All cash provided by the customer and held by the Company will receive interest (as stipulated under the rules and regulations of the Company), and any payments for the purchase or sale of securities must be provided within 2 (two) days commencing from the date of purchase or sale (T+2). The deduction of such payments will be through the Account Automatic Transfer Service (ATS), and in the case of receiving payments from the sale of securities, the

customer will receive such payments within 3 (three) business days commencing from the date of sale through the ATS system.

Under a cash account, the customer will receive the right to purchase additional securities once the Company receives the payment from the purchase of securities from the customer.

- **Cash Balance Account**

Under a cash balance account, the customer is allowed to purchase or sell securities according to the amount of cash that they provided to the Company. The cash provided by the customer and held by the Company will receive interest, similar to a cash account.

Under a cash balance account, the customer will receive the right to purchase additional securities when the customer provides more cash to the Company.

- **Credit Balance Account**

A credit balance account allows the customer to borrow capital from the Company to purchase or sell securities but the customer must initially provide a minimum amount of cash or securities as collateral to the debt (also known as the initial margin rate). Under a credit balance account, the Company will calculate the value of the margin every day and if the margin is below the maintenance margin as stipulated by the Company, the Company will call the margin and request the customer to provide additional margin up to the amount of the maintenance margin. The Company may also force sell the margin and/or the collateral should the customer fail to provide additional margin.

➤ **Derivatives Brokerage**

In its objective to protect against the risks associated with investment and providing returns to investors, The Company also operates its business as a derivatives brokerage to provide additional investment opportunities to investors. Currently, the derivatives that the Company can trade on TFEX are Futures, Options, Options on Futures and USD Futures

➤ **E - Trading**

Investing in securities and derivatives through electronic/internet trading presents another channel for investors to invest. Regardless of their location, investors can see the price of securities and make trading orders efficiently and quickly to adapt to the changing situations.

➤ **Investment Banking**

- **Financial Advisory (FA)**

The Company provides financial advisory services on business and financial valuation, project viability and feasibility, financial planning, issuance of warrants, issuing employee stock ownership plans (ESOP), underwriting, providing liquidity to businesses, and de-listing from SET.

- **Mergers and Acquisitions**

The Company provides advice on business and financial valuation towards a merger or acquisition, cooperating with quality investors through a network of affiliates and clients, evaluating business positions, providing advice on appropriate price for merger or acquisition, as well as providing advice on the appropriate structure, negotiation strategy and merger and acquisition process.

- **Initial Public Offerings (IPO)**

The Company provides advice on raising capital through Initial Public Offerings (IPO), listing of securities, Public Offerings (PO) and through Private Placement (PP).

- **Real Estate Investment Trust (REIT)/Infrastructure Fund**

The Company provides advice of structuring mutual funds, relevant regulations, issues on law and tax, distribution, and raising capital through REIT and infrastructure funds.

- **Debt Restructuring**

The Company provides advice on debt restructuring such as providing financial restructuring plans and process for debt restructuring, guidelines in rehabilitation, and purchasing of bad debts.

- **Corporate Structuring**

The Company provides advice on corporate structuring such as shareholding structure, exchange of shares and corporate restructuring. This includes advice and recommendation on the various choices and procedure involved, issues on law and tax, and any relevant procedure related to government agencies.

- **Capital Restructuring**

The Company provides advice on capital restructuring such as finding the appropriate balance between raising capital through debt and equity, changing the structure of assets and liabilities to reduce costs and maximize value for organizations for both return on equity and return on assets.

➤ **Mutual Funds**

The Company provides services in selling and repurchasing units in mutual funds with efficiency, effectiveness and ease, and customers are able to quickly change their investment in a variety of funds from many leading asset management companies through the Company. Furthermore, customers can follow their investments portfolio with ease through summaries of investments in one statement without any additional fees; and customers has access to information from the Company regarding their investment through detailed research articles, comparison charts of funds, and performance of funds. All of these services are provided by experienced personnel who can advise customers according to their choices.

The Company represents the following asset management companies:

Kasikorn Asset management Company Limited	Asset Plus Fund Management Company Limited
SCB Asset Management Company Limited	UOB Asset Management (Thailand) Company Limited
Phatra Asset Management Company Limited	Innotech Asset Management Company Limited
CIMB-Principal Asset Management Company Limited	One Asset Management Limited
TMB Asset Management Company Limited	Land and House Fund Management Company Limited
Krungsri Asset Management Company Limited	Tisco Asset Management Company Limited
Manulife Asset Management Limited	Philip Asset Management Limited
MFC Asset Management Public Company Limited	Capital Link Fund Management Limited

➤ Securities Borrowing and Lending (SBL)

In order to increase diversity in services and to respond to the needs of customers and investors, AEC Securities also provide Securities Borrowing and Lending (SBL) services to its customers

➤ Private Funds

The private funds department of AEC Securities focuses on managing private funds that create wealth and value to customers under the principle of “Tailor Made”. This principle allows AEC Securities to respond to customers’ needs by converging ideas and investment strategies together, which is different from investing in mutual funds where the scope is wider and broader.

AEC Securities provide tailor-made solutions for each customer who requires different needs and the private management team, who possess over 20 years of experience of analyzing and crafting investment strategies in the capital markets.

2. Market Overview and Competition

2020 Stock Market Overview

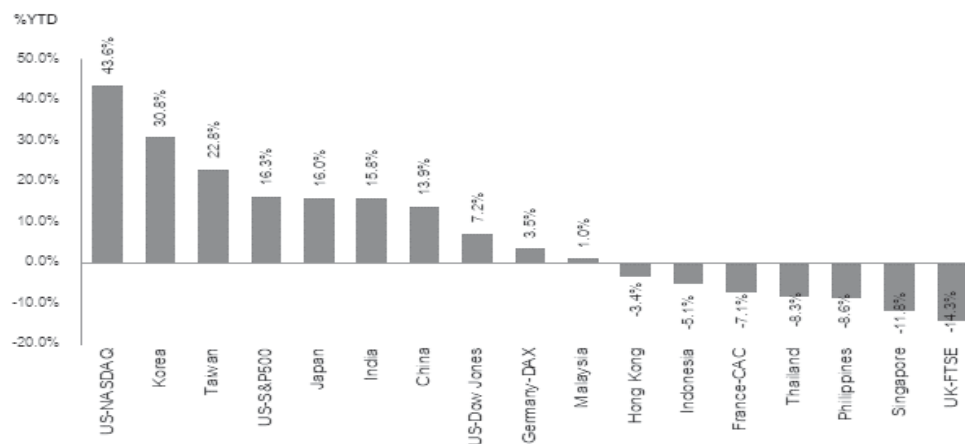
The year 2020 proved to be an extremely volatile year for the SET Index. The index started the year at a high of 1,604.28 points in January, and closed at 1,514.14 points at the end of the month, a decrease of 4.2% from the end of 2019. The average daily trading value of the SET and MAI stood at 6.29 billion baht, an increase of 18.4% from the full-year 2019 average. Foreign investors displayed a net selling status of 1.72 billion baht, which is consistent with most of the ASEAN markets, before starting its decline in February due to the acceleration of the number of COVID-19 cases globally. The SET Index closed at 1,340.52 points, a decrease of 11.5% from January and 15.1% from the end of the previous year. However, the average daily trading value totaled 6.58 billion baht, an increase of 23.8% from the previous full-year average. Foreign investors displayed a net sell status of 19.3 billion baht, which is in line with most of the ASEAN markets as they were also affected by the COVID-19 pandemic similar to all other stock exchanges around the world. The total market cap was 14.6 trillion baht, a decrease of 13.9% from the end of 2019. In March, the SET Index witnessed a tremendous drop to its lowest level of 969.08 due to increasing global concerns regarding the COVID-19. At the end of March, the SET Index closed at 1,125.86 points, a 16% drop from February. However, the average daily trading value totaled 7.17 billion baht, an increase of 34.8% of the previous full-year average. Foreign investors displayed a net sell status of 7.83 billion baht, which is in line with other Asian markets. The market cap was 12.3 trillion baht, down 27.7% from the end of the year. The stock market rebounded rapidly in April by displaying a V-shape recovery and closed the month at 1,301.66 points, an increase of 15.6% from the previous month. The average daily trading value was 6.8 billion baht, an increase of 28% from the previous full-year average, foreign investors displayed a net sell status of 4.67 billion baht and was consistent with other Asian markets. Overall this month, driven by the improving sentiments of the COVID-19 situation, the SET Index recovered from its lowest point in March, which is in line with the global trend, whereby it rose by 15.6% as compared to the end of last month, and is considered as the second highest increase in Asia. The increase was also supported by government-funded measures to restart the economy through liquidity enhancement and introducing assistance measures to help those who were affected by the pandemic. The implementation of several strong economic measures in many countries to cope with the COVID-19 pandemic helped the SET Index continuous recovery until June where it ended the month at 1,339.03 points, down

0.3 % from the previous month. USD-denominated yields showed an increase 2.8 % in June. When taking into consideration each industry, the SET Index of almost each and every industrial sector displayed an improvement when compared to the end of the previous year, with the exception of the financial, real estate, and construction sector. Overall, it could be summarized that the Thai SET Index was relatively stable. However, when considering the average daily turnover, it was found to be considerably active where it showed an average daily trading value at 7.73 billion baht, an increase of 27.8% as compared to the same period of the previous year. As a result, the average daily trading value results for the first half of 2020 was concluded at 6.86 billion baht, an increase of 38.2% as compared to the same period of the previous year. The increase in trading volume originated mainly from domestic investors. The end of July 2020 saw the SET Index closing at 1,328.53 points, which was considered as relatively stable, with just a 0.8% drop from the previous month. This was due to a number of contributing factors that affected investors' confidence, which included the ongoing conflict between the United States and China, concerns about the second wave of the COVID-19 pandemic, the release of economic indicators, as well as, the announcement of the performance of listed companies for the first half of the year. The SET Index moved within a narrow range throughout until the end of August where it closed at 1,310.66 points, down 1.3% from the previous month. This was due to a number of factors that affected investors' confidence, which included the US-China conflict, concerns about the second wave of the COVID-19 outbreaks, and domestic political rallies, pulling the SET Index down 17.0% from the end of last year. Overall, the Thai SET Index was relatively stable. There were also signs of a recovery from listed companies that posted 2nd quarter results that were better than analysts' estimates. These included companies in the electronic components, the food and beverage, and certain business segments in the service sector that benefitted from the development of the COVID-19 vaccine that may eventually lead to the escalation of the opening of the country to foreign tourists. It was found that there were two industry sectors that showed a positive improvement, namely the agro-industry and the food industry, the consumer products sector, and in certain sectors that benefitted from the recovery after the relaxing of the lock-down measures, such as the electronic components, and the food and beverages sector. Additionally, there were also signs of a recovery of stocks outside the SET100. Subsequently, in September, the SET Index dropped to close at 1,237.04 points, which was a 5.6% drop from the previous month, due to several factors that affected investors' confidence, which include delays in the development of the COVID-19 vaccine, concerns regarding the slow pace of the global economy recovery, as well as, the domestic political situation. All of these factors had an adverse effect on the SET Index which dropped 21.7% from the end of last year, but was still higher than MSCI ASEAN, which fell by 24.7% from the end of the previous year. October saw the index fall in line with markets of the region, whereby the SET Index closed at 1,194.95 points at the end of October, down 3.4% as compared to the previous month, and was down 24.4% when compared to the end of the previous year. In November, global stock exchange indexes improved on the back of the main positive factors, which included the Democrats' election win in the US with their policy to promote global trade cooperation, in addition to the substantial progress regarding the development of the COVID-19 vaccine by several pharmaceutical companies. These positive factors contributed towards the SET Index closing at 1,408.31 points at the end of November 2020, an increase of 17.85% from the previous month, which is also the highest increase when compared to other Asian markets. In December, the SET Index fell in line with the pressure caused by the selling-off of foreign investors and institutions. The Thai stock market was downgraded in the MSCI index and fell again amid concerns about the COVID-19 situation, both domestically and abroad, which raised high expectations about the economic recovery. Nevertheless, Thai stocks fell again on concerns about the country's COVID-

19 outbreak, coupled with pressure from the FTSE rebalance, which led to a reduction in investment in Thai stocks after the number of new infected cases soared before becoming directionless while waiting for measures to be introduced to take hold of the situation. Eventually, Thai stocks rebounded again after the government did not announced a nationwide lockdown measure. In addition, there were also additional positive factors from the finalization of a trade agreement between the EU and the UK.

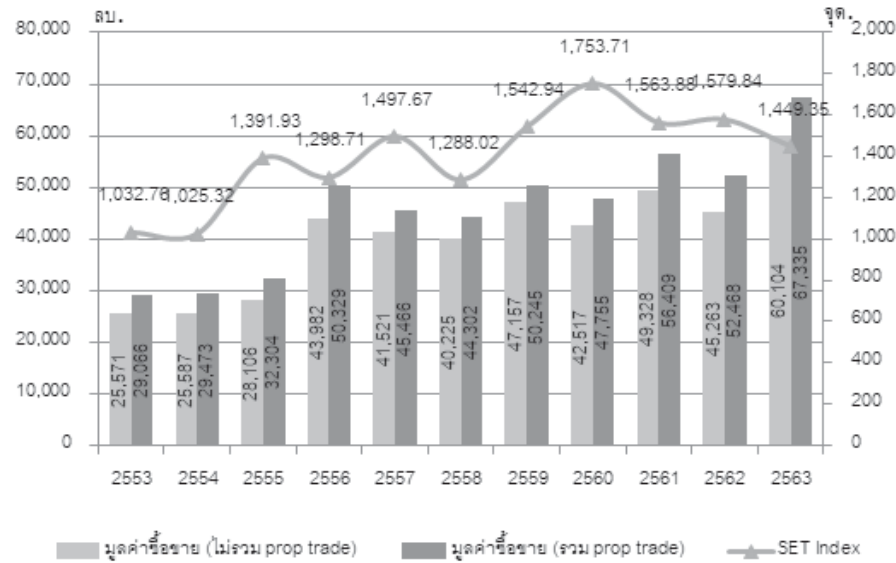
In summary, 2020 saw the SET Index rose to its highest point for the year at 1,604.28 points on January 17th, and was down to its lowest point at 969.08 points on March 13th, 2020. The SET Index ended the year at 1,449.35 points, with the Thai stock market down 8.26% YoY, and its average daily trading value (including SET and MAI) (including prop trade) at 67.3 billion baht, up 28.3% YoY (if prop trade was not included, the trading value would be 60.1 billion baht, increasing by 32.8% YoY).

Stock Market Index Worldwide



Source: Aspen Infoquest

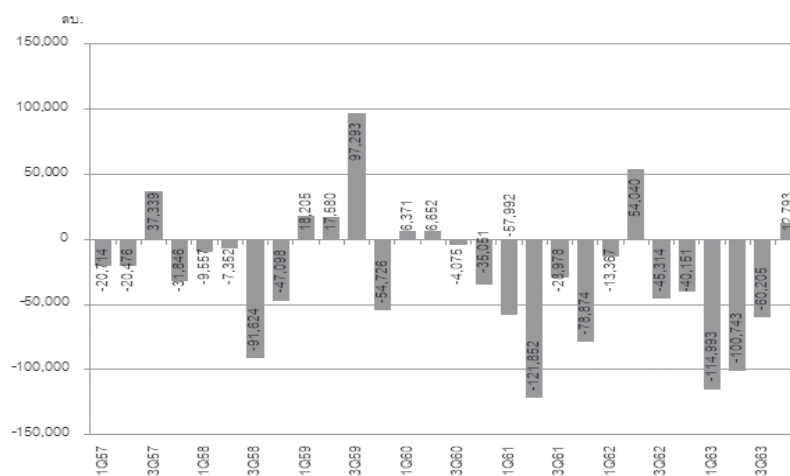
Trading Value and Set Index



Source: SETSMART

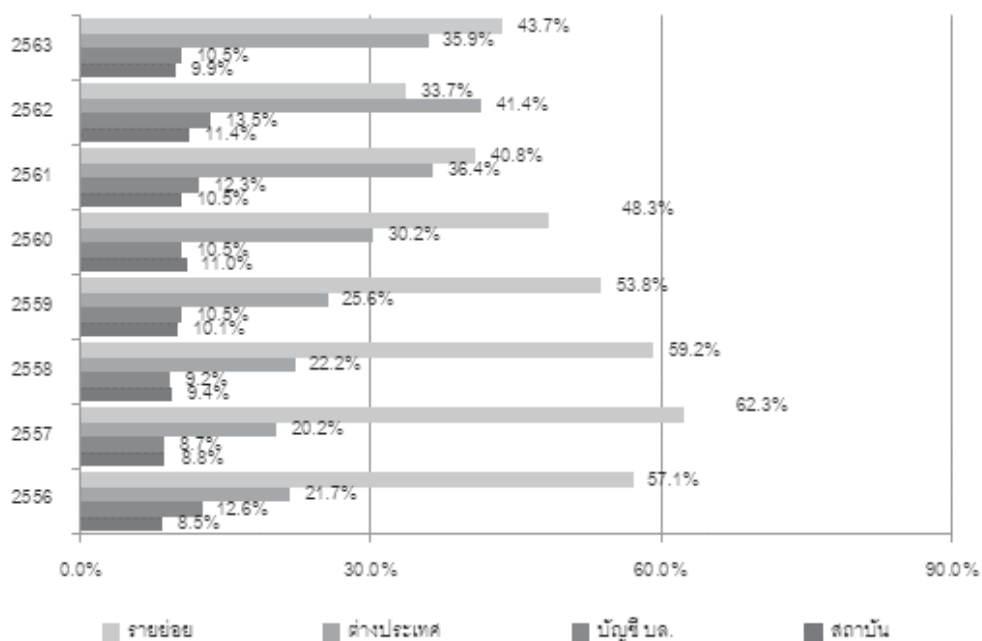
In 2020, retail investors also accounted for a significant increase from 33.7% in 2019 to 43.7% of the total trading value (both in the SET and MAI), with retail investors net buying totaling approximately 21.4 billion baht. Institutional investors contributed a total net purchase of approximately 34.2 billion baht, which is the eighth consecutive year of net purchasing and accounting for 9.9% of the total turnover, slightly down from the previous year. While foreign investors showed net sales of 26.3 billion baht, which is the fourth consecutive year of net sales, and accounted for 35.9% of the total turnover. While the securities companies account showed a net purchase of 14.5 billion baht, the net purchase amount for the second consecutive year, which accounted for 10.5% of the total turnover.

Quarterly Net Trading Volume of Foreign Investors



Source: SETSMAR

Proportion of Turnover of Each Group of Investors



Source: SETSMART

2020 Securities Business Overview

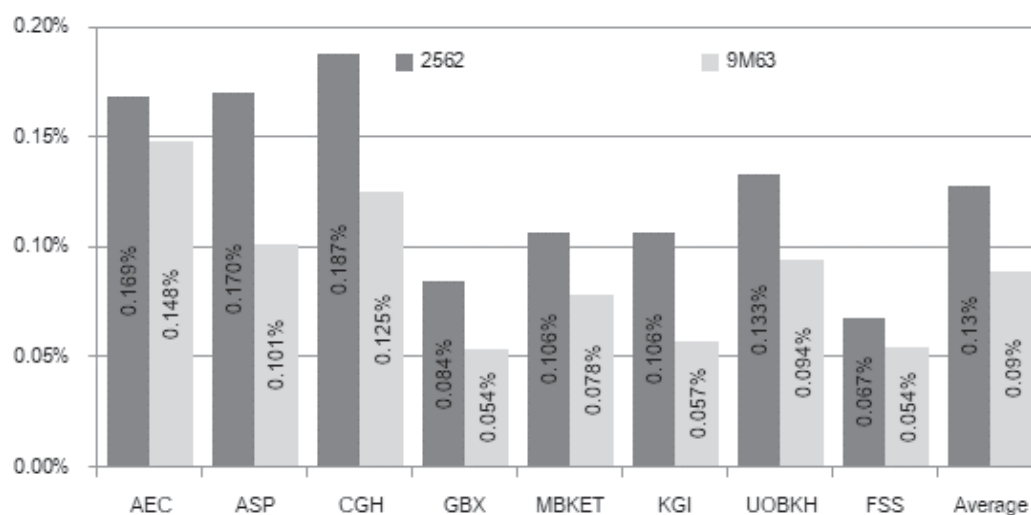
For the first nine months of 2020, the commission income of 8 SET-listed securities companies increased by 35% when compared to 2019. This was mainly due to the severe COVID-19 pandemic which created significant volatility in the movement of securities prices. Adaptation to a new way of living, such as WFH, has led to more new investors entering the stock market. Overall, in 2020, the SET Index rose to a high of 1,604.28 points on January 17th, reached its lowest at 969.08 points on March 13th, before closing at 1,449.35 points at the end of the year. The Thai stock market was down 8.26% YoY and the average daily trading value (including SET and MAI) (including prop. trade) was 67.3 billion baht, an increase of 28.3% YoY (if prop trade was not included, the trading value would be 60.1 billion baht, increasing by 32.8% YoY), while the net profit of 8 SET-listed securities companies overall showed a slight increase from 2019.

2020 also welcomed 28 new securities (IPOs) to the Thai stock market (which could be classified into 14 SET listed securities, 12 MAI securities, 1 IFF, and 1 REIT), which was a decrease from 2019 which saw 34 new securities being introduced to the SET in 2019 (which could be classified into 13 SET securities, 17 MAI, 1 IFF, and 3 REIT). Capital raised in 2020 increased 80.1% YoY to 1.64 hundred billion baht. The highest capital raised in 2020 was from Central Retail Corporation Public Company Limited (CRC), which was able to raise a total value of 7.81 billion baht, followed by SCG Packaging Public Company Limited (SCGP), 45.3 billion baht, and Sri Trang Gloves (Thailand) Public Company Limited (STGT), 14.9 billion baht.

The securities business was also undermined by the effects of high price competition in the brokerage sector. This was due to the new securities firms which were launched the past 4-5 years and the efforts of large securities firms in trying to maintain their current market share continued to carry out low price commissions campaign strategies to compete for market share. The price war strategy contributed greatly in depressing profitability, causing the net

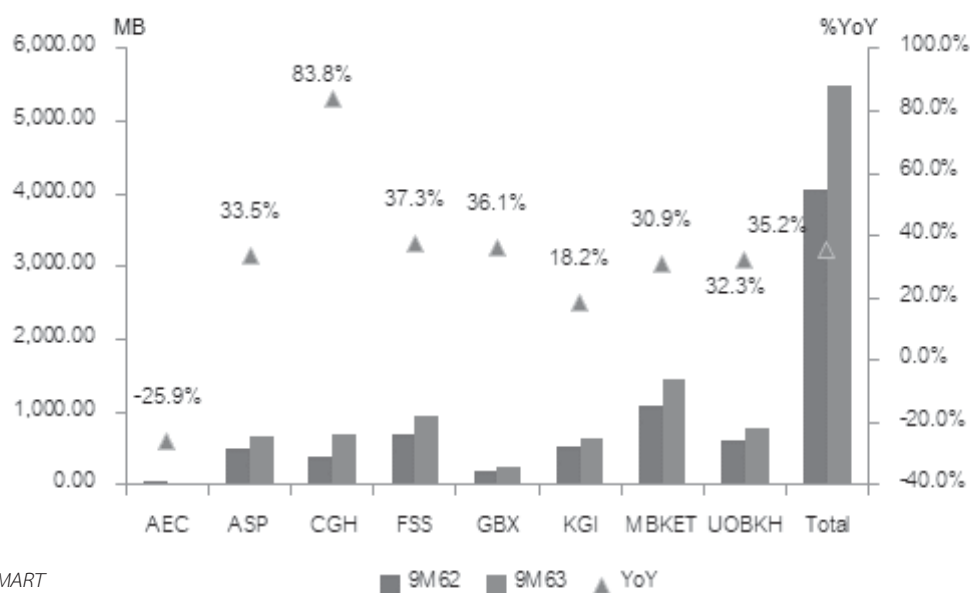
trading commission rates (excluding prop trade) for the first 9 months of the securities sector to fall to 0.09% as compared to 0.13% for the full year of 2019.

Net Commission Rate of Securities Group Listed on The SET
and The Industry Average (Excluding Prop Trade)



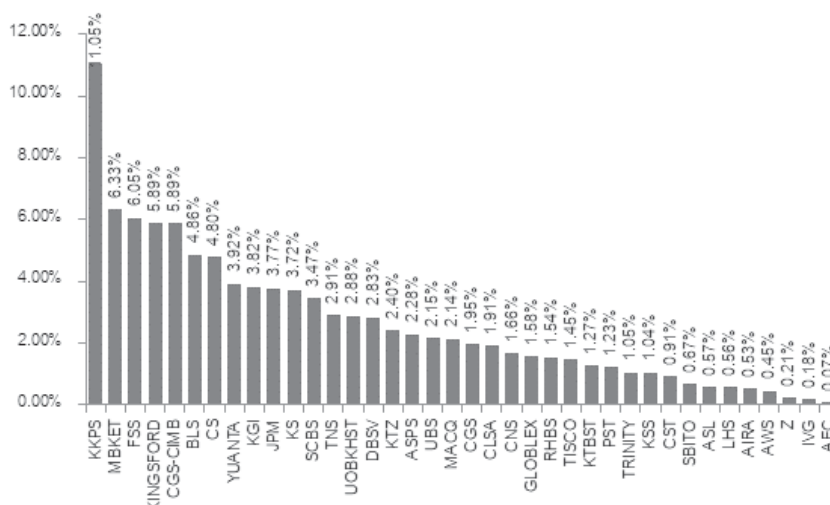
Source: AECS Research

Commission Income from Securities Trading in 2020 (Listed Only)



Source: SETSMART

Market Share of Securities Companies in 2020 (SET+MAI)



Source: SETSMART

Thai Stock Market and Securities Trend in 2021

The year 2021 is expected to see the Thai stock market fluctuate in a wider range. We estimate the SET Index target for 2021, based on 18-21 times of the PER value, will result in an index target frame ranging between 1,368 - 1,596 points under the assumption that the performance of listed companies has a chance of growth of 38.8% YoY and a 3% YoY growth in the Thai economy (GDP). The Thai economy is very much likely to recover from 2020 due to the expectation of a resumption of more normal economic activity from adaptations to a new normal lifestyle and the introduction of vaccines in several countries around the world. In addition, Thailand is expected to play a major role in assisting in the growth of international trade, as well as, revival of tourism, which is the core of the Thai economy. Factors that needs to be monitored closely include: 1) the global COVID-19 pandemic situation and the speed in introducing vaccinations which will have a direct effect on the global economic activities, 2) economic stimulus measures and remedies to help those who were affected by the COVID-19 pandemic, and 3) low interest rates trends and injecting liquidity into central bank systems, which as a result, will maintain consistent high liquidity in the system. Factors that will significantly affect the direction of global asset movement will depend on the direction of change, and the period and method of withdrawing liquidity from the system.

As for securities in 2021, it is expected that the brokerage business will face higher competition. Currently, there are a total of 38 securities companies, which might make it susceptible to price competitions. However, in order to survive commission liberalization, each securities company should be well-prepared to maintain its existing customer base and expand its new customer base by improving service quality in terms of both investment advice and quality analysis, in addition to, accelerating new innovative products, such as 1) automated stock trading services through artificial intelligence (AI) technology, which is comparable to a human brain which is able to adapt to changing events and situations that may arise. 2) Securities Borrowing and Lending (SBL), is the borrowing and lending of securities between lenders and borrowers, 3) single stock futures trading, whereby brokers will engage contracting parties to trade single stock futures, whether it is Long, or Short, or Block Trades, including income distribution to other businesses such as the investment banking business or the private fund management business, etc., in order to reduce the risk of solely relying on income from the brokerage business, and 4) expanding investment product portfolio to includer new assets such as the trading of popular cryptocurrencies, such as Bitcoins, etc.

Risk Factors

AEC Securities Public Company Limited considers the importance of risk management according to the constantly rapid changing environment that affects the Company directly and indirectly. As a result, the Company has a risk control and management department that is essential and to the Company. The risk control and management department is responsible to regulate and must follow the policies of the Board of Directors Executive Committee and Risk Management Committee and also report to the working group's risk management and anti-money laundering monitoring the results of the risk. Moreover, there is a Compliance and Internal Audit Department that functions independently and is responsible for auditing and reviewing the affairs of the Company.

Risks that can affect the Company are as follows: strategic risks, operational risks, financial risks and compliance risks, all of which the Company has developed measures to control as follows

1. Strategic Risk

The strategic risk is the risk relating to the mapping out of the strategic plan, operational plan and the application of such plan for practical implementation. In addition, it includes the changes derived from the external and internal factors consequently affecting the mapping out of the strategic plan or operations in attaining the main objective, goal and operational guidelines of the company.

The Company has organized the business structure in accordance with market fluctuations and rapidly technological changes by adhering to the distribution of revenue structure in various businesses more than the securities and derivatives brokerage business. Such as securities underwriting business and bond issue business.

- **Risk associated with underwriting**

The company carries out the investment banking business by taking the jobs as the underwriter. The risk which could possibly occur is a loss from taking the securities remaining left from the underwriting service for putting into the investment account of the company. Because of the reason that the underwriting service which is in an inappropriate quantity and price or affected from the securities trade condition fluctuation in the Stock Exchange of Thailand, the interest rates and foreign currency exchange rates have consequently resulted in the investors to not subscribe or subscribe the securities which the company is the underwriter not in fully complete account which may affect the company's liquidity. To reduce such risk, the company then conducted comprehensive analysis together with the tests on market demands, Net Capital Rule (NCR) level of the company in the case for which the company has provided any underwriting service and that not all the securities could be distributed. Prior to submitting to the Investment Banking Committee, the company Executive Board of Directors and Board of Directors have made a consideration first before agreeing to enter into such Underwriting Service Contract (in accordance with the approval power level and the transaction volume). Provided, however, that the company has maintained NCR at the rate higher than the criteria prescribed by Office of Securities Exchange Commission (SEC) the whole time which as at 31 December 2020, the company accounted for the NCR of 328.42% or in monetary amount of 215,633,913 Baht.

- **Bond Issue Business Risk**

A risk associated with bond trader business may be arisen from the counterparty who cannot comply with the obligations prescribed under the bond or as agreed upon including the bond issuer's credit risk ranking which has been reduced that may affect the returning income from the bond to be lessened, as well. For deb instrument, The Company has set criteria guideline and standards of debt that can be invested. For providing service to clients wishing to issue bonds for distribution, the Company has developed personnel to be understating about rules and

regulations regarding to be able to perform correctly. In addition, the Company has fix income committee to be consider and selecting debt instrument that the Company will distribute to customer to ensure that the debt instrument are quality. This is for the Company to be able operate the business correctly, transparently and to achieve the set goals.

2. Operational Risk

Operational risks is a risks associated with the operation of the system and personnel in each of the activities Within the company and risks associated with managing information technology, including information in order to achieve the performance targets. The operational risk will affect the efficiency of the process and the mail objectives of the company as a whole.

- **Risk associated with personnel**

In presently, the securities business is a highly competitive environment, personnel with knowledge, experience and expertise is essential to the success of the Company. In such a competitive environment, there are always risks in personnel moving within and out of the Company. If experienced personnel leave the Company, this will affect the revenues of the Company.

Nevertheless, the Company recognizes the importance of human resources to carry out its business steadily and consistently. So, the company has continually developing personnel with training, including provides effective ongoing as well as increase awareness of ethical awareness to the personnel of the Company and clear and appropriate remuneration. In addition, the company also has a policy of personnel aimed at creating a new generation of effective and ethical behavior.

- **Corruption Risk**

Corruption means all forms of bribes and/or the use of information or the exercise of position power wrongfully in order to acquire a benefit for which a person is not entitled. Forms of the corruption include an offer to give, a covenant, giving, giving a promise, requesting, giving or receiving money or property or any other benefits which are improper or inappropriate to government officials and organizations, private organizations or persons having duty to perform, whether directly or indirectly, in order to bribe such person to perform or omit to perform in order to enable the briber to acquire or maintain a business or any other benefits which are unsuitable in the business way.

The company upholds ideal in carrying out business operations with righteousness in the way of good corporate governance and declares its intention in firmly adhering to its obligations on social responsibility to the societies and all related parties as well as become a member of the “Collective Action Coalition Against Corruption (CAC)”. In order to express its intention and firm determination on counter corruption of all forms, the company has therefore mapped out a policy defining suitable responsibilities, practical guidelines and operational requirements to prevent corruption practice with all company’s business activities and that in order to enable the decision making including the business operations which may pose a risk on the corruption to be brought up for consideration and carefully implemented, the company therefore make the “Anti-corruption Policy” in writing for use as expressly practical guidelines in carrying out the business operations and development toward a sustainable organization and as the principle of executions for all Directors, Executives, staff and employees including persons related to the business operation to strictly comply with.

The company has mapped out the Regulation, Standard Operating Procedure (SOP), Customer Service Manual in writing for the staff and employees to strictly comply and that the punishment will intensely be inflicted upon persons committing the corruption-related offence.

3. Financial Risk

Financial risks are risks that affect the financial position of the Company and such risks may be divided into 1) Credit Risks, which are caused by customers defaulting due to breaches in the agreements and not paying their debts, and 2) Market Risks, which are caused by fluctuations in interest rates, exchange rates and prices of securities. The risk factors are below;

- **Credit Risk**
 - **Risks from Credit Balance Accounts**

The Company has established policies and guidelines for the control of risks associated with credit balance accounts by evaluating the trading limit in accordance to the financial position of customers to trade securities and discharge their debts. The Company constantly revises the trading limit of customers and adjusts them to the financial position and trading behavior of customers. In addition, the Company also limits the credit limit of each customer not to exceed the overall credit limit of all customers to protect against financial risks.

Furthermore, the Company also determines lists of approved securities for trading on credit balance accounts in order to determine securities with quality and standard. The Company will consider basic factors and liquidity in the trading of securities (Market Capitalization, Daily Turnover Ratio, Price-Earnings Ratio, Price/Book Value Ratio), as well as determining the volume of securities to be used for trading or as margin, in order to limit over-possession of any single security. To this end, the Company constantly monitors such measures on a daily basis, including determining the policies for using securities as margin, calling margin, force selling, to limit losses that may occur to customers and the Company. Furthermore, the credit control committee meets on a monthly basis to consider all issues related to loans and risks associated with providing loans for securities trading.

- **Risks from Derivatives Trading**

In futures trading, the Company holds risks from the margin provided by customers to settle debts at the Futures Exchange Clearing House derived from customers making losses in futures contracts. Therefore, to reduce such risks, the Company will only consider customers who are knowledgeable and experienced in futures trading as stipulated by the Company and determine the appropriate trading limit. The financial position, ability to settle debts and ability to provide cash before making trading orders are essential in determining customers. The Company is constantly evaluating trading limits and monitors the trading of futures by customers, as well as making sure that the margin is at the appropriate level according to the relevant regulations. This is to limit huge losses suffered by customers, including force selling should customers breach their agreements.

- **Market Risk**
 - **Risks associated with Market Fluctuations**

The company's revenue and business are related to both global economic and domestic, and capital market conditions in which are uncontrollable factors and inevitable. Any critical change in these aspects may

cause impact on the stock exchange market. As a consequence, it could directly impact company's revenues and businesses. The economic situation is still uncertain; the market fluctuations are still going on which may have an effect on the movements of the capitals and investors' confidences in the Stock Exchange of Thailand and may result in the securities trade value to decrease which will eventually affect the securities trade commission which is the company's important income. Due to the uncertainty of COVID-19 pandemic which includes limitations of vaccine accessibility and vaccination progress in Thailand. The delay of public disbursement to revive the economy, domestic consumption stimulus programs which will come to an end in the first half of 2021 and fragile financial stance among business operators particularly the SMEs. Insufficient financial measures offered by the government may result in corporate liquidity shortages and eventually affect employments and the overall economy. Nevertheless, the company still has the goal to maintain the market share not to be lower than the existing one and is trying to compete in order to increase the market share to be higher by integrating modern technology and innovations to provide convenience for valued customers and gain competitive advantages. In addition, the company may diversify revenue stream by expanding its other businesses rather than being the underwriter such as the investment banking and bond trader.

- **Risks associated with the investment impairment**

The company has the investment in the equity with the associated risk from the fluctuations in the price of the securities according to the market situation. The company implements the risk preventive measure on such particular matter. Which, in this respect, on the part of being the investment for the account, the company has distributed the investments to be short-term and long-term investments in various categories of the instruments and designated the Investment Committee to map out policy and guidelines on the investments for the Investment Department for use as practical guidelines on the investments. The investments in any securities have been defined to be in accordance with the policy for use as the practically operational guidelines and that on the part of the investment for risk management associated with the derivative instrument, the Investment Committee has been entrusted to map out the policy and guidelines on the investment for risk management, as well.

