

**FORM 56-1**  
**ENDED FOR DECEMBER 31, 2018**



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## Part 1

### Business Operation

#### 1. Company Background and Business Overview

##### 1.1. Vision, Objectives, Goals, Strategy

###### ➤ Vision

- ✓ To Create Wealth for our Customers

###### ➤ Mission

- ✓ To provide an 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 three different core businesses as follows:

- ✓ Securities Brokerage
- ✓ Investment Management
- ✓ Investment Banking

In our goal to creating wealth for our customers, 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, made business and strategic partnerships domestically and internationally, which is not only limited to our Bangkok office since our Company has planned to offer its services to all regions of Thailand. This path to expansion will be spearheaded by our securities brokerage business to key cities in Thailand.

Therefore, the Company is confident 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.

## 1.2. Important Changes and Developments of the Company's Business

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. Currently, the Company has opened 1 branch on Bangkok at Mahatun Plaza Branch.

### 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. Appointment of 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. Appointment of 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 January 31, 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. Vichya 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 resigns.

- 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 resigns.
- 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 Phimphkorn 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 Phimphkorn 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 Phimphkorm 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.

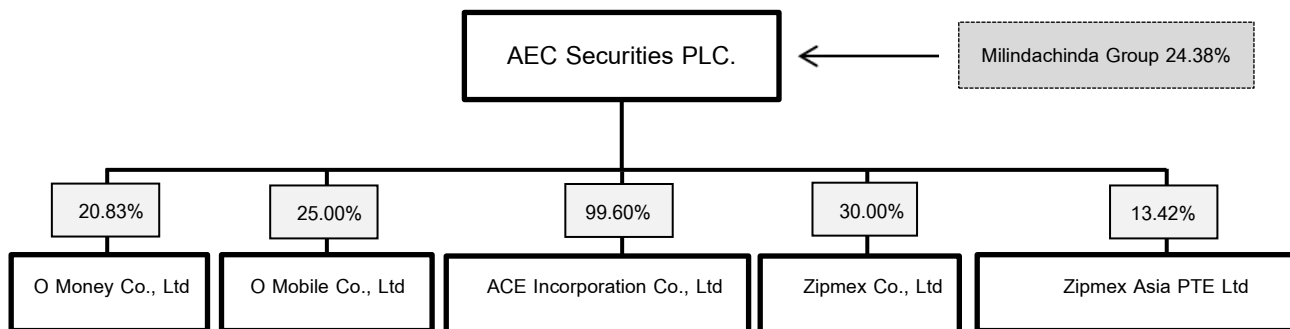
4. The issuance and offering of the newly issued ordinary shares of the Company in the amount not exceeding 200,000,000 shares at the par value of Baht 1 each to the Private Placement subscriber(s) (Private Placement : PP) pursuant to the Notification of the Capital Market Advisory Board TorChor. 28/2551 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.

### 1.3. Shareholding Structure of Corporate Group



The Company has investment and held participating share in another five companies as follows:

1. **O Money Company Limited ("O Money")**, the Company held participating share total of 20.83 percent of all participating shares of O Money, which O Money has register capital as 120,000,000 million Baht, separate to 1,200,000 ordinary share of baht 100 each. The Company operates business on Electronic payment service business and other types of services.
2. **O Mobile Company Limited ("O Mobile")**, the Company held participating share total of 25.00 percent of all participating shares of O Mobile, which O Mobile has register capital as 100,000,000 million Baht, separate to 1,000,000 ordinary share of baht 100 each. The Company operates business on telecommunication, data visualization, voice and other types of services.
3. **ACE Incorporation Company Limited ("ACE Incorporation")**, the Company held participating share total of 99.60 percent of all participating shares of ACE Incorporation, which ACE Incorporation has register capital as 1,000,000 million Baht, separate to 100,000 ordinary share of baht 10 each. The Company operates business on investment in a limited company and a public company limited and being shareholders or a partnerships including investment with person and juristic person for operating all types of lawful business both domestic and international.
4. **Zipmex Company Limited ("Zipmex")**, the Company held participating share total of 30.00 percent of all participating shares of Zipmex, which Zipmex has register capital as 1,000,000 million Baht, separate to 100,000 ordinary share of baht 10 each. The Company operates business on digital asset trading business Crypto currencies and digital tokens.
5. **Zipmex Asia Pte Ltd. ("Zipmex Asia")**, the Company held participating share total of 13.42 percent of all participating shares of Zipmex, which Zipmex has register capital as US\$3,000,000, separate to 3,000,000 ordinary share of US\$1 each. The Company operates business on digital asset trading business Crypto currencies and digital tokens for both of individual investment and Insinuation investment.