4. Compliance Risk

Securities companies operate under the laws, rules and regulations of the SEC SET and AMLO. Should such rules and regulations change, they may affect the competitiveness, financial costs and operations of the Company. Any breach of the rules or regulations by intention or negligence may cause the Company to be suspended or lose its variety of licenses.

To protect against such risks, the Company has appointed the audit and compliance department, which is independent from management, to monitor and follow the operations of the Company under the relevant regulations and policies of the Company, as well as informing the government sector and related person.

Other Important Information

Events after 31 December 2020;

- On 4 January 2021, the Company reports the results of the exercise of the warrants in the subscription of the Company's ordinary shares (AEC-W6) to the Stock Exchange of Thailand, none of the shareholders for exercised.

Shareholder Information

1. Amount of Registered Capital

As of 31 December 2020, the Company has a registered capital of THB 5,815,182,788 and a paid-up capital of THB 4,284,871,528 in the amount of 4,284,871,528 ordinary shares (no preferred shares) at a par value of THB 1.00

2. Shareholders

The top twenty major shareholders of the Company as of the Book Closing Date on 31 December 2020.

No.	Shareholder	Amount of Shares	Percentage of Registered Capital
1	Mr. Praphol Milindachinla	1,069,467,033	24.959
2	Mr. Luchai Phukhan Anan	635,735,500	14.837
3	Ms. Yuwadee Wachiraprapa	613,091,751	14.308
4	Mrs. Kingkarn Samitanon	376,064,897	8.777
5	Mrs. Anunya Ruangsakvichit	242,512,894	5.660
6	Ms. Pimsuda Suttisonk	215,260,578	5.024
7	Mr. Tanet Panichiwa	161,800,000	3.776
8	Mrs. Nirumol Mangthab	148,805,621	3.473
9	Ms. Pavitra Chatritichaikul	59,943,100	1.399
10	Ms. Siriwan Panichiwa	42,000,000	0.980
11	Mrs. Vimolwan Milindachinla	37,367,100	0.872
12	Mr. Anurot Saneepakornkai	25,800,000	0.602
13	Mr. Suchaicharn Wongpiyabaworn	22,381,400	0.522
14	Mr. Kulvat Janvatanavit	20,000,000	0.468
15	PP Prime Public Company Limited	18,500,200	0.432
16	Thai NVDR Company Limited	15,504,300	0.362
17	LGT BANK (SINGAPORE) LTD	10,932,500	0.255
18	Mr. Kecha Noen Sawai	10,549,400	0.246
19	Mrs. Duangta Jaiyen	10,000,000	0.233
20	Ms. Kantakorn Smittanon	10,000,000	0.233
	Total	3,745,716,274	87.418

3. Public Offering

1) Increase of ordinary shares of AEC Securities Public Company Limited

(A) Decrease of Capital

The Annual General Meeting of Shareholders year 2020 held on 20 July 2020 approve the reduction of the registered capital of the Company from Baht 2,414,615,498 to Baht 1,224,249,008 by issuing 1,224,249,008 new ordinary shares at a par value of Baht 1 each by eliminating the registered ordinary shares and the unissued warrants in the amount of 1,190,366,490 shares at the par value of 1 baht per share.

(B) Increase of Capital

The Annual General Meeting of Shareholders year 2020 held on 20 July 2020 approve the increase of the registered capital of the Company from Baht 1,224,249,008 to Baht 5,815,182,788 by issuing 5,815,182,788 new ordinary shares at a par value of Baht 1 each by issuing new ordinary shares in the amount of 4,590,933,780 shares.

(C) Allotment of Newly Issued Ordinary Shares

The Annual General Meeting of Shareholders year 2020 held on 20 July 2020 approve the allocation of newly issued ordinary shares in the amount of no more than 4,590,933,780 shares at the par value of 1 baht per share to be offered to the existing shareholders of the company in proportion to their shareholding (Right Offering: RO) of 3,060,622,520 shares at a ratio of 0.4 existing shares per 1 new share (in case of There is a fraction of the shares to be discarded) at the subscription price of Baht 0.10 per share (ten satang) and to accommodate the exercise of Warrants of the Company No. 6 (AEC-W6) of 1,530,311,260 shares in proportion to their shareholding. Without charge at the ratio of 2 new ordinary shares per 1 unit of the Company's warrant (AEC-W6)) (in the event that there is a fraction of the shares, such shares shall be rounded off), the exercise price is 0.20 baht (Twenty satang) per share.

(D) Issuance and offering of warrants to purchase ordinary shares of the Company

The Annual General Meeting of Shareholders year 2020 held on 20 July 2020 approve the issuance and offering of warrants to purchase ordinary shares of the Company No. 6 (AEC-W6) to the existing shareholders of the Company in accordance with their shareholding proportion. And made payment for the subscription of the newly issued ordinary shares of the Company (Right Offering) and / or to the private placement (Private Placement) who have been allocated not more than 1,530,311,260 ordinary shares.

2) Details of the Warrants to Purchase the Ordinary Shares of the Company Series #3 Issued to the Private Placement Subscribers (AEC-W3)

Type of Warrants	The third series of warrants to purchase the newly issued ordinary shares of the Company ("AEC-W3")
Category of Warrants	Stated the name of the holder and transferable

Maturity	Not more than 3 years from the Issuance Date
Amounts of Warrants Issued	50,000,000 Units
Selling Price/Unit	-0-
Allocation Method	AEC-W3 will be allocated to the Private Placement subscriber at the ratio of 1 unit of warrant for each 2 newly issued ordinary shares.
Number of Ordinary Shares Reserved for the Exercise of AEC-W3	50,000,000 common shares with 1.00 Baht par value each, or 5.92% of the current outstanding common shares as of 19 December 2013
Conversion Ratio	1 unit of warrant can be converted to 1 ordinary share (except there is any adjustment to rights)
Exercise Price	3.00 Baht/share (except there is any adjustment to rights)
Exercise Periods	<p>The warrant holders can exercise their rights on the last business day of every March and September between 9.00 am to 3.30 pm over the tenor of the warrants.</p> <p>The first exercising date is 31 March 2015 and the last exercising date is 26 March 2018 the date when the warrants are mature. If the exercising date is a holiday, the exercise date will be the last business day before the exercise date.</p>
Declaration of Exercising Rights	Within 5 days before the exercising period
Last Declaration of Exercising Rights	Not fewer than 15 days before the last exercising period
Conditions on Warrant Exercising Rights	According to the terms and conditions of AEC-W3, as approved by the Shareholders.
Conditions on Issuing Additional Ordinary Shares in case of Right Adjustments:	When there is an adjustment of exercise price and conversion ratio as stipulated within the terms and conditions of AEC-W3.
Offering Period for AEC-W3:	The allocation of AEC-W3 to the existing shareholders who subscribe to the Private Placement will be made within one year after the Approval of the Shareholders.
Secondary Market for AEC-W3	None
Secondary Market for the Ordinary Shares Issued for the Exercised Warrants:	The Stock Exchange of Thailand

Benefits of the New Ordinary Shares Issued for the Conversion of Warrants	The New Ordinary Shares Issued from the Conversion of Warrants will have the same rights and benefits as the existing ordinary shares
Conditions for Right Adjustment	<p>Exercise Price and Conversion Ratio can be adjusted over before the maturity of the warrants, AEC-W3, in order to maintain the rights and benefits of the warrant holders under the following circumstances,</p> <ol style="list-style-type: none"> 1) when there is a change in the par value of the shares of the Company as a result of the share merger or share splits, 2) when the Company sell newly issued shares at the price below 90% of the market price, 3) when the Company sell convertible securities with the exercise price below 90% of the market price, 4) when the Company pays stock dividends, fully or partially, to the shareholders, 5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and 6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders. <p>The Board of Directors or any assigned Person will make decisions on changes in terms and conditions related to the adjustment in exercise price and conversion ratio.</p>
Remaining Warrants after Expiry Date	The Company will cancel the warrants of the whole amount.
Other Conditions	<p>Assign the Board of Directors or any Person assigned to have the authority to set conditions and details of the AEC-W3, including the offering and allocation methods, negotiation, entering into any contract or agreement, acquiring permission from any state agency (if needed), or any necessary transaction related to the issuance of AEC-W3, and to register the AEC-W3 with the Stock Exchange of Thailand.</p> <p>The Company will not extend the maturity of AEC-W3 or make any adjustment other than those stated herein.</p>
Registrar of the Warrants	Thailand Securities Depository Co., Ltd.

2) Details of the Warrants to Purchase The Ordinary Shares of the Company Series #6 Issued to the Private Placement Subscribers (AEC-W6)

Type of Warrants	The five series of warrants to purchase the newly issued ordinary shares of the Company (“AEC-W6”)
Category of Warrants	Stated the name of the holder and transferable
Maturity	<p>3 years from the date of issue and offering of warrants (The issuing date of the Warrants is 9 September 2020, the maturity date is 8 September 2023 and the last exercise date is 8 September 2023. The warrant Will be removed from the status of listed securities on the next day).</p> <p>The company will not extend the term of the warrants and there is no requirement to call the warrant holders Exercise before maturity</p>
Amounts of Warrants Issued	1,530,311,260 Units (At par value of 1 baht per share), representing 125 percent of the total number of outstanding shares of the company as of 8 June 2020.
Selling Price/Unit	-0-
Offering Method	The Company will offer warrants to the existing shareholders who subscribe to the newly issued ordinary shares of the Company. To be issued and offered to existing shareholders in proportion to their shareholding (Right Offering) and / or to private placement (Private Placement) who have been allocated the newly issued ordinary shares. (In case there are remaining shares from the exercise of the right to subscribe for the newly issued ordinary shares of the existing shareholders of the Company)

Allocation Method	Allocation of AEC-W6 Warrants to the existing shareholders who subscribe to the Company's newly issued ordinary shares The warrant will be allocated AEC-W6 to the existing shareholders of the Company. The names appear in the share register book on the date that the Board of Directors determines the list of shareholders entitled to subscribe to the newly issued ordinary shares of the Company (Record Date), which is August 3, 2020 who have subscribed and paid for the subscription price of the newly issued ordinary shares of the Company (Right Offering) and / or to the private placement (Private Placement) who have been allocated the newly issued ordinary shares. (In the event that there are remaining shares from the exercise of the right to subscribe for the newly issued ordinary shares of the existing shareholders of the Company) according to the Board of Directors And / or the Executive Committee And / or Chairman of the Executive Committee And / or Chief Executive Officer Or a person authorized by the Board of Directors And / or the Executive Committee And / or Chairman of the Executive Committee And / or Chief Executive Officer The details related to the allocation of the said newly issued ordinary shares. According to the shareholding proportion Without charge in the ratio of 2 new ordinary shares subscribed to the newly issued shares per 1 unit of warrant And the offering price of the new ordinary shares 0.10 baht per share (ten satang), the offering price of the warrants version 6, 0 baht (zero baht), the exercise price of the warrants version 6 0.20 baht (twenty Satang) per share (unless there is a right adjustment)
Conversion Ratio	1 unit of warrant can be converted to 1 ordinary share (except there is any adjustment to rights)
Exercise Price	0.20 Baht/share (except there is any adjustment to rights)
Exercise Periods	The warrant holders can exercise their rights on the last business day of every June and December between 9.00 am to 3.00 pm over the tenor of the warrants. The first exercising date is 30 December 2020 and the last exercising date is 8 September 2023 the date when the warrants are mature. If the exercising date is a holiday, the exercise date will be the last business day before the exercise date.
Declaration of Exercising Rights	Within 5 days before the exercising period
Last Declaration of Exercising Rights	Not fewer than 15 days before the last exercising period
Conditions on Warrant Exercising Rights	According to the terms and conditions of AEC-W6, as approved by the Shareholders

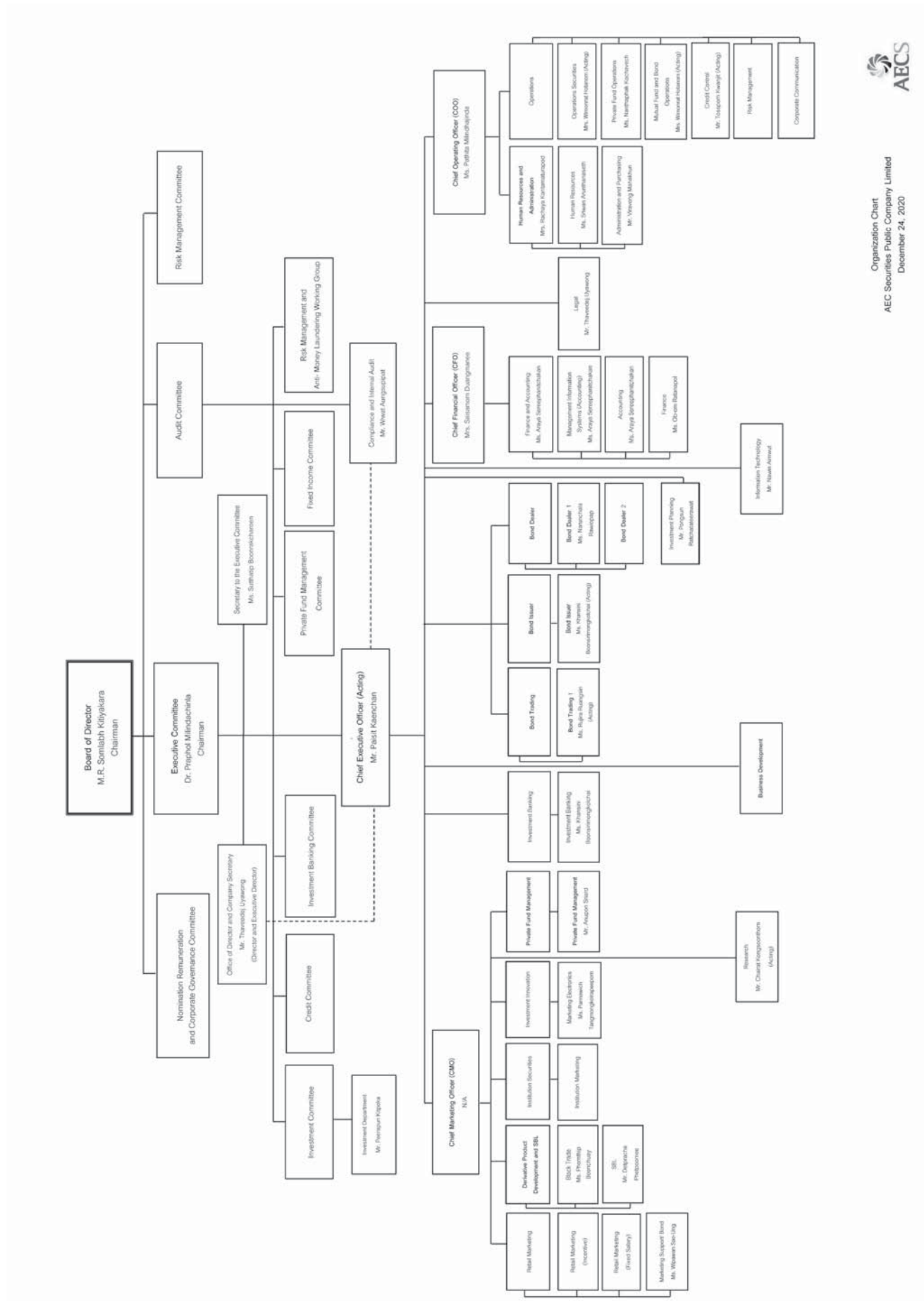
Conditions on Issuing Additional Ordinary Shares in case of Right Adjustments:	When there is an adjustment of exercise price and conversion ratio as stipulated within the terms and conditions of AEC-W6.
Offering Period for AEC-W6:	Dates to be set by Board of Directors Or the Executive Committee or the Chairman of the Executive Committee or Chief Executive Officer or a person authorized by the Board of Directors and / or the Executive Committee and / or Chairman of the Executive Committee and / or Chief Executive Officer and the Company will allocate the warrants to the existing shareholders who have exercised the right to subscribe for the newly issued ordinary shares of the Company (Right Offering) and / or to the private placement (Private Placement) who have been allocated the newly issued ordinary shares. (In the event that there are remaining shares from the exercise of the warrants from the existing shareholders of the Company) within a period of 1 year from the date of approval for the issuance and offering of warrants from the Shareholder Meeting of the Company.
Secondary Market for AEC-W6	None
Secondary Market for the Ordinary Shares Issued for the Exercised Warrants:	The Stock Exchange of Thailand
Benefits of the New Ordinary Shares Issued for the Conversion of Warrants	The New Ordinary Shares Issued from the Conversion of Warrants will have the same rights and benefits as the existing ordinary shares

Conditions for Right Adjustment	<p>Exercise Price and Conversion Ratio can be adjusted over before the maturity of the warrants, AEC-W5, in order to maintain the rights and benefits of the warrant holders under the following circumstances,</p> <ol style="list-style-type: none"> 1) when there is a change in the par value of the shares of the Company as a result of the share merger or share splits, 2) when the Company sell newly issued shares at the price below 90% of the market price, 3) when the Company sell convertible securities with the exercise price below 90% of the market price, 4) when the Company pays stock dividends, fully or partially, to the shareholders, 5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and 6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders. <p>The Board of Directors or any assigned Person will make decisions on changes in terms and conditions related to the adjustment in exercise price and conversion ratio.</p>
Remaining Warrants after Expiry Date	To be cancelled
Other Conditions	<p>Assign the Board of Directors or any Person assigned to have the authority to set conditions and details of the AEC-W5, including the offering and allocation methods, negotiation, entering into any contract or agreement, acquiring permission from any state agency (if needed), or any necessary transaction related to the issuance of AEC-W5, and to register the AEC-W5 with the Stock Exchange of Thailand.</p> <p>The Company will not extend the maturity of AEC-W5 or make any adjustment other than those stated herein.</p>
Registrar of the Warrants	Thailand Securities Depository Co., Ltd.

4. Payment of Dividends

The Company has a policy of paying dividends to shareholders at 75 percent of the net profit for each year. The Board of Directors has the authority to waive this policy or change the policy at their discretion. However, such actions must be for the maximum benefit of the shareholders, such as the necessary use of capital to service any remaining debt, the use of capital to expand the Company's business or to prepare for any changes in the economy and the market that can have an effect on the liquidity of the Company.

Organization Structure



Management Structure

The management structure of the Company consist of the Board of Directors and Sub - Committee are 10 Sub - Committee as following:

- | | |
|---|---|
| 1. Audit Committee | 6. Investment Sub-Committee |
| 2. Nominations and Remuneration Committee | 7. Investment Banking Sub-Committee |
| 3. Risk Management Committee | 8. Fixed Income Sub-Committee |
| 4. Executive Committee | 9. Private Fund Management Sub-Committee |
| 5. Credit Sub-Committee | 10. Risk Management and Anti-Money
Laundering Working Group on Sub-Committee |

Committee

1. The Board of Directors

As of 31 December 2020, the Company has 7 directors on the Board of Directors consist of 3 Executive Directors (42.86%) and 4 Independent Directors (57.14%) as following:

No	Name	Board of Director	Date of
1	Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Directors and Independent Director	30 April 2013
2*	Mr. Paisit Kaenchan	Chief Executive Director (Acting for) Director Member of Nominations and Remuneration Committee Executive Director	30 April 2013 11 November 2019 5 November 2015
3	Dr. Pattanant Petchchedchoo	Independent Director Member of Audit Committee Member of Nominations and Remuneration Committee	12 July 2019 12 July 2019 11 November 2019
4	Dr. Siridech Kumsuprom	Independent Director Chairman of Risk Management Committee Member of Nominations and Remuneration Committee	11 November 2019 11 November 2019 11 November 2019
5	Dr. Premvadee Fongsiri	Independent Director Member of Nominations and Remuneration Committee	22 April 2019 12 November 2018
6*	Mrs. Rachaya Kantamaturapod	Director (Authorized Director) Executive Director	11 October 2017 22 November 2017
7**	Mr. Thaveedej Uyawong	Director (Authorized Director) Executive Director Company Secretary	11 October 2017 22 November 2017 1 September 2014

* Executive Director

*** Mr. Thaveedee Uyawong has resigned from Director (Authorized Director) effective on 23 December 2020 and has reached the retiring age from Company Secretary effective on 1 January 2021*

Authorization and responsibilities of the Board of Directors

All directors are involved in the management of the Company and its business, and are all independent and neutral for the benefit of the shareholders and all stakeholders. The Board of Directors meets at least once a three months to consider various agendas and manage the Company to reduce risks. The scope of authority of the Board of Directors is as following:

1. To manage under the law, objectives and articles of the Company as prescribed at the General Meeting of Shareholders.
2. To manage under the authorities prescribed in the Memorandum of Association.
3. To appoint persons or a group of persons to carry out actions on behalf of the Board of Directors.
4. To formulate policies, goals and plans of the Company, including managing and supervising the management of the Company.
5. To fulfill the roles, responsibilities and duties as directors of the Company as prescribed under the relevant laws such as good faith, code of ethics and accountability to the shareholders.
6. To formulate the management and control of risks in the management of the Company.

Knowledge and Experience of Director

Name	Board of Director	Finance & Capital Market	Law & Regulations	Accounting & Finance	Management
Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Directors and Independent Director				X
Mr. Paisit Kaenchan*	Independent Director Director Member of Nominations and Remuneration Committee Executive Director	X		X	X
Dr. Pattanant Petchchedchoo	Independent Director Chairman of Audit Committee Member of Nominations and Remuneration Committee	X		X	X
Dr. Siridech Kumsuprom	Independent Director Chairman of Risk Management Committee Member of Nominations and Remuneration Committee	X		X	X
Dr. Premvadee Fongsiri	Independent Director Member of Audit Committee	X	X	X	

Name	Board of Director	Finance & Capital Market	Law & Regulations	Accounting & Finance	Management
Mrs. Rachaya Kantamaturapod*	Director (Authorized Director)				X
Mr. Thaveedee Uyawong*	Director (Authorized Director) Company Secretary	X	X		X

* Executive Director

2. Sub-Committees

2.1 Audit Committee

As of 31 December 2020, there are 3 members of Audit committee as following:

No.	Name	Position
1*	Dr. Pattanant Petchchedchoo	Chairman of Audit
2	Dr. Siridech Kumsuprom	Audit Committee
3	Dr. Premvadee Fongsiri	Audit Committee
	The Audit committee's Secretary : Mr. Wiwat Augsupipat	

Authorization and responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure accuracy and adequacy.
2. To consider that the connected transaction or transaction that may lead to conflict of interest has been done in compliance to the relevant laws and regulations.
3. To ensure that the Company has a suitable and efficient internal control system and internal audit system.
4. To ensure the independency of the Compliance and Internal Audit Department and to approve the appointment, transfer or employment termination of the head of the Compliance and Internal Audit Department or other related department.
5. To consider, select, nominate, and recommend remunerations of the Company's external auditor to present to the meeting of shareholders to consider and approve.
6. To review the management of the executives to ensure compliance with the recommendations and policies on compliance and internal audit.
7. To review the Company and its compliance with the laws and regulations related to the SEC, SET and other relevant laws and regulations.
8. To review the risk control and management system, as well as the maintenance and safety of the Company's information technology systems.
9. To report important matters to the Board of Directors.
10. To prepare a report of the Audit Committee as required by the SET and disclose it in the annual report of the Company, and have such a report signed by the Chairman of the Audit Committee.
11. To review and adjust the Audit Committee Charter at appropriate times and in case of any changes to the charter, such changes must be approved by the Board of Directors.

12. In case the auditor finds suspicious behavior that the directors or executives of the Company has committed a breach and reported such breach to the Audit Committee, the Audit Committee will immediately review such breach and report the matter to the SEC and the auditor.
13. To perform any other duties assigned by the Board of Directors.

Remark: The Audit Committee No. 1* Dr. Pattanant Petchchedchoo has expert knowledge and experience in auditing financial statements both of the Non-listed and the listed company. Graduate in Doctor in Philosophy (Accounting) at University of Manchester, United Kingdom and Master of Accountancy, Ohio State University, USA, which as the member of the Accounting Committee on Auditing, the advisor of Accounting Committee on Accounting Education and Technology, Subcommittee of Performance Testing for Auditing, Expert Board Member of Dhurakij Pundit University Council, Vice President of Academic Affairs, Dhurakij Pundit University and Chief Executive Officer of College of Innovative Business and Accountancy, Dhurakij Pundit University and has experience with reviewing and auditing financial statements.

2.2 The Nomination and Remuneration Committee

As of 31 December 2020, there are 3 members of Nomination and Remuneration Committee as following:

No.	Name	Position
1	Dr. Pattanant Petchchedchoo	Chairman of Nomination and Remuneration Committee
2	Mr. Paisit Kaenchan	Nomination and Remuneration Committee
3	Dr. Siridech Kumsuprom	Nomination and Remuneration Committee
The Nomination and Remuneration Committee's Secretary : Mr. Thaveedej Uyawong*		

* Mr. Thaveedej Uyawong has resigned from The Nomination and Remuneration Committee's Secretary effective on 1 January 2021

Authorization and responsibilities of the Nomination and Remuneration Committee

1. Reviewing the Board of Director's structure to be appropriate to the strategies of the company and proposes a guidelines for improving criteria for prospect candidates to be comply with the company's strategies.
2. Recommend and assess the nominees for directorship or the chief executive officer and set up criteria and selection method of qualified candidates propose to the Board of Director for approval.
3. Consideration proposes a guidelines for remuneration to directors and set up criteria remuneration to be reasonable propose to the Board of Director for approval.
4. Consideration to appointment sub - committee for supporting to nomination and remuneration of the committee with compensation or not as appropriate.
5. To perform any other duties assigned by the Board of Director.

2.3 The Risk Management Committee

As of 31 December 2020, there are 2 members of Risk Management Committee as following:

No.	Name	Position
1	Dr. Siridech Kumsuprom	Chairman of Risk Management Committee
2	Mr. Paisit Kaenchan	Risk Management Committee

No.	Name	Position
The of Risk Management Committee's Secretary : Ms. Nongnapat Srijantra		

Authorization and responsibilities of The Risk Management Committee

1. Reviewed the policy of risk management transactions, the company provides comprehensive credit risk (Credit Risk) Market Risk (Market Risk) risk operations (Operation Risk) Risk Strategy (Strategic Risk) risk conditions liquidity (liquidity risk) and other risks, including the risks in Law (Legal risk) and regulation (Regulatory risk).
2. To consider and review the guidelines and tools to manage risks effectively. And appropriate to the nature, size and risk of each transaction in which it operates.
3. To consider and review the limits of risk (Risk Limits / Risk Appetite) and measures in the event did not meet the required threshold of risk (Corrective Measures).
4. Monitoring, risk assessment, both in normal and crisis (Stress Testing).
5. Assessment of the risks that may arise from new products or risk potential for a transaction to be re-established. The guidelines for hedge transactions may occur.
6. To perform risk management duties assigned by the Board of Director and report risk management operation to the Board of Director at least one a year.

2.4 Executive Committee

As of 31 December 2020, there are 4 members of Executive Committee as following:

No.	Name	Position
1	Dr.Praphol Milindhajinda	Chairman of Executive Committee
2	Mr. Paisit Kaenchan	Executive Director and Chief Executive Director (Acting for)
3	Ms.Pathita Milindhajinda	Executive Director and Company Secretary
4	Mrs.Rachaya Kantamaturapod	Executive Director and Head of Human Resource and Administration
The Executive Committee's Secretary : Ms. Sutthatip Boonrakcharoen		

Authorization and responsibilities of the Executive Committee

Responsible for the daily business operations related to the implementation and provide decision management systems and risk controls are adequate in terms of risk and overall risk profile of transactions provided by an analysis of the problems, a major risk measurement, risk control and monitor risks that could result in such damage has been damaged, policy and strategy, credit risk, market risk, liquidity risk and operational risk, as required under the scope approved by the Board of Directors.

In addition to a streamlined operation and internal control system in accordance with the practices and policies of the Company set rules about the cost as follows:

- (A) The cost of the purchasing asset, chief executive officer can approve expenses in an amount not exceeding THB 500,000 per times. The Executive committee can approve expenses in an amount not exceeding THB

50 million per time and if the expense is more than THB 50 million per time, the expense shall be submitted to the Board of Director for approval.

- (B) The cost of supply (other than (A)) Chief Executive Officer may approve expenses in an amount not exceeding THB 100,000 per time. The Executive Committee can approve expenses in an amount not exceeding THB 50 million per time. If the costs exceed THB 50 million per time, the cost shall be submitted to the Board of Director for approval.
- (C) Costs related to employees and directors. Chief Executive Officer may approve charges based on the amount actually paid. The Executive Committee can approve expenses in an amount not exceeding THB 50 million per time, and if the costs exceed THB 50 million per time, the cost shall be submit to the Board of Director for approval.
- (D) Miscellaneous expenses, Chief Executive officer can approve expenses in an amount not exceeding THB 50,000 per time. The Executive Committee can approve expenses in an amount not exceeding THB 50 million per time, and if the costs exceed THB 50 million per time the cost shall be submit to the Board of Director for approval.

2.5 The Credit Committee

As of 31 December 2019, there are 4 members of the Credit Committee as following:

No.	Name	Position
1	Ms.Pathita Milindhajinda	Chairman of Credit Committee
2	Ms. Nongnapat Srijantra	Credit Committee
3	Mr. Tossporn Kwanjit	Credit Committee
4	Mrs. Wimonrat Hotanom	Credit Committee
	The Credit Committee's Secretary : Mr. Tossporn Kwanjit	

Authorization and responsibilities of The Credit Committee

- Determining the direction and review of credit limit of customers in accordance with the rules and regulations of the company, the Association of Thai Securities Companies, the Stock Exchange of Thailand and the Securities Exchange Commission.
- Authorizing credit limit of customers.
- Approval the credit limit of customers for all types of trading account.
- Approval of the list of securities, its quantity and margin rate that is available for short selling and buying under a credit margin trading account.
- Review, amend and change interest rates for deposits and loans for all types of trading accounts related to the securities business and derivatives business.
- Determine policy and direction in risk management related to the securities business and derivatives business.
- Receive reports regarding losses resulting from trades by customers that are accidentally transferred into the company's account.

8. Reviewing and proposing the authorized persons to approve the credit limit of customers for all types of trading account.
9. Review the terms and conditions for new types of transactions.
10. Perform any other duties assigned.

2.6 The Investment Committee

As of 31 December 2020, there are 6 members of Investment Committee as following:

No.	Name	Position
1	Ms. Thanit Lelapatkul	Chairman of Investment Committee
2	Ms.Pathita Milindhajinda	Investment Committee
3	Ms. Ob-om Ratanapol*	Investment Committee
4	Ms. Nongnapat Srijantra	Investment Committee
5	Mr. Tossporn Kwanjit	Investment Committee
6	Mr. Surapak Khampleumjit	Investment Committee
	The Investment Committee's Secretary : Ms. Sutthatip Boonrakcharoen	

Authorization and responsibilities of The Investment Sub-Committee

1. Determine direction and follow-up procedures regarding investment activities of the company, including demanding employees of the company to provide information regarding operations and requesting documentation in order to be reviewed.
2. Follow and evaluate the investment of the company under the objectives and missions of the company, including reporting and providing opinions of such investments to the Executive Committee.
3. Recommending and proposing ideas and opinions to the Executive Committee regarding investments by the company.
4. Perform any other duties assigned.

2.7 The Investment Banking Committee

As of 31 December 2020, there are 4 members of Investment Banking Committee as following:

No.	Name	Position
1	Mr. Paisit Kaenchan	Chairman of Investment Banking Committee
2	Ms.Pathita Milindhajinda	Investment Banking Committee
3	Ms. Thanit Lelapatkul	Investment Banking Committee
4	Head of Investment Banking	Investment Banking Committee
	The of Investment Banking Committee's Secretary : Ms. Sutthatip Boonrakcharoen	

Authorization and responsibilities of The Investment Banking Committee

1. Recommending direction towards policy determination and policy guidance related to the investment banking business of the company to be proposed to the Executive Committee as following:

- Financial Advisory
 - Underwriting
 - Capital Markets
2. Reviewing business operations and its impact related to investment banking.
 3. Reviewing issues regarding risk and rewards.
 4. Determining and amending rules related to the investment banking business.
 5. Reviewing methods towards solving problems arising from the investment banking business.
 6. Reviewing issues of professional conduct and ethics in business operations related to the investment banking business.
 7. Determining directions, follow-up methods and evaluating the business operations and performance of the investment banking department, including demanding employees of the company to provide information regarding operations and requesting documentation in order to be reviewed.
 8. Follow-up and evaluating the performance of the investment banking department under the objectives of the company.
 9. Reporting and providing opinions regarding investment banking to the Executive Committee.
 10. Recommending and proposing ideas and opinions to the Executive Committee regarding investment banking business by the company.
 11. Perform any other duties assigned.

2.8 The Private Fund Committee

As of 31 December 2020, there are 4 members of the Private Fund Sub-Committee as following:

No.	Name	Position
1	Dr.Praphol Milindhajinda	Chairman of Private Fund Committee
2	Mrs.Rachaya Kantamaturapod	Private Fund Committee
3	Mr. Aphisit Limsupanark	Private Fund Committee
4	Mr. Anupon Sriard	Private Fund Committee
	The Private Fund Committee's Secretary : Mr. Anupon Sriard	

Authorization and responsibilities of The Private Fund Committee

1. Determining and approving policies, targets and strategies of investments of private funds.
2. Determining and approving list of securities that can be purchased, including determining strategies for short-term, medium-term and long-term investments.
3. Evaluating investment climate and adjust to the strategies of investments.
4. Review the purchase of securities under the private funds in accordance with the investment policies.
5. Review the performance of private funds using benchmark standards to correctly adjust investments according to each strategy as specified under the investment policies.
6. Review and approve policies towards choosing brokerage companies and securities depository and fees in the operations of the private fund department.

7. Review the investment framework and level of risks associated with the investment policies of each private fund, including following up with the fund manager.
8. Reviewing investments under each private fund in accordance with a safe level of risk.
9. Providing opinions to the compliance and internal audit department in order to correctly adjust the level of risk to the investment climate.

2.9 The Fixed Income Committee

As of 31 December 2020, there are 5 members of the Fixed Income Committee as following:

No.	Name	Position
1	Ms.Pathita Milindhajinda	Chairman of Fixed Income Committee
2	Ms. Ob-om Ratanapol	Fixed Income Committee
3	Ms. Nongnapat Srijantra	Fixed Income Committee
4	Mr. Tossporn Kwanjit	Fixed Income Committee
5	Mr. Surapak Khampleumjit	Fixed Income Committee
The Fixed Income Committee's Secretary : Ms. Wipawan Sae-ung		

Authorization and responsibilities of The Fixed Income Committee

1. Determining policies, targets, strategies, measures towards risk management, interest rates policies, ability to pay back, impacts and risks associated with default, related to the fixed income business in accordance with the policies, rules and regulations determining by the Board of Directors of the Company, the Executive Committee, the rules and regulations of all related agencies and regulators.
2. Review assets, securities and collateral to be used as securities/collateral under the fixed income business.
3. Review and analyze the investment climate related to the fixed income business in order to correctly adjust policies, targets and strategies of the fixed income business.
4. Follow-up, review and evaluate all units under the fixed-income business as define on subject 1.
5. Review the fixed-income business.
6. Perform any other duties assigned by the Executive Committee.
7. Report operation to the Executive Committee.

2.10 The Anti-Money Laundering Committee

As of 31 December 2020, there are 5 members of the Anti-Money Laundering Committee as following:

No.	Name	Position
1	Mrs.Rachaya Kantamaturapod	Chairman of Anti-Money Laundering Committee
2	Ms.Pathita Milindhajinda	Anti-Money Laundering Committee
3	Ms. Nongnapat Srijantra	Anti-Money Laundering Committee
4	Mr. Tossporn Kwanjit	Anti-Money Laundering Committee
5	Head of Compliance and Internal Audit	Anti-Money Laundering Committee
The Anti-Money Laundering Committee's Secretary : Mr. Wiwat Angsupipat		

Authorization and responsibilities of The Anti-Money Laundering Committee

1. Determining risk management of the company to include all types of risk.
2. Assess and control risks associated with providing credit to customers, market risks, liquidity risks, operational risks and risks associated with the rules and regulation.
3. Assess, control and support risk management at a high level, including reassessing the risk management policies and systems, its effectiveness and adherence to policy.
4. Follow-up and evaluate risk management systems of the company at a high level.
5. Demanding executives and/or employees of the company to provide information and requesting documentation in order to be reviewed.
6. Requesting an independent/third-party opinion as necessary, and providing all employees with knowledge and training through workshops and seminars.
7. Determining direction, follow-up methods and evaluating the operations and performance towards anti-money laundering practices and anti-terrorism, including demanding executives and/or employees of the company to provide information and requesting documentation in order to be reviewed.
8. Follow and evaluate the anti-money laundering and anti-terrorism process of the company under the objectives and missions of the company.
9. Recommending and proposing ideas and opinions to the Executive Committee regarding anti-money laundering and anti-terrorism by the company.
10. Perform any other duties assigned.