## 2. Nature of Business

### 2.1 Revenue and Expense Structure of the Company

Revenue	2018		2017		2016	
	Baht	%	Baht	%	Baht	%
Brokerage fees from Securities business	339,428,092	51.80	414,824,982	56.88	500,994,197	61.25
Brokerage fees from Derivatives business	89,061,188	13.59	66,106,944	9.06	83,530,539	10.21
Fees and service income	104,174,091	15.90	103,192,712	14.15	67,655,146	8.27
Interest on margin loans	19,955,151	3.05	34,943,692	4.79	37,870,904	4.63
Gain and return on financial instruments	67,481,392	10.30	105,960,756	14.53	126,036,606	15.41
Gain on disposal of associate	-	-	4,375	0.00	(2,147,478)	(0.26)
Other income	35,139,022	5.36	4,309,619	0.59	4,045,542	0.49
<b>Total Revenues</b>	<b>655,238,936</b>	<b>100.00</b>	<b>729,343,080</b>	<b>100.00</b>	<b>817,985,456</b>	<b>100.00</b>

Expense	2018		2017		2016	
	Baht	%	Baht	%	Baht	%
Employee benefit expenses	387,365,568	52.20	433,719,162	53.66	475,536,045	56.91
Fee and service expenses	107,254,589	14.45	94,265,695	11.66	103,940,294	12.44
Reverse of bad debt and doubtful accounts	-	-	-	-	-	-
Share of loss of investment in associate	45,283	0.01	-	-	91,696	0.01
Finance costs	44,155,093	5.95	48,064,855	5.95	37,884,941	4.53
Other expenses	203,322,060	27.40	232,254,112	28.73	218,208,603	26.112
<b>Total Expenses</b>	<b>742,142,593</b>	<b>100.00</b>	<b>808,303,824</b>	<b>100.00</b>	<b>835,661,579</b>	<b>100.00</b>

**Note:**

- Consolidated Financial Statement for the year 2018 due to have investment in subsidiary.
- Separate Financial Statement for the year 2017.
- Consolidated Financial Statement for the year 2016.
- Statement of comprehensive income transaction for the year period ended 31 December 2017, some transactions have been reclassified in accordance with the Statement of comprehensive income transactions for the year period ended 31 December 2018 as follows:

(Unit : Thousand Baht)

	Separate financial statements		
	For the period ended 31 December 2017		
	Before reclassifications	Reclassifications	After reclassifications
<b>Statement of comprehensive income</b>			
Fees and service income	103,368	(175)	103,193
Other incomes	4,135	175	4,310
Bad debt and doubtful accounts	3,123	(3,123)	-
Other expenses	229,131	3,123	232,254

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

## 2.2 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
- AIPRO Trading System

➤ **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 3 (three) days commencing from the date of purchase or sale (T+3). 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 and Options on Futures.

➤ **Electronic 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:

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



➤ **SBL (Securities Borrowing and Lending)**

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 Fund**

The private fund 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.

➤ **AIPRO Trading System**

The provision of investment services in security exchange with the program trading system refers to the application of computer system in improving the efficiency of management and trading through the artificial intelligence process of decision making, which evaluates information on interesting stocks at the time, using fundamental, technical and qualitative analyses, as well as functions of port risk management with the processing system in market and liquidity risks. The services also include an automatic forwarding of trading orders. The company calls this system “AIPRO” or automatic trading system. The provision of these services is for the purpose of increasing service channels and responding better to customers and investors’ demands.