Management Team

As of 31 December 2020, Management Team as following:

No.	Name	Position
1	Mr. Paisit Kaenchan	Chief Executive Director (Acting for) and Executive Director
2	Mrs. Rachaya Kantamaturapod	Executive Director and Head of Human Resource and Administration
3	Ms.Pathita Milindhajinda	Executive Director and Chief Operating Officer
4	Mrs. Saisamorn Duangmanee	President - Finance Department
5	Mr. Wiwat Angsupipat	Executive Vice President – Compliance and Internal Audit Department
6	Ms. Supaparn Pradolchob	Vice President - Finance Department
7	Ms. Araya Seriphanichkarn	Senior Vice President - Accounting Department

Note: The people No.2-5 who are rank first four management from Chief Executive Officer and position in line of Financial Manager according announcement of SEC's definition.

Participation of the Board of Director in 2019 (as of 31 December 2019)

No.	Name of Director	Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
1	Mom Rajawongse Somlabh	13/13	-	-	-	-
2	Mr. Paisit Kaenchan ¹	12/13	6/10	8/8	12/12	0/14
3	Dr. Pattanant Petchchedchoo	13/13	10/10	8/8	-	-
4	Dr. Siridech Kumsuprom	13/13	5/10	8/8	12/12	-
5	Dr. Premvadee Fongsiri ²	0/13	-	-	-	-
6	Mr. Waiwit Udayachalerm ³	4/13	-	-	-	3/14
7	Mr. Thaveedj Uyawong ⁴	13/13	-	-	-	-
8	Mrs. Rachaya Kantamaturapod ⁵	4/13	-	-	-	7/14
9	Dr. Vichya Krea-ngam ⁶	13/13	-	4/8	-	-
10	Mr. Tai Chong Yih ⁷	3/13	-	-	-	5/14
11	Dr. Praphol Milindhajinda ⁸	-	-	-	-	8/14
12	Ms. Pathita Milindhajinda ⁹	-	-	-	-	11/14

Remark:

¹ Mr. Paisit Kaenchan was change from Independent Director and Chairman of Audit Committee to be Director on 28 August 2020

² Dr. Premvadee Fongsiri was appointment as Independent Director and Audit Committee on 15 December 2020.

³ Mr. Waiwit Udayachalerm was resigned from Director (Authorized Director), Executive Director on 13 April 2020.

⁴ Mr. Thaveedj Uyawong was resigned from Director (Authorized Director) on 23 December 2020 and Executive Director on 13 March 2020.

⁵ Mrs. Rachaya Kantamaturapod was appointment as Director (Authorized Director) on 10 July 2020 and Executive Director on 28 August 2020.

⁶ Dr. Vichya Krea-ngam was resigned from Independent Director, Audit Committee and Nomination and Remuneration Committee on 28 May 2019.

⁷ Mr. Tai Chong Yih was resigned from Director (Authorized Director) on 9 September 2020 and Executive Director on 13 November 2020.

⁸ Dr. Praphol Milindhajinda was appointment as Chief Executive Director on 2 June 2020.

⁹ Ms. Pathita Milindhajinda was appointment as Executive Director on 13 March 2020.

3. The Company Secretary

The Board of Directors has appointed **Mr. Thaveedej Uyawong** as the Company Secretary due to his high qualifications and experience. He is also the Secretary to the Board of Directors, with the following roles and responsibilities:

1. To organize the meeting of shareholders and the meeting of the Board of Directors under the law and articles of the Company, as well as related rules and regulations.
2. To establish and maintain the register of directors, notice of meetings and minutes of meetings for the meetings of shareholders and the meeting of the Board of Directors, as well as the Company's annual report.
3. To record all parties involved in related and/or conflicted matters as reported by the directors or the executives of the Company, and to report such records as prescribed under the law.
4. To recommend and report to directors about their roles and responsibilities under the law and relevant rules and regulation.
5. To maintain and arrange for the disclosure of information as stipulated under the rules and regulations of the relevant authorities.

4. The selection of directors and executives

The executive director and management team are selected from the Board of Director's meeting with the approval from the Nomination and Remuneration Committee. The criteria for selection are as following:

Components and appointment of members of the Board of Directors

- 1) The Board of Director comprises at least 5 members with half of the directors having residence in Thailand. The Board of Directors are chosen based on qualifications as stated in article 68 of Public Limited Company Act B.E. 2535 and related announcement of SEC. The Board of Directors also consider the candidates based on related experience to securities business, and will then propose the appointment of the names at the shareholders' meeting
- 2) In every annual shareholder's meeting, one third of the directors have to leave their positions. If the number of directors leaving cannot be exactly divided by one third, the number closest to one third will be used. The directors leaving in the first and second year after listing are drawn by chance. Then, a director who is in the position longest will have to leave the year after that. Directors then can be reelected.
- 3) The shareholders' meeting will appoint directors by majority votes' as follow:
 - 3.1) One shareholder's number of votes is equal to his/her holding shares.
 - 3.2) Each shareholder must use up all his/her number of votes in 3.1 to select 1 person or many persons to be directors but cannot separate the vote to individual candidates.
 - 3.3) Individuals who gain the highest vote respectively are the elected directors as the number required

during election time. If the event there are too many candidates of equal votes, the CEO will be one who makes the ultimate decision.

- 4) In case the director position is vacant for other reasons other than out of its term, the Executive Committee should find a resolution to a qualified person who does not have legally prohibited qualification to replace with three-fourth majority votes. However, the replaced director can be in the position only as long as the term of previous director left except such director's term is left less than 2 months.
- 5) Shareholders' meeting can have a resolution to withdraw a director before his/her term with the votes of not less than three-fourth of a number of shareholders in the meeting who have a voting right and have total shares of not less than half of the shareholders in the meeting who have a voting right.

Selection criteria for independent directors and members of the Audit Committee

The company selects independent directors and members of the Audit Committee by considering the minimum qualification set by SEC as following:

Qualifications of Independent Director

1. Do not hold more than 1% of the total voting share of the company, the parent company, any subsidiary company, any associated company the Company's major shareholder or controlling entity including the shares held by related persons of such independent Director.
2. Is not nor used to be a director that takes part in the management, employees, advisors who receive regular salary from or controlling entity of the Company, the parent company, any subsidiary company, any associate company, major shareholder of the Company or its controlling entity, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the appointment. However, the aforementioned restriction shall not include the case where an Independent Director used to be a government official or an advisor to any government agency which is the Company's major shareholder or controlling entity.
3. Do not have nor used to have business relationship with the company, the parent company, any subsidiary company, any associated company, major shareholder or the Company's controlling entity in such a way which could potentially interfere with his or her discretion. Is not and have never been a significant shareholder or the controlling person of any entities who has a business relationship with the Company, the parent company, any subsidiary company, any associated company, major shareholder or the company's controlling entity, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the date of appointment.
4. Have not been used to provide professional service which includes legal or financial advisory service for compensation value over Baht 2 million a year to the Company, the parent company, any subsidiary company, any associated company, major shareholder or the Company's controlling entity and is not a significant shareholder, the controlling person or partner to such service provider, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the date of appointment.

5. Is not nor used to be an auditor of the Company, the parent company, any subsidiary company, associated company, major shareholder or the company's controlling entity and is not a significant shareholder, the controlling person or partner to such audit firm to which the auditor of the Company, the parent company, any subsidiary company, associated company, major shareholder or the company's controlling entity belongs to except in the case that he or she remains free from the abovementioned characteristics for a period of not less than 2 years prior to the appointment.
6. Is not related by blood or by legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child, of any other director, management person, major shareholder, any controlling person or the person to be nominated for a director or management position or a controlling person of the Company or any of the Company's subsidiary.
7. Is not a director appointed as a representative of the Company, a major shareholder, or the shareholder who is a related person of a major shareholder of the Company.
8. Have not been conducting any business that is similar to and significantly competing with the business of the Company or its subsidiaries nor being a significant partner in a partnership or a director that takes part in the management, an employee, an officer or an advisor who received regular pay from or holding more than 1 percent of total voting share of another company whose business is similar to and significantly competing with the business of the Company or its subsidiaries.
9. Not having any other characteristics that prevent the exertion of independent opinion with regard to the Company's business.
10. A person who is able to perform duties, express opinions or report results of performances based on his duties entrusted by the Board of Directors independently

The company also considers experience, understanding of the business, the ability to give opinions that are useful to the company's operation in addition to the initial qualifications. At least one of the members of the Audit Committee must have expertise in financial accounting.

1. Remuneration of Directors and Executive

Name	Position	Remuneration / Year (Baht)	Allowance / Meeting (Baht)	Total (Baht)
Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Director and Independent Director	960,000	240,000	1,200,000
Mr. Paisit Kaenchan	Independent Director	480,000	110,000	912,500
	Audit Committee	-	180,000	
	Nominations and Remuneration Committee	-	60,000	
	Chairman of Risk Management Committee	-	82,500	
Dr. Praphol Milindhajinda	Director Advisor	1,820,000	-	1,820,000
Dr. Vichya Krea-ngam	Independent Director	480,000	70,000	640,000
	Audit Committee and	-	50,000	
	Chairman of Nominations and Remuneration	-	40,000	
	Committee	-		

Name	Position	Remuneration / Year (Baht)	Allowance / Meeting (Baht)	Total (Baht)
Dr. Pattanant Petchchedchoo	Independent Director and	480,000	120,000	832,500
	Audit Committee	-	180,000	
	Nominations and Remuneration Committee	-	52,500	
Dr. Siridech Kumsuprom	Independent Director	480,000	110,000	800,000
	Audit Committee	-	50,000	
	Nominations and Remuneration Committee	-	60,000	
	Chairman of Risk Management Committee	-	110,000	
Prof.Dr. Chaiya Yimwilai	Acting Chairman of Executive Committee	175,000	-	175,000
Total		4,875,000	1,515,000	6,390,000

Note: *Directors who are also management executives do not receive remuneration as directors of the Company and allowance per meeting will be paid only to director who attend the meeting.

The Annual General Meeting of Shareholders year 2020 has set up the remunerations of the Board of Directors and The Sub - Committees as rate following;

Board / Committee	Position	Remunerations (Baht/Month)	Allowance (Baht/Meeting)
Board of Directors	Chairman of the Board of Director	80,000	20,000
	Vice Chairman of the Board of Directors	60,000	10,000
	Member of the Board Directors	40,000	10,000
Audit Committee	Chairman of Audit Committee	-	30,000
	Member of Audit Committee	-	10,000
Executive Committee	Chairman of Executive Committee	-	-
	Member of Executive Committee	250,000	-
Nomination and Remuneration Committee	Chairman of Nomination and Remuneration	-	10,000
	Member of Nomination and Remuneration	-	7,500
Corporate Governance and Social Responsibility Committee	Chairman of Corporate Governance and Social Responsibility Committee	-	10,000
	Member of Corporate Governance and Social Responsibility Committee	-	7,500
Sub-Committee	Chairman of Committee	-	10,000
	Member of Committee	-	7,500
Bonus : Board for Operating results for the year 2020 at a rate not exceeding 5 percentages of net profit from operations. By assign to the Board of Director is to determine the appropriate amount.			
Other Benefit : None			

Note: Directors who are also management executives do not receive remuneration as directors of the Company.

On 21 February 2020, the meeting of Board of Directors No. 2/2020 has approved to merger the Corporate Governance and Social Responsibility Committee with the Nomination and Remuneration Committee and changed the name to be "Nomination and Remuneration Committee and Corporate Governance"

The Remuneration of Personnel

The remuneration of personnel for 2020 is as follows:

Salary	69.97	Million Baht
Provident Fund Contribution	2.75	Million Baht
Social Security Fund Contribution	0.82	Million Baht
Marketing Officers' Benefit	11.60	Million Baht
Others	<u>10.30</u>	Million Baht
Total	<u>95.44</u>	Million Baht

Information from Financial Statement as of 31 December 2020

Employee Benefit Expenses	95.44	Million Baht
Remuneration to Directors and Executives	<u>6.39</u>	Million Baht
Total	<u>101.83</u>	Million Baht

6. Personnel

As of 31 December 2020, there were 118 executive and officers in the departments following;

Department	Amount (Person)
The Office of Director and Company Secretary	6
Department of Information Technology Department	7
Department of Investment 1	1
Department of Investment 2	1
Department of Investment 3	4
Department of Compliance and Internal Audit	2
Department of Credit Control	2
Department of Human Resource	2
Department of Administration and Procurement	2
Department of Risk Management	1
Department of Accounting	3
Department of Finance	3
Department of Operation	4
Department of Private Fund Operation	1
Department of Private Fund	2
Department of Bond Trading 1	2

Department	Amount (Person)
Department of Bond Trading 3	-
Department of Institution Marketing	-
Department of Electronic Marketing (E-Biz)	1
Department of Marketing (Fix Salary)	2
Department of Investment Planner	3
Department of Corporate Finance	-
Department of Bond Issuer 1	2
Department of Bond Issuer 2	-
Department of Bond Issuer 3	-
Department of Research Securities	2
Department of Bond Dealer	-
Department of Securities Borrowing and Lending (SBL)	2
Department of Investment Banking 1	3
Department of Investment Banking 3	-
Department of Marketing Support	1
Department of Retail Marketing	7
Division of Human Resources and Administration	1
Corporate Communication	1
Total	69

Human Resource Development Policy

The Company has policy to promoting, developing and improving of the management system and human resource development system allowing employee and executive officer to improve skill and knowledge. Including ability to compete and acute response for reorganization. As well as, developing employee to be modern to be in line with the advanced technology and participation in social responsibility.

For the year 2020, The Company encourages employee to training courses both of inside and outside the organization for motivation to apply and create opportunities to define working path that meet the same goal of the Company.

Corporate Governance

1. Policies on Corporate Governance

As the Company is listed on the Stock Exchange of Thailand, the Company acknowledges the significance of corporate governance in order to demonstrate that the Company has efficient management, is transparent and open to review, which will increase confidence in the Company for shareholders, investors and stakeholders. Therefore, corporate governance increases value and supports sustainable growth for the company. The Company has 5 categories of corporate governance according to the guidelines for corporate governance of listed companies as determined by SET, which are rights of the shareholders, equality of treatment to shareholders, role of stakeholders, disclosure and transparency, and responsibilities of the Board.

2. Supervision of Business Operation in Subsidiaries Company

The Company has its mechanisms to control the operations of its subsidiaries, to protect the Company's investment as follows:

1. Appoint a Company's representative to act as director in subsidiary company; the appointment shall be approved by the Board
2. The representative appointed as director in subsidiary companies has duties as follows:
 - 2.1 Get the Company's Board approval prior to a vote on significant matters of the subsidiary.
 - 2.2 Act for the best benefit of that subsidiary company.
 - 2.3 Participate in the significant policy of the subsidiary.
 - 2.4 Oversee the subsidiary company to ensure it discloses accurate and complete information, such as financial statements, operating results, connected transactions and acquisition & disposition of assets.
 - 2.5 Oversee the subsidiary company to ensure it has appropriate internal control systems.

3. Controlling Inside Information

The Company has measures of protection on using inside information for personal gain or for other persons through abusive self-dealing, such as Directors, Executives and Officers involved in compiling financial information before disclosure to the public (i.e. accounting and finance, executive office and audit and compliance departments). The Company (AECS) will be included on the Watched List on every 15th of the month following the last month of each quarter, until the date that the Company discloses financial information to the public. Directors, executives and officers shall strictly follow this policy and the Company shall appoint a Committee on Discipline and Punishment in case of such breaches of the rules, regulations and articles of the Company. In addition, the Company has measures to protect acknowledgment of inside information between departments and personnel of the Company as follows:

- The Front Office and Back Office are physically separated from each other.
- The Research department and Investment Banking department are clearly separated from each other to protect marketing officers from knowing vital information before they are disclosed to the public for personal gain and/or for the gain of customers and/or other persons.

- The Proprietary Investment department is clearly separated from Retail Marketing department.
- The Company actively controls a Watched List, Restricted List and Research List to control inside information.
- The Company allows directors, executives and officers to open securities trading and/or derivatives trading accounts with the Company. Related persons to officers such as spouse and offspring that have not reached the legal age must allow other Securities Companies to disclose trading information and activities to the Company so that the Company can control and prohibit the use of inside information for the gain of officers and/or related persons.

Guidelines for keeping confidential information and the use of internal information

Employees must not disclose the clients' or potential clients' confidential information except allowed by them or required by laws. Also, they must not use the Company's and clients' internal information for their own or related persons' benefits. In addition, they must not use the information in securities trading recommendation.

4. Remuneration of the External Auditor

The Company acknowledges the significance of accurate information in providing confidence for investors and consumers in the financial statements of the Company. In 2020, the Company and its subsidiaries paid the audit fee to the External Auditor and the related parties to the auditor as follows:

Company and Subsidiaries	Auditor	Audit Fee (Baht)
AEC Securities Public Company Limited	Mazars Company Limited	2,800,000
<i>Subsidiaries</i> : ACE Incorporation Company Limited	Mazars Company Limited	250,000
<i>Subsidiaries</i> : Zipmex Thailand	Mazars Company Limited	500,000
<i>Subsidiaries</i> : O-Mobile Company Limited	Mazars Company Limited	600,000
<i>Subsidiaries</i> : O-Money Company Limited	Mazars Company Limited	250,000
Audit Fee Total		4,400,000

Note The Audit fee does not include any other expenses such as travel expenses, fax and photocopy fees, etc.

The other expenses are charged based on actual expenses.

5. Principles of Corporate Governance

Rights of shareholders

1. Right to obtain profit sharing in the form of dividends

The Company's dividend policy requires the Board of Directors to consider the dividend payment based on performance. If the Company has profits, it will pay dividends of at least 75 percent of net profits to shareholders. Such payment of dividends requires the resolution of the shareholders.

2. Right to attend the Annual General Meeting of Shareholders (AGM)

Before the meeting date

- The Company delivers the notice of the AGM together with related documents in hard copies and annual report CDs to all shareholders (annual reports in document format also provided upon request), prior to the meeting. The Company assigned the Thailand Securities Depository Co., Ltd., as the Company's Registrar in order to send the invitation to its shareholders by registered mail over 14 days prior to the meeting.
- The Company published notice of the AGM with related documents in both Thai and English language on its website, www.aecs.com, under the topic 'Company News', 30 days before the meeting so that shareholders can access such information more conveniently and quickly. Such information are the same as the documents sent to the shareholders.
- In the notice of the AGM, the Company disclosed sufficient information in every agenda to support decision in voting of shareholders.

On the meeting date

- The Company schedules the date, time and venue of the AGM by concerning the convenience of the shareholders, including the elderly and disabled using wheelchairs. The Company provided adequate staff and technology to facilitate the convenience of the shareholders such as staff with expertise in foreign language to assist foreign shareholders, the preparation of a secondary meeting room, communication systems in the meeting room, safety and security in the meeting room, the review of shareholders' documents as well as provided duty stamps to affix the shareholders' proxy forms and providing a reception for shareholders. The Company did not restrict the right to attend the meeting of the late show-up shareholders.
- The AGM was arranged in compliance to the best practice of the Principles of Good Corporate Governance for Listed Companies as follows:
 1. All the Company's directors and management attended the meeting to explain and answer questions to the shareholders. The Chairman of the Board of Directors as chairman of the meeting welcomed the shareholders and asked the Company Secretary to introduce the members of the Board of Directors, Audit Committee, Executive Directors, the Executives of the Company, the Head of Accounting and Finance and the representatives from the Company's independent auditor. The Company notified a list of directors who had no voting rights in any agendas for the meeting.
 2. Before starting the meeting, the Company announced the proportion of shareholders and grantees of proxy attending the meeting, the counting and voting method. All votes of 'disapprove' and 'abstain' were recorded by the shareholders in the voting sheets provided by the company. Regarding the election of Directors agenda, all shareholders have to submit their voting cards which will be kept as evidence.
 3. The Company conducted the meeting respectively as specified in the notice of the AGM. There was no further or switching agendas other than those specified in the notice.

4. The Chairman allowed the shareholders full opportunity to express their opinions in the meeting to comment and ask related questions during the end of each agenda before voting or the last agenda which availed for consideration of other business.
5. The Company provided to the shareholders the transparency of voting rights and separate voting for each agenda so that the shareholders can exercise their rights independently for each agenda. For the agenda on the election of Directors to replace those retired by rotation, the shareholders were able to vote for individual Director by using the voting sheet for every vote cast and all of those sheets were kept for records.
6. The Company conducted and disclosed the vote count on each agenda of the AGM with transparency by specifying number and percentage of all vote casts – approve, disapprove or abstain with representatives from the Company's independent auditor as witness in the votes counting.

After the meeting date

- The Company disclosed the AGM resolution via the Stock Exchange of Thailand's Electronic Company Information Disclosure system before 09.00 hrs. of the business day after the day of the meeting. For the AGM, the Company also disclosed the number of all vote casts – approve, disapprove and abstain.
- The Company provided AGM minutes containing entire important information; date, beginning and closing time, list of present and absent directors, significant explanation, questions and answers, comment summaries, resolutions of individual agenda with number of all vote casts – approve, disapprove and abstain.
- The Company submitted minutes of AGM in both Thai and English language to the Stock Exchange of Thailand and posted on the Company's website within 14 days after the meeting.

3. Right to receive information

The Company ensures that its shareholders receive important information such as the Board of Directors and profiles, major shareholder list, annual report, financial statements, as well as other significant events by posting on its website and always keeping such information updated.

Equitable Treatment of Shareholders

1. Shareholders who cannot attend the meeting themselves are able to grant proxy to others to come to the Meeting and vote on their behalf or the proxy may be granted to the Company's independent directors without any cost on mailing the proxy back or any other costs.
 - The shareholders who cannot attend the meeting by themselves are able to grant proxy to others. The Company encourages its shareholders to use the Proxy Form A, B or C (both Thai and English) in which the shareholders can specify comments in the voting, which can be downloaded from the Company's website.
 - In the Annual General Meeting of the Shareholders, the Company will provide the Minutes of Meeting to SET and on the Company's website in both Thai and English within 14 days commencing from such meeting.

- In case shareholders who wish to grant proxy to others, the Company will provide the names, profiles and details of the independent directors in the notice sent to the shareholders for the consideration of shareholders who wish to grant proxy.

2. Preventive measure against the use of inside information by directors and executive.

The Company set up rules to prevent and report the abusive self-dealing and related party transactions of directors and executives as well as the staff in the related departments. Directors, managing directors and the first four management level executives below the managing director, including the manager of the accounting and finance department with the equivalent position of head director, must disclose the connected transactions of him/herself, spouse and/or minor children and/or close relatives as follows:

- Shareholding in other firm in which the reporter, their spouse, children and/or close relative hold the shares collectively more than 10 percent of the paid-up capital shares with voting right of such firm, must be reported by using the Company's form on 31 January of every year. The report shall be updated to the Company Secretary annually within 15 February of every year.
- Position holding as director or management with controlling power in any other firm by the reporter, their spouse, children and close relative must be reported by using the Company's form on 31 January of every year. The report shall be updated to the Company Secretary annually within 15 February of every year.
- Report without delay if there are any changes of shareholding and/or position holding as director or management of the reporter, their spouse, children and close relative occurring during the year.

The Company has complied with Section 89/16 of the Securities and Exchange Act B.E. 2551, requiring the Company Secretary to submit a copy of the above reports (according to Section 89/14) to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven business days from the date on which the Company has received such reports, which are used when the Board considers transaction between the Company and its directors or executives. The directors or executives having interest or involvement cannot participate in the decision-making process of such transaction, but may be present at the meeting only to provide additional information only.

Role of Stakeholders

1. Treatment of Stakeholders

The company emphasizes the importance and respects the rights of all stakeholders such as shareholders, customers, employees, suppliers, creditors, competitors, environment and society, etc. All stakeholders mentioned above are well taken care of and treated right according to the related laws or agreement made with the Company. The Company always strengthens the cooperation among all stakeholders in compliance to the related regulations for its optimal performance and sustainable growth detailed as follows:

- Shareholders:

The Company aims to perform the best to create maximum satisfaction to its shareholders by concerning the growth of its value in the long term including the disclosure of accountable information with transparency.

- Customers:

The Company aims to fully satisfy their customers with good care and responsibility. New forms of services and channel / choices were developed to serve the customers through accurate and complete information without any distortion and without any breaches of the rules, regulations and articles of external regulators.

Customers' confidential information were kept confidential except on permission or enforced by law to disclose. In addition, complaint receiving system from the customers has been set up which the audit and compliance department will oversee the procedure and guidelines of investigation aiming for immediate best and justified solutions in accordance with the specified period set by SEC.

- Employees:

Employees are the most valuable and important factors to the Company's success. The Company aims to develop and promote a good working atmosphere and encourage teamwork as well as encourage employees to continuously improve knowledge. The Company is always responsible for maintaining a safe working environment to secure all employees' lives and properties and strictly adhering to comply with labor laws for employment, appointment and transfer of employees which it applies on a moral and merit basis in the consideration process and treats employees fairly and equally, as well as providing suitable compensation.

- Suppliers:

Business with any suppliers must not bring about any infamous reputation of the Company or against any law, especially regarding breaches of intellectual property, copyright or patents. The Company treats its suppliers according to the framework of honest business competition and concerns the equality in operating business and mutual benefits with suppliers by complying with the fair trading terms and fair selection.

- Creditors:

The Company has commitment in contract and complies with the terms and conditions set forth in the agreement with creditors in the repayment of principal, interest and collateral custody.

- Competitors:

The Company promotes fair competition policy without monopoly and follows the related rules set by the regulators particularly regulations concerning the rate of brokerage fee in securities trading and remuneration of marketing staff.

- Environment and Society:

The Company aims to comply with environmental laws and regulations, effectively provides a safety environment, promotes employees' awareness of environmental protection such as switching off unnecessary lights, shutting down unused electric office appliances during lunch time, using both sides of printing papers, separate recycle trashs as well as allocates some budget for public charity.

- Human Rights:

The Company ensures that its business is not involved in human rights violations and the Company treats all stakeholders with utmost respect for human rights with an emphasis on non-discrimination on the grounds of race, religion, ethnicity, gender, age, health, social status, class affiliations and political opinions.

2. Notice of clues or complaints

The Company provides a channel for all stakeholders to send the notice of complaint to the Company's Compliance and Internal Audit Department at No. 63, Athenee Tower, Floor 17, Unit no.1701, 1705-1707, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Tel. 02-836-0161 or to wiwat.a@aeccs.com and wilailuck.l@aeccs.com The Compliance and Internal Audit Department will propose to the Audit Committee for consideration and report to the Board of Directors.

Disclosure and Transparency

The Company's disclosure policy is to disclose clear, accurate, sufficient and timely information, both financial and non-financial, to all concerns in relation to the rules set by the SET and SEC and with transparency that is able to be inspected. The Company's information will be disclosed through the Company's annual report and the important information will be disclosed through the SET's electronic system (SCP Portal) and also posted on the Company's website under "Company News" topic. Such information will be updated regularly including the Company's quarterly financial information. Such financial statements are prepared by the Certified Public Accountant who has no relationship whatsoever with the Company and in accordance with the generally accepted accounting standard. Before each disclosure, the financial statement is reviewed and audited by the Company's Audit Committee who is the Company's Independent Director and the Board of Directors.

Besides financial information, other significant non-financial information was also disclosed such as related party transactions, list of top 20 shareholders of each quarter, Board of Directors' and Audit Committee's Charter and other Board's resolutions. In addition, 30 days in advance of the AGM, the AGM documents are disclosed in the Company website in both Thai and English language so that the shareholders are able to study the information before the meeting date. There was also an announcement to allow the minor shareholders to submit the proposal for special agenda and nominate qualified candidates for Directors position in advance to be considered in the AGM. All information disclosed was put in both Thai and English languages and posted on the Company's website and the news was also disclosed on the SET's electronic system to ensure the shareholders of its clear, accurate and sufficiency of the information and to provide sufficient time for them to study the information in each agenda before attending the Meeting by themselves or by granting a proxy to attend the Meeting or to vote on their behalf. Other information which was not able to be put on the Company's website such as remunerations policy as well as types of remunerations was included in the Form 56-1 and the annual report of the Company. The Company has not officially set up an Investor Relations Department as the Company is still considered as relatively small. Nevertheless, shareholders or other investors may reach the Company or contact the executives of the Company by visiting the office of the Company, or contracting through the telephone or by electronic mail.

Responsibilities of the Board

The Company focuses significantly on the role, duties and responsibilities of the Board of Directors as being the one who determines policies and direction of the Company and reveals them to the management who uses them as a direction in operating the Company's businesses towards profit achievement for the benefit of the shareholders. Therefore, the Board's structure and qualifications including the efficiency in carrying out their duties are important factors that the Company are always concerned with. The Company has provided guidelines to Directors and has supported the Directors to attend seminar on the roles, responsibilities and duties of Directors in listed companies organized by the SET and/or other relevant authorities such as the Institute of Directors (IOD), of which all of the Company's directors have attended and completed their course.

1. Structure of the Directors

The Company concerns the appropriateness of structure of the Directors with respect to the Board's Responsibilities. As for the Board of Directors' structure of 2020, the Company's Board of Directors consisted of 5 members comprising 1 Executive Director (20%), 4 Independent Directors (80%), whereby the Chairman of the Board of Directors is not the same person as the Managing Director or the highest management of the Company to assure that the Board can actively perform its duties as shareholders' representative and a balance of power is properly exercised. The Board believes that the Board of Directors' composition is appropriate in terms of number of members compared to the Company's size. The qualifications of the Board especially the Audit Committee members all of which are experts in areas of accounting, finance and law.

The Company has established the Audit Committee, the Executive Committee, the Nominations and Remuneration Committee, and the Risk Management Committee in order to help screen information to facilitate the Board of Directors' decision making or it is able to make its own decision concerning the normal business operations of the Company which is in line with the pre-determined approval authority and along the policies of Company determined by the Board of Directors.

2. The Meeting of the Board of Directors

The Company arranges its Board of Directors Meeting and Audit Committee Meeting regularly on a quarterly basis or at least once times in three months. Before the meeting date, the directors will receive the agenda and documents about 3 - 7 days in advance which is a sufficient time for the members to study and prepare for the meetings. The quarterly meeting for the Board of Directors and the Audit Committee is appropriate and sufficient to oversee that the Company's operations has been running successfully.

In addition to approving the minutes of the previous meeting of the Board of Directors, each meeting of the Board of Directors consists of regular agendas, such as:

- Summary of the minutes of the meeting of the Executive Committee which divided into matters for acknowledgement and matters required further approval from the Board of Directors including the report on each department's performance of the previous month which serves as a form of monitoring of the Company's management operations efficiency.
- Summary of the minutes of the meeting of the Audit Committee which consists of the auditing results in terms of compliance to the rules and regulations of the regulators and the Company's ules as well as internal control and various risk done by the Compliance and Internal Audit Department.
- The approval of disclosing and reporting quarterly financial statements, 56-1 Form, F45-3 Form, Annual Report and the notes and descriptions of any 20 percent change in the operation of the Company's business in comparison to the same quarter of the previous year.
- Update the Company's securities holding of Directors and Executives.

The Board of Directors has established the Executive Committee consisting of the Chairman of the Executive Committee, the Executive Director and the top management from the Company's core departments, in order to help screen information to facilitate the Board of Directors' decision-making or it is able to make its own decision concerning the normal business operations of the Company which is in line with the pre-determined approval authority and along the policies of Company determined by the Board of Directors.

Corporate Social Responsibility (CSR)

The Company operates its business with responsibility for all groups of stakeholders. The Company strives towards this by strictly complying with all applicable laws and regulations. The principles and guidelines consisting of 7 aspects as follows:

1. Fair business operation

The Company is committed to doing business in compliance with the law, giving respect to social rules as well as not committing acts that infringe or degrade the rights of the interested individuals.

2. Anti-corruption

The Company has policies to fight against corruption of all forms directly and indirectly. The Company implements work reviews, financial reports, internal controls and internal audits to ensure proper control systems, which is enough for the risk of any possible corruption.

3. Giving respect to human rights

The Company realizes the importance of humanitarian rights and provides all employees the rights, freedoms and equality in working as well as advancement without discrimination against employee because of position, race, religion, sex, class or political opinions.

4. Fair labor treatment

The Company sets wages at a proper level for the Thai industry. It also provides welfare to its employees in different forms and creates a safe working environment.

5. Responsibilities to the customer

The Company focuses on good services to ensure the highest satisfaction of the customer, adhering to the fairness of price and quality of service and honesty in negotiation and conclusion of the contract, sincere management of customer complaints as well as any attempt to solve any possible deficiencies in activity or services in order to maintain a permanent relationship with the customer.

6. Environmental protection

The Company regularly encourages employees to be environmentally aware.

7. Joint development of the community or society

The Company supports social and community activities and encourages and supports employees to be trainers on investment to investors and students.

Corporate Social Responsibility Operations

Product design

The Company's products are based on the principle of conducting business fairly and responsibly with the consumers. The Company proposes products relevant to clients' needs and that do not impose unfair trade terms with customers or competitors. The Company will disclose complete, accurate, and fair information about the products without any distortion to clients.

When the Company launches a new product, it will educate clients and investors in order to enhance their knowledge and build confidence in the Company's product.

Sources of Funding

If the Company requires new funds, the policy is to try to procure the cheapest source of funds available and not depend upon just a single source of funds. The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are the requirements under the SEC regulations,

Operational laws and regulations

The Company shall strictly abide by all laws and regulations concerning the securities business. The Compliance and Internal Audit Department and Legal Department are responsible for ensuring the Company has effective internal control systems and that the systems are used properly and comply with SEC/SET regulations.

Risk Management

At the heart of the business operation is the question of how to maximize profits while keeping risk at a reasonable level. Under this concept, the Company, who has developed various new financial products, knows that the risk factors must be handled effectively. Therefore, the Company has established a Risk Management Committee as well as other components to see that risk is always balanced with return.

The Company's Risk Management Department is responsible for monitoring all trading positions by systematically calculating Value at Risk (VaR) and also monitoring all the clients' positions by computerized systems. The Company has been able to analytically identify risk and thereby fully realize the full potential of the capital in question. Other innovations by the Company include a variety of standard operational procedures that have been developed to reduce risk in routine operations.

Fair treatment to employees

The Company takes action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion. The Company ensures fair employment and offers fair career advancement opportunities.

Fair competition policy

The Company practices under the international competition rules, commercial practices, and does not seek competitors' information using fraudulent methods. The Company does not seek any competitors' confidential information in a dishonest or improper manner and does not destroy the reputation of competitors by accusing them without honest and factual data.

Anti - Corruption Practices

The Company's staff must not ask or receive any bribes which can lead to misbehavior or omit to do any duties or cause the Company to lose its benefits. The Company's staff must omit to propose, or give benefit or assets to third parties to encourage such third parties to do illegal practices or behavior. Our ideology is to run business ethically based on the Best Practice Guidelines for Business Engagement. We hereby declare the intention to adhere to responsibility towards the society and all related parties, and have participated in the "Collective Action Coalition in Anti-corruption Policy enacted by Thai Private Sector" to show our intention and determination to fight against corruption in any form. To ensure that we have an appropriate policy determining responsibilities, practical guidelines and implementation provisions as a tool to prevent corruption from all business activities, our operations are principally based on the currently reigning monarch's ten royal virtues comprised of ten ways of life: 1.) alms-giving 2.) Morality

3.) Liberality 4.) Honesty 5.) Mildness 6.) Self-restriction 7.) Non-anger 8.) Non-violence 9.) Patience 10.) Non-offensiveness

In order to prudently make a decision on any course of action that could possibly pose fraud and corruption risks. We formulated as principles of conduct a written guideline called “Anti-corruption Policy” to serve as an apparent guideline in performing business and effectively developing to organization of sustainability and require that the Directors, Management Team and all staff, including persons involved in the operations, comply strictly with the Anti-corruption Policy.

In addition, the Company has taken actions to prevent fraud and corruption as follows:

- The Company has communicated the policy to all levels of management and employees to ensure they strictly comply with the policy.
- The Company also provides a channel to inform of violations or corruption and has protective measures for the person who reports the violation or corruption to the Company, by report to Compliance and Internal Audit Department, at Telephone number: 02-836-0160 or Email : Wiwat.a@aecs.com And Wilailuck.l@aecs.com
- The Company will propose to Board of director to review the anti-corruption policy every year.

Anti-corruption Policy

AEC Securities Public Company Limited hereby declares that we do not accept any corruption, covering all transactions conducted by enterprise-wide relevant units. The Directors, Management Team and all staff are required to accept these Anti-corruption measures and prohibited from demanding, committing or accepting every type of corruption both in a direct and indirect manner for organizational, their own or family’s gain, encompassing every business and every related department in every country. Compliance with the Anti-corruption Policy is needed to be reviewed regularly, including with a possible revision of the practical guidelines and implementation provisions in order to accord with business changes, rules and regulations, and statutory requirements.

Duties and Responsibilities Involving Combating Corruption

1. The Board of Directors is responsible for formulating the policy, forming an effective system supporting Anti-corruption act in order to ensure operational compliance with the rules and regulations. The Management Team intensively concerns, emphasizes and cultivates Anti-corruption mindset as the organization’s culture.
2. The Audit Committee is responsible for revision of the financial and accounting system, internal controls and internal audit functions so that such operations are concise, appropriate, modern and effective.
3. The Chief Executive Officer is responsible for putting the Anti-corruption Policy into practice through a required job system, promoting and encouraging Anti-corruption manner conveyed to all staff and related parties. This also includes reconsideration of the job system and measures in order to best adjust with business changes, rules and regulations, and statutory requirements.
4. Directors, executives, and employees are responsible for strictly observing and encouraging the Anti-corruption Policy without either direct or indirect corruption involvement, including whistleblowing or giving information, in order for the policy to achieve successful results.

5. The Compliance and Internal Audit Department is responsible for auditing, assessment, and evaluations in business transactions whether they are accurate and complied with the policy, practical guidelines, approval authority, regulatory practices and laws in order to assure that the operations are proper and the controls are suitable and sufficient for probable risk in corruption. This shall be reported to the Audit Committee.
6. In this Announcement, notification of incidents or reporting in order of chain of command or superiors shall be according to the corporate organizational structure chain of command whereby a director makes notification to the Chairman of the Board, and the Chairman of the Board makes notification to the Board of Directors, in a sequential manner.

Practical Guidelines to Combating Corruption

1. Directors, executives and employees must follow the Anti-corruption Policy and AEC Securities Code of Conduct by avoiding involving with any course of corruption in a direct or indirect manner.
2. Directors, executives and employees shall not neglect or disregard any discovery of an act that falls within AEC Securities related corruption and must notify such act to the supervisors or responsible person, including collaborate with investigation. Any questions or queries are needed to be consulted by the supervisor or a responsible person who monitors AEC Securities Code of Conduct compliance provided in particular channels.
3. AEC Securities shall provide fairness and safeguard staff who denies or informs corruption cases relating to AEC Securities by applying Protection Policy for appellant or persons who incorporate with Anti-corruption information as stated in the Whistleblower Policy.
4. AEC Securities concerns the importance of dissemination, knowledge sharing, and communications with other people who involve or affect the Company so that those parties shall conform effectively to the Anti-Corruption Policy.
5. AEC Securities shall communicate the Anti-corruption measures, whistleblowing channels or complaints to its people through different channels such as director and staff orientations, corporate seminars and training courses, etc., for serious adoption of the measures and to make sure that AEC Securities personnel understand and agree to implement the measures in a serious manner.
6. AEC Securities shall communicate the Anti-corruption measures, whistleblowing channels or complaints to the public, its associated companies, subsidiaries and other companies controlled by AEC Securities (if any), business representatives, and related business partners through different channels such as AEC Securities' website, annual reports, etc., in order to create an understanding and for serious adoption of the measures.
7. Staff shall sign as an acknowledgement of the Anti-corruption measures to affirm their entire acknowledgement, understanding and willing to use the policy in their enterprise-wide performance in a strict manner.
8. AEC Securities put in place a money payment regulation specifying approval authority or limits. Any reimbursement or payment other than in AEC Securities' normal course of business requires documentary proof to prevent inappropriate reimbursements or payments and inappropriate political contributions and to ensure that reimbursement for any charitable cause is not meant for corruption and business support reimbursement is not used as an assertion for corruption.
9. Directors, executives, and employees should not accept or give gifts, entertainment and hospitality activities, and any other expenses that are more than necessary and inappropriate for government officers or persons doing

business with AEC Securities. If a gift with value more than customary for a traditional occasion is received, Directors, executives or employees should deny or refuse to accept such gift and must report it to hierarchical supervisors immediately.

10. AEC Securities shall provide internal audits and controls to prevent corruption, covering sales, marketing, purchasing, contracting, human resources management, finance and accounting, data record storage, performance of works, including other internal processes related to the Anti-corruption measures, and shall cause the audits to be conducted regularly in accordance with the audit process established by the Compliance and Internal Audit Department.
11. This Anti-Corruption Policy shall encompass personnel management process from recruitment or selection to remuneration, promotion, training and job performance evaluation.
12. AEC Securities shall provide a risk management to prevent corruption by identifying incidents with a good chance to be from probable corruption from the operations; assessment of risk levels both in terms of chance and possible impact; and regular monitoring of development in risk management to prevent corruption, including review of appropriate risk handling to keep risks at acceptable levels.
13. AEC Securities shall provide internal audits to ensure that the risk management so established would help AEC Securities to attain the set goals, including internal performance audits to ensure compliance with requirements, rules and regulations.
14. AEC Securities shall cause these practices to be documented in accordance with the internal control principles in order to be in alignment with its policy and regulations.
15. The Compliance and Internal Audit Department must provide as an annual meeting agenda for the CEO to report the annual audit results of Anti-corruption measures to the Audit Committee for further proposing to the Board of Directors.

Political Contribution Guidelines

“Political contributions” means provision of financial or non-financial support to politicians or political parties; non-financial support shall include lending and donation of equipment, free provision of technology services, and promoting and supporting advertisement for a political party and/or encouragement for employees to participate in political activities on behalf of the company. The Company has primary political contribution guidelines as follows:

1. The Company shall not provide financial or supply support to any political party, politicians or political candidates as political contributions according to the definition above, with an objective to wrongfully facilitate business benefits.
2. Directors, executives and employees are free to participate in political activities under the provisions of the Constitution, but with no reference of being directors, executives and employees or with any properties, equipment and devices of the Company to be used for any political undertaking. If a political participation is decided, it must be careful not to suggest that any action is done by or on behalf of the Company.
3. The Company shall inform directors, executives and employees that it shall not participate or assist in any inappropriate political activities and wrongfully facilitate business benefits.

Charity donation and financial aid guidelines

Charity donation in the form of financial assistance or others such as knowledge provision or time devotion is allowed as part of a social contribution activity, however to be undertaken strictly in accordance with the charity donation and financial aid guidelines in order to create business publicity and good image to the Company. It can be done with a purpose for business, product brand or Company's reputation; nonetheless, it may have some risk as it is concerned with spending for services or benefits difficult to be evaluated and followed. Therefore, the charity donation and financial aid guidelines must be strictly observed; such donation and aid may cause the Company to risk corruption because such activity is related to spending without tangible benefits and can be used as excuse or way to corruption. To avoid hidden purposes of charity donation and financial aid, the action must be taken with prudence to ensure that such charity donation and financial aid are transparent and complying with the governing laws and the Company's regulations. In any case, the charity donation and financial aid guidelines are as follows:

1. The Company's directors, executives and employees who wish to join a charity donation or financial aid, shall submit a document requesting approval for charity donation and financial aid, by specifying the donor's name and/or the recipient's name, and the objective of such donation and aid, along with supporting documents, to the Company's authorized person.
2. Those who wish the Company to join charity donation or financial aid shall be responsible for verifying charity organizations, foundations, companies, or stores with which the Company will join the donation or aid prior to submitting it to the authorized person, with the following procedures:
 - 2.1 It is to be ensured that the charity donation or financial aid will not be used as a way to bypass bribery, and that the undertaking thereof is transparent and complying with the governing laws.
 - 2.2 It must be proven that any activities for such charity are really held with undertakings to reach the charity's objective and provide benefits to the society in a concrete way, or to comply with the objective based on the corporate social responsibility.
 - 2.3 It must be proven that such activities are meant for charity and financial aid purposes, with no relation to interest to any person or organization, except for honor announcement based on common etiquette.
3. If the Company finds or is informed by the authority that corruption occurs in the organization, foundation, company or store to which the Company made donation or financial aid, the Company shall suppress the donation or activity support to such organization or company as soon as it is known.
4. Follow-up and verification to ensure that the charity donation or financial aid has not been made for corruption, is part of the compliance procedures.

Guidelines for gifts, hospitality and other expenses

Receiving and giving inappropriate gifts, hospitality and other expenses may lead to corruption risk and open a way to malpractice such as payment of money to be expenses for the Company's directors, executives and employees as bribery; besides, the Company's inappropriate gifts, hospitality or other expenses given to customers may be a practice against the policy of certain customers or trading partners, and cause the Company to lose business opportunity.

The Company is aware of the importance in building good relationships with business alliance so as to bring continual success to the Company, meanwhile to maintain the Company's reputation of running the business with honesty and legality. In any case, the Company's guidelines for gifts, hospitality and other expenses are as follows:

1. The Company's directors, executives and employees are allowed to give or receive gifts, hospitality and other expenses such as a welcoming party or receiving of one from other persons in different occasions according to generally practiced custom, tradition or social manner, with transparency and no hidden purposes. Such giving or receiving shall not create any advantage or profitability through inappropriate acts, or shall not be an obvious or hidden exchange to gain assistance or benefits in return or to cause approval or flexibility in any inappropriate business agreement or decision; and it must be in line with related laws. At all events, any gifts given by the Company shall be in the name of the Company and not personal name, the gifts may be made with the Company's logo or attached with a name card with the Company's logo on it, and they must be proper for the occasion; for example, new year festival, Chinese new year or Songkran, etc. However, the gifts shall not be in the form of cash or cash equivalents such as checks, gift cards or vouchers; except for the form of sale promotion with clearly specified criteria to be practiced in the same way by everyone.

2. The Company's directors, executives and employees shall not demand or receive any gifts, hospitality or other expenses from customers or persons relating to the Company's business in any cases, which can effect on decision making or performing duties with partiality or discomfort or conflicts of interest.

3. The Company's directors, executives and employees shall not receive any unreasonable gifts or compensations owing to duty performance; for instance, in a bidding they shall not receive any gift or hospitality from a bidding or related company.

4. To receive gifts, hospitality or other benefits of over 3,000 Baht or gifts in cash or cash equivalents such as gift cards or vouchers, when in a situation in which one cannot refuse such gifts or benefits as in a meeting with customers, the receiver may accept such gifts or benefits for the time being and report it to the superior immediately. In any case, the Company shall consider further donating the received articles or gifts to charity as appropriate.

5. To give and receive other benefits such as a reception party, it must be ensured that such reception party is not too often held or in a way of too much spending that an obligation is caused to its organizer whether directly or indirectly.

6. The Company shall publicize to its directors, executives and employees the guidelines for gifts, hospitality and other expenses through an annual meeting and other existing communication systems.

7. The Company shall publicize or inform customers, trading partners or those relating to the Company's business on the policy and guidelines for gifts, hospitality and other expenses through company brochures.

Penalties for breach or non-observance of anti-corruption policy

1. If a director breaches or does not observe this policy, the Company shall appoint a committee to investigate the truth about such action in no time. However, the investigating committee shall compose of all the independent directors of the Company. If in an investigation, there is a director who has breached or has not observed the policy in it, it is forbidden for that independent director to be a member of the investigating committee. In case where it is proven that a director has really breached or has really not observed the policy, the investigating committee shall consider a penalty as based on evidence, facts and circumstances as the case may be, and report the result and penalty to the Company's Board of Directors (excluding the breaching director) for further consideration. At all events,

if such breach or non-observance of anti-corruption policy is an illegal act, a legal penalty as prescribed by the law shall also be applied.

2. If a director or employee of the Company commits a breach or non-observance of this policy, they shall be subject to a disciplinary penalty; the punishing method will depend on the facts and circumstances. At all events, if such breach or non-observance of anti-corruption policy is an illegal act, a legal penalty as prescribed by the law shall also be applied along with consideration of employment termination. However, the Company has no policy to decrease positions, punish or bring negative effects to employees who deny corruption even though such act causes the Company the lose business opportunity.

3. The Company uses all the internal communication systems to publicize the penalties if the anti-corruption policy is not observed and the awareness of the policy has no negative effects to employees denying corruption even though such act causes the Company the lose business opportunity.

4. The Company builds the awareness to general employees in terms of anti-corruption policy observance by an employee or several; for example, a eulogy or an award.

Informant protection mechanism

In order to assure informants or appellant, the Company prioritizes data collection, whistleblowing or complaint to be confidential, and has specified the process of receiving the matter and investigating in writing. Such complaint will be acknowledged only by a group of assigned and associated people. If such confidentiality is disclosed, the Company shall detect the disclosing person and execute a penalty to such person. Besides, it is considered as a duty of the superior or the head of the informant or appellant's unit to use his discretion to execute suitable order for the protection of the informant or appellant, witnesses and those giving information for investigation in order for them not to be endangered or disturbed with any injustice due to whistleblowing, complaint, attestation or information, however to be in line with the policy to protect and give fair treatment to the employees informing or complaining about corruption or non-compliance with the laws, regulations, rules and the Company's code of conduct.

Implementation of measures by the Company and related persons

1. The Company shall inform and support subsidiaries, associated companies or other companies under its authorization (if any) on the implementation of anti-corruption measure.

2. It is forbidden for the Company's directors, executives and employees to hire any agent or business intermediary for the purpose of corruption.

3. The Company shall arrange for purchase of products and services with fairness and transparency, and conduct an evaluation to select sellers, service providers, as well as contractors in accordance with the procurement regulations in a strict manner. At all events, the Company shall inform sellers, service providers, and contractors on the present anti-corruption policy and measures.

4. The Company reserves the right to cancel any procurement if it appears that any sellers, service providers, and contractors commit corruption or bribery.

Publicity of anti-corruption policy

1. The Company shall post a notice about its anti-corruption policy in an observable space for everyone in the organization to acknowledge.

2. The Company shall disseminate the anti-corruption policy through its communication channels such as website or pamphlets, to the public.

3. The Company shall communicate the anti-corruption policy and its penalties in case of non-observance, including the whistleblowing or complaining channel in the Company through several methods such as new employees' orientation program, annual seminar and training, or BOD meeting, in order to seriously implement the policy and ensure that the Company has the human resources with sufficient skills for policy execution.

Internal control and report

1. The Company has an internal control system to undertake its tasks with suitability and efficiency, including compliance with the laws and related governmental regulations. In order to reduce the risk of corruption, an internal monitoring system is executed to reasonably ensure that the existing internal control system enables the Company to achieve its goal.

2. The Company specifies the Compliance and Internal Audit Department to prepare a monitoring plan at least once a year; such plan will be approved by the Audit Committee with consideration based on the risk of corruption.

3. The Company shall maintain the internal control system to be effective against corruption, which includes an inter-balance and audit in terms of accounting and finance, data collection and other related business procedures.

4. The Company specifies the process to report audit results and urgent issues as follows:

4.1 The Compliance and Internal Audit Department shall report audit results and issues on a yearly basis minimally to the Audit Committee and parallelly to the Chief Executive Officer.

4.2 After having reported the audit result, the Compliance and Internal Audit Department shall discuss the internal control result with the department administrator, the Chief Executive Officer, and the chairman of the Audit Committee, to find a suitable method of internal control.

4.3 If an urgent issue is found, the Compliance and Internal Audit Department shall directly inform the chairman of the Audit Committee immediately.

4.4 The Audit Committee shall report the audit result to the Company's Board of Directors.

Data collection

1. The Company has a policy to comply with the standard, principle and governing laws in regard to accounting and financial reporting.

2. All types of expense must be supported with documents, approved according to the authorization; and the Company's data collection and storage must comply with the related laws and regulations.

3. The Company does not permit recording of false, illegitimate, incomplete and incorrect information or window dressing. Also, no extra-budgetary account shall be made to support or conceal inappropriate payments.

Human resource management

This anti-corruption policy shall cover the process of human resource management, from personnel recruitment, promotion, training, performance evaluation and remuneration; the Company prescribes that the superior of all levels shall communicate and create understanding with the employees under their responsibility about the policy, and effectively supervise the observance to the policy as follows:

1. Employment

The Company has specified the types and qualifications for recruitment; applicants with specified qualifications must never have a background of misconduct or omitting of duty performance or abuse of function for undue benefits by corruption of any forms; the procedure to recruit an employee is the following:

- Applicants shall submit the application form with supporting evidence as specified by the Company, to the Human Resource Department.
- The Human Resource Department considers the primary qualifications and joins the administrator of the unit requesting the employment in carrying out a knowledge and ability test as appropriate.
- Once the Company has made an employment agreement with any person to work in any position, it shall be deemed that such person is the Company's employee to receive the wage as specified in the agreement or the employee registration as the hiring rate is based on knowledge, skill, experience and the competitiveness in the labor market.

2. Performance evaluation

The Company conducts the employees' performance evaluation in the 2 phases as follows:

- Probationary performance evaluation: new employees must work for the probationary period of 120 days counting from the beginning date of working.
- Annual performance evaluation: to create common understanding towards the working goal and the employees' efficiency improvement in the past year, including an assessment of working behavior, especially that indicating non-performance or omission of performance or abuse of power in seeking undue benefits by corruption in any forms.

Training and communication

1. Board of Directors

The Company shall present information on the anti-corruption policy to all the directors for acknowledgement, and conduct an orientation to new directors in regard to anti-corruption matter.

2. Employees

- All the new employees shall receive a copy of the anti-corruption policy and training on the policy and measure of anti-corruption, as well as the penalties in case of non-observance in the orientation program for new employees.
- All the current employees shall read, study, and sign to acknowledge the anti-corruption policy, in order to ensure that they know and understand the Company's policy against corruption. Besides, they can learn of the updated policy and information in the Company's website as the Company will inform the employees on any significant change of information. All employees shall constantly receive training regarding anti-corruption, so that they are aware of such policy and in particular different forms of corruption, the risk of taking part in corruption and the reporting method in case of finding or suspecting corruption, as well as the penalties in case of non-observance of the present policy.

Measure for whistleblowing and complaining

The Company provides a measure for whistleblowing and complaining on violation of laws and codes of conduct, behaviors of corruption risk or misconduct of any person in the organization, including employees and other interested persons, such action as well as false financial reporting or defective internal control system. The Company must have a protection mechanism for informants or appellants so that the interested persons can be part of the surveillance of the Company's benefits with better efficiency.

Matters of whistleblowing and complaining:

- Violation of laws or the Company's regulations, depravity or misconduct of employees and directors;
- Abnormality of financial reporting;
- Defective internal control system;
- Matters with impacts on the Company's interest.

Channels for whistleblowing or complaining

The Company offers an opportunity for interested persons to communicate with the directors and to be protected of their right for whistleblowing or complaining on any issue, with communication channels through the Company's Audit Committee to undertake the process as specified by the Company and further report to the Company's Board of Directors. At all events, the communication channels are the following:

- Via postal mails, to be addressed to the Chairman of the Audit Committee,
AEC Securities Public Company Limited, 63 Athenee Tower 17th Fl. Unit no.1701,1705-1707, Witthayu Rd.,
Lumphini, Pathumwan, Bangkok 10330;
- Via email, to be sent to Wiwat.a@aeccs.com and Wilailuck@aeccs.com

Internal Control and Risk Management

1. Internal Control

Summary of Internal Control

AEC Securities Public Company Limited understands the importance of internal control in order to protect against potential loss and risks that may arise against the Company and stakeholders. Executives and officers must follow these guidelines:

- Assist and support the internal control process to create a good working relationship and understanding of the roles between executives and officers
- Assist and support all departments to have self-control and internal control according to the Committee of Sponsoring Organizations of the Tread way Commission (COSO) of which there are 5 (five) categories:
 1. Internal Environment
 2. Risk Management
 3. Control of Operations of Management Executives
 4. Communication and Information Systems
 5. Tracking and Review System

Internal Environment

AEC Securities Public Company Limited has a policy of efficient self-control and regulation, internal control and risk management, which the Audit Committee, Risk Management Sub-Committee and Management Executives constantly review. Such policies include financial control and control of operations according to the law and regulations, and to constantly develop such policies and procedures.

The Company promotes directors, executives and officers to understand the necessity of internal control systems, where the Board of Directors supervises and sets clear guidelines for the Company to follow and to allow efficient management. Professional codes of conduct and ethics are instilled in the principles prescribed in the Compliance Manual to prohibit management executives and officers from engaging in conflicts of interests with the Company and to punish those who breach such duties.

Corporate structure also supports efficient and effective management to reach the goals of the Company, where the Board of Directors provides policies for the Company and the Executive Committee provides management direction and operations for the management executives. Furthermore, the Company has an audit and compliance department, and a risk management and control department, to efficiently and effectively regulate and control the internal environment and potential risks. Such guidelines are provided in writing to protect against corruption issues. Nomination of qualified personnel by considering knowledge, experience and qualifications to meet each job description, where each job requires different roles and responsibilities, is essential to the Company, its business and its corporate culture. Orientation of new personnel is important so that new personnel understand the vision and mission of the Company. The control of each department is controlled by the heads of each department, who creates a check and balance system for all types of business that the Company is engaged in.

Risk Management

AEC Securities Public Company Limited has clear objectives that coincide with the visions, missions and

Strategies of the Company. Such objectives are at a satisfactory level to allow for efficient and effective management, as well as at an acceptable rate of risk. Stress scenarios are used to prepare against possible negative scenarios and to evaluate potential damage and loss that may occur. The Company constantly develops and prepares against stress scenarios under careful risk management.

The Company has a policy of risk management and is constantly evaluating internal and external risks that may affect the Company, as well as establishing measures to review causes of risk factors and measures to decrease such risks under the management and control of the Executive Committee. Such measures are communicated to all the departments of the Company to prepare against any potential risks in protection against potential damage and/or loss. Audit and review of the internal environment to ensure that operations of each department are proceeding as planned by the risk management and control plan, especially regarding the Net Capital Rule (NCR) for Credit Balance accounts and proprietary trading accounts of the Company.

Risk Management Department work together with related department to determine how to respond for the risk in the acceptable level. By selecting the appropriate response to deal with the probability and effect, which comparing the cost and benefits including monitoring and review of the measures in response to the risk according the regulatory, Monitor operation of the company in accordance with related regulatory to reduce the risk of the business and maintaining in the event of a crash occurs. Establish a committee investigation that includes federal agency to find out the facts and solutions to prevent such errors.

Control of Operations of Management Executives

The Company has established and separated the scope of roles and responsibilities, as well as the authorization limit, of management executives and committees at each level. Issues such as recording information, accounting information and communication information are separated from each other to allow for checks and balances. In case the Company engages in related party transactions or acquisition and disposition of assets, the Company has provided written regulations where related parties must disclose to the Company as soon as possible and such related parties shall not be involved or vote on that transaction. Such information shall also be disclosed to public with the interests of the Company and shareholders regarded as highest.

Information and Communication

The Company has established clear, accurate and efficient information and communication systems throughout the Company to aid quick reactions and decision-making. Information are separated from each other to allow for clear and concise understanding, increasing efficiency and effectiveness in process, coupled with developing personnel to understand their roles further in providing information to customers, investors, business partners and related persons. The Company has established policies to secure and protect information and communication as follows:

- Segregation of duties to support checks and balances of personnel in the Company to reduce infrastructure risk.
- Creating physical security for computers and server rooms in case of emergencies from fire, electricity failure and temperature malfunction.
- Establishing information and network security to restrict unauthorized persons from knowing and modifying computer information.

- Creating change management in information systems management in the Company so information systems are constantly developing to facilitate users, which will reduce integrity risks.
- Establishing backup and information technology continuity plan so information systems can work continuously and effectively, reducing availability risks.
- Creating continuous computer operation for increased accuracy, continuity and efficiency.
- Establishing control and management of IT outsourcing for efficient and effective management of outsourcing, thus controlling risks in the process.

Tracking and Review System

The Company has created steps, procedure and tools to assist and support management executives and various sub-committees to track and review operations to ensure efficiency in operations and internal control. The track and review system allows for the Company to adapt to changing situations and problems to be easily fixed. The Company has established a report system where business and operations are reported quarterly or monthly, depending on the situation, to assess the impacts and loss towards the Company. Through evaluating the reports, the Company is able to reassess the procedure, operations and efficiency of risk management methods. Such reports are carried out by the audit and compliance department and the risk management and control department, including reviews by an external auditor and the Board of Directors according to the Committee of Sponsoring Organizations of the Tread way Commission (COSO), to increase confidence that the Company has an internal control mechanism that can fulfill the objectives of the Company

2. Report of Audit Committee

The Board of Directors of AEC Securities Public Company Limited has appointed 3 Independent Directors as the Audit Committee including (1) Asst.Prof.Dr. Pattanant Petchchedchoo (as a Chairman) (2) Asst. Prof. Dr. Siridech Kumsuprom and (3) Dr. Premwadee Fongsiri and Head of of Internal Audit and Compliance Department as the secretary to the Audit Committee. Each committee member has sufficient qualifications and experiences to carry out a review on the creditability of financial statements. The committee members are not advisor, executive director, worker or employee of the Company and have full qualifications as determined by the Securities and Exchange Commission.

The Audit Committee has independently performed its duties in the scope of authority prescribed in the Charter of the Audit Committee with cooperation from all related parties. The Committee is aware of the importance of internal control, risk management and good corporate governance to ensure that the Company has effective internal controls, manages risks in an appropriate and acceptable level, and reports accurate and reliable financial statements.

Throughout the year 2020, the Audit Committee held a total of 10 meetings, attended by all committee members as following;

1. Mr. Paisit Kaenchan ¹	Attendance Meeting	5/10	Time
2. Asst. Porf. Dr. Pattanant Petchchedchoo ²	Attendance Meeting	10/10	Time
3. Asst. Prof. Dr. Siridech Kumsuprom	Attendance Meeting	10/10	Time
4. Dr. Premwadee Fongsiri ³	Attendance Meeting	0/0	Time

Remark: ¹ Change the position from the former Chairman of the Audit Committee to the Director.

(No management power) On August 28, 2020

²She was appointed as the chairman of the audit committee on August 28, 2020.

³ She was appointed as the Audit Committee member on November 13, 2020 and was approved by

SEC Office on December 24, 2020 (By the Audit Committee Meeting No. 10/2020, the meeting was held on December 8, 2020, such director did not attend the meeting in 2020)

The Committee's main activities are summarized as following:

1. Review of quarterly and annual financial statements: The Committee reviewed the Company's quarterly and annual financial statements before proposing to the Board of Directors to ensure that the Company's financial statements were in conformity with accounting standards under the generally accepted accounting principles; the information in the financial statements was timely, accurately and sufficiently disclosed; and the preparation of the financial statements was improved based on observations of the auditor. The Audit Committee agreed with the external auditor that the Company's financial statements were in conformity with accounting standards under the generally accepted accounting principles and the information in the financial statements was timely, accurately and sufficiently disclosed.

2. Selection and appointment of the auditor: The Committee considered choosing the external auditor by taking in consideration the independence of the auditor and also determined appropriate audit fees. It also proposed to the Board of Directors the appointment of a well-qualified certified public accountant as the Company's auditor. It endorsed the appointment of Mazars Company Limited as the Company's external auditor in 2020.

3. Consideration on related matters and conflict of interest: The Committee reviewed compliance and accurate and complete information disclosure as stipulated by applicable laws.

4. Consideration on the report on performance of the external legal office: The Committee reviewed compliance of the legal office's performance with the Company's policy.

5. Regulating the regulatory and audit department: The Committee reviewed the annual audit plan which was mainly based on awareness of possible risks that may affect the Company's financial statements and operations and other issues possibly affecting the operations. The Committee acknowledged the report on the regulatory and audit department's quarterly performance to consider and propose guidelines for improvement and correction and monitoring the improvement based on the observations.

In summary, the Audit Committee performed its duties and responsibilities in the scope and authority stated in the Charter of the Audit Committee. The Committee's opinion is that preparation and disclosure of the Company's financial information are accurate, reliable and in accordance with the requirements of the regulatory agencies. In addition, the Company commands adequate and effective risk management, and suitable and sufficient internal audit. The Committee found no significant errors affecting the Company's financial status and then reported the full results to the Board of Directors.

3. Summary of the Opinions of the Board of Directors of AEC Securities Public Company Limited on Internal Control and Environment

The Board of Directors considers that the internal control of the Company is satisfactory and appropriate, which protects the assets of the Company against unauthorized use and abuse of power by management executives. The Company has not had any issues on internal control and the external auditor has not raised any issues on internal control of the Company. The Company has also established guidelines for internal control according to the Committee of Sponsoring Organizations of the Tread way Commission (COSO), which has been considered and approved by the Board of Directors.

The Audit Committee agrees with the Board of Directors.

4. Head of Compliance and Internal Audit of the Company

Details of the Head of Compliance and Internal Audit of the Company as follows:

Name	Mr. Wiwat Angsupipat		
Position	Executive Vice President		
Education	Master Degree – Business Administration, Kasetsart University Bachelor Degree – Business Administration, Assumption University		
Experience	<div> <div>AEC Securities PCL.</div> <div>Executive Vice President</div> <div>May. 2019 – Present</div> </div> <div> <div>AEC Securities PCL.</div> <div>Senior Vice President</div> <div>Aug. 2016 - Apr. 2019</div> </div> <div> <div>Merchant Partners Asset Management Co., Ltd.</div> <div>Vice President</div> <div>Sep. 2015 – Aug. 2016</div> </div> <div> <div>Apple wealth Securities PCL.</div> <div>Senior Vice President</div> <div>Aug. 2014 – Aug. 2015</div> </div>		
Related Trainings	<p>A Knowledge Course on Anti-Money Laundering Law (AML / CFT) for those charged with reporting under the Anti-Money Laundering Act to perform professional duties Which consists of</p> <ul style="list-style-type: none"> - Introduction to the law on the prevention and suppression of money laundering. - Assessment, Management and Mitigation of Money Laundering Risks - Preparation of transaction reports and related guidelines - Customer identification and related practices - Checking to know the facts about the customer Data retention And related practices -Checking the list of designated persons Suspension of Actions on Property And reporting to the office and related practices <p>Which received a certificate in accordance with the Anti-Money Laundering Committee Regulation on the Provision of Training for the Person Having the Duty to Report under Section 13 and Section 16 B.E. 2020</p>		
Duty and Responsibility	<ul style="list-style-type: none"> - Control and responsibility on auditing results accordance with the plan and objective are determinate, which is conformity with policy of the Company. Reporting on operation of the department to supervisor and management. - Consultant comments and recommend on the internal control and system development to be effective and adapt to changing business environments. Including to legal compliance regulations of the Company along with ethics of member companies - Consulting and training and evaluate the performance of employee in the department. 		

The Audit Committee has considered the head of compliance and Internal Audit of the Company as knowledgeable, experienced and qualified for the position.

Appointment, dismissal and transfer of the head of internal control and compliance of the Company require approval from the Audit Committee.

Report of The Audit Committee

Board of Directors of AEC Securities Public Co., Ltd., appointed 3 Independent Directors to be the Audit Committee consisting of (1) Asst.Prof.Dr. Pattanant Petchchedchoo (as a Chairman) (2) Asst. Prof. Dr. Siridech Kumsuprom and (3) Dr. Premwadee Fongsiri and Head of Compliance and Internal Audit Department performing duty as the Secretary. Each Director of the Audit Committee is a qualified and experienced person sufficiently enough to perform duty in verifying the reliability of the financial statements and is not the Advisor, of the Executive Director, employees or staff of the company and fully qualified as prescribed by Office of Securities Exchange and Stock Exchange of Thailand.

The Audit Committee has performed their duties independently in accordance with the scope of their duties defined under the Audit Committee Charter and received co-operations from all related parties. The Audit Committee has been aware of the importance of the internal controls, risk management and good corporate governance in order to make the company having good internal controls, risk management in the appropriate and acceptable level and the financial report being correct and reliable.

During the year 2020, the Audit Committee held 10 periodical meetings, attended by all committee members as following;

1. Mr. Paisit Kaenchan ¹	Attendance Meeting	5/10	Time
2. Asst. Prof Dr. Pattanant Petchchedchoo ²	Attendance Meeting	10/10	Time
3. Asst. Prof . Dr. Siridech Kumsuprom	Attendance Meeting	10/10	Time
4. Dr. Premwadee Fongsiri ³	Attendance Meeting	0/0	Time

Remark: ¹ Change the position from the former Chairman of the Audit Committee to the Director.

(No management power) On August 28, 2020

²She was appointed as the chairman of the audit committee on August 28, 2020.

³ She was appointed as the Audit Committee member on November 13, 2020 and was approved by SEC Office on December 24, 2020 (By the Audit Committee Meeting No. 10/2020, the meeting was held on December 8, 2020, such director did not attend the meeting in 2020)

The duty performances of the Audit Committee consisted of the important issues as follows:

1. Verifying quarterly and annual financial statements which, in this respect, the Audit Committee had verified the company's quarterly and annual financial statements first before submitting them onto the company Board of Directors in order to ensure that the company's financial statements had been executed in compliance with the generally acceptable accounting standard including the disclosure of the data in the financial statements accurately, sufficiently and in a timely manner including taking the observations of the auditor for use in the improvements on the preparations of the company's financial statements. In this respect, the Audit Committee was of the view in alignment with the auditor that the company's financial statements were executed in compliance with the generally acceptable accounting standard and that the disclosure of data in financial statements was accurately and sufficiently made in a timely manner as prescribed.

2. Selecting and nominating the auditor for appointment which, in this respect, the Audit Committee had taken into their considerations on the nomination of the auditor by making considerations on the independency of the auditor and fixing the suitable audit considerations including the nomination for the appointment of the public certified accountant

having suitable qualifications to be the company's auditor, to the company Board of Directors for approval which, in this connection, Mazars Company Limited, was appointed the company's auditor for 2020 in continuation from last year.

3. Making considerations on related transactions and conflict of interest to ensure the execution compliance and disclosure of data, properly and fully, as prescribed by law.

4. Making considerations on the performance report of the external legal office in order to ensure the execution compliance with the policy prescribed by the company.

5. Monitoring controls over the works of the Compliance and Internal Audit Department which, in this connection, the Audit Committee conducted the verification on the annual audit plan which had been defined on the base of the awareness of the risk which could possibly occur and affect the financial statements and the company's operations as the key principle and thoroughly cover the other issues which could affect the operations. The Audit Committee had been aware of the report on the performance of the Compliance and Internal Audit Department which was made on a quarterly basis for considerations and proposal of guidelines on the improvements including causing to have the follow-ups for the improvements on matters as observed.

In conclusion, the Audit Committee had performed their duties in accordance with the scope of their power and accountabilities prescribed under the Audit Committee Charter. In addition, the Audit Committee was of the opinions that the preparation of and data disclosure on the company's financial statements was properly made and considered to be reliable and that the relevant executions were made in compliances with various requirements of the regulatory units. Risk management was suitably and efficiently handled; internal control was well systemized and sufficient without any significantly erroneous transactions being discovered that would adversely affect the company's financial condition and that all such matters were completely and fully reported to the company Board of Directors.

(Asst. Prof Dr. Pattanant Petchchedchoo)

Chairman of Audit Committee

Connected Transactions

1. Connected Transactions between the Company and related persons in 2020 - 2018

Related Person	Relationship	Transaction	Value (Thousand Baht)			Necessity and reasons
			2020	2019	2018	
2. ACE Incorporation Co.,Ltd. ("Subsidiary")	The Company is a major shareholder of the subsidiary of 99.60 % as of 31 December 2020	- The Company has a load s to the subsidiary for operating on business.	118,000	105,000	13,003	Loads transaction have arisen in the ordinary course of business and were conclude on commercial terms and bases agreed upon between the Company and those related parties. <u>Tendency of future transactions</u> Such transactions may occur in the future under interest rate condition that can be compared with the transactions with those related parties due to the ordinary course of business.
3. O Mobile Co.,Ltd. ("Subsidiary")	The Company is a shareholder of the subsidiary of 25 % as of 31 December 2020	- The Company has a load s to the subsidiary for operating on business.	40,000	40,000	-	Investments in associate have arisen in the ordinary course of business and were concluding on commercial terms. <u>Tendency of future transactions</u> Such transactions may occur in the future under interest rate condition that can be compared with the transactions with those related parties due to the ordinary course of business.