## **2.3 Market Overview and Competition**

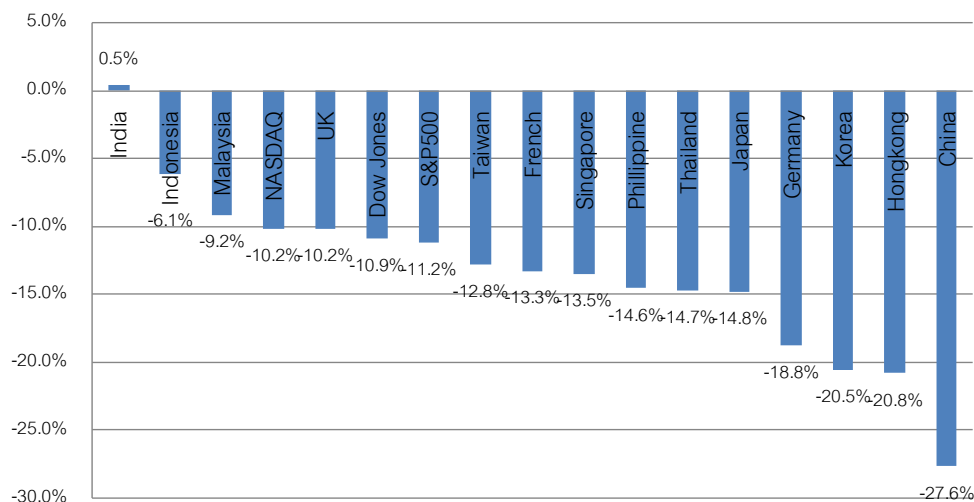
### **2018 Stock Market Overview:**

2018 is the year that the Stock Exchange of Thailand Index (SET Index) is highly volatile. Even in the beginning of the year, it continued to rise until reaching a record high of 1,852.51 points in January with the support of a well-adjusted foreign market sentiment, especially, in the US and European group where the economic figures of which were well expanded before starting to adjust the base down from March to June after the investors around the world were concerned over the trade war that began with US President Donald Trump’s announcement on the adoption of the Safe Guard Measure by increasing the US steel import tariff to 25% and aluminum to 10%, followed by the announcement of import tariffs from China on 15 June at the rate of 25% in the

products worth over 50 billion dollars to punish China on the issue after the intellectual property violations in accordance with Section 301 of the US Trade Laws had been detected and the goal on trade deficit reduction with China had been set which, subsequently, China responded with equally severe measures consequently putting the pressure on the production and export trends including the economic expansions both in the US and China to head for the worsening direction. However, during the period from July to September, the index led by the outstanding energy stock rising in line with the world crude oil price continuous increase to mark its highest point in more than 4 years at USD 75 per barrel plus the stocks of the construction sector and Industrial Estates which had positively been benefited from the government's policy to push the Special Eastern Economic Corridor (EEC) Project and invest in the mega infrastructure project, had helped boost confidence and investment climate in the stock market including stocks in retail sector to be brightly improved after the elapse of the mourning period and the purchasing power in the Provinces had better developed. However, said factors only posed a short-term effect before most of the investors would become worried again about the impact of the trade war between the US and China that severely expanded towards the new tariff collections of Chinese goods worth over USD 200 billion at the rate of 10% and threatening to collect tariff at the increasing rate of 25% at the beginning of the year. Such measures plus the negative effects from such trade wars have begun to pass the impact to the real economic sector which is reflected by figures of the productions, exports, domestic consumptions and domestic productions of both the US and China to gradually be worsened. Moreover, it directly affects the demands for energy in world markets that will be worsened all along with the economic growth slowdown which is run in counter to the continuously accelerated crude oil supply due to the substantially expanding US shale oil production capacity and the new production in Russia that has still continued to increase have put a pressure on the world crude oil price to drop to a substantial low. At the same time, the situation in the global financial markets has become increasingly tight after the Central Banks in many countries led by FED and ECB begin to gradually reduce measures on Quantitative Easing having been used for many years and turn to use prudent monetary policy, consequently resulting in the rising of the liquidity decrease in the financial markets.