Noted: * The value from separated financial statement and it is that auditor note on noted to the financial statements No.32.3

2. Measures or approval process for connected transactions

The Board of Directors had considered the above connected transactions and agreed that they were for the highest benefits of the company and were normal businesses. For similar transactions in the future, the Board of Directors stated that if they are the company's normal transactions which are transactions of brokerage, securities dealing, investment advisory, and securities underwriting such as the approval of securities trading credit line as in the company's regulations, the company can process by following the approval procedure and report to Audit Committee or the Board of Directors for acknowledgement.

For connected transactions that are not normal business transactions, there must be a presentation of details, transactions, relationship, appropriateness, and expert opinions from the third person such as auditor, property valuer, independent engineer, or legal office (if any) to the Audit Committee and the Board of Directors for consideration, then submit to the shareholders' meeting for approval before actually making the transactions.

Nonetheless, directors who will be affected by the transactions are not allowed to approve the transactions and have to reveal relationship with the counter party to the company.

3. Policies and tendency of connected transactions

The Board of Directors, with the opinion of the Audit Committee, will consider policies of connected transactions and reasons of such transaction by considering conditions of price setting and conditions of transactions as normal business. However, related persons will not participate in the approval consideration. The Board of Directors to be complies with the laws of securities and exchange, regulations, notifications, and SET's regulations. This includes the cooperation in information disclosure about connected transactions and the acquisition or sale of important asset of the company or subsidiary company and in accordance with accounting standard set by Institute of Certified Accountants and Auditors of Thailand in case there are connected transactions taking place with individuals who may have conflicts of interest, impacts, or future conflicts of interest. The company will assign the Audit Committee to give opinions about necessity and appropriateness of such transactions whether they are complied with normal business conduct and compare the price setting with the outsiders. In case the Audit Committee does not have expertise in consideration of possible connected transactions, the Company will find independent expertise or the company's auditors to give opinions about such transactions to increment the decision making of the Board of Directors or shareholders. However, the company will disclose connected transactions in note to financial statement audited by the auditor.

Management Discussion and Analysis

Operational Analysis and Financial Condition

The key financial information of the Company and its subsidiary “The Company” is as follows:

Unit: million baht

	Consolidated financial statements		
	2020	2019	2018
Total assets	757.19	1,316.99	2,072.19
Total liabilities	97.43	533.17	1,134.90
Total shareholder’s equity	659.76	783.82	937.29
Total revenues	34.94	252.34	655.19
Total expenses	352.54	520.38	741.14
Total Loss for the years	(317.60)	(268.04)	(85.95)

(1) Analysis on the Company’s Operating Performance:

Overview of the operation and factors on the significant changes in the accounting period of 2020

AEC Securities Public Company Limited, a no.38 member of the Stock Exchange of Thailand, has been granted to operate a complete securities business under the securities business license type A and the derivatives business license type S-1 with its core businesses as securities and derivatives brokerage. The Company, moreover, operates businesses in accordance with the license granted, such as securities trading, investment banking, underwriting, securities borrowing and lending, and private fund management. The Company's main sources of revenue are from brokerage fees, Fees and service income and Interest incomes.

For the year 2020, investment conditions and competition in the securities business industry remained intense, especially in terms of competing to be a market leader. However, the Company has committed to enhance and maintain its ability to compete as well as diversified itself in order to increase revenue streams. In addition, the Company also have expanding its business into new financial innovations, including Artificial Intelligence (AI) Digital Asset and investment with other business partners, to develop new revenue stream and promote sustainable growth.

In the year 2020, the Company had restructured of investments in subsidiaries, O Mobile Company Limited (OMB) and O Money Company Limited (OMN), by changing the classification of its investment in both companies from the investments in subsidiaries to associates and canceled the consolidated financial statements since the third quarter of the year 2020 (1 July 2020) onwards.

The key financial information of the Company and its subsidiary “the Company” is as follows:

For the year 2020, the Company had a net loss of 317.60 million baht, increased by 49.56 million baht or 18.49% when compared to the same period last year which had a net loss of 268.04 million baht. The Company generated lower revenue mainly due to the decrease in fees and service income, interest income and gains and return on financial instruments.

The revenue sources of the Company consist of brokerage fees, fees and service income, interest incomes, gains and return on financial instruments and other incomes. The portion of each major source of revenue is enclosed below:

(Unit: million baht)

Revenues	Consolidated financial statements					
	2020		2019		Increased (Decreased)	
	Amount	Percent	Amount	Percent	Amount	Percent
Brokerage fees	32.90	94.16	52.11	20.65	(19.21)	(36.86)
Fees and service income	23.14	66.21	84.94	33.66	(61.80)	(72.76)
Interest incomes	26.82	76.76	64.13	25.41	(37.31)	(58.18)
Gains (losses) and return on financial instruments	(40.79)	(116.75)	47.29	18.74	(88.08)	(186.26)
Share of loss from investment in associates	(9.40)	(26.90)	(4.48)	(1.77)	4.92	109.82
Other incomes	2.27	6.52	8.35	3.31	(6.08)	(72.81)
Total revenues	34.94	100.00	252.34	100.00	(217.40)	(86.15)

The Company had total revenues of 34.94 million baht, decreased by 217.40 million baht or 86.15% when compared to the same period last year which had total revenues of 252.34 million baht. The significant accounting transactions changed as follows:

1. Brokerage fees decreased from 52.11 million baht in the year 2019 to 32.90 million baht in the year 2020, decreased by 19.21 million baht or 36.86% due to a decrease in the customer's securities and derivatives trading volume.

2. Fees and service income decreased from 84.94 million baht in the 2019 to 23.14 million baht in the year 2020, decreased by 61.80 million baht or 72.76% mainly due to a decrease in income from underwriting fees.

3. Interest incomes decreased from 64.13 million baht in the 2019 to 26.82 million baht in the year 2020, decreased by 37.31 million baht or 58.18% mainly due to a decrease of interest income on investment in private debt securities.

4. Losses and return on financial instruments increased from gains 47.29 million baht in the year 2019 to losses 40.79 million baht in the year 2020, increased by 88.08 million baht or 186.26% as a result of loss from investments in debt securities and revaluation of investments in defaulted debentures.

5. Share of loss from investment in associates from losses 4.48 million baht in the year 2019 to losses 9.40 million baht or 109.82% baht in the year 2020 as the recognition of losses for 2 associated companies from change in the status of investment from 2 subsidiaries to associates since the third quarter of the year 2020 (1 July 2020) onwards.

The Company had total expenses of 352.42 million baht, decreased by 167.91 million baht or 32.27% when compared to the same period last year which had total expenses of 520.33 million baht. The significant accounting transactions changed as follows:

(Unit: million baht)

Expenses	Consolidated financial statements					
	2020		2019		Increased (Decreased)	
	Amount	Percent	Amount	Percent	Amount	Percent
Employee benefit expenses	101.83	28.90	172.77	33.20	(70.94)	(41.06)
Fees and service expenses	24.63	6.99	35.38	6.80	(10.75)	(30.38)
Impairment loss on investments	-	-	139.90	26.89	(139.90)	(100.00)
Expected credit loss	106.65	30.26	-	-	106.65	100.00
Interest expenses	11.92	3.38	18.53	3.56	(6.61)	(35.67)
Other expenses	107.39	30.47	153.75	29.55	(46.36)	(30.15)
Total expenses	352.42	100.00	520.33	100.00	(167.91)	(32.27)

1. Employee benefit expenses decreased from 172.77 million baht in the year 2019 to 101.83 million baht in the year 2020, decreased by 70.94 million baht or 41.06% due to decreasing of employees.

2. Fees and service expenses decreased from 35.38 million baht in the year 2019 to 24.63 million baht in the year 2020, decreased by 10.75 million baht or 30.38% due to a decrease in commission expenses and a decrease from expenses which varied to the customer's securities and derivatives trading volume.

3. Expected credit loss 106.65 million bath in the year 2020 was mainly from increasing allowance for impairment on loan to related companies.

4. Interest expenses decreased from 18.53 million baht in the year 2019 to 11.92 million baht in the year 2020, decreased by 6.61 million baht or 35.67% as a result from decreasing of debt for loan.

In conclusion, in the year 2020 the Company had a net loss of 317.60 million baht, increased by 49.56 million baht or 18.49% when compared to the same period last year which had a net loss of 268.04 million baht as a result of total revenues amounted to 34.94 million baht, decreased by 217.40 million baht or 86.15% whereas the Company's total expenses amounted to 352.42 million baht, only decreased by 167.91 million baht or 32.27%. According to the above result, gross profit margin decreased from 78.30% in the year 2019 to 13.11% in the year 2020, net profit (loss) margin decreased from (94.27)% in the year 2019 to (860.28)% in the year 2020, return on equity decreased from (29.71)% in the year 2019 to (45.41)% in the year 2020, return on investment decreased from 9.98% in the year 2019 to (4.34)% in the year 2020, return on assets decreased from (14.04)% in the year 2019 to (28.99)% in the year 2020 and the asset turnover of 0.15 in the year 2019 and 0.03 in the year 2020.

(2) Analysis on the Company's Financial Position

Overview of the Company's Financial Position as at 31 December 2020

(Unit : million baht)

งบแสดงฐานะการเงิน	Consolidated Financial Statements as at 31 December			
	2020	2019	Increased (Decreased)	Percent
Total assets	757.19	1,316.99	(559.80)	(42.51)
Total liabilities	97.43	533.17	(435.74)	(81.73)
Equity attributable to shareholders' equity	659.99	664.05	(4.06)	(0.61)
Non-controlling interest	(0.23)	119.77	(120.00)	(100.19)
Total shareholders' equity	659.76	783.82	(124.06)	(15.83)
Total liabilities and shareholder's equity	757.19	1,316.99	(559.80)	(42.51)

Total assets

As at 31 December 2020, the Company had total assets of 757.19 million baht, decreased by 559.80 million baht or 42.51 when compared to total assets at the year-end 2019 which had total assets of 1,316.99 million baht.

The significant changes of total assets are as follow:

(unit: million baht)

Asset	Consolidated financial statements as at 31 December					
	2020		2019		Increased (Decreased)	Percent
	Amount	Percent	Amount	Percent		
Cash and cash equivalents	44.44	5.87	56.08	4.25	(11.64)	(20.76)
Receivables from Clearing House and broker	39.54	5.22	45.85	3.48	(6.31)	(13.76)
Securities and derivatives business receivables	37.83	5.00	101.83	7.73	(64.00)	(62.85)
Non – collateralised investments	380.40	50.24	239.32	18.17	141.08	58.95
Collateralised investments						
Collateralised investments without grant the assignee the right to sell or place another guarantee	45.21	5.97	419.48	31.85	(374.27)	(89.22)
Loans to related parties	-	-	166.15	12.62	(166.15)	(100.00)
Investments in associates	36.13	4.77	10.47	0.80	25.66	245.08
Others	173.64	22.93	277.81	21.10	(104.17)	(37.50)
Total	757.19	100.00	1,316.99	100.00	(559.80)	(42.51)

1. As at 31 December 2020, the Company had cash and cash equivalents of 44.44 million baht, decreased by 11.64 million baht or 20.76% from the year-end 2019 cash and cash equivalents of 56.08 million baht. Cash and cash equivalents mostly included cash on hand and short-term deposit accounts to be flexible enough for using as working capital for daily operations.

2. As at 31 December 2020, the Company had receivables from Clearing House and broker of 39.54 million baht, decreased by 6.31 million baht or 13.76% from the year-end 2019 receivables from Clearing House and broker of 45.85 million baht. Receivables from Clearing House and broker were net balances of receivables from Clearing House incurred from settlement of securities and derivatives trading. The receivables were varied from the Company and clients' trading value within the last 2 working day of the year.

3. As at 31 December 2020, the Company had securities and derivatives business receivables of 37.83 million baht, decreased by 64.00 million baht or 62.85% from the year-end 2019 securities and derivatives business receivables of 101.83 million baht. This was mainly due to a decrease in customers account – cash 44.95 million baht and customer accounts - credit balance 19.19 million baht.

The Company had recognized allowances for expected credit losses on securities and derivatives business receivables when the customers' credit risk had changed by applied an expected credit loss model and taking into the customers' collection risk and the value of the securities used as collateral.

As at 31 December 2020, the Company had allowance for expected credit losses 86.56 million baht.

4. As at 31 December 2020, the Company had total investments of 425.61 million baht, decreased by 233.19 million baht or 35.40% from the year-end 2019 total investments of 658.80 million baht. This was mainly due to a decrease in trading investments - private debt securities.

The Company had classified investments as the requirement of TFRS 9 and used judgment to establish allowance for impairment on investments when there had been a significant or prolonged decline in the expected recoverable value or the fair value below their cost or where other objective evidence of impairment. Loss on allowance for impairment on investments was included in profit or loss.

5. As at 31 December 2020, the Company had investments in associates of 36.13 million baht, increased by 25.66 million baht or 245.08% from the year-end 2019 investments in associates of 10.47 million baht. In the year 2020, the Company had restructured of investments in subsidiaries by changing the classification of its investment in 2 subsidiaries to associates since the third quarter of the year 2020 (1 July 2020) onwards.

Total liabilities

As at 31 December 2020, the Company had total liabilities of 97.43 million baht, decreased by 435.74 million baht or 81.73% when compared to total liabilities at the year-end 2019 which had total liabilities of 533.17 million baht.

The significant changes of total assets are as follow:

(Unit: million baht)

Liabilities	Consolidated financial statements					
	2020		2019		Increased (Decreased)	Percent
	Amount	Percent/ Total assets	Amount	Percent/ Total assets		
Securities sold under repurchase agreements	-	-	360.86	27.40	(360.86)	(100.00)
Payables to Clearing House and brokers	1.24	0.16	2.74	0.21	(1.50)	(54.74)
Securities and derivatives business payables	33.80	4.47	83.38	6.33	(49.58)	(59.46)
Debt issued and other borrowings	-	-	29.71	2.25	(29.71)	(100.00)
Provision for litigation	22.50	2.97	-	-	22.50	100.00
Others	39.89	5.27	56.48	4.29	(16.59)	(29.37)
Total	97.43	12.87	533.17	40.48	(435.74)	(81.73)

1. As at 31 December 2019, the Company had private debentures sold under repurchase agreements of 360.86 million baht. As at 31 December 2020, the Company had no the outstanding balance due to private debentures had settled within 3 months.

2. As at 31 December 2020, the Company had payables to Clearing House and brokers of 1.24 million baht, decreased by 1.50 million bath or 54.74% from the year-end 2019 payables to Clearing House and brokers of 2.74 million baht. The payables were varied from the Company and clients' trading value within the last 2 working day of the year.

3. As at 31 December 2020, the Company had securities and derivatives business payables of 33.80 million baht, decreased by 49.58 million bath or 59.46% from the year-end 2019 securities and derivatives business payables of 83.38 million baht. This was mainly due to a decrease in payables under customers account – cash.

4. As at 31 December 2019, the Company had debt issued and other borrowings of 29.71 million baht. As at 31 December 2020, the Company had no the outstanding balance due to the maturity of bill of exchange.

5. As at 31 December 2020, the Company had provision for litigation of 22.50 million baht the Company was sued as a co-defendant (second defendant). As at 31 December 2020, the case is currently under the consideration of the Court of Supreme Instance. The Company's management believes that the Supreme Court will take a consideration. However, in accordance with conservatism, the Company therefore recorded provision for litigation amounting to Baht 22.50 million (See note to financial statements no.35.1.1).

Shareholder's equity

As at 31 December 2020, the Company had total shareholder's equity of 659.76 million baht, decreased by 124.06 million baht or 15.83% when compared to total shareholder's equity at the year-end 2019 which had total shareholder's equity of 783.82 million baht.

The significant changes of total assets are as follow:

(unit: million baht)

Shareholder's equity	Consolidated financial statements		
	Equity attributable to owners of the parent	Non-controlling interest	Total
Balance as at 1 January 2020	664.05	119.77	783.82
Loss of control of investment in the subsidiaries	-	(103.02)	(103.02)
Issued and paid-up share capital	306.06	-	306.06
Total comprehensive loss for the year	(310.12)	(16.98)	(327.10)
Balance as at 31 December 2020	659.99	(0.23)	659.76

The Company's debt-to-equity ratio decreased from 0.80 times in the year 2019 to 0.15 times in the year 2020 due to the decrease in securities sold under repurchase agreements 360.86 million baht, the decrease in securities and derivatives business payables 49.58 million baht and the decrease in debt issued and other borrowings 29.71 million baht.

Company's Liquidity and Investment Sufficiency

Liquidity

In the year 2020, the Company had cash & cash equivalents of 44.44 million baht, decreased by 11.64 million baht or 20.76%. The detail of cash flow activities was as follows:

(Unit: million baht)

	2020	2019
Cash flows from operating activities	(264.98)	14.93
Cash flows from investing activities	(13.37)	71.02
Cash flows from financing activities	266.72	(77.45)
Net increase (decrease) in cash & cash equivalents	(11.63)	8.50

Cash Flows from Operating Activities

In the year 2020, the Company had a net cash flow which used in operating activities of 264.98 million baht, with the operating loss before changes in operating assets and liabilities at the amount of 115.72 million baht due to an increase in expected credit loss 106.65 million baht. Moreover, there was a decrease in the changes in operating assets by 258.39 million baht due to the Company sold investments at the amount of 193.24 million baht and there was a decrease in the changes in operating liabilities by 422.61 million baht. This was mainly due to the Company's

private debentures had settled 360.86 million baht, Interest expenses were 11.64 million baht, interest & dividend incomes were 25.84 million baht and net cash received from income tax was 0.76 million baht.

Cash Flows from Investing Activities

In the year 2020, the Company had a net cash flow which used in investing activities of 13.37 million baht, comprising cash paid for purchase of held-to-maturity investments at 19.45 million baht, purchase of premises improvement & equipment and intangible assets at 3.48 million baht. The Company had cash received from sale of investments at 4.25 million baht and cash received from loans to other parties at 3.45 million baht.

Cash Flows from Financing Activities

In the year 2020, the Company had a net cash flow which provided by financing activities of 266.72 million baht. This was mainly due to cash received from increasing share capital at 306.06 million baht but had the repayment of bill of exchanges and finance lease at 39.35 million baht.

However, to ensure the liquidity of the Company, an additional criteria, which is the ability to maintain the Net Liquid Capital Ratio (NCR), has to be met in accordance with the regulations of the Securities and Exchange Commission (SEC). The Company has a policy to maintain its Net Liquid Capital (NC) over 25 million baht and its NCR ratio over 7 percent of the total general liabilities and collaterals, whereas the aforementioned numbers are the minimum requirement of SEC. As at 31 December 2020, the Company's NC was 215.63 million baht and NCR was 328.42% which had NC and NCR were higher than the required by SEC regulations.

The Company's Net Liquid Capital and NCR in the past 3 years were as follows:

Capital Fund	31 December 2020	31 December 2019	31 December 2018
Net Liquid Capital (Million Baht)	215.63	111.85	164.70
Net Liquid Capital Ratio (NCR) (%)	328.42%	65.79%	36.74%

Source of Funds

The majority of the source of funds came from the Company's working capital from business operations. In the year 2020, the Company derived capital from increasing issued and paid-up share capital of 306.06. Furthermore, its credit line received from commercial bank serving to support business operations. In addition, the Company has a policy to procure the additional source of fund by considering the appropriateness for short-term or long-term loan and cost of fund in accordance with the demand for such capital. The Company has regular analysis of cash flow needs to maintain the Company's ability to continue as a going concern and to maintain its net capital in accordance with the requirement of the Office of the Securities and Exchange Commission.

Provisions

The Company will recognize provisions when the obligation from the past events has occurred, and there is a certain possibility that the Company will lose its economic resources in order to settle the obligation, and the Company can reliably estimate the value of the obligation.

The Company has contingent liabilities and lawsuits obligation as follows:

1. On 15 August 2017, the Company was sued as a co-defendant (second defendant) for offences relating to the voiding of a purchase and sales transaction, alleging that the agreement to purchase and sell shares between the plaintiff and the first defendant is void and holding that the Company is jointly liable for the return of funds to the plaintiff. The Court of First Instance sentenced the plaintiff to win the case, return the contract party to its original state and the Company which is second defendant jointly liable with the defendant 3, 4, 6 to pay with interest to the plaintiff totaling Baht 110.49 million.

The Company did not agree with the decision of the Court of First Instance. The Company therefore appealed this decision to the Appeal Court. On 21 July 2020, the Appeal Court ruled in accordance with the Court of First Instance.

The Company filed an objection against the judgment of the Appeal Court. The Company therefore appealed the decision to the Supreme Court and asked for permission of the law on important issues of the case, both in fact and legal issues.

As at 31 December 2020, the case is currently under the consideration of the Court of Supreme Instance. The Company's management believes that the Supreme Court will take a consideration. However, in accordance with conservatism, the Company therefore recorded provision for litigation amounting to Baht 22.50 million.

2. On 7 July 2016, the Company was sued as a co-defendant (Defendant no. 4) in a case relating to a client's share transfer, with the plaintiff seeking the return of the securities or payment of compensation. The amount in dispute is approximately Baht 38 million (it cannot be determined what portion of this amount in dispute belongs to the Company, since there are 4 co-defendants). The Company's lawyer has considered the case and believes that the Company has evidence to refute the allegations. On 30 October 2019, the case was disposed consideration until the criminal case is final.

As at 31 December 2020, the case has yet to issue a final judgment, meaning that the outcome cannot yet be determined. The Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

3. On 9 June 2020, the Company was sued as a co-defendant (first defendant) as an employer jointly liable with the second defendant to indemnify from concealing information and deceiving the plaintiff to buy shares by the second defendant. The amount in dispute is approximately Baht 12.88 million. The lawyer of the Company considered that the Company did not participate in the investment in the plaintiff's shares. The Company therefore is not liable with the second defendant.

On 31 December 2020, the case is currently under the consideration of the Court of First Instance, and the Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

4. On 21 August 2020, the Company was sued as a defendant for brokerage, agent offering for sale of bills of exchange or debentures or debt. It is accused of serious deficiency, showing false accounting and financial documents, and having behaviors indicating consideration. Later, when the bills of exchange and debentures default on debt causing all three plaintiffs to be damaged called for payment of Baht 78.71 million with interest of 7.5 percent per year. The Company's lawyer considers that the Company has not committed a brokerage duty. The final decision is

depending on the investor and they must be responsible for the outcome of the decision. The Company does not act or omit to act. In fact, the plaintiff can sue the debenture issuer or bill of exchange liable to pay the debt directly as a party. Then, the Company is not liable.

On 31 December 2020, the case is currently under the consideration of the Court of First Instance, and the Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

5. On 5 November 2020, the Company was sued as a defendant by a former employee of the Company for compensation of Baht 0.42 million. Legal counsel of the Company has concluded that the Company had legally terminated employment in accordance with labor laws and is therefore not liable for the compensation claimed.

On 31 December 2020, the case is currently under the consideration of the Labor Court, and the Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

Impact of the COVID-19 epidemic on the Company

Following the outbreak of COVID-19 in 2020, the Company has been closely monitoring and assessing the situation to ensure that the Company can operate its business continuously. The Company has implemented a plan to prevent the spread of COVID-19 so that the Company can maintain normal operations throughout 2020. The plan is as follow:

1. The Company has separated employees to prevent a shortage of key personnel by dividing them in each department into at least 2 groups and keeping physically separate to ensure that any possible COVID-19 infection count not spread from a group to the other and each group of employees is sufficient to operate the normal business continuously and efficiently.
2. The Company has established the measures to reduce the risk from infection or spread of COVID-19. These included minimizing contact with visitors and contact between clients with employees. In case the meetings could not be avoided, the Company will measure the temperature of the employees and visitors and protective equipment such as face-masks and alcohol gel is provided. Furthermore, Office equipment are cleaned and disinfected regularly to avoid the risk from infection of COVID-19.

The situation of the COVID-19 epidemic has not significant affected to the Company's business operations and services. The Company still provides services in all products continuously and in accordance with the rules and regulations of the regulators.

Factors Affecting

In 2020 SET Index raised to the peak at 1,604.28 points on 17 January 2020 and down to be lowest of the year at 969.08 points on 13 March 2020. Before the end of the year 2020, SET Index closed at 1,449.35 points or decreased by 8.26%YoY. The average total market value including SET and MAI was 67.3 billion baht per day, increasing by 28.30%YoY. If it excluded prop trade it would have the total market value of 60.10 billion baht increased by 32.80%YoY.

The year 2021, the Thai stock market would fluctuate in a broad range. . We estimated the target of the SET Index to be in a range of 1,368-1596 points, which the result was based on the assumptions of PER at 18-21 times, the growth of listed companies' operating performance at 38.8%YoY, and the growth of Thai economy (GDP) at 3%YoY. The direction of Thai economy is likely to be recovery from 2020 due to the expectation of resumption of economic activities turn to be normal under adapting New Normal life and started administering coronavirus vaccine in many countries around the world including Thailand. They will help an international trade and Tourism which is the key of Thailand economy to get recover. There are factors that need to be followed including 1) Situation of COVID-19 in the world that there will be a mutation however use vaccine speedily will directly affect to overall economic activities around the world 2) Economic stimulus measures which each countries take measures out aid individuals affected by the outbreak of COVID-19 3) Banking systems manage with full potential including low interest rate trend and Quantitative Easing result to high liquidity in system continually and when the direction that will change or withdraw liquidity from system and how the process is. So, these factors affected to the direction of asset price around the world in significantly.

The securities business in the year 2021 is expected to be highly competitive in terms of the securities brokerage business. There are currently 38 securities companies that try to seek for profits from the price competition to survive under the liberalization of commissions. Also, each securities company should be prepared to secure their relationship with existing customers and tap in a new group of customers to expand its customer base by enhancing its service quality in terms of investment advices and research reports together with offering new innovative products, such as 1) Automatic Stock Trading services using Artificial Intelligence (AI) technology, which acts like a human brain that is adaptive based on different events and circumstances; 2) Securities Borrowing and Lending (SBL) service; 3) Single-Stock Futures (Block Trade) service, in which a securities company will become a counterparty of its customers when trading a single-stock futures, as well as generate income through other businesses, such as investment banking, private fund management, etc. 4.) Cryptocurrency, which is the digital currency that can be used to buy goods and services via online transactions by using a technology that is called Blockchain, is more popular among investors who seek for a new opportunity of investment. They all are new innovative products that investors use to generate income and gain profits from investing and they can also reduce the risk of highly dependency on a single revenue stream from the securities brokerage business, which, as a result, will lead to an opportunity for the company to achieve a better operating performance without over-reliant on the securities brokerage business.

Independent Auditor's Report

To the Shareholders of AEC Securities Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of AEC Securities Public Company Limited and its subsidiary (the Group) and the separate financial statements of AEC Securities Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the related consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, which including a summary of significant accounting policies.

In my opinion, the consolidated financial statements of AEC Securities Public Company Limited and its subsidiary (the Group) and the separate financial statements of AEC Securities Public Company Limited (the Company) present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2020, and the related consolidated and separate statements of profit or loss and cash flows for year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Profession as relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Significant uncertainties relevant to continuing operations

I draw attention to the matters as discussed in the note 1.3 to the financial statements which according to the consolidated financial statements, the Group has experienced consecutive losses and negative operating cash flow. The Company will exercise strategies to solve the issue as follows:

- Short-term strategy: according to the resolution of the Board of Directors Meeting No. 7/2020 on 21 May 2020 approved the Company to raise its capital through subordinated loans; divest common shares held by the Company under investment; and decrease the amount of investment in the debentures in trouble, which the Company has completed since 2nd quarter of 2020. The Company also made the repayment of the subordinated loan amounting to Baht 150.00 million in August 2020, by using the source of funds from the capital increase of ordinary shares.

- Long-term strategy: according to the 2020 Annual General Meeting held on 20 July 2020 approved the Company's share capital increase (details are described in the note 26 to the financial statements). In this regards, the Company received the share subscription amounting to Baht 306.06 million in August 2020.

In addition, the Company also has plan for improving its business and looking for business partners to increase business opportunities, however these remain a significant uncertainty about the success of the business plan in relation to the business partners, timing of income generation, and other economic situations that may be affected by the spread of Coronavirus disease 2019 (COVID-19) that cannot be assessed at this time.

The events or the situations as discussed above, including other matters as discussed in note 1.3 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. My conclusion is not modified in respect of this matter.

Emphasis of matters

Without qualifying my opinion, I draw attention to the matters as discussed in the notes to financial statements as below.

- Note 2.2 to the financial statements, due to the impact of the situation of the spread of Coronavirus disease 2019, in preparing the financial statements for the year ended 31 December 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions.
- Note 3 to the financial statements, the Group has adopted a set of TFRSs related to financial instruments and TFRS 16 leases which become effective for fiscal years beginning on or after 1 January 2020. The Group elected to recognise the cumulative effect of initially applying such TFRSs as an adjustment to the beginning balance of retained earnings and other components of owners' equity of the reporting period.
- Note 10.1 to the financial statements, investment measured at amortised cost - private debt securities of the company which the Company did not set an allowance for the expected credit loss for the difference between the carrying amount under the amortised cost method and the recoverable amount from collateralised amounting to Baht 45.48 million due to management considered that the substantial decline in expected recoverable values is due to the uncertainty situation of the spread of Coronavirus disease 2019.
- Note 35.1 to the financial statements,
 - As stated in note 35.1.1, The Appeal Court ruled in accordance with the Court of First Instance judged. The Company has to pay to the plaintiff totalling Baht 110.49 million with further interest until the payment completed. As at 31 December 2020, the case is currently under the consideration of the Court of Supreme Instance. The Company's management believes that the Supreme Court will consider the petition. However, in accordance with conservatism, the Company therefore recorded provision for litigation amounting to Baht 22.50 million.
 - As stated in note 35.1.2, the case was disposed consideration until the criminal case is final. As at 31 December 2020, the case has yet to issue a final judgement, meaning that the outcome cannot yet be determined. The Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

Key Audit Matters

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

Key audit matters and how audit procedures respond for each matter are described below.

Recognition of revenue from brokerage fees

Brokerage fees amounting to Baht 32.90 million which is the income charges at percentages of trading volume or contract type, which are freely negotiated, and based on a sliding scale fee structure. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees relying primarily on data processed by information systems, I considered the accuracy measurement, completeness and occurrence of brokerage fees as key audit matter.

I performed audit procedures on the recognition of revenue from brokerage fees as follows:

- Understood of the processes in respect of the revenue from brokerage fees recognition including the systems and controls implemented.
- Reviewed of design and implement with internal controls relevant to the recognition of revenue from brokerage fees.
- Examined the effectiveness of implementation of internal controls, including information technology systems relevant to the recognition of commission income and
- Performed substantive testing as follows:
 - On a sampling basis agreed the information relevant to the clients' trading volumes and derivatives against the related commission rates recalculated of commission income, including examined supporting evidence related to transactions are occurrence and have been accurately and completely recognised.
 - Performed substantive analytical procedures relating to the brokerage fees.

Recognition of revenue from fees and service income

Fees and service income amounting to Baht 23.14 million are arising from providing underwriting services and investment advisory service which are calculated based on various rates which indicated in service contracts, and the accounting records have impacted on the occurrence, completeness and accuracy of this transaction.

I performed audit procedures on the recognition of fees and service income as follows:

- Understood of the processes in respect of the revenue recognition on fees and service income including the systems and controls implemented.
- Reviewed of design and implement with internal controls relevant to the recognition of fees and service income.

- Performed substantive testing as follows:
 - Recalculated, on a sample basis, the fees and service income and examined service agreement and supporting evidence related to transactions during the period, prior and post period whether the fees and service income are occurrence and have been accurately and completely recognised.
 - Performed substantive analytical procedures relating to the fees and service income.

Related party transactions

As disclosure on note 36 to the financial statements, the Group has several significant related party transactions which were investment in related companies and loans to subsidiaries, and associates. As a result, there is a risk in recognition, appropriateness and recoverability of the related party transactions. In addition, necessary related party disclosures of information to understand the nature and effect of the various related party relationships and transactions may be inadequate. Therefore, this is a focus area in my audit.

I performed audit procedures on the appropriateness, recoverability and disclosure of the related party transactions as follows:

- Understood and assessed the Group's controls to identify, recognise and disclose related party transactions and to assess the appropriateness of the transactions' recognition and the adequacy of the disclosure of the related party transactions.
- Examined the appropriateness of evidence that the Group uses to consider debt repayment ability and guarantees. I also examined the approvals of the investments and the loans.
- Understood, discussed and evaluated with management about the reasonableness of assumptions used to develop subsidiaries' business plans, including examination of minutes of meetings in relation to monitoring the subsidiaries and associates' operation and loans to subsidiaries and associates.

Litigation

As disclosure on note 35.1.1 to the financial statements, the Company was sued relating to the voiding of a purchase and sales transaction. The Court of First Instance and the Appeal Court ruled the Company to pay back including interest. Currently, the case is in the consideration process of the Supreme Court.

Since the cases are not yet finalised, the management has to exercise judgement in determining the outcome of the litigation brought against the Company, taking into account the facts and the related legal provisions, in order to estimate the contingent liabilities resulting from the losses to be incurred. The actual results when the cases are finalised could differ from the management's estimates. Therefore, there is a risk with respect to the recognition of provision of contingent liabilities from being sued for such damage.

I performed audit procedures on the appropriateness of contingent liabilities and disclosure of the litigation as follows:

- Inquired with the Company's management and the Company's legal advisor regarding the progress of the pending litigation and the method applied by the management in estimating the Company's liabilities from the litigation.

Discussed with the Company's management regarding the judgement exercised by management in estimating the liabilities.

- Reviewed the correspondence between the Company and its external legal advisor and related documentation.
- Sent requests for confirmation to the Company's external legal advisor to obtain a written report on the details and status of the cases and the legal advisor's opinion on the likely impact of the cases on the Company.
- Reviewed the disclosures made in relation to the litigation in the note to financials statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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 Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 and the Company'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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wannawat Hemachayart

Certified Public Accountant (Thailand) No. 7049

Mazars Limited

Bangkok

1 March 2021

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		(Baht)		(Baht)	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets					
Cash and cash equivalents	2.4, 7	44,442,846	56,075,364	41,263,429	50,884,805
Receivables from Clearing House and brokers	8	39,535,963	45,851,170	39,535,963	45,851,170
Securities and derivatives business receivables	9	37,830,933	101,829,158	37,830,933	101,829,158
Non – collateralised investments	2.4, 10	380,397,173	239,318,666	345,883,969	219,499,651
Collateralised investments	2.4, 10				
Collateralised investments without grant the assignee the right to sell or place another guarantee		45,211,071	419,474,898	45,211,071	419,474,898
Loans to related parties	2.4, 36.4	-	166,149,340	75,000,877	145,000,000
Loans to third parties	2.4, 11	50,000	69,894,879	-	-
Investments in associates	12.1	36,129,672	10,472,539	45,000,000	15,000,000
Investments in subsidiaries	12.2	-	-	996,000	50,996,000
Restricted cash at bank	2.4	-	3,023,176	-	-
Premises improvement and equipment	14	20,344,236	42,665,498	20,344,236	41,003,287
Right-of-use assets	4.2, 16	18,253,977	-	18,253,977	-
Intangible assets	15	5,725,944	22,530,351	5,725,944	7,996,627
Deferred tax assets	33	20,745,754	25,655,019	20,745,754	25,655,019
Other assets	2.4, 17	108,523,373	114,048,200	81,504,659	79,485,413
Total assets		757,190,942	1,316,988,258	777,296,812	1,202,676,028

Statement of financial position (Continued)

		Consolidated financial statements		Separate financial statements	
		(Baht)		(Baht)	
	Note	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Liabilities and shareholders' equity					
Liabilities					
Securities sold under repurchase agreements	19	-	360,858,792	-	360,858,792
Payables to Clearing House and brokers		1,236,133	2,735,854	1,236,133	2,735,854
Securities and derivatives business payables	20	33,805,747	83,382,162	33,805,747	83,382,162
Liabilities under finance lease agreements	4.2, 22	-	5,975,543	-	5,975,543
Liabilities under lease agreements	4.2, 21	13,743,461	-	13,743,461	-
Debt issued and other borrowings	23	-	29,712,743	-	29,712,743
Provision for litigation	35.1.1	22,500,000	-	22,500,000	-
Provision for long-term employee benefits	24	4,233,395	6,816,764	4,233,395	6,816,764
Other liabilities	25	21,914,132	43,688,096	21,733,091	30,629,522
Total liabilities		97,432,868	533,169,954	97,251,827	520,111,380
Shareholders' equity					
Share capital					
Issued and paid-up share capital	26	4,284,871,528	1,224,249,008	4,284,871,528	1,224,249,008
Share premium (discount)		(2,669,332,587)	85,227,681	(2,669,332,587)	85,227,681
Retained earnings (deficit)					
Appropriated - statutory reserve	28	17,207,886	17,207,886	17,207,886	17,207,886
Unappropriated (deficit)		(893,160,169)	(565,464,094)	(873,105,544)	(546,953,259)
Other components of shareholders' equity		(79,596,298)	(97,166,668)	(79,596,298)	(97,166,668)
Equity attributable to owners of the parent		659,990,360	664,053,813	680,044,985	682,564,648
Non-controlling interest		(232,286)	119,764,491	-	-
Total shareholders' equity		659,758,074	783,818,304	680,044,985	682,564,648
Total liabilities and shareholders' equity		757,190,942	1,316,988,258	777,296,812	1,202,676,028

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Baht		Baht	
		2020	2019	2020	2019
Profit and loss:					
Revenues					
Brokerage fees	31	32,902,530	52,105,428	32,902,530	52,105,428
Fees and service income	32	23,138,370	84,939,122	23,138,370	84,939,122
Interest incomes	2.4	26,821,608	64,130,198	27,379,997	61,243,216
Gains (losses) and return on financial instruments	2.4	(40,794,840)	47,293,929	(40,794,840)	47,293,929
Share of loss from investment in associates	12.1	(9,401,176)	(4,482,177)	-	-
Other incomes		2,277,320	8,352,677	1,375,100	5,874,959
Total revenues		34,943,812	252,339,177	44,001,157	251,456,654
Expenses					
Employee benefit expenses		101,833,398	172,771,310	97,063,807	152,139,022
Fees and service expenses		24,630,218	35,380,212	24,630,218	35,180,212
Impairment loss on investment in subsidiaries/associates	12.1	-	-	20,000,000	-
Impairment loss on investments		-	139,903,265	-	139,903,265
Expected credit loss	13	106,646,538	-	89,897,003	-
Interest expenses		11,922,379	18,526,345	11,922,379	18,526,345
Other expenses		107,385,506	153,752,641	99,437,473	125,199,064
Total expenses		352,418,039	520,333,773	342,950,880	470,947,908
Loss before income tax		(317,474,227)	(267,994,596)	(298,949,723)	(219,491,254)
Income tax expenses	33	(121,433)	(42,584)	(121,433)	(42,584)
Loss for the years		(317,595,660)	(268,037,180)	(299,071,156)	(219,533,838)
Other comprehensive income (loss):					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Loss from valuation of investments in available-for-sale securities		-	(44,200,763)	-	(44,200,763)
Income tax effects		-	8,840,153	-	8,840,153
Total		-	(35,360,610)	-	(35,360,610)
Actuarial gains on defined benefit plans		1,976,202	-	1,976,202	-
Income tax effects		(395,240)	-	(395,240)	-
Total		1,580,962	-	1,580,962	-
Total items that may be reclassified subsequently to profit or loss :					
- net of income tax		1,580,962	(35,360,610)	1,580,962	(35,360,610)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Write-off deferred tax assets from sale of investments,					
fair value through other comprehensive income		(5,732,418)	-	(5,732,418)	-
Loss on investments, fair value through other comprehensive income		(6,699,129)	-	(6,699,129)	-
Income tax effects		1,339,826	-	1,339,826	-
Total		(5,359,303)	-	(5,359,303)	-
Total items that will not be reclassified subsequently to profit or loss :					
- net of income tax		(11,091,721)	-	(11,091,721)	-
Other comprehensive loss for the years		(9,510,759)	(35,360,610)	(9,510,759)	(35,360,610)
Total comprehensive loss for the years		(327,106,419)	(303,397,790)	(308,581,915)	(254,894,448)

Statement of comprehensive income (Continued)

For the year ended 31 December 2020

		Consolidated financial statements		Separate financial statements	
		(Baht)		(Baht)	
	Note	2020	2019	2020	2019
Loss for the years attributable to:					
Owners of the parent		(300,614,946)	(237,872,550)	(299,071,156)	(219,533,838)
Non-controlling interests		(16,980,714)	(30,164,630)	-	-
Total loss for the years		<u>(317,595,660)</u>	<u>(268,037,180)</u>	<u>(299,071,156)</u>	<u>(219,533,838)</u>
Total comprehensive loss for the years attributable to:					
Owners of the parent		(310,125,705)	(273,233,160)	(308,581,915)	(254,894,448)
Non-controlling interests		(16,980,714)	(30,164,630)	-	-
Total comprehensive loss for the years		<u>(327,106,419)</u>	<u>(303,397,790)</u>	<u>(308,581,915)</u>	<u>(254,894,448)</u>
Basic loss per share	34				
Basic loss per share (Baht/share)					
Loss to owners of the parent		-0.13	-0.19	-0.13	-0.18

Statement of changes in shareholders' equity

Consolidated financial statements									
(Baht)									
	Note	Retained earnings (deficit)			Other components of shareholders' equity			Equity attributable to owners of the parent	Total shareholders' equity
		Issued and paid-up share capital	Share premium (discount)	Appropriated - statutory reserve	Unappropriated (deficit)	Loss from revaluation of investments in available-for-sale securities	Profit (loss) on investments, fair value through other comprehensive income		
Balance as at 1 January 2019		1,224,249,008	85,227,681	17,207,886	(327,591,544)	(61,806,058)	-	937,286,973	937,290,464
Non-controlling interest from business combination under common control		-	-	-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(237,872,550)	(35,360,610)	-	(273,233,160)	(303,397,790)
Balance as at 31 December 2019		1,224,249,008	85,227,681	17,207,886	(565,464,094)	(97,166,668)	-	664,053,813	783,818,304
Balance as at 1 January 2020		1,224,249,008	85,227,681	17,207,886	(565,464,094)	-	(97,166,668)	664,053,813	783,818,304
Transfer loss on sale investments, fair value through other comprehensive income, due to sales of investments	10.4	-	-	-	(28,662,091)	-	28,662,091	-	-
Loss of control of investment in the subsidiaries	2.3	-	-	-	-	-	-	-	(103,016,063)
Issued and paid-up share capital	26	3,060,622,520	(2,754,560,268)	-	-	-	-	306,062,252	306,062,252
Total comprehensive loss for the year		-	-	-	(299,033,984)	-	(11,091,721)	(310,125,705)	(327,106,419)
Balance as at 31 December 2020		4,284,871,528	(2,669,332,587)	17,207,886	(893,160,169)	-	(79,596,298)	659,990,360	659,758,074

Statement of changes in shareholders' equity (Continued)

Separate financial statements		(Baht)					
Note	Issued and paid-up share capital	Retained earnings (deficit)		Other components of shareholders' equity			Total shareholders' equity
		Share premium (discount)	Appropriated - statutory reserve	Unappropriated (deficit)	Loss from revaluation of investments in available-for-sale securities	Profit (loss) on investments, fair value through other comprehensive income	
Balance as at 1 January 2019	1,224,249,008	85,227,681	17,207,886	(327,419,421)	(61,806,058)	-	937,459,096
Total comprehensive loss for the year	-	-	-	(219,533,838)	(35,360,610)	-	(254,894,448)
Balance as at 31 December 2019	1,224,249,008	85,227,681	17,207,886	(546,953,259)	(97,166,668)	-	682,564,648
Balance as at 1 January 2020	1,224,249,008	85,227,681	17,207,886	(546,953,259)	-	(97,166,668)	682,564,648
Transfer loss on sale investments, fair value through other comprehensive income, due to sales of investments	10.4	-	-	(28,662,091)	-	28,662,091	-
Issued and paid-up share capital	26	3,060,622,520	(2,754,560,268)	-	-	-	306,062,252
Total comprehensive loss for the year	-	-	-	(297,490,194)	-	(11,091,721)	(308,581,915)
Balance as at 31 December 2020	4,284,871,528	(2,669,332,587)	17,207,886	(873,105,544)	-	(79,596,298)	680,044,985

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Baht		Baht	
	2020	2019	2020	2019
Cash flows from operating activities				
Loss before income tax	(317,474,227)	(267,994,596)	(298,949,723)	(219,491,254)
Adjustments to reconcile loss before income tax				
to net cash provided by (paid from) from operating activities				
Depreciation and amortisation	24,243,978	27,164,664	22,025,692	22,933,329
Impairment loss on investments in subsidiaries/associates	-	-	20,000,000	-
Impairment loss on investments	-	139,903,265	-	139,903,265
Expected credit loss	106,646,538	-	89,897,003	-
Allowance for doubtful account (reversal)	-	(2,587,354)	-	828,332
Unrealised losses on revaluation of investments in trading securities	48,954,231	1,102,027	48,954,231	1,102,027
Loss on disposal and written off premises improvement, equipment, and intangible assets	3,115,078	11,322,133	3,067,958	11,164,658
Share of loss from investments in associates	9,401,176	4,482,178	-	-
Provision for litigation	22,500,000	-	22,500,000	-
Provision for long-term employee benefits	1,835,958	2,367,863	1,531,977	2,367,863
Interest expenses	11,922,379	18,526,345	11,922,379	18,526,345
Interest and dividend incomes	(26,869,608)	(64,180,598)	(27,427,997)	(61,293,616)
Loss from operating activities before changes in operating assets and liabilities	(115,724,497)	(129,894,073)	(106,478,480)	(83,959,051)
Operating assets (increase) decrease				
Receivables from Clearing House and brokers	6,315,207	34,170,601	6,315,207	34,170,601
Securities and derivatives business receivables	63,998,225	218,960,408	63,998,225	218,960,408
Investments	193,241,173	355,627,237	193,241,173	355,627,237
Other assets	(5,164,098)	29,291,035	(8,139,180)	46,752,145
Operating liabilities increase (decrease)				
Securities sold under repurchase agreements	(360,858,792)	(279,039,296)	(360,858,792)	(279,039,296)
Payables to Clearing House and brokers	(1,499,721)	(99,007,890)	(1,499,721)	(99,007,890)
Securities and derivatives business payables	(49,576,415)	(126,094,225)	(49,576,415)	(126,094,225)
Paid long-term employee benefits	(2,139,144)	(2,580,784)	(2,139,144)	(2,580,784)
Other liabilities	(8,537,834)	(30,951,836)	(8,904,617)	(33,345,227)
Net cash received (paid) from operating activities	(279,945,896)	(29,518,823)	(274,041,744)	31,483,918
Cash paid for interest expenses	(11,635,122)	(21,659,513)	(11,635,122)	(17,967,733)
Cash received from interest	25,788,379	66,505,975	25,087,364	63,363,560
Cash received from dividend	48,000	50,400	48,000	50,400
Cash received for income tax	1,354,764	2,255,865	1,354,764	2,255,865
Cash paid for income tax	(589,811)	(2,700,785)	(653,181)	(2,514,467)
Net cash provided by (used in) operating activities	(264,979,686)	14,933,119	(259,839,919)	76,671,543

Statement of cash flows (Continued)

		Consolidated financial statements		Separate financial statements	
		(Baht)		(Baht)	
	Note	2020	2019	2020	2019
Cash flows from investing activities					
Proceeds from business combination under common control		-	11,161,221	-	-
Cash of the subsidiaries with loss of controls		(191,218)	-	-	-
Cash received from sale investments, fair value through other comprehensive income		4,248,080	-	4,248,080	-
Cash paid for purchase of investment in associate		-	(14,700,000)	-	(14,700,000)
Cash paid for purchase held-to-maturity investments		-	(80,000,000)	-	(60,000,000)
Cash received from held-to-maturity investments		-	176,300,000	-	176,300,000
Cash received from investments, amortised cost investments		125,750,000	-	85,750,000	-
Cash paid for investments, amortised cost investments		(145,200,000)	-	(90,200,000)	-
Cash paid for loan to related parties		-	-	(20,000,000)	(104,000,000)
Cash received from loan to related parties		1,858,470	-	7,000,000	-
Cash paid for loan to third parties		(14,000,000)	(76,500,000)	-	-
Cash received from loan to third parties		17,447,541	58,828,963	-	12,000,000
Cash paid for purchase of premises improvement and equipment		(2,268,485)	(4,309,403)	(2,268,485)	(3,118,101)
Proceeds from disposal of premises improvement and equipment		201,053	636,406	187,221	169,715
Cash paid for purchase of intangible assets		(1,213,854)	(400,222)	(1,213,854)	(400,222)
Net cash provided by (used in) investing activities		(13,368,413)	71,016,965	(16,497,038)	6,251,392
Cash flows from financing activities					
Repayment of bills of exchanges		(30,000,000)	(85,000,000)	(30,000,000)	(85,000,000)
Proceeds from issuing bills of exchanges		-	10,000,000	-	10,000,000
Cash received from subordinate loan		150,000,000	-	150,000,000	-
Cash paid for subordinate loan		(150,000,000)	-	(150,000,000)	-
Cash paid for liabilities under finance lease agreements		-	(2,448,706)	-	(2,448,706)
Cash paid for liabilities under lease agreements		(9,346,671)	-	(9,346,671)	-
Cash received from increase share capital		306,062,252	-	306,062,252	-
Net cash provided by (used in) financing activities		266,715,581	(77,448,706)	266,715,581	(77,448,706)
Net increase (decrease) in cash and cash equivalents		(11,632,518)	8,501,378	(9,621,376)	5,474,229
Cash and cash equivalents at the beginning of the years		56,075,364	47,573,986	50,884,805	45,410,576
Cash and cash equivalents at the end of the years	7	44,442,846	56,075,364	41,263,429	50,884,805
Supplemental cash flow information					
Non-cash transactions					
Transfer deposits to investment in associates		-	14,700,000	-	14,700,000
Payable of acquisition of equipment		8,156	-	8,156	-

Note to the Financial Statements

These notes form an integral part of consolidated and separate financial statements.

The consolidated and separate financial statements were approved for issue by the Company's Board of Director on 1 March 2021.

1. General information

1.1 AEC Securities Public Company Limited "the Company" is a public limited company under the Public Limited Companies Act and domiciled in Thailand. The registered office of the Company is at 63, 17th Floor, Athenee Tower, Room 1701, 1705-1707, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. It has been operating securities businesses and licensed and approved by the Office of the Securities and Exchange Commission ("SEC") to operate the following businesses:

- 1) Securities brokerage
- 2) Securities trading and securities underwriting
- 3) Investment advisory service
- 4) Derivatives brokerage
- 5) Securities borrowing and lending
- 6) Private fund management

1.2 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.

1.3 Significant uncertainty in relation with continuing operations

The Group has experienced consecutive losses and negative operating cash flow. The Company will exercise strategies in order to solve the issue as follows:

- Short-term strategy: according to the resolution of the Board of Directors Meeting No. 7/2020 on 21 May 2020 approved the Company to raise its capital through subordinated loans; divest common shares held by the Company under investment; and decrease the amount of investment in the debentures in trouble, which the Company has completed since 2nd quarter of 2020. The Company also made the repayment of the subordinated loan amounting to Baht 150.00 million in August 2020, by using the source of funds from the capital increase of ordinary shares.
- Long-term strategy: according to the 2020 Annual General Meeting held on 20 July 2020 approved the Company's share capital increase (details are described in the note 26 to the financial statements). In this regards, the Company received the share subscription amounting to Baht 306.06 million in August 2020.

The Company has set the direction for future operations as follows:

- Increase of revenue both in securities trading business, investment banking, private fund management and derivatives and funds.
- Looking for marketing team to increasing revenue, customers and maintain existing customers.

- Development of online trading system to meet the needs of target customers and opening knowledge channel on securities investment by online and set up seminars for investors.
- Provide training to customers and investors who interested in invests in both of capital and money markets and also training and educating employees about new products, enhancing their skills including customer serving skills.

In addition, the Company also has plan for improving its business and looking for business partners to increase business opportunities, however these remain a significant uncertainty about the success of the business plan in relation to the business partners, timing of income generation, and other economic situations that may be affected by the spread of Coronavirus disease 2019 (COVID-19) that cannot be assessed at this time.

2. Basis for preparation of the financial statements

- 2.1** The financial statements for the year ended 31 December 2020 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies (version 3) No. SorTor. 6/2562, dated 8 January 2019, regarding “The Form of Financial Statements for Securities Companies”, which is effective for the financial statements for the accounting periods beginning on or after 1 January 2020 onwards. The consolidated and separate statements of financial position as at 31 December 2019 and the related consolidated and separate statements of comprehensive income for the year ended 31 December 2019 have been reclassified for comparison accordingly.

The consolidated and separate financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand. The consolidated and separate financial statements have been prepared under the historical cost convention except where otherwise disclosed in the accounting policies. An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are 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.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group chooses to adopt the temporary relief measures on accounting alternative as below.

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of debt instruments using Level 2 or Level 3 inputs.
- Not to use information relating to the COVID-19 situation which uncertainty that may affect the tax income forecasts used to be the information for estimating the adequacy of taxable profits forecast in order to take advantage of deferred tax assets. However, the company must also review the carrying amount of deferred tax assets at the end of the reporting period and the business has to reduce the carrying amount of deferred income tax assets when company have the possibility taxable profit is sufficient to utilise deferred tax assets.

2.3 Basis of consolidation

These consolidated financial statements include the financial statements of AEC Securities Public Company Limited and its subsidiaries (collectively "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019. There is change in the Group's structure in the current year as follows.

Change in the status of investment from subsidiaries to associates

The Company's Board of Directors Meeting No. 10/2020 on 27 August 2020 passed a resolution approving the restructuring of investments in subsidiaries, by deconsolidated the financial statements of O Mobile Company Limited (OMB) and O Money Company Limited (OMN) from the Company's financial statements for the 3rd quarter of 2020 (1 July 2020) onwards due to the following reasons.

1. The Company has no control over subsidiaries since the subsidiaries' management is under the Board of Directors of the subsidiaries. Moreover, the directors or management who was assigned by the Company to monitor, restructure, improve the business plan of the subsidiaries had resigned from the Company during the current year. The Company does not assign other directors or management because the Company has changed the investment plan in the subsidiaries to use the resources for other businesses that the return is worth more.
2. The Company canceled the subsidiaries restructuring plan of converting the loan to subsidiaries into new ordinary issued shares.

Accordingly, the Group has changed the classification of its investments in both companies from the investments in subsidiaries to associates since the 3rd quarter of 2020 onwards.

For reclassification of investments, the Group recorded investments held by the Group at fair value which is close to the equity method from the book value of net assets of the two subsidiaries as at 30 June 2020 with details as follows:

	(Thousand Baht)
	Consolidated financial statements
Net assets	138,074
Non-controlling interest	(103,016)
Net	35,058

2.4 Reclassifications

Certain accounts in the consolidated and separate statements of financial position as at 31 December 2019 and the related consolidated and separate statements of comprehensive income for the year ended 31 December 2019 have been reclassified for comparison purposes and to conform to the presentation in the 2020 financial statements as below:

	(Thousand Baht)		
	As at 31 December 2019		
	Consolidated financial statements		
	Before Reclassification	Reclassifications	After Reclassifications
<i>Statement of financial position</i>			
<i>Assets</i>			
Cash and cash equivalents	59,098	(3,023)	56,075
Investments	658,794	(658,794)	-
Non – collateralised investments	-	239,319	239,319
Collateralised investments	-	419,475	419,475
Loans to related parties	-	166,149	166,149
Loans to third parties	236,044	(166,149)	69,895
Restricted cash at bank	-	3,023	3,023

	(Thousand)		
	As at 31 December 2019		
	Separate financial statements		
	Before Reclassification	Reclassifications	After Reclassifications
Statement of financial position			
Assets			
Investments	638,975	(638,975)	-
Non – collateralised investments	-	219,500	219,500
Collateralised investments	-	419,475	419,475

	(Thousand)		
	For the year ended 31 December 2019		
	Consolidated financial statements		
	Before Reclassifications	Reclassifications	After Reclassifications
Statement of comprehensive income			
Revenues			
Interest income	-	64,130	64,130
Interest on margin loans	4,822	(4,822)	-
Gains and return on financial instruments	106,602	(59,308)	47,294

	(Thousand)		
	For the year ended 31 December 2019		
	Separated financial statements		
	Before Reclassifications	Reclassifications	After Reclassifications
Statement of comprehensive income			
Revenues			
Interest income	-	61,243	61,243
Interest on margin loans	4,822	(4,822)	-
Gains and return on financial instruments	103,715	(56,421)	47,294

3. New financial reporting standards

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting

standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies that the Group is to measure investments in equity instruments of non-listed companies at fair value and classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income.
- Recognition of credit losses that the Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment securities and derivatives business receivables and the general approach to consider impairment of loan to.

The Group adopted these financial reporting standards which the cumulative effect from initial adoption of this group of TFRS is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases, as same as those principles of TAS 17.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020. The value of the right to use the assets is measured equal to the liabilities under lease agreements and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

There is no impact on the beginning balance of retained earnings of 2020 from the changes in accounting policies due to the adoption of those TFRSs. There are only changes in the presentation and classification as follows :

(Thousand Baht)				
Consolidated financial statements				
	The impacts of			
	Financial reporting standards related to			
	31 December	financial		1 January
	2019	instruments	TFRS 16	2020
Statement of financial position				
Assets				
Investments	658,794	(658,794)	-	-
Non – collateralised investments	-	239,319	-	239,319
Investments that are placed as collateral and do not grant the assignee the right to sell or place another guarantee	-	419,475	-	419,475
Premises improvement and equipment	42,665	-	(11,886)	30,779
Right-of-use assets	-	-	27,481	27,481
Liabilities				
Liabilities under finance lease agreements	5,976	-	(5,976)	-
Liabilities under lease agreements	-	-	21,571	21,571

(Thousand Baht)				
Separate financial statements				
The impacts of				
Financial reporting standards related to				
31 December	financial		1 January	
2019	instruments	TFRS 16	2020	
Statement of financial position				
Assets				
Investments	638,975	(638,975)	-	-
Non – collateralised investments	-	219,500	-	219,500
Investments that are placed as collateral and do not grant the assignee the right to sell or place another guarantee	-	419,475	-	419,475
Premises improvement and equipment	41,003	-	(11,886)	29,117
Right-of-use assets	-	-	27,481	27,481
Liabilities				
Liabilities under finance lease agreements	5,976	-	(5,976)	-
Liabilities under lease agreements	-	-	21,571	21,571

4.1 Financial instruments

The classification and measurement basis, and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

	(Thousand Baht)				
	Consolidated financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets					
Cash and cash equivalents	56,075	-	-	56,075	56,075
Receivables from Clearing House and broker	45,851	-	-	45,851	45,851
Securities and derivatives business receivables	101,829	-	-	101,829	101,829
Investments					
Non – collateralised investments					
- Private debt securities	170,963	-	-	170,963	170,963
- General investments (equity instrument – non listed entities)	68,356	-	68,356	-	68,356

(Thousand Baht)

	Consolidated financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Collateralised investments and do not grant the assignee the right to sell or place another guarantee					
- Private debt securities	353,117	353,117	-	-	353,117
- Equity instruments – Listed entities	24,558	-	24,558	-	24,558
- Fixed deposit accounts	41,800	-	-	41,800	41,800
Loans to related parties	166,149	-	-	166,149	166,149
Loans to third parties	69,895	-	-	69,895	69,895
Restricted cash at bank	3,023	-	-	3,023	3,023
Total financial assets	1,111,824	353,117	92,914	665,793	1,111,824
Financial liabilities					
Securities sold under repurchase agreements	360,859	-	-	360,859	360,859
Payables to Clearing House and broker	2,735	-	-	2,735	2,735
Securities and derivatives business payables	83,382	-	-	83,382	83,382
Liabilities under finance lease agreements	5,976	-	-	5,976	5,976
Debt issued and other borrowings	29,713	-	-	29,713	29,713
Total financial liabilities	482,665	-	-	482,665	482,665

(Thousand Baht)

	Separate financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets					
Cash and cash equivalents	50,885	-	-	50,885	50,885
Receivables from Clearing House and broker	45,851	-	-	45,851	45,851
Securities and derivatives business receivables	101,829	-	-	101,829	101,829
Investments					
Non – collateralised investments					
- Private debt securities	151,144	-	-	151,144	151,144
- General investments (Equity instrument – non listed entities)	68,356	-	68,356	-	68,356

(Thousand Baht)

	Separate financial statements				
	Classification and measurement in accordance with TFRS 9				
	Carrying amounts under the former basis	Fair value through profit or loss	Fair value through income	Amortised cost	Total
Collateralised investments and do not grant the assignee the right					
to sell or place another guarantee					
- Private debt securities	353,117	353,117	-	-	353,117
- Equity instruments - Listed entities	24,558	-	24,558	-	24,558
- Fixed deposit accounts	41,800	-	-	41,800	41,800
Loans to related companies	145,000	-	-	145,000	145,000
Total financial assets	989,748	353,117	92,914	543,717	989,748
Financial liabilities					
Securities sold under repurchase agreements	360,859	-	-	360,859	360,859
Payables to Clearing House and broker	2,735	-	-	2,735	2,735
Securities and derivatives business payables	83,382	-	-	83,382	83,382
Liabilities under finance lease agreements	5,976	-	-	5,976	5,976
Debt issued and other borrowings	29,713	-	-	29,713	29,713
Total financial liabilities	482,665	-	-	482,665	482,665

Details of changes in carrying amounts arising from reclassification of financial assets and financial liabilities on the date of initial application of TFRS 9 as announced by the SEC are as follows:

	(Thousand Baht)			
	Consolidated financial statements			
	Carrying amounts under the former basis in accordance with TAS 105 as at 31 December 2019	Changes in carrying amounts		Carrying amounts under the TFRS 9 as at 1 January 2020
		Reclassification	Remeasurement	
Financial assets				
1. Fair value through profit or loss				
Investments measured at fair value through profit or loss				
Brought forward from trading securities (in accordance with TAS 105)	353,117	(353,117)	-	-
Investment measured at fair value through profit or loss (in accordance with TFRS 9)	-	353,117	-	353,117
Total financial assets measured at fair value through profit or loss	-	-	-	353,117
2. Fair value through other comprehensive income				
Brought forward from available for sale securities (in accordance with TAS 105)	24,558	(24,558)	-	-
Add general investments (in accordance with TAS 105)	68,356	(68,356)	-	-
Investment measured at fair value through Other comprehensive income (in accordance with TFRS 9)	-	92,914	-	92,914
Total financial asset measured at fair value through other comprehensive income	-	-	-	92,914
3. Amortised cost				
Brought forward from held-to-maturity debt Securities (in accordance with TAS 105)	212,763	(212,763)	-	-
Investment measured at amortised cost (in accordance with TFRS 9)	-	212,763	-	212,763
Total financial assets measured at amortised cost	-	-	-	212,763
Total financial assets	658,794	-	-	658,794

	(Thousand Baht)			
	Separate financial statements			
	Carrying amounts under the former basis in accordance with TAS 105 as at 31 December 2019	Changes in carrying amounts		Carrying amounts under the TFRS 9 as at 1 January 2020
		Reclassification	Remeasurement	
Financial assets				
1. Fair value through profit or loss				
Investments measured at fair value through profit or loss				
Brought forward from trading securities (in accordance with TAS 105)	353,117	(353,117)	-	-
Investment measured at fair value through profit or loss (in accordance with TFRS 9)	-	353,117	-	353,117
Total financial assets measured at fair value through profit or loss	-	-	-	353,117
2. Fair value through other comprehensive income				
Brought forward from available for sale securities (in accordance with TAS 105)	24,558	(24,558)	-	-
Add general investments (in accordance with TAS 105)	68,356	(68,356)	-	-
Investment measured at fair value through other comprehensive income (in accordance with TFRS 9)	-	92,914	-	92,914
Total financial asset measured at fair value through other comprehensive income	-	-	-	92,914
3. Amortised cost				
Brought forward from held-to-maturity debt securities (in accordance with TAS 105)	192,944	(192,944)	-	-
Investment measured at amortised cost (in accordance with TFRS 9)	-	192,944	-	192,944
Total financial assets measured at amortised cost	-	-	-	192,944
Total financial assets	638,975	-	-	638,975

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	37,636	34,193
Less: Short-term leases and leases of low-value assets	(6,915)	(3,472)
Less: Contracts reassessed as service agreements	(14,669)	(14,669)
Less: Deferred interest expenses	(457)	(457)
Increase in lease liabilities due to TFRS 16 adoption	15,595	15,595
Liabilities under finance lease agreements		
as at 31 December 2019	5,976	5,976
Lease liabilities as at 1 January 2020	21,571	21,571
The above lease liabilities comprise of:		
Current lease liabilities	8,772	8,772
Non-current lease liabilities	12,799	12,799
	21,571	21,571
Lease liabilities as at 1 January 2020	21,571	21,571
Increase during the year	1,520	1,520
Decrease during the year	(9,348)	(9,348)
Lease liabilities as at 31 December 2020	13,743	13,743

The adjustments of right-of-use assets due to initial adoption of TFRS 16 as at 1 January 2020 are summarised below:

	(Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Office spaces	12,552	12,552
Vehicles	3,043	3,043
Total right-of-use assets – from operating lease	15,595	15,595
The reclassification of right-of-use assets due to TFRS 16 first-time adoption		
- Vehicles	9,333	9,333
- Decommissioning costs	2,553	2,553
Total right-of-use assets	27,481	27,481
Right-of-use assets as at 1 January 2020	27,481	27,481
Increase during the year	1,520	1,520
Decrease during the year	(10,747)	(10,747)
Right-of-use assets as at 31 December 2020	18,254	18,254

5. Significant accounting policies

The significant accounting policies used in the preparation of the consolidated and separate financial statements are as follows:

5.1 Revenue and expense recognition

5.1.1 Brokerage fee income

Brokerage fee income on securities and derivatives business are recognised as income when services have been rendered on the transaction date (Point in time).

5.1.2 Fees and service income

Back-end-fee and Front-end fee, Securities borrowing and Lending fee, Underwriting fee, Debt trading fee, and Selling agent are recognised as income when services have been rendered (Point in time).

Management fee, Registrar and assets management fees, Financial advisory fee are recognised when services have been rendered, taken into account the stage of completion (Over time).

5.1.3 Interest income

Interest is recognised as income on an accrual basis by calculating the effective interest rate and gross book value. Except for receivables with credit impairment as at the date of the financial statements which must be calculated from the effective interest rate and amortised cost net of allowance for expected credit loss of that debtor.

5.1.4 Gains (losses) and return on financial instruments

Gains (losses) on investments and derivatives

Gains (losses) on investments and derivatives are recognised as income/expense on the transaction date.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

5.1.5 Other expenses

Expenses are recognised on an accrual basis. Except for the expected credit losses which are shown in Note 13 to the financial statements.

5.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, call deposit, highly liquid short-term investments, and including certificate of deposit maturing within 3 months or less from the date of acquisition and not subject to withdrawal restrictions.

5.3 Recognition and amortisation of customers' assets

Assets which customers have placed with the Company for securities trading, in term of cash accounts, cash balance and credit balance accounts, including amounts which customers have placed as security for derivative trading, are recorded as assets and liabilities of the Company for internal control purpose. At the financial position date, the Company writes off those amounts which there are no guarantee obligations from both assets and liabilities and presents only those assets which belong to the Company.

5.4 Receivables from/payables to Clearing House and brokers

Receivables from/payables to Clearing House and brokers comprise the net balance of receivables from/payables to Thailand Clearing House in respect of settlements for securities trades and derivative instruments. They include amounts pledged with Thailand Clearing House as security for derivatives trading, cash pledged with securities companies as collateral for securities trading, and the net balance of amounts receivable from/payable to securities companies in respect of securities trades settled overseas through securities companies.

5.5 Securities and derivatives business receivables

Securities and derivatives business receivables comprise of 3 categories as follows:

a) Receivable from securities and derivatives business of cash accounts

Receivable from securities and derivatives business of cash accounts are the receivables that were derived from cash settlements within 1 - 2 working days after the securities and derivatives purchasing date.

b) Credit balance receivables

Credit balance receivables are accounts that debtors are granted loan for securities purchasing with collaterals placed not lower than the rate required by the Stock Exchange of Thailand.

c) Other receivables

Other receivables include overdue receivables from securities business of cash accounts, and receivable from credit balance accounts and restructured or installment receivable.

5.6 Borrowing and lending of securities

The Company is engaged in securities borrowing and lending, whereby the Company acts as a principal or an agent of the borrowers and lenders of securities.

The Company records its obligations to return borrowed securities which it has lent as “securities borrowing payables” and securities lent to customers are recorded as “securities borrowing receivables” in the statement of financial position. At the end of the year, the balance of securities borrowing payables and securities borrowing receivables are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day at the end of the reporting period. Gains or losses arising from such adjustment are included in part of profit or loss in the statement of comprehensive income. The Company records cash paid as collateral for securities borrowing as “guaranteed deposit receivables” and cash received as collateral for securities lending as “guarantee deposit payable”. Fees from borrowing and lending are recognised on an accrual basis over the term of the lending.

5.7 Investments

Accounting policy adopted since 1 January 2020

Investments in the statements of financial position consist of debt and equity securities, including

- (1) Investment measured at amortised cost which consists of deposits in financial institutions and investments in debt securities issued by the private sector. These investments are initially measured at fair value plus additional direct transaction costs and is subsequently measured at amortized cost using the effective interest rate method.
- (2) Investments measured at fair value through profit or loss.
- (3) Investments in debt securities that are measured at fair value through other comprehensive income (FVOCI), gains or losses are recognised in other comprehensive income. Except for the following items will be recognised in profit or loss in the same way as financial assets measured using the amortised cost method:
 - Interest income using the effective interest rate method
 - Expected credit loss (ECL) and reversal of that loss
 - Gain or loss from exchange rate

In the event that investments in debt securities are measured at fair value through other comprehensive income, are eliminated from the account. The accumulated profit or loss previously recognised in other comprehensive income will be reclassified as part of profit or loss.

- (4) Investments in equity instruments designated to be measured at fair value through other comprehensive income (FVOCI) gains or losses are recognised in other comprehensive income. Except dividends are recognised in profit or loss. In the event that investments in equity instruments determined to be measured at fair value through other comprehensive income are eliminated from the accounts. The accumulated profit or loss previously recognised in other comprehensive income will be reclassified as part of the accumulated profit (loss).

The Group records purchases and sales of investments on the day of the transaction and uses a weighted average method to calculate the cost of an investment when the investment is sold.

Accounting policy adopted before 1 January 2020

Investments are classified into the following 4 categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- a) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price for no more than 1 year are classified as trading.
- b) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
- c) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs are classified as available-for-sale.
- d) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

The Group recognised investment trading transaction on trade date.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on last bid price at the last working day at the end of the reporting period by reference to the Stock Exchange of Thailand. The unrealised gains and losses resulting from changes in fair values of investment in trading securities are recognised in profit and loss. Unrealised gains and losses for available for sale investments are included in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss (if any).

General investments are carried at cost less impairment loss (if any).

A test for impairment of available-for-sale investments, held-to-maturity investments and general investments are carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

5.8 Group accounting - Investment in subsidiaries, associates, and investments recognition by equity method

5.8.1 Subsidiaries

Subsidiaries are entities over which the group has control. The Group controls the entities when the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. The subsidiaries are fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

5.8.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiaries is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

5.8.3 Disposal of subsidiaries

When the Group ceases to have control, it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

5.8.4 Associates

The associates are entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associates is accounted for using the equity method of accounting.

5.8.5 Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associate include goodwill identifies on acquisition.

If the ownership interest in associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in an associate is recognise in profit or loss.

The Group's share of its associate post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associate equals or exceeds its interest in the associate, together with any long-term interests that, in substance, form part of the entity's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of

impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associate in profit or loss.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

5.8.6 Separate financial statements

In the separate financial statements, investments in subsidiaries are accounted for at cost less allowance for impairment (if any). Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments.

5.9 Premises improvement and equipment and depreciation

Premises improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation of premises improvement and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Building improvement	3, 5 and	10 years
Furniture, fixtures and office equipment	2, 3 and	5 years
Finance lease assets		5 years

Repairs and maintenance are charged as expenses to the statements of comprehensive income during the accounting period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the useful life of the related asset.

An item of premises improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.10 Intangible assets and amortisation

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Software	3 and	5 years
SET and derivatives memberships		5 years
Website design	Over the period of license term	
Company's logo		5 years

No amortisation is provided on software under installation.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

5.11 Securities sold under repurchase agreements

The Group enters into sales of securities under agreements to repurchase securities at certain dates in the future at a fixed price. Securities sold under repurchase agreements presented as liabilities in the statement of financial position are stated at amounts received from the sale of those securities and the underlying securities are treated as collaterals.

The difference between the sale and purchase considerations is recognised on an accrual basis over the period of the transaction and is included in interest expenses.