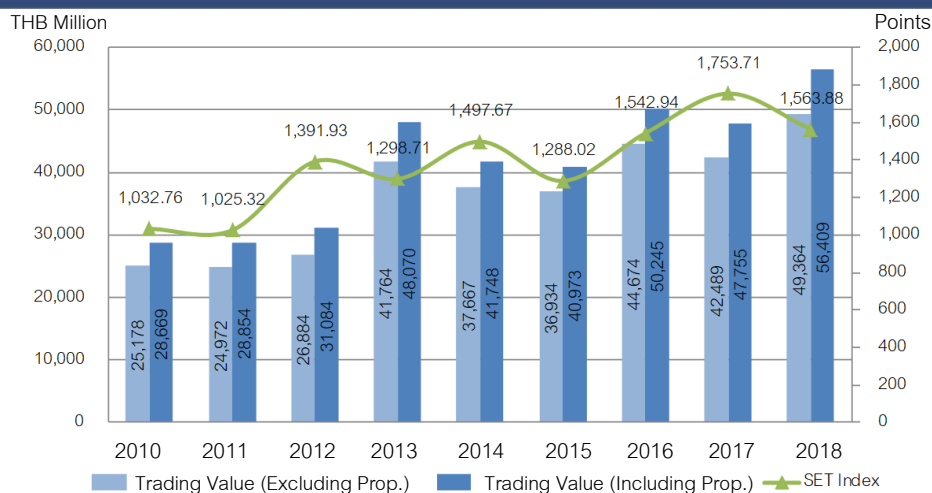
In the overall picture, however, in 2018, the SET Index rose to its highest point of the year at 1,838.96 points on 24 January 2018 (SET Index made its lowest point of the year at 1548.37 points on 27 December 2018). Before the end of 2018, SET Index closed at the level of 1,563.88 points with the Thai stock market giving a return of -14.7% YTD (according to the graphic chart) and trading value (including SET and MAI) per day averagely (including prop trade) at THB 56.4 billion, an increase of 18.12% YoY (if excluding prop trade, the trading value will be THB 49.3 billion, an increase of 16.18% YoY).