5.12 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

5.13 Lease

Accounting policy adopted since 1 January 2020

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

Accounting policy adopted before 1 January 2020

Leases of vehicle which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as liabilities, while the interest element is charged to profit or loss in the statement of comprehensive income over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss in the statement of comprehensive income on a straight-line basis over the lease term.

5.14 Debt issued and other borrowing

Debt issued and other borrowings are recognised initially at the fair value of the proceeds received. Debt issued and other borrowings are subsequently stated at amortised cost, using the effective yield method; any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

5.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.16 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated company and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, management personnel, directors and officers with authority in the planning and direction of the operations of the Group.

5.17 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would

have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.18 Employee benefit

a) Short-term benefits

Salaries, wages, bonuses, contribution to the social security fund and provident fund are recognised as expenses when the employees performed the service.

b) Post-employment benefits (Defined contribution plans)

The Group and the employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

5.19 Foreign currencies

The financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate, ruling at the end of reporting period.

Gains and losses on foreign exchange are included in profit or loss.

5.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable

that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At the end of the reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.21 Financial instruments

Financial assets and financial liabilities are recognised 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 recognised immediately in profit or loss.

Financial assets

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

Classification and measurement

(1) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest incomes over the relevant period. Interest incomes is recognised in profit or loss and is included in the "interest incomes" line item.

(2) Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

(3) 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 recognised by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gains or losses 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 recognised 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 (losses) and return on financial instruments” line item in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9.

(4) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically;

- * Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- * Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, receivables and contract assets, as well as on financial guarantee contracts. The amount of expect 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 recognises lifetime ECL for securities and derivatives business receivables, investment, loans and contract assets. 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 recognises 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.

(1) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contracts, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments

in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

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

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation techniques

that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at time requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosure, and actual results could differ from these estimation. The significant accounting judgements and estimates are as follows:

6.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

6.2 Allowances for expected credit losses of financial assets

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realised, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. The use of different estimates and assumptions could affect the amount of the allowance for credit losses and, therefore, the allowance may need to be adjusted in the future.

6.3 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (both the Group and counterparty) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the financial statements and disclosures of fair value hierarchy.

6.4 Allowance for impairment of investments

The Group treats the investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

6.5 Deferred tax assets

Deferred tax assets are recognised when it is highly probable that the Group will generate sufficient taxable profits from their future operations to utilise these deferred tax assets. If management need to estimate the amounts of the deferred tax assets that the Group should recognise, they take into account the amount of taxable profit expected in each future period.

6.6 Premises improvement and equipment and depreciation

In determining depreciation of premises improvement and equipment, the management is required to make estimates of the useful lives and salvage values of the Group’s equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review premises improvement and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

6.7 Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

6.8 Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.9 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

6.10 Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgement to assess of the results of the litigation and recorded provision for contingent liabilities as at the end of reporting period. In case where they believe that no loss will result, the contingent liabilities are not recorded.

7. Cash and cash equivalents

	(Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
Cash on hand	7,022	38	7,019	22
Short-term deposits and notes receivable with maturity less than three months	146,640	263,526	143,463	258,352
Less Deposits for customers' accounts	(109,219)	(207,489)	(109,219)	(207,489)
Total cash and cash equivalents	44,443	56,075	41,263	50,885

8. Receivables from Clearing House and brokers

	(Thousand Baht)	
	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
Receivables from Clearing House	47,906	58,983
Less Receivables from Clearing House and brokers for the customers	(8,370)	(13,132)
Total Receivables from Clearing House and brokers	39,536	45,851

9. Securities and derivatives business receivables

	(Thousand Baht)	
	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
<u>Securities business receivables</u>		
Customer accounts - cash	10,922	55,875
Customer accounts - credit balance	17,723	36,909
Receivables subject to legal proceedings	95,306	95,306
Total securities business receivables	123,951	188,090
Add Accrued interest receivables	37	37
Less Allowance for doubtful accounts	-	(86,558)
Less Allowance for expected credit losses	(86,558)	-
Securities business receivables	37,430	101,569
<u>Derivatives business receivables</u>		
Derivatives business receivables	401	260
Total securities and derivatives business receivables	37,831	101,829

As at 31 December 2020, the Company has receivables subject to legal proceedings which it has stopped recognising interest incomes of approximately Baht 95.31 million (31 December 2019: Baht 95.31 million).

9.1 Classification of securities and derivatives business receivables and allowance for expected credit losses

As at 31 December 2020 and 2019, the Group has classified securities and derivatives business receivables in accordance with TFRS 9 / the relevant notification issued by the Office of the Securities and Exchange Commission. Classification are as follows:

	(Thousand Baht)		
	Consolidated and separate financial statements		
	31 December 2020		
	Securities and derivatives business receivables and accrued interest	Amount use for determining allowance for expected credit losses	Allowance for expected credit losses
Receivables not significant increase in credit risk	29,046	29,046	-
Receivable that have credit losses were initially purchased or acquired	8,785	95,343	(86,558)
Total	37,831	124,389	(86,558)

(Thousand Baht)			
Consolidated and separate financial statements			
31 December 2019			
	Debt balances	Allowances for doubtful accounts	Debt balances net of allowances for doubtful accounts
Normal debts	93,044	-	93,044
Sub-standard debts	8,785	-	8,785
Doubtful debts	86,558	(86,558)	-
Total	188,387	(86,558)	101,829

9.2 Allowance for expected credit losses / allowance for doubtful accounts

(Thousand Baht)		
Consolidated and separate financial statements		
	31 December 2020	31 December 2019
Beginning balance of the years	86,558	86,558
Bad debt and allowance for doubtful accounts/ expected credit losses	-	-
Ending balance of the years	86,558	86,558

10. Investments

10.1 Cost and fair value

(Thousand Baht)				
Consolidated financial statements				
31 December 2020				
	Cost	Fair value / Amortised cost		Total
		Non-collateralised investments	Collateralised investments	
Investment measured at fair value through profit or loss				
<i>Trading investments</i>				
Listed securities	15,402	14,125	-	14,125
Fixed income fund	30,000	30,105	-	30,105
Private debt securities	111,152	66,691	-	66,691
Total	156,554	110,921	-	110,921
Less Allowance for revaluation	(45,633)	-	-	-
Total	110,921	110,921	-	110,921
Total investment measured at fair value through profit or loss	110,921	110,921	-	110,921
Investment measured at fair value through other comprehensive income				
<i>Investment in equity securities measured at fair value through other comprehensive income</i>				
Listed securities	113,106	-	13,611	13,611
Non-marketable equity securities	68,356	68,356	-	68,356
Total	181,462	68,356	13,611	81,967
Less Allowance for revaluation	(99,495)	-	-	-
Total	81,967	68,356	13,611	81,967
Total Investment measured at fair value through other comprehensive income	81,967	68,356	13,611	81,967
Investment measured at amortised cost				
Fixed Account	81,600	50,000	31,600	81,600
Private debt securities	293,350	151,120	-	151,120
Total	374,950	201,120	31,600	232,720
Less accumulated amortisation	(3,130)	-	-	-
allowance for expected credit losses	(139,100)	-	-	-
Total investment measured at amortised cost	232,720	201,120	31,600	232,720

Total investments	425,608	380,397	45,211	425,608
	(Thousand Baht)			
	Separate financial statements			
	31 December 2020			
	Fair value / Amortised cost			
	Cost	Non - collateralised investments	Collateralised investments	Total
Investment measured at fair value through profit or loss				
<i>Trading investments</i>				
Listed securities	15,402	14,125	-	14,125
Fixed income fund	30,000	30,105	-	30,105
Private debt securities	111,152	66,691	-	66,691
Total	156,554	110,921	-	110,921
Less Allowance for revaluation	(45,633)	-	-	-
Total	110,921	110,921	-	110,921
Total investment measured at fair value through profit or loss	110,921	110,921	-	110,921
Investment measured at fair value through other comprehensive income				
<i>Investment in equity securities measured at fair value through other comprehensive income</i>				
Listed securities	113,106	-	13,611	13,611
Non-marketable equity securities	68,356	68,356	-	68,356
Total	181,462	68,356	13,611	81,967
Less Allowance for revaluation	(99,495)	-	-	-
Total	81,967	68,356	13,611	81,967
Total Investment measured at fair value through other comprehensive income	81,967	68,356	13,611	81,967
Investment measured at amortised cost				
Fixed Account	81,600	50,000	31,600	81,600
Private debt securities	258,350	116,607	-	116,607
Total	339,950	166,607	31,600	198,207
Less accumulated amortisation	(2,643)	-	-	-
allowance for expected credit losses	(139,100)	-	-	-
Total investment measured at amortised cost	198,207	166,167	31,600	198,207

Total investments	391,095	345,884	45,211	391,095
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(Thousand Baht)

Consolidated financial statements

31 December 2019

	Cost/ Amortised cost	Fair value
Trading securities		
Private debt securities*	349,796	353,117
Total	349,796	353,117
Add Allowance for revaluation	3,321	-
Trading securities	353,117	353,117
Available for sale securities		
Listed securities*	146,016	24,558
Less Allowance for revaluation	(121,458)	-
Available for sale securities	24,558	24,558
Held-to-maturity investments		
Fixed deposits*	41,800	
Private debt securities	310,866	
Total	352,666	
Less Allowance for revaluation	(139,903)	
Held-to-maturity investments	212,763	
General investments		
Non-marketable equity securities	68,356	
General investments	68,356	
Total investments	658,794	
<i>*Collateralised investments</i>		
Non- collateralised investments	239,319	
Collateralised investments	419,475	
Total investments	658,794	

	(Thousand Baht)	
	Separate financial statements	
	31 December 2019	
	Cost/ Amortised cost	Fair value
Trading securities		
Private debt securities*	349,796	353,117
Total	349,796	353,117
Add Allowance for revaluation	3,321	-
Trading securities	353,117	353,117
Available for sale securities		
Listed securities*	146,016	24,558
Less Allowance for revaluation	(121,458)	-
Available for sale securities	24,558	24,558
Held-to-maturity investments		
Fixed deposits*	41,800	
Private debt securities	291,047	
Total	332,847	
Less Allowance for revaluation	(139,903)	
Held-to-maturity investments	192,944	
General investments		
Non-marketable equity securities	68,356	
General investments	68,356	
Total investments	638,975	
<i>*Collateralised investments</i>		
Non- collateralised investments	219,500	
Collateralised investments	419,475	
Total investments	638,975	

- As at 31 December 2020, investment in private debt securities of the Company (STAR) which has book value designed at amortised cost amounting to Baht 77.77 million (31 December 2019: Baht 139.80 million) is secured by ordinary shares of a company under the share pledge agreement between the Company and STAR as follows:
 - Pledge 23.90 million ordinary shares of a company, listed on the Australian Stock Exchange with fair value under closing price as at 31 December 2020 amounting to AUD 1.43 million (or equivalent to Baht 32.29 million) (31 December 2019: AUD 5.50 million (or equivalent to Baht 113.68 million)).

The Company did not process for a legal pledge due to high expenses, but the Company proved STAR's ownership in the common stock of the listed company from its shareholder list as at 31 December 2020.

As at 31 December 2020, the Company did not set an allowance for the expected credit loss for the difference between the carrying amount under the amortised cost method and the recoverable amount from the collateralised amounting to Baht 45.48 million, due to STAR had contracted with the Company to extend the payment period and the management considered that the substantial decline in expected recoverable values is due to the uncertainty of the COVID-19 situation.

- As at 31 December 2020, the subsidiary's investment in private debt securities which has book value measured at cost method amounting to Baht 34.51 million. According to the resolution of the Board of Directors of the subsidiary (ACE Incorporation Co., Ltd.) No. 7/2020 held on 10 September 2020, the subsidiary has invested in private debt instruments (Bill of Exchange) with 2 non-listed companies, totaling Baht 35 million, guaranteed by a posted dated cheque. From forecasting income of issuer in the future, the Group believes that the subsidiary will be able to receive full refund of the investments in Bill of Exchange.

10.2 Fair value of investments in debt securities and equity securities subject to restrictions

As at 31 December 2020 and 31 December 2019, the Group had investments subject to restrictions of which the carrying value were as follows:

	(Thousand Baht)	
	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
Securities sold under repurchase agreements		
- Trading securities	-	353,117
Securities placed as collateral		
- Investments measured at fair value through other comprehensive income ⁽¹⁾	13,611	-
- Available for sale securities ⁽¹⁾	-	24,558
- Held-to-maturity investments ⁽²⁾	31,600	41,800
Total collateralised investments	45,211	419,475

(1) As at 31 December 2020, the Group had listed securities amounting Baht 13.61 million (31 December 2019: Baht 24.56 million) which the Group has pledged with the Court of Appeal for the cases as described in Note 35.1.1 to the financial statement.

(2) As at 31 December 2020, the Group had fixed accounts amounting Baht 31.60 million (31 December 2019: Baht 41.80 million) which the Group has used as collateral for overdraft facilities, loans, and issuance of bank guarantees.

10.3 Deposits at financial institutions and investment in debt securities classified by remaining periods to maturity

(Thousand Baht)			
Consolidated financial statements			
31 December 2020			
Due within			
Within 1 year	1 - 5 years	Over 5 years	Total
Debt instruments measured at amortised cost			
Fixed deposits	81,600	-	81,600
Private debt securities	290,220	-	290,220
Less allowance for expected credit loss	(139,100)	-	(139,100)
Total	232,720	-	232,720

(Thousand Baht)			
Separate financial statements			
31 December 2020			
Due within			
Within 1 year	1 - 5 years	Over 5 years	Total
Debt instruments measured at amortised cost			
Fixed deposits	81,600	-	81,600
Private debt securities	255,707	-	255,707
Less allowance for expected credit loss	(139,100)	-	(139,100)
Total	198,207	-	198,207

(Thousand Baht)			
Consolidated financial statements			
31 December 2019			
Due within			
Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity investments			
Fixed deposits	41,800	-	41,800
Private debt securities	310,866	-	310,866
Less allowance for impairment loss	(139,903)	-	(139,903)
Total	212,763	-	212,763

	(Thousand Baht)			
	Separate financial statements			
	31 December 2019			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities				
Fixed deposits	41,800	-	-	41,800
Private debt securities	291,047	-	-	291,047
Less allowance for impairment loss	(139,903)	-	-	(139,903)
Total	192,944	-	-	192,944

10.4 Investments in equity instruments that are determined at fair value through other comprehensive income are disclosed as follows:

(Thousand Baht)					
Consolidated and separate financial statements					
31 December 2020					
			Accumulated profit (loss) transferred		Reason of transfer
			within Owner's equity		
Reasons for using alternatives to present this transaction		Fair Value	Dividend received		
Collateralised investments					
<i>Listed securities</i>					
Star Universal Network Public Company Limited	Long-term investment	3,146	-	(1,476)	Sales for liquidity
PP Prime Public Company Limited	Long-term investment	4,767	-	(27,186)	Sales for liquidity
Asia Capital Group Public Company Limited ⁽¹⁾	Long-term investment	5,698	-	-	-
Non-collateralised investments					
ASCO Business Promotion Company Limited	According to the regulations of the Securities Association	668	-	-	-
Navavej International Public Company Limited	According to the strategy of the company	50,000	-	-	-
Zipmex Asia Pte Limited	According to the strategy of the company	17,688	-	-	-
Total		81,967	-	(28,662)	-

- 1) On 23 February 2021, Asia Capital Group Public Company Limited filed for rehabilitation with the Central Bankruptcy Court.

10.5 Investments in equity instruments that are measured at fair value through other comprehensive income that are eliminated during the period

(Thousand Baht)			
Consolidated and separate financial statements			
31 December 2020			
Fair value at the elimination date	Dividend receive	Accumulated profit (loss) on elimination	Reason of elimination
Investments			
<i>Listed securities</i>			
Star Universal Network Public Company Limited	1,157	-	(1,476) Sales for liquidity
PP Prime Public Company Limited	3,091	-	(27,186) Sales for liquidity
Total	4,248	-	(28,662)

10.6 Investments in defaulted debentures

The Company invests in debentures of Asia Capital Group Public Company Limited (ACAP), debenture type ACAP207A amounting 4,200 units initial par 1,000 Baht which maturity date 6 July 2020. ACAP could not be able to pay interest for all bondholders of ACAP207A due on 7 April 2020, this caused the ACAP207A debenture to default on debt repayment.

The Company has invested in the debentures of Thai Airways International Public Company Limited (THAI) which are comprised of 4,500 units of THAI215A, 10,000 units of THAI225A, 10,000 units of THAI26DA, 39,000 units of THAI276A, and 10,000 units of THAI288A. The face value is Baht 1,000 per unit. THAI entered the business rehabilitation process by the Central Bankruptcy Court on 27 May 2020, which was events of default. Therefore, this is the reason for the default of THAI's debentures. However, the Company has used the fair value of THAI's debentures announced by the Thai Bond Market Association for calculation investments measured at fair value through profit or loss.

As at 31 December 2020, cost and fair value of investments in defaulted debentures are as below

(Thousand Baht)	
Consolidated and separate financial statements	
31 December 2020	
Fair Value	
Investments measured at fair value through profit or loss	
<i>Trading investments</i>	
Private debt securities – at cost	80,160
Less Allowance for revaluation	(43,682)
Investments in defaulted debentures – net	36,478

11. Loans to third parties

	Interest rate (%)		(Thousand Baht)	
			Consolidate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Loan to third parties	7.25	7.25 – 15.00	3,800	79,895
Less Impairment on loans			-	(10,000)
Less Allowance for expected credit losses			(3,750)	-
Net			50	69,895

	(Thousand Baht)	
	Consolidated financial statements	
	31 December 2020	31 December 2019
Not over 1 year	3,800	79,671
Add Accrued interest and accrued interest income with non-maturity date	-	224
Less Impairment on loans	-	(10,000)
Less Allowance for expected credit losses	(3,750)	-
Loans to third parties	50	69,895

As at 31 December 2020 and 31 December 2019, the Company (Separate financial statement) has no outstanding balance of loans to third parties.

12. Investments in subsidiaries and associates

12.1 Investment in associates

Associates	Country of Incorporation	Type of business	Proportion of ordinary shares held by the Company		(Thousand Baht)								Net book value recognition by equity method	
			31		Cost		Allowance for impairment		Cost - Net					
			December		December		December		December		December		December	
			2020		2020		2020		2020		2020		2020	
			31	31	31	31	31	31	31	31	31	31	31	31
Zipmex Co., Ltd.	Thailand	Digital asset trading business Cryptocurrencies and digital tokens	28.85	30.00	15,000	15,000	-	-	15,000	15,000	9,057	10,473		
O Mobile Co., Ltd.	Thailand	Telecommunication for data picture and other services	25.00	-	25,000	-	(17,000)	-	8,000	-	6,441	-		
O Money Co., Ltd.	Thailand	Trading, exchange, guarantee and transfer of foreign money by conducting business when receiving money from related agencies.	20.83	-	25,000	-	(3,000)	-	22,000	-	20,632	-		
Total					65,000	15,000	(20,000)	-	45,000	15,000	36,130	10,473		

The movements of investments in associates for the years ended 31 December 2020 and 2019 are as follows:

	(Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Equity method		Cost method	
	2020	2019	2020	2019
Opening balance	10,473	255	15,000	300
Addition	-	14,700	-	14,700
Transfer from subsidiaries to associates (Noted 2.3)	35,058	-	50,000	-
Impairment on investments	-	-	(20,000)	-
Share of net loss after tax	(9,401)	(4,482)	-	-
Closing balance	36,130	10,473	45,000	15,000

During the year ended 31 December 2020 and 2019, the Company did not receive dividends from associates.

The financial information in associates are as follows:

	(Thousand Baht)					
	Zipmex Co., Ltd.		O Mobile Co., Ltd.		O Money Co., Ltd.	
	31 December	31 December	31 December	31 December	31 December	31 December
	2020	2019	2020	2019	2020	2019
Total assets	33,612	37,690	135,203	150,468	104,421	107,787
Total liabilities	(2,215)	(2,781)	(107,669)	(96,889)	(5,374)	(1,101)
Net Assets	31,397	34,909	27,534	53,579	99,047	106,686

	(Thousand Baht)					
	For the year ended 31 December 2020					
	Zipmex Co., Ltd.		O Mobile Co., Ltd.		O Money Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Revenue	8,878	966	9,415	18,377	2,697	4,248
Loss for the years	5,511	14,935	26,269	30,033	7,639	9,628

On 27 October 2020, O Mobile Co., Ltd. which is associate of the Company has invested in P Insurance Broker Co.,

Ltd., which is a company incorporated in Thailand, by purchasing shares in the mentioned company for an amount of Bath 42.50 million from an existing shareholder of the mentioned company accounted for 85 percent of the registered capital. The mentioned company is principally engaged in non-life insurance brokerage.

12.2 Investments in subsidiaries

Subsidiaries	Country of incorporation	Type of business	%		(Thousand Baht)	
			Proportion of ordinary shares held by the Company		Cost	
			31 December 2020	31 December 2019	31 December 2020	31 December 2019
ACE Incorporation Co., Ltd.	Thailand	Invest in another companies in Thailand	99.60	99.60	996	996
O Mobile Co., Ltd.	Thailand	Telecommunication for data picture and other services	-	25.00	-	25,000
O Money Co., Ltd.	Thailand	Trading, exchange, guarantee and transfer of foreign money by conducting business when receiving money from related agencies.	-	20.83	-	25,000
Total					996	50,996

During the years ended 31 December 2020 and 2019, the Company did not receive dividends from subsidiaries.

The movement of investment in subsidiaries during the years ended 31 December 2020 and 2019 are as follows:-

	(Thousand Baht)	
	Separate financial statements	
	2020	2019
Opening balance	50,996	996

Increased from business combinations due to the controlling over subsidiaries

Transfer from subsidiaries to associates (Note 2.3)

Closing balance

-	50,000
(50,000)	-
996	50,996

The financial information in subsidiaries as follows :

	(Thousand Baht)	
	ACE Incorporation Co., Ltd.	
	31 December 2020	31 December 2019
Total Assets	64,761	101,653
Total Liabilities	(122,833)	(105,141)
Net Assets	(58,072)	(3,488)

	(Thousand Baht)	
	ACE Incorporation Co., Ltd.	
	For the years ended 31 December	
	2020	2019
Revenue	4,257	2,026
Loss for the years	54,584	4,360

13. Allowance for expected credit losses

13.1 Allowance for expected credit losses for financial instruments

(Thousand Baht)

	Consolidated financial statements					
	31 December 2020					
	Reserve of financial assets without significant increase in credit risk	Reserve of financial assets with significant increase in credit risk	Reserve of financial assets with credit impairment	Reserve of financial assets that are measured at allowance by simple principles	Reserve of financial assets with credit impairment when initially purchased or acquired	Total
Securities and derivatives business receivables						
Opening Balance	-	-	-	-	86,558	86,558
Changes during the year	-	-	-	-	-	-
Closing balance	-	-	-	-	86,558	86,558

(Thousand Baht)

Consolidated financial statements						
31 December 2020						
	Reserve of financial assets without significant increase in credit risk	Reserve of financial assets with significant increase in credit risk	Reserve of financial assets with credit impairment	Reserve of financial assets that are measured at allowance by simple principles	Reserve of financial assets with credit impairment when initially purchased or acquired	Total
Investments						
Opening balance	-	-	139,903	-	-	139,903
Changes during the year	-	-	(803)	-	-	(803)
Closing balance	-	-	139,100	-	-	139,100
Loans to third parties						
Opening Balance	-	-	10,000	-	-	10,000
Changes during the year	-	-	3,750	-	-	3,750
Transfer from subsidiaries to associates	-	-	(10,000)	-	-	(10,000)
Closing balance	-	-	3,750	-	-	3,750

(Thousand Baht)

Consolidated financial statements						
31 December 2020						
	Reserve of financial assets without significant increase in credit risk	Reserve of financial assets with significant increase in credit risk	Reserve of financial assets with credit impairment	Reserve of financial assets that are measured at allowance by simple principles	Reserve of financial assets with credit impairment when initially purchased or acquired	Total
Loan to related parties						
Opening Balance	-	-	-	-	-	-
Changes during the year	-	-	100,140	-	-	100,140
Transfer from subsidiaries to associates	-	-	(12,404)	-	-	(12,404)
Closing balance	-	-	87,736	-	-	87,736
Other assets						
Opening Balance	-	-	-	7,847	-	7,847
Changes during the year	-	-	-	3,560	-	3,560
Transfer from subsidiaries to associates	-	-	-	(710)	-	(710)
Closing balance	-	-	-	10,697	-	10,697

(Thousand Baht)

Separate financial statements		31 December 2020				
		Reserve of financial assets without significant increase in credit risk	Reserve of financial assets with significant increase in credit risk	Reserve of financial assets with credit impairment	Reserve of financial assets that are measured at allowance by simple principles	Reserve of financial assets with credit impairment when initially purchased or acquired
						Total
Securities and derivatives business						
receivables						
Opening Balance	-	-	-	-	-	86,558
Changes during the year	-	-	-	-	-	-
Closing balance	-	-	-	-	-	86,558
Investments						
Opening balance	-	-	-	139,903	-	139,903
Changes during the year	-	-	-	(803)	-	(803)
Closing balance	-	-	-	139,100	-	139,100

(Thousand Baht)

	Separate financial statements					
	31 December 2020					
	Reserve of financial assets without significant increase in credit risk	Reserve of financial assets with significant increase in credit risk	Reserve of financial assets with credit impairment	Reserve of financial assets that are measured at allowance by simple principles	Reserve of financial assets with credit impairment when initially purchased or acquired	Total
Loan to related parties						
Opening balance	-	-	-	-	-	-
Changes during the year	-	-	87,736	-	-	87,736
Closing balance	-	-	87,736	-	-	87,736
Other assets						
Opening Balance	-	-	-	7,733	-	7,733
Changes during the year	-	-	-	2,964	-	2,964
Closing balance	-	-	-	10,697	-	10,697

13.2 Change in allowance for expected credit losses

(Thousand Baht)				
Consolidated financial statements				
31 December 2020				
Change in allowance credit losses increase (decrease)				
Financial instruments	Description of significant changes in carrying amount	Financial		
		Financial assets without significant increase of credit risk	Financial assets with significant increase of credit risk	Financial assets that are measured at allowance by simple principles
Investment in private debt securities	Defaulted on the due date specified in the debt instrument / (Reversal due to received the payment)	-	(803)	-
Loan to third parties	Defaulted on the specified due date	-	3,750	-
Loan to related parties	Defaulted on the specified due date	-	100,140	-
Other assets	Defaulted on the specified due date	-	-	3,560

(Thousand Baht)

Separate financial statements		31 December 2020			
		Change in allowance credit losses increase (decrease)			
Financial instruments	Description of significant changes in carrying amount	Financial assets without significant increase of credit risk	Financial assets with significant increase of credit risk	Financial assets that have credit impairment	
				Financial assets that are measured at allowance	by simple principles
Investment in private debt securities	Defaulted on the due date specified in the debt instrument / (Reversal due to received the payment)	-	-	(803)	-
Loans to related parties	Defaulted on the specified due date	-	-	87,736	-
Other assets	Defaulted on the specified due date	-	-	-	2,964

14. Premises improvement and equipment

	(Thousand Baht)				
	Consolidated financial statements				
	Building improvement	Furniture, fixtures and office equipment	Finance lease assets	Assets under installation	Total
Cost					
As at 1 January 2019	89,931	83,807	18,105	-	191,843
Additions from business combination					
due to control over subsidiaries	-	780	-	-	780
Additions	2,722	1,620	-	-	4,342
Disposals/written-off	(35,504)	(1,529)	-	-	(37,033)
As at 31 December 2019	57,149	84,678	18,105	-	159,932
Additions	670	131	-	1,467	2,268
Disposals/written-off	(7,245)	(1,230)	-	(169)	(8,644)
Transfers in (out)	1,298	(61)	-	(1,298)	(61)
The reclassification of right-of-use assets	(4,722)	-	(18,105)	-	(22,827)
Transfer from subsidiaries to associates	-	(1,943)	-	-	(1,943)
As at 31 December 2020	47,150	81,575	-	-	128,725
Accumulated depreciation and Accumulated impairment					
As at 1 January 2019	47,934	71,017	5,771	-	124,722
Additions from business combination					
due to control over subsidiaries	-	22	-	-	22
Depreciation for year	7,940	6,365	3,001	-	17,306
Disposals/written-off	(23,347)	(1,436)	-	-	(24,783)
As at 31 December 2019	32,527	75,968	8,772	-	117,267
Depreciation for year	5,113	3,732	-	-	8,845
Disposals/written-off	(4,936)	(1,206)	-	-	(6,142)
The reclassification of right-of-use assets	(2,169)	-	(8,772)	-	(10,941)
Transfer from subsidiaries to associates	-	(648)	-	-	(648)
As at 31 December 2020	30,535	77,846	-	-	108,381
Net book value					
As at 31 December 2019	24,622	8,710	9,333	-	42,665
As at 31 December 2020	16,615	3,729	-	-	20,344
Depreciation for the years ended 31 December					
2019					17,306
2020					8,845

(Thousand Baht)

	Separate financial statements				
	Building improvement	Furniture, fixtures and office equipment	Finance lease assets	Assets under installation	Total
Cost					
As at 1 January 2019	89,931	83,807	18,105	-	191,843
Additions	2,722	396	-	-	3,118
Disposals/written-off	(35,504)	(1,529)	-	-	(37,033)
As at 31 December 2019	57,149	82,674	18,105	-	157,928
Additions	670	131	-	1,467	2,268
Disposals/written-off	(7,245)	(1,230)	-	(169)	(8,644)
Transfers in (out)	1,298	-	-	(1,298)	-
The reclassification of right-of-use assets	(4,722)	-	(18,105)	-	(22,827)
As at 31 December 2020	47,150	81,575	-	-	128,725
Accumulated depreciation and Accumulated impairment					
As at 1 January 2019	47,934	71,017	5,771	-	124,722
Depreciation for year	7,940	6,044	3,001	-	16,985
Disposals/written-off	(23,347)	(1,435)	-	-	(24,782)
As at 31 December 2019	32,527	75,626	8,772	-	116,925
Depreciation for year	5,113	3,426	-	-	8,539
Disposals/written-off	(4,936)	(1,206)	-	-	(6,142)
The reclassification of right-of-use assets	(2,169)	-	(8,772)	-	(10,941)
As at 31 December 2020	30,535	77,846	-	-	108,381
Net book value					
As at 31 December 2019	24,622	7,048	9,333	-	41,003
As at 31 December 2020	16,615	3,729	-	-	20,344
Depreciation for the years ended 31 December					
2019					16,985
2020					8,539

As at 31 December 2020, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 71.75 million (31 December 2019: Baht 68.94 million).

15. Intangible assets

(Thousand Baht)						
Consolidated financial statements						
	Computer software	SET and Derivatives memberships	Website design	Company's logo	Software under installation	Total
Cost						
As at 1 January 2019	76,457	227,770	1,162	346	951	306,686
Additions from business combination due to control over subsidiaries	-	-	19,926	-	-	19,926
Additions	114	-	-	-	234	348
Disposals/written-off	-	-	(695)	-	(102)	(797)
Transfer in (out)	19	-	-	-	(19)	-
As at 31 December 2019	76,590	227,770	20,393	346	1,064	326,163
Additions	499	-	-	134	598	1,231
Disposals/written-off	-	-	-	-	(10)	(10)
Transfer in (out)	666	-	-	133	(799)	-
Transfer from subsidiaries to associates	-	-	(19,231)	-	-	(19,231)
As at 31 December 2020	77,755	227,770	1,162	613	853	308,153
Accumulated Amortisation						
As at 1 January 2019	68,876	227,770	1,000	342	-	292,988
Additions from business combination due to control over subsidiaries	-	-	858	-	-	858
Amortisation for year	5,786	-	4,068	3	-	9,857
Disposals/written-off	-	-	(71)	-	-	(71)
As at 31 December 2019	69,662	227,770	5,855	345	-	303,632
Amortisation for year	3,479	-	1,917	9	-	5,405
Transfer from subsidiaries to associates	-	-	(6,610)	-	-	(6,610)
As at 31 December 2020	73,141	227,770	1,162	354	-	302,427
Net book value						
As at 31 December 2019	6,928	-	14,538	1	1,064	22,531
As at 31 December 2020	4,614	-	-	259	853	5,726
Amortisation for the years ended 31 December						
2019						9,857
2020						5,405

(Thousand Baht)

Separate financial statements

	Computer software	SET and Derivatives memberships	Computer software/ Licenses	Company's logo	Software under installation	Total
Cost						
As at 1 January 2019	76,457	227,770	1,162	346	951	306,686
Additions	114	-	-	-	234	348
Disposals/written-off	-	-	-	-	(102)	(102)
Transfer in (out)	19	-	-	-	(19)	-
As at 31 December 2019	76,590	227,770	1,162	346	1,064	306,932
Additions	499	-	-	134	598	1,231
Disposals/written-off	-	-	-	-	(10)	(10)
Transfer in (out)	666	-	-	133	(799)	-
As at 31 December 2020	77,755	227,770	1,162	613	853	308,153
Accumulated						
Amortisation						
As at 1 January 2019	63,876	227,770	1,000	342	-	292,988
Amortisation for year	5,786	-	158	3	-	5,947
As at 31 December 2019	69,662	227,770	1,158	345	-	298,935
Amortisation for year	3,479	-	4	9	-	3,492
As at 31 December 2020	73,141	227,770	1,162	354	-	302,427
Net book value						
As at 31 December 2019	6,928	-	4	1	1,064	7,997
As at 31 December 2020	4,614	-	-	259	853	5,726
Amortisation for the years ended 31 December						
2019						5,947
2020						3,492

As at 31 December 2020, certain computer software has been fully amortised but is still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 62.49 million (31 December 2019: Baht 53.82 million).

16. Right of use assets

	(Thousand Baht)		
	Consolidated and separate financial statements		
	Buildings	Vehicle	Total
Cost			
1 January 2020 - changes from adoption of new financial reporting standards	17,274	21,148	38,422
Additions	1,520	-	1,520
Disposals/written-off	(1,320)	-	(1,320)
As at 31 December 2020	17,474	21,148	38,622
Accumulated Depreciation			
1 January 2020 - changes from adoption of new financial reporting standards	2,169	8,772	10,941
Depreciation for year	5,950	4,045	9,995
Disposals/written-off	(568)	-	(568)
As at 31 December 2020	7,551	12,817	20,368
Net book value			
As at 1 January 2020	15,105	12,376	27,481
As at 31 December 2020	9,923	8,331	18,254
Depreciation for the year ended 31 December 2020			9,995

17. Other assets

	(Thousand Baht)		(Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Collateral ⁽¹⁾	25,000	25,000	-	-
Deposits at Legal Execution Department ⁽²⁾	7,519	-	7,519	-
Deposits at Labour court	3,953	-	3,953	-
Deposits	3,584	4,432	3,584	3,783
Payments for clearing funds	42,286	40,896	42,286	40,896
Asset for protecting the clearing system	5,000	5,000	5,000	5,000
Prepaid expenses	1,569	3,297	1,569	3,240
Accrued interest income	871	3,325	871	3,325
Withholding tax refundable	13,339	14,041	13,339	14,041
Others	16,099	25,904	14,081	16,933
Less Allowance for impairment of other assets	-	(7,847)	-	(7,733)
Less Allowance for expected credit losses	(10,697)	-	(10,697)	-
Total other assets	108,523	114,048	81,505	79,485

- 1) As at 31 December 2020 and 31 December 2019, a subsidiary had a collateral Baht 25.00 million which is a cash guarantee for an audit of a target investment company, currently in the process of due diligence.
- 2) As at 31 December 2020, the deposits at Legal Execution Department of Baht 7.52 million has been attached under the enforcement process for the litigation in which the Company was sued (Note 35.1.1). Subsequently, in January - February 2021, the Company has addition cash of Baht 15.00 million, which was attached and prepared for submission according to the enforcement process for that litigation.

18. Credit facility from financial institutions

As at 31 December 2020 and 31 December 2019, the Group has unused facilities for bank overdraft and Intraday Advance Payment from local banks as follows:

		(Thousand Baht)	
		Consolidated and separate financial statements	
	Interest rate	31 December 2020	31 December 2019
Credit line of bank overdrafts	MOR*	1,000	20,000
Intraday Advance Payment**	MOR*	30,000	300,000
		31,000	320,000

The Company's fixed deposits are pledged with banks as collateral for credit line of bank overdraft and credit line of loans

(as discussed in Note 10.2).

* MOR is interest rate of overdraft facilities for corporate customer in Good Standings.

** Intraday Advance payment means the service that the bank would paid in advance for the owner which the owner will repay such advance to the bank within the same day.

19. Securities sold under repurchase agreements

As at 31 December 2020, the Company had no private debt securities sold under repurchase agreements (31 December 2019: Baht 360.86 million with maturity dates within 3 months).

20. Securities and derivatives business payables

		(Thousand Baht)	
		Consolidated and separate financial statements	
		31 December 2020	31 December 2019
<u>Securities business payables</u>			
Cash accounts		33,684	82,831
<u>Derivatives business payables</u>			
Derivatives business payables		122	551
Total securities and derivatives business payables		33,806	83,382

21. Liabilities under lease agreements

	(Thousand Baht)
	Consolidated and separate financial statements
	31 December 2020
Liabilities under lease agreements	14,111
Less deferred interest expenses	(368)
Total	13,743
Less portion due within one year	(9,564)
Liabilities under finance lease agreements - net of current portion	4,179

22. Liabilities under finance lease agreements

	(Thousand Baht)
	Consolidated and separate financial statements
	31 December 2019
Liabilities under finance lease agreements	6,506
Less deferred interest expenses	(531)
Total	5,975
Less portion due within one year	(2,637)
Liabilities under finance lease agreements - net of current portion	3,338

23. Debt issued and other borrowings

		(Thousand Baht)			
		Consolidated and separate financial statements			
		31 December 2019			
		The maturity dates of debt			
	Interest rate	Within 1 year	1-5 years	Over 5 years	Total
	(%)				
Bills of exchanges	3.50	29,713	-	-	29,713
Total		29,713	-	-	29,713

As at 31 December 2020, the Group has no debt issued and other borrowings

24. Provisions for long-term employee benefits

Provision for long-term employee benefits, which is compensation in employee retirement, were as follows:

	(Thousand Baht)	
	Consolidated financial statements	
	31 December 2020	31 December 2019
Provision for long-term employee benefits		
at beginning of year	6,817	7,030
Included in profit or loss:		
Current service costs	1,795	2,232
Interest costs	41	136
Transfer from subsidiaries to associates	(305)	-
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	(1,976)	-
Benefits paid during the years	(2,139)	(2,581)
Provision for long-term employee benefits at ending of year	4,233	6,817

	(Thousand Baht)	
	Separate financial statements	
	31 December 2020	31 December 2019
Provision for long-term employee benefits		
at beginning of year	6,817	7,030
Included in profit or loss:		
Current service costs	1,490	2,232
Interest costs	41	136
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	(1,976)	-
Benefits paid during the years	(2,139)	(2,581)
Provision for long-term employee benefits at ending of year	4,233	6,817

Expenditures recognised in the statements of comprehensive income for the years ended 31 December 2020 and 2019 in respect of the defined benefit plans are as follows:

	(Thousand Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2020	2019
Current service costs	1,795	2,232
Interest costs	41	136
Transfer from subsidiaries to associates	(305)	-
Total	1,531	2,368

	(Thousand Baht)	
	Separate financial statements	
	For the years ended 31 December	
	2020	2019
Current service costs	1,490	2,232
Interest costs	41	136
Total	1,531	2,368

As at 31 December 2020, the Company will expect to pay long-term employee benefits during the next year amounting Baht 0.5 million (31 December 2019: Baht 0.60 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits is 20 years (31 December 2019: 22 years).

The principal actuarial assumptions used to calculate the obligations under the defined post-employment benefit plans as at 31 December 2020 and 31 December 2019 are as follows:

	Consolidated and separate financial statements	
	31 December 2020	31 December 2019
Discount rate	0.95 %	2.10 %
Future salary increase rate	3.00 %	3.00 %
Turnover rate	0 - 25 %	0 - 25 %
	Subject to range of age of employee	Subject to range of age of employee

The result of sensitivity analysis for significant assumptions that affect the present value of long-term employee benefit obligation as at 31 December 2020 and 31 December 2019 are summarised below:

(Thousand Baht)			
Consolidated and separate financial statements			
31 December 2020			
	Changes in assumption	Increased	Decreased
Discount rate	1 %	(369)	392
Future salary interest rate	1 %	436	(397)

(Thousand Baht)			
Consolidated and separate financial statements			
31 December 2019			
	Changes in assumption	Increased	Decreased
Discount rate	1%	(509)	569
Future salary interest rate	1%	696	(631)

25. Other Liabilities

(Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
Provisions for demolition of office equipment	3,402	4,722	3,402	4,722
Accrued expenses	16,092	27,168	15,920	23,462
Others	2,420	11,798	2,411	2,446
Total other liabilities	21,914	43,688	21,733	30,630

26. Share capital

Consolidated and separate financial statements				
	31 December 2020		31 December 2019	
	Number of shares	Amount	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
Registered (Baht 1 each)	5,815,183	5,815,183	2,414,615	2,414,615
Issued and paid-up (Baht 1 each)	4,284,871	4,284,871	1,224,249	1,224,249

On 20 July 2020, the Annual General Meeting of Shareholders for the year 2020 of the Company has resolved relevant to the Company's share capital as follows:

- 1) Approve the decrease of the Company's registered capital from Baht 2,414,615,498 to Baht 1,224,249,008 by cancelling 1,190,366,490 of unissued ordinary shares with a par value of Baht 1 per share.

The Company registered the decrease of the Company's registered capital with the Ministry of Commerce on 31 August 2020.

- 2) Approve the increase of the Company's registered capital from Baht 1,224,249,008 to Baht 5,815,182,788 by issuing newly issued ordinary 4,590,933,780 shares with a par value of Baht 1 per share, and approve the allotment of newly ordinary shares of the Company as follows:

Allotment of newly ordinary shares	Number of shares (shares)
a) Shall be allotted and offered to the existing shareholders of the Company in proportion to their current shareholdings (Right Offering) ratio of 0.4 existing shares to 1 new share	3,060,622,520
b) To support the exercise of warrants (AEC-W6) to purchase ordinary shares of the company that will be issued and offered to the shareholders	1,530,311,260

The Company registered the increase of the Company's registered capital with the Ministry of Commerce on 31 August 2020 and issued ordinary share and received share subscription in according to a) amounting to Baht 306.06 million in August 2020, with share discount of Baht 2,754.56 million.

- 3) Approve the issuance and offering of warrants no. 6 (AEC-W6) to existing shareholders of the Company (Right Offering) and who subscribed and paid up for increased ordinary shares in proportion shareholdings not exceeding 1,530,311,260 units.

The Company issued the warrant no. 6 (AEC-W6) on 9 September 2020 as disclosed in note 27 to financial statements.

27. Ordinary share warrants

The Company has issued the warrants to the allocated shareholders, details of each type of warrants are as follows: Warrants to purchase ordinary shares no. 6 (“AEC-W6”) are allocated to the existing shareholders who have the rights to buy the ordinary shares in proportion to their respective shareholding with the ratio of 2 newly issued ordinary share to 1 Warrant.

Number of proposed warrants	: 1,530,311,260 Units
Number of allocated warrants	: 1,530,311,247 Units
Underlying shares	: 1,530,311,247 Shares
Conversion ratio	: 1 warrant can be converted to 1 ordinary share (Unless there is a subsequent change in accordance with the right adjustment conditions.)
Offering price	: Baht 0 per unit (at no cost)
Exercise price	: Baht 0.20 per share (except an amendment in accordance with the right adjustment).
Issue date	: 9 September 2020
Term of warrants	: 3 years from the issue date (The issuing date of the warrants is 9 September 2020, the maturity date is 8 September 2023 and the last exercise date is 8 September 2023. The warrant will be released from the listing on the next day)
Exercise period	: The warrants can be exercised on the last working days of every June and December throughout the life of the warrant. The first exercise date is 30 December 2020 and last exercise date is 8 September 2023. In the event that each exercise date does not correspond to the business day, there would postpone the exercise date to the business day preceding the exercise date.
Secondary market	: The Company registered the warrants with the Stock Exchange of Thailand and start trading on 8 October 2020.

As at 31 December 2020, there is no exercise of the warrant no.6 (AEC-W6).

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any),

until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

29. Capital management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

30. Provident fund

The Company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary and the Company contribute to the fund monthly at the rate of 3 - 6 percent of basic salary. The fund, which is managed by Krungsri Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

During the year ended 31 December 2020, the Company contributed Baht 2.72 million (2019: Baht 4.19 million).

31. Brokerage fees

	(Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2020	2019
Brokerage fees from securities business	25,796	41,500
Brokerage fees from derivatives business	7,107	10,605
Total brokerage fees	32,903	52,105

32. Fees and service income

	(Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2020	2019
Underwriting fees	6,875	49,128
Investment advisory fees	7,081	24,076
Fees from sale of bills of exchange	4,944	4,237
Off-exchange trading	2,602	3,548
Others	1,636	3,950
Total fees and service income	23,138	84,939

33. Income tax

For the years ended 31 December 2020 and 2019, income tax consisted of the following:

	(Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge for the years ended	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(121)	(43)	(121)	(43)
Income tax expenses reported in the statement of comprehensive income	(121)	(43)	(121)	(43)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Deferred tax on loss on change in value of investments in available - for - sale securities	-	(8,840)	-	(8,840)
Deferred tax on loss on investment, measured at fair value through other comprehensive income	(1,339)	-	(1,339)	-
Deferred tax on actuarial gain	395	-	395	-
	(944)	(8,840)	(944)	(8,840)

The reconciliation between income tax expenses and the product of accounting profits for the years ended 31 December 2020 and 2019 are shown below.

	(Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Accounting loss before tax	(317,474)	(267,995)	(298,950)	(219,491)
Applicable corporate income tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(63,495)	(53,599)	(59,790)	(43,898)
Tax effects from tax-exempted revenues and non-tax deductible expenses	63,374	53,556	59,669	43,855
Income tax incomes (expenses) reported in statement of comprehensive income	(121)	(43)	(121)	(43)

The components of deferred tax assets are as follows:

	(Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Deferred tax assets				
Loss on investment valuation at fair value method through other comprehensive income	19,899	-	19,899	-
Loss on change in value of investments in available - for - sale securities	-	24,292	-	24,292
Provision for long-term employee benefits	847	1,363	847	1,363
Total	20,746	25,655	20,746	25,655

Deferred tax assets are recognised for tax losses and carry forward only to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2020, the Company has

not recognised deferred tax asset on unused tax losses amounting to Baht 122.11 million (2019: Baht 118.92 million), to carry forward against future taxable income. These tax losses will expire in 2022 – 2025.

34. Basis loss per share

Basic loss per share is calculated by dividing loss for the year attributable to owners of the parent (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted loss per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The Company does not present the calculation of the diluted loss per share from assuming the conversion of warrants to ordinary shares, because it is resulted in lower loss per share (Anti-Dilutive).

Details of calculation of loss per share for the years ended 31 December 2020 and 2019 are as below:

Consolidated financial statements					
For the years ended 31 December					
Loss		Weighted average number of ordinary shares		Loss per share	
2020	2019	2020	2019	2020	2019
(Thousand Baht)	(Thousan d Baht)	(Thousand shares)	(Thousan d shares)	(Baht)	(Baht)
Basic loss per share					
Loss attributable to equity					
holders of the Company					
(300,615)	(237,873)	2,252,819	1,224,249	(0.13)	(0.19)

Separate financial statements					
For the years ended 31 December					
Loss		Weighted average number of ordinary shares		Loss per share	
2020	2019	2020	2019	2020	2019
(Thousand Baht)	(Thousan d Baht)	(Thousand shares)	(Thousan d shares)	(Baht)	(Baht)
Basic loss per share					
Loss attributable to equity					
holders of the Company					
(299,071)	(219,534)	2,252,819	1,224,249	(0.13)	(0.18)

35. Commitment and contingent liabilities

35.1 Litigations

35.1.1 On 15 August 2017, the Company was sued as a co-defendant (second defendant) for offences relating to the voiding of a purchase and sales transaction, alleging that the agreement to purchase and sell shares between the plaintiff and the first defendant is void and holding that the Company is jointly liable for the return of funds to the plaintiff. The Court of First Instance sentenced the plaintiff to win the case, return the contract party to its original state and the Company which is second defendant jointly liable with the defendant 3,4,6 to pay with interest to the plaintiff totaling Baht 110.49 million.

The Company did not agree with the decision of the Court of First Instance. The Company therefore appealed this decision to the Appeal Court. On 21 July 2020, the Appeal Court ruled in accordance with the Court of First Instance.

The Company filed an objection against the judgment of the Appeal Court. The Company therefore appealed the decision to the Supreme Court and asked for permission of the law on important issues of the case, both in fact and legal issues.

As at 31 December 2020, the case is currently under the consideration of the Court of Supreme Instance. The Company's management believes that the Supreme Court will take a consideration. However, in accordance with conservatism, the Company therefore recorded provision for litigation amounting to Baht 22.50 million.

35.1.2 On 7 July 2016, the Company was sued as a co-defendant (Defendant no. 4) in a case relating to a client's share transfer, with the plaintiff seeking the return of the securities or payment of compensation. The amount in dispute is approximately Baht 38 million (it cannot be determined what portion of this amount in dispute belongs to the Company, since there are 4 co-defendants). The Company's lawyer has considered the case and believes that the Company has evidence to refute the allegations. On 30 October 2019, the case was disposed consideration until the criminal case is final.

As at 31 December 2020, the case has yet to issue a final judgement, meaning that the outcome cannot yet be determined. The Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

35.1.3 On 9 June 2020, the Company was sued as a co-defendant (first defendant) as an employer jointly liable with the second defendant to indemnify from concealing information and deceiving the plaintiff to buy shares by the second defendant. The amount in dispute is approximately Baht 12.88 million. The lawyer of the Company considered that the Company did not participate in the investment in the plaintiff's shares. The Company therefore is not liable with the second defendant.

On 31 December 2020, the case is currently under the consideration of the Court of First Instance, and the Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

35.1.4 On 21 August 2020, the Company was sued as a defendant for brokerage, agent offering for sale of bills of exchange or debentures or debt. It is accused of serious deficiency, showing false accounting and financial documents, and having behaviors indicating consideration. Later, when the bills of exchange and debentures default on debt causing all three plaintiffs to be damaged called for payment of Baht 78.71 million with interest of 7.5 percent per year. The Company's lawyer considers that the Company has not committed a brokerage duty. The final decision is depending on the investor and they must be responsible for the outcome of the decision. The Company does not act or omit to act. In fact, the plaintiff can sue the debenture issuer or bill of exchange liable to pay the debt directly as a party. Then, the Company is not liable.

On 31 December 2020, the case is currently under the consideration of the Court of First Instance, and the Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

35.1.5 On 5 November 2020, the Company was sued as a defendant by a former employee of the Company for compensation of Baht 0.42 million. Legal counsel of the Company has concluded that the Company had legally terminated employment in accordance with labor laws and is therefore not liable for the compensation claimed.

On 31 December 2020, the case is currently under the consideration of the Labor Court, and the Company's management believes that they will not suffer losses. The Company therefore has not yet recorded any entries in the accounts for the contingent liabilities from this litigation.

35.2 As at 31 December 2020 and 2019, the Company is required to pay rental and related service fees under the lease agreements for office premises and facilities and vehicles as follows:

Type	(Thousand Baht)			
	Consolidated financial statements			
	31 December 2020		31 December 2019	
	Within 1 year	Within 2 – 5 years	Within 1 year	Within 2 – 5 years
Office building	5,978	2,668	14,138	17,601
Office equipment	401	-	626	461
Vehicles	-	-	1,983	2,827
	6,379	2,668	16,747	20,889

Type	(Thousand Baht)			
	Separate financial statements			
	31 December 2020		31 December 2019	
	Within 1 year	Within 2 – 5 years	Within 1 year	Within 2 – 5 years
Office building	5,978	2,668	12,723	15,656
Office equipment	401	-	602	402
Vehicles	-	-	1,983	2,827
	6,379	2,668	15,308	18,885

36. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with associate and subsidiaries are described in note to financial statement no 12. Relationships with key management and other significant related parties were as follows:

36.1 The relationships

Name of related parties	Relationship
ACE Incorporation Co., Ltd. (AEC)	Subsidiary
O Mobile Co., Ltd. (OMB)	Associate (2019: Subsidiary)
O Money Co., Ltd. (OMN)	Associate (2019: Subsidiary)
Zipmex Co., Ltd. (Zipmex)	Associate
Sirivej Medical Co.,Ltd.	Having common director
Star Universal Network Public Company Limited	Having common director (Director of the Company's subsidiaries / associates)
Major shareholders	Direct or indirect shareholders in any juristic person more than 10% of the voting shares of that juristic person.

36.2 The significant business transaction during the years

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Thousand Baht)				
	Consolidated		Separate		
	financial statements		financial statements		
	For the years ended		For the years ended		
	31 December		31 December		
	2020	2019	2020	2019	Transfer Pricing Policies
<u>Transactions with related parties</u>					
<u>Fees and service income</u>					
<i>Related parties</i>					
Sirivej Medical Co.,Ltd.	-	800	-	800	Contract price
<u>Brokerage fees</u>					
Major shareholders	80	-	80	-	Contract price
<u>Interest income</u>					
<i>Subsidiaries (eliminated from consolidated financial statements)</i>					
ACE Incorporation Co., Ltd.	-	-	5,094	3,689	Contract price
O Mobile Co., Ltd.	-	-	1,446	2,900	Contract price
<i>Related parties</i>					
Director of subsidiaries / associates	1,754	3,321	-	-	Contract price
Star Universal Network Public Company Limited	9,236	10,350	9,236	10,350	Contract price

36.3 The balances of the accounts

The balances of the accounts as at 31 December 2020 and 2019 between the Company and those related parties are as follows:

	(Thousand Baht)					
	Interest rate (%)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
<u>Non – collateralised investments</u>						
<i>Related parties</i>						
Star Universal Network Public Company Limited	7.50	7.50	77,773	139,803	77,773	139,803
<u>Loans to related parties – net from expected credit loss</u>						
<i>Subsidiaries (eliminated from consolidated financial statements)</i>						
ACE Incorporate Co., Ltd.	6.00	6.00	-	-	75,001	105,000
O Mobile Co., Ltd.	-	7.25	-	-	-	40,000
<i>Associates</i>						
O Mobile Co., Ltd.	7.25	-	-	-	-	-
<i>Subsidiaries and their directors</i>						
Director of subsidiaries	-	2.00	-	166,149	-	-
<i>Credit balance account</i>						
Major shareholders	6.00 – 18.00	-	10,153	-	10,153	-

36.4 Loans to related parties

The movement of loans to related companies for the years ended 31 December 2020 and 2019 are as follow;

	(Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Director of subsidiaries (OMB and OMN)	Associate - OMB	Total	Subsidiary - ACE	Subsidiary - OMB	Total
As at 1 January 2019	171,028	-	171,028	13,003	-	13,003
Addition						
Principle	-	-	-	104,000	40,000	144,000
Interest	3,321	-	3,321	3,689	2,900	6,589
Less						
Principle	(8,200)	-	(8,200)	(12,000)	-	(12,000)
Interest	-	-	-	(3,692)	(2,900)	(6,592)
As at 31 December 2019						
and						
1 January 2020	166,149	-	166,149	105,000	40,000	145,000
Addition						
Principle	-	-	-	20,000	-	20,000
Interest	1,754	-	1,754	5,094	1,446	6,540
Less						
Principle	(1,858)	-	(1,858)	(7,000)	-	(7,000)
Interest	-	-	-	(1,803)	-	(1,803)
Transfer from classification of investment in subsidiaries to associates						
Principle	(159,342)	85,000	(74,342)	-	-	-
Interest	(6,703)	2,736	(3,967)	-	-	-
Total	-	87,736	87,736	121,291	41,446	162,737
Expected credit losses	-	(87,736)	(87,736)	(46,290)	(41,446)	(87,736)
As at 31 December 2020	-	-	-	75,001	-	75,001

36.5 Managements' remunerations

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Short-term employee benefits	18,248	47,821	18,032	39,394
Post-employment benefits	837	1,532	833	1,520
Severance payment	5,546	-	5,346	-
Total	24,631	49,353	24,211	40,914

37. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its products and services and have 2 reportable segments as follows:

- Securities business segment, which provide service according to securities brokering, derivative brokering and securities borrowing and lending.
- Investment segment, which investment in securities and private fund.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, income tax is not allocated to the segment.

The transfer price between operating segments is based on fair value (arm's length basis).

Financial information by segment of the Group for the years ended 31 December 2020 and 2019 are as follows:

(Thousand Baht)				
Consolidated financial statements				
For the years ended 31 December 2020				
	Securities and derivatives business	Investment business	Eliminate transaction	Total
Revenues				
Brokerage fees	32,903	-	-	32,903
Fees and service income	17,276	5,862	-	23,138
Interest incomes	2,994	32,012	(8,184)	26,822
Gains (losses) and return on financial instruments	16	(40,811)	-	(40,795)
Total revenues	53,189	(2,937)	(8,184)	42,068
Unallocated revenue and expenses:				
Other incomes				2,277
Share of loss from investment in associate				(9,401)
Employee benefit expenses				(101,833)
Fees and service expenses				(24,630)
Expected credit losses				(106,647)
Interest expenses				(11,922)
Other expenses				(107,386)
Loss before tax				(317,474)
Income tax				(122)
Loss for the year				(317,596)

	(Thousand Baht)			
	Consolidated financial statements			
	For the years ended 31 December 2019			
	Securities and derivatives business	Investment business	Elimination entries	Total
Revenues				
Brokerage fees	52,105	-	-	52,105
Fees and service income	46,374	38,565	-	84,939
Interest incomes	4,822	65,914	(6,606)	64,130
Gains (losses) and return on financial instruments	672	46,622	-	47,294
Total revenues	103,973	151,101	(6,606)	248,468
Unallocated revenues and expenses:				
Other incomes				8,353
Share of profit from investment in associates				(4,482)
Employee benefit expenses				(172,771)
Fees and service expenses				(35,380)
Losses on impairment on investments				(139,903)
Interest expenses				(18,526)
Other expenses				(153,753)
Loss before tax				(267,994)
Income tax				(43)
Loss for the year				(268,037)

38. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Thousand Baht)			
	Consolidated financial statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments				
<i>Investments measured at fair value through profit or loss</i>				
Trading investments				
Listed securities	14,125	-	-	14,125
Fixed income fund	-	30,105	-	30,105
Private debt securities	-	30,213	36,478	66,691
<i>Investments measured at fair value through other comprehensive income</i>				
Listed securities	13,611	-	-	13,611
Non-marketable equity securities	-	-	68,356	68,356
Assets for which fair value are disclosed				
Cash and cash equivalents	44,443	-	-	44,443
Receivables from Clearing House and brokers	-	39,536	-	39,536
Securities and derivatives business receivables	-	37,831	-	37,831
Investment measured at amortised cost	81,600	151,120	-	232,720
Loans to related parties	-	-	-	-
Loans to third parties	-	50	-	50
Liabilities for which fair value are disclosed				
Payables to Clearing House and brokers	-	1,236	-	1,236
Securities and derivatives business payables	-	33,806	-	33,806
Liabilities under lease agreements	-	13,743	-	13,743

	(Thousand Baht)			
	Consolidated financial statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in trading securities				
Debt instruments	-	353,117	-	353,117
Investments in available for sale securities				
Equity instruments	24,558	-	-	24,558
Assets for which fair value are disclosed				
Cash and cash equivalents	56,075	-	-	56,075
Receivables from Clearing House and brokers	-	45,851	-	45,851
Securities and derivatives business receivables	-	101,829	-	101,829
Held-to-maturity investments	41,800	170,963	-	212,763
Non-marketable equity securities	-	-	71,356	71,356
Restricted cash at bank	3,023	-	-	3,023
Loans to related parties	-	166,149	-	166,149
Loans to third parties	-	69,895	-	69,895
Liabilities for which fair value are disclosed				
Securities sold under repurchase agreements	-	360,859	-	360,859
Payables to Clearing House and brokers	-	2,736	-	2,736
Securities and derivatives business payables	-	83,382	-	83,382
Liabilities under finance lease agreements	-	5,975	-	5,975
Debt issued and borrowings	-	29,713	-	29,713

(Thousand Baht)				
Separate financial statements				
31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments				
<i>Investments measured at fair value through profit or loss</i>				
<i>Investment in trading securities</i>				
Listed securities	14,125	-	-	14,125
Fixed income fund	-	30,105	-	30,105
Private debt securities	-	30,213	36,478	66,691
<i>Investments measured at fair value through other comprehensive income</i>				
Listed securities	13,611	-	-	13,611
Non-marketable equity securities	-	-	68,356	68,356
Assets for which fair value are disclosed				
Cash and cash equivalents	41,263	-	-	41,263
Receivables from Clearing House and brokers	-	39,536	-	39,536
Securities and derivatives business receivables	-	37,831	-	37,831
Investment measured at amortised cost	81,600	116,607	-	198,207
Loans to related parties	-	75,001	-	75,001
Liabilities for which fair value are disclosed				
Payables to Clearing House and brokers	-	1,236	-	1,236
Securities and derivatives business payables	-	33,806	-	33,806
Liabilities under lease agreements	-	13,743	-	13,743

	(Thousand Baht)			
	Separate financial statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in trading securities				
Debt instruments	-	353,117	-	353,117
Investment in available for sale securities				
Equity instruments	24,558	-	-	24,558
Assets for which fair value are disclosed				
Cash and cash equivalents	50,885	-	-	50,885
Receivables from Clearing House and brokers	-	45,851	-	45,851
Securities and derivatives business receivables	-	101,829	-	101,829
Held-to-maturity investments	41,800	151,144	-	192,944
Non-marketable equity securities	-	-	68,356	68,356
Loans to related parties	-	145,000	-	145,000
Liabilities for which fair value are disclosed				
Securities sold under repurchase agreements	-	360,859	-	360,859
Payables to Clearing House and brokers	-	2,736	-	2,736
Securities and derivatives business payables	-	83,382	-	83,382
Liabilities under finance lease agreements	-	5,975	-	5,975
Debt issued and other borrowings	-	29,713	-	29,713

39. Financial instruments

Financial instruments are any contracts which give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity in the meantime.

As at 31 December 2020, financial instruments of the Company principally comprise cash and cash equivalents, investments, receivables from and payables to Clearing House, loans, securities sold under repurchase agreements securities and derivatives business receivables and payables, financial lease liabilities and debt issued and borrowings. The financial risks associated with these financial instruments and how they are managed is described below:

The Company has no policy for speculation in or engaging in the trading of any derivative financial instruments.

39.1 Risk management

39.1.1 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The Company manages liquidity risk through monitoring and planning of their cash flows, including the arrangement of credit facilities with financial institutions, in order to ensure that they will have sufficient funds for their operations.

As at 31 December 2020 and 2019, remaining years to maturity of financial instrument, counted from the end of the reporting period, are follows:

(Million Baht)							
Consolidated financial statements							
31 December 2020							
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non-performing debts	Total
Financial assets							
Cash and cash equivalents	44	-	-	-	-	-	44
Receivables from Clearing House and brokers	-	40	-	-	-	-	40
Securities and derivatives business receivables	-	11	-	-	18	9	38
Investments	-	343	-	-	82	-	425
Loans to related parties	-	-	-	-	-	-	-
Loans to third parties	-	-	-	-	-	-	-
Financial liabilities							
Payables to Clearing House and brokers	-	1	-	-	-	-	1
Securities and derivatives business payables	-	34	-	-	-	-	34
Liabilities under lease agreements	-	10	4	-	-	-	14

(Million Baht)							
Consolidated financial statements							
31 December 2019							
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non-performing debts	Total
Financial assets							
Cash and cash equivalents	56	-	-	-	-	-	56
Receivables from Clearing House and brokers	-	46	-	-	-	-	46
Securities and derivatives business receivables	-	56	-	-	37	9	102
Investments	-	566	-	-	93	-	659

Restricted cash at bank	3	-	-	-	-	-	3
Loans to related parties	-	166	-	-	-	-	166
Loans to third parties	-	70	-	-	-	-	70
Financial liabilities							
Securities sold under repurchase agreements	-	361	-	-	-	-	361
Payables to Clearing House and brokers	-	3	-	-	-	-	3
Securities and derivatives business payables	-	83	-	-	-	-	83
Liabilities under finance lease agreements	-	3	3	-	-	-	6
Debt issued and other borrowings	-	30	-	-	-	-	30

(Million Baht)

Separate financial statements							
31 December 2020							
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non-performing debts	Total
Financial assets							
Cash and cash equivalents	41	-	-	-	-	-	41
Receivables from Clearing House and brokers	-	40	-	-	-	-	40
Securities and derivatives business receivables	-	11	-	-	18	9	38
Investments	-	309	-	-	82	-	391
Loans to related parties	-	75	-	-	-	-	75
Financial liabilities							
Payables to Clearing House and brokers	-	1	-	-	-	-	1
Securities and derivatives business payables	-	34	-	-	-	-	34
Liabilities under lease agreements	-	10	4	-	-	-	14

(Million Baht)

Separate financial statements							
31 December 2019							
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non-performing debts	Total
Financial assets							

Cash and cash equivalents	51	-	-	-	-	-	51
Receivables from Clearing House and brokers	-	46	-	-	-	-	46
Securities and derivatives business receivables	-	56	-	-	37	9	102
Investments	-	546	-	-	93	-	639
Loans to related parties	-	145	-	-	-	-	145
Financial liabilities							
Securities sold under repurchase agreements	-	361	-	-	-	-	361
Payables to Clearing House and brokers	-	3	-	-	-	-	3
Securities and derivatives business payables	-	83	-	-	-	-	83
Liabilities under finance lease agreements	-	3	3	-	-	-	6
Debt issued and other borrowings	-	30	-	-	-	-	30

39.1.2 Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash and cash equivalents, securities and derivatives business receivables, investments, loans, and debt issued and other borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate because of its short-term in nature. Therefore, net interest rate risk of the Company is limited.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date:

(Million Baht)									
Consolidated financial statements									
31 December 2020									
Outstanding balance of financial Instrument									
Remaining period to the contractual repricing									
date or maturity date							Interest Rate (% p.a.)		
Floating Interest rate	Within 1 year	1 - 5 years	Over 5 years	Non-performing debts	Without interest	Total	Floating Interest rate	Fixed Interest rate	
Financial assets									
Cash and cash equivalents	44	-	-	-	-	44	0.05 – 0.50	-	
Receivables from Clearing House and brokers	-	-	-	-	40	40	-	-	
Securities and derivatives business receivables									

	18	-	-	-	9	11	38	5.90 - 18.00	-
Investments	-	343	-	-	-	82	425	-	0.20 - 9.00
Loans to related parties	-	-	-	-	-	-	-	-	7.25
Loans to third parties	-	-	-	-	-	-	-	-	7.25
Financial liabilities									
Payables to Clearing House and brokers	-	-	-	-	-	1	1	-	-
Securities and derivatives business payables	-	-	-	-	-	34	34	-	-
Liabilities under lease agreements	-	10	4	-	-	-	14	-	2.21 - 8.60

(Million Baht)

Consolidated financial statements

31 December 2019

Outstanding balance of financial Instrument

Remaining period to the contractual reprising

	date or maturity date							Interest Rate (% p.a.)	
	Floating Interest rate	Within 1 year	1 - 5 years	Over 5 years	Non-performing debts	Without interest	Total	Floating Interest rate	Fixed Interest rate
Financial assets									
Cash and cash equivalents	56	-	-	-	-	-	56	0.125 - 1.10	-
Receivables from Clearing House and brokers	-	-	-	-	-	46	46	-	-
Securities and derivatives business receivables	37	-	-	-	9	56	102	5.90 - 18.00	-
Investments	-	566	-	-	-	93	659	-	0.85 - 9.00
Restricted cash at bank	3	-	-	-	-	-	3	0.05	-
Loans to related parties	-	166	-	-	-	-	166	-	2.00
Loans to third parties	-	70	-	-	-	-	70	-	7.25 - 15.00
Financial liabilities									
Securities sold under repurchase agreements	-	361	-	-	-	-	361	-	2.20 - 3.15
Payables to Clearing House and brokers	-	-	-	-	-	3	3	-	-
Securities and derivatives business payables	-	-	-	-	-	83	83	-	-
Liabilities under finance lease agreements	-	3	3	-	-	-	6	-	5.39 - 8.60
Debt issued and other borrowings	-	30	-	-	-	-	30	-	3.50

(Million Baht)									
Separate financial statements									
31 December 2020									
Outstanding balance of financial Instrument									
Remaining period to the contractual reprising									
date or maturity date								Interest Rate (% p.a.)	
Floating Interest rate	Within 1 year	1 - 5 years	Over 5 years	Non-performing debts	Without interest	Total	Floating Interest rate	Fixed Interest rate	
Financial assets									
Cash and cash equivalents	41	-	-	-	-	41	0.05 - 0.50	-	
Receivables from Clearing House and brokers	-	-	-	-	-	40	-	-	
Securities and derivatives business receivables	18	-	-	-	9	11	5.90 - 18.00	-	
Investments	-	309	-	-	-	82	-	0.20 - 9.00	
Loans to related parties	-	75	-	-	-	75	-	6.00 - 7.25	
Financial liabilities									
Payables to Clearing House and brokers	-	-	-	-	-	1	-	-	
Securities and derivatives business payables	-	-	-	-	-	34	-	-	
Liabilities under lease agreements	-	10	4	-	-	14	-	2.21 - 8.60	

(Million Baht)									
Separate financial statements									
31 December 2019									
Outstanding balance of financial Instrument									
Remaining period to the contractual reprising									
date or maturity date								Interest Rate (% p.a.)	
Floating Interest rate	Within 1 year	1 - 5 years	Over 5 years	Non-performing debts	Without interest	Total	Floating Interest rate	Fixed Interest rate	
Financial assets									
Cash and cash equivalents	51	-	-	-	-	51	0.125 - 1.10	-	
Receivables from Clearing House and brokers	-	-	-	-	-	46	-	-	
Securities and derivatives business receivables	37	-	-	-	9	56	5.90 - 18.00	-	
Investments	-	546	-	-	-	93	-	0.85 - 9.00	
Loans to related parties	-	145	-	-	-	145	-	6.00 - 7.25	
Financial liabilities									
Securities sold under repurchase agreements	-	361	-	-	-	361	-	2.20 - 3.15	
Payables to Clearing House and brokers	-	-	-	-	-	3	-	-	
Securities and derivatives business payables	-	-	-	-	-	83	-	-	

Liabilities under finance lease agreements	-	3	3	-	-	-	6	-	5.39 – 8.60
Debt issued and other borrowings	-	30	-	-	-	-	30	-	3.50

39.1.3 Credit Risk

Credit risk related to investment in debt securities, account receivable and securities and derivatives business receivables is the risk that the party to a financial instrument will fail to discharge an obligation and consequently causes the Company to incur a financial loss. The Company has established policies and guidelines for the control of risks associated with credit balance accounts by evaluating the trading limit in accordance to the financial position of customers to trade securities and discharge their debts. Furthermore, the credit control committee meets on a monthly basis to consider all issues related to loans and risks associated with providing loans for securities trading. The maximum credit risk exposure is the carrying amount of such assets as stated in the statement of financial position.

39.1.4 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in change in the value of financial instruments.

There is no foreign exchange risk due to the Company has no foreign transactions and there are no foreign financial instruments as at financial statement date.

39.1.5 Fair value of financial instruments

Fair value represents the amount for which an asset could be exchange or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Summarised comparison between fair value and book value are as follows:

	(Million Baht)				(Million Baht)			
	Consolidated financial statements				Separate financial statements			
	31 December		31 December		31 December		31 December	
	2020		2019		2020		2019	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets								
Cash and cash equivalents	44	44	56	56	41	41	51	51
Receivables from Clearing House and brokers	40	40	46	46	40	40	46	46
Securities and derivatives business receivables	38	38	102	102	38	38	102	102
Investments	425	425	662	662	391	391	639	639
Restricted cash at bank	-	-	3	3	-	-	-	-
Loans to related parties	-	-	166	166	75	75	145	145
Loans to third parties	-	-	70	70	-	-	-	-
Financial liabilities								

Summarised comparison between fair value and book value are as follows:

	(Million Baht)				(Million Baht)			
	Consolidated financial statements				Separate financial statements			
	31 December		31 December		31 December		31 December	
	2020		2019		2020		2019	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Securities sold under repurchase agreements	-	-	361	361	-	-	361	361
Payables from Clearing House and brokers	1	1	3	3	1	1	3	3
Securities and derivatives business payables	34	34	83	83	34	34	83	83
Liabilities under lease agreements	14	14	-	-	14	14	-	-
Liabilities under finance lease agreements	-	-	6	6	-	-	6	6
Debt issued and borrowings	-	-	30	30	-	-	30	30

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including Cash and cash equivalents, Receivable from Clearing House, Securities and derivatives business receivables, Short-term investments, Payables to Clearing House, Securities and derivatives business payables and Short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- For debts securities, their fair value is generally derived from quoted market prices.
- For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.



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