### Worldwide Stock Market Index



Source: Bloomberg

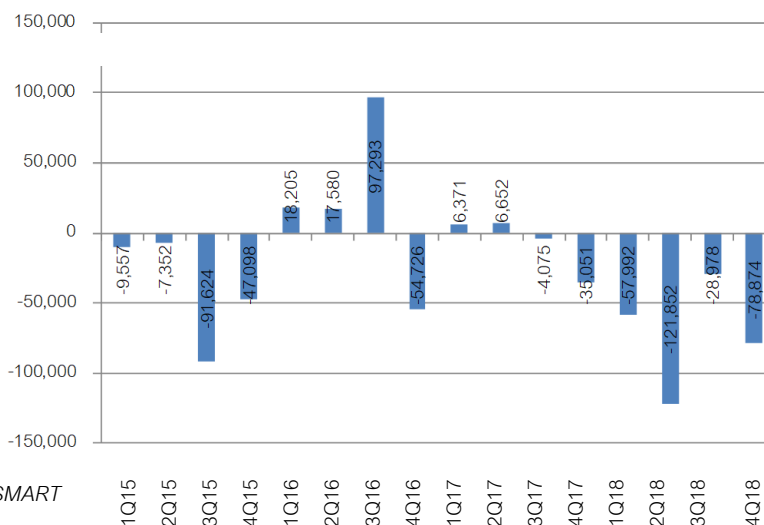
### Trading Value and SET Index



Source: SETSMART

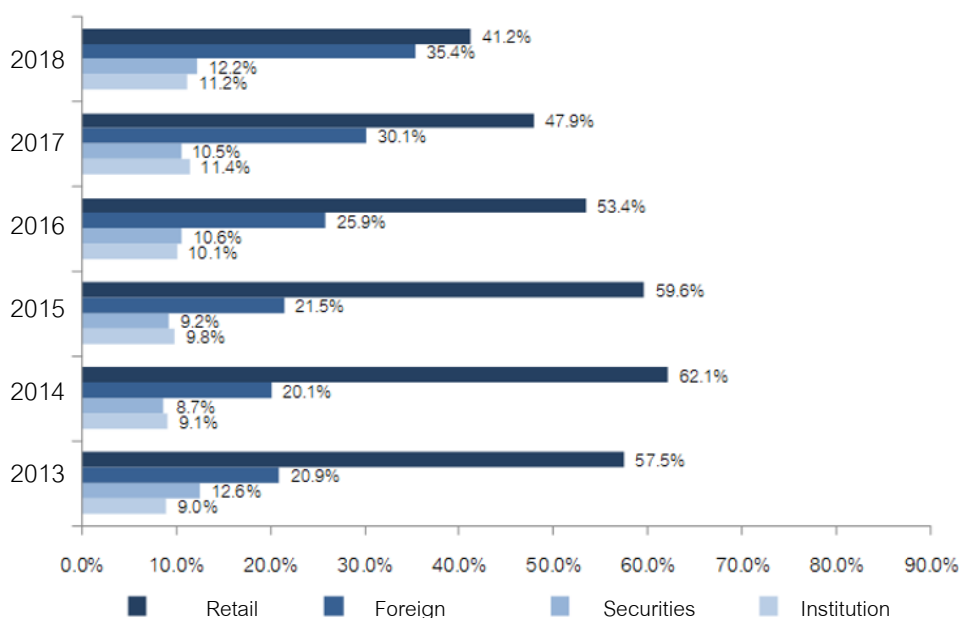
In 2018, institutional investors played a very important role in driving SET Index with net purchase (both in the SET and MAI) of around THB 181 billion, which was a net purchase in its sixth year consecutively and had trading value proportion of 11.2% of the total trading value, while retail investors turned back to account for a net purchase of approximately 120 billion Baht with a trading value proportion of 41.2% of total trading value. In this connection, foreign investors still continued to account for net sales of THB 287 billion for the second year with a trading value of 35.4% of the total trading value in the same way as the account of the Securities Company that turned up to account for the sale value of THB 14.6 billion with the trading value of 12.2% of the total trading value.

### Net Trading Value of Foreign Investors by Quarter



Source: SETSMART

### Trading Value Proportion of Each Group of Investor



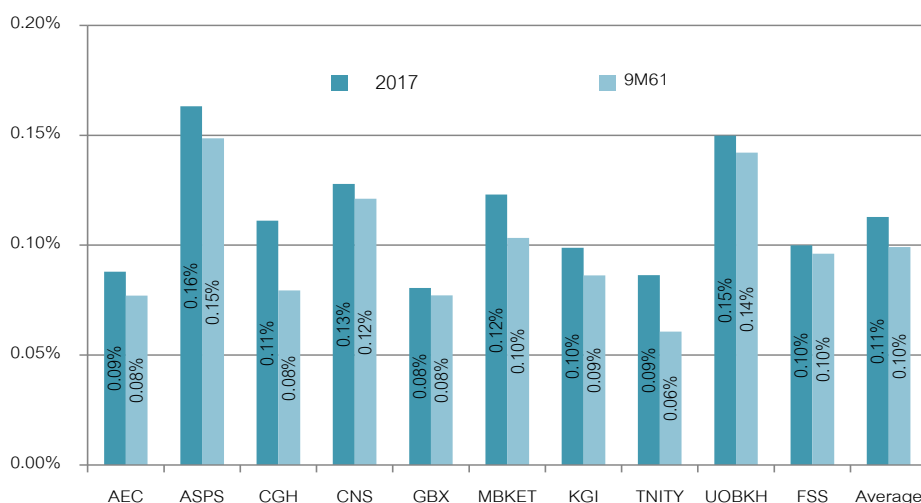
Source: SETSMART

### 2018 Securities Business Overview:

In 2018, the securities business profit went down from the year 2017, mainly because of the declination in the index combined with the confidence and the investment atmosphere in global stock markets which were not bright since the beginning of 2018. The SET Index was at 1,753.71 points and continuing to decline to the extent

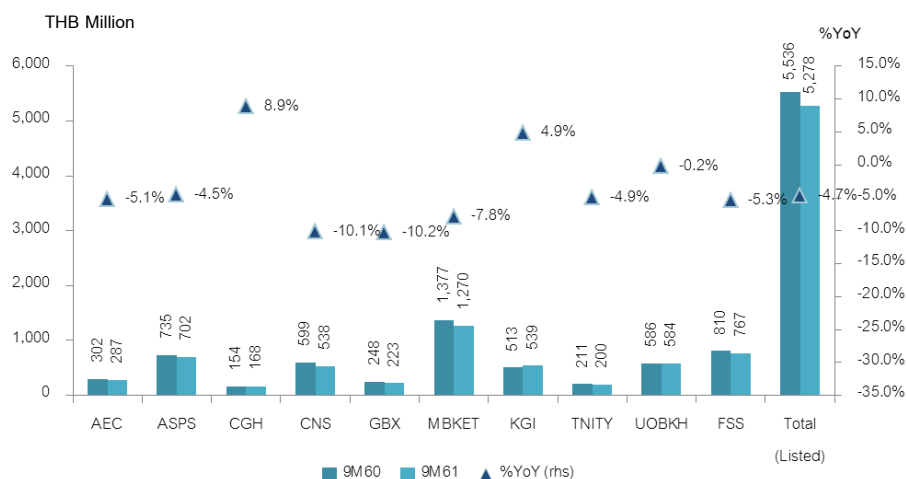
of making the SET Index at yearend closed at 1,563.88 points, with the Thai stock market yielding at -10.8%, consequently resulting in the profit from portfolio investment of securities companies to decrease from the preceded year, plus a substantial declination in revenue from investment banking business investment because the overview of Thai stock market in 2018 that there were 23 new listed securities on Initial Public Offerings (IPO) (divided into listed securities in 8 SET, 11 MAI, 1 IFF and 3 REIT) which went down from 2017 with 46 securities (divided into listed securities in 22 SET, 17 MAI, 1 IFF and 6 REIT) and the funding value throughout 2018 which went down as low to 23.2% YoY at THB 81.5 billion with the securities having the highest mobilization in 2018 being Thailand Future Fund (TFFIF) with a funding value of THB 44.7 billion and the second in line being Osotspa Public Company Limited (OSP) which accounted for the value of fund mobilization of THB 12.6 billion and Trust for Investment in the Real Estate Leasehold of Bhiraj Office (BOFFICE), which accounted for the value of THB 5.15 billion and, moreover, the securities business being undermined by the impact from high price competition in the brokerage business due to the reason of the new securities companies being launched during the past 4-5 years and efforts to maintain market share of large securities companies continuing to implement the campaign strategy on the commission at low price to compete for market share, despite the whole year of 2018 that the Thai stock market trading value (including SET and MAI) (including prop trade) had accounted for the increase to THB 14.13 trillion, up by 15.56% YoY (if excluding prop trade, the total trading value of 2018 would increase to THB 12.39 trillion, up by 13.2% YoY) while the price war had pressured the profiteering potential that eventually making the 9M61 commission rate range for net securities trading (excluding prop trade) of the securities portfolio to drop to the level of 0.10% from 2017. All these had consequently put the pressure on the year 2018 to account for the revenue from brokerage business to decline significantly from the year 2017.

#### Net Commission Rate of Securities Portfolio Listed in SET Excluding Prop Trade



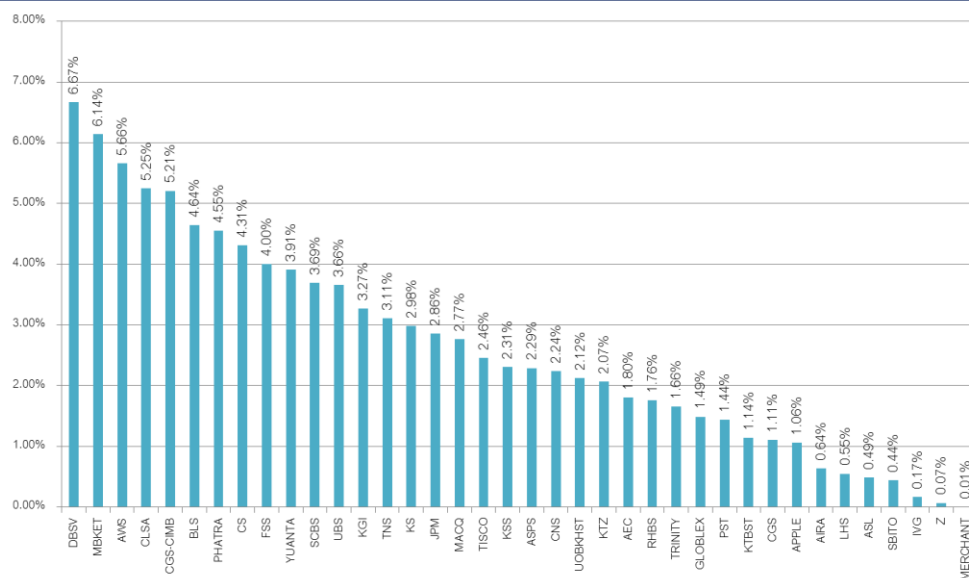
Source: AECS Research

### Revenues from Commission from Securities Trades in 2018 (Listed)



Source: SETSMART

### Market Share of Securities Companies in 2018 (SET+MAI)



Source: SETSMART

### Thai Stock Market Trends and Securities Business in 2019:

2019 could be the year to see the Thai stock market for a chance to swing and fluctuate in a wide range which we estimate the SET Index target of 2019 to be based on the PER of 13.5-15.0 times, resulting in the acquisition of the index frame target being between 1,552.6 – 1,725.1 points under the assumption on the performances of listed companies having a chance likely to grow at 5.6% YoY and the Thai economic expansion

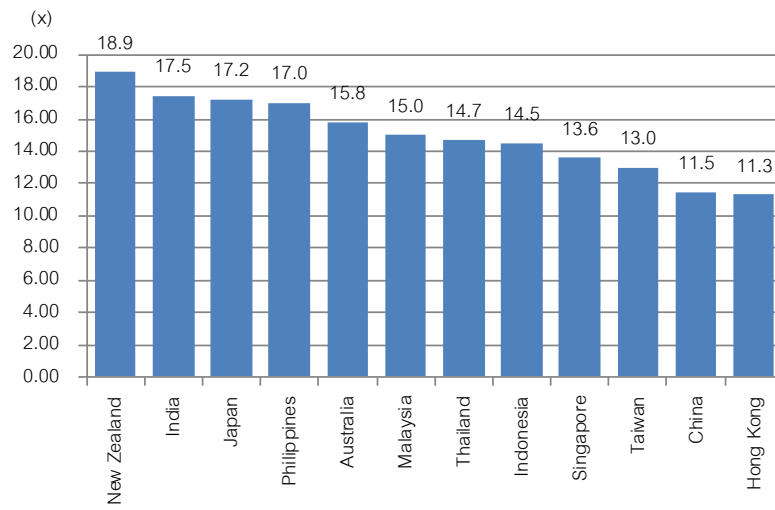
(GDP) at 3.9% YoY. Nevertheless, the Thai economic direction has a trend of growing at a decelerated rate from 2018 from foreign indicators, both on the aspects of the exports and tourism which may be faced with the risks from the US and Chinese economic slowdown as well as the impacts from the ongoing trade wars, thus, causing the economic expansion to rely more on the domestic spending and investments, especially, the government's investments that will play a leading role on the private sector investment plus the Thai stock market where there are factors that need to be followed which are: 1) A new policy under the new government of Thailand, 2) The global economic which results in the crude oil price to remain at a low level and 3) The trend on the global interest rate rising. Where on the securities business in 2019, it is expected to face the situation of higher competition in securities brokerage business. At present, there are a total number of 38 securities companies, so it may be difficult to avoid price competition. However, in order to survive under the commission liberalization, each securities company should prepare to maintain the existing customer base and expand the new customer base by increasing their quality of services both in providing the investment advice and quality analysis as well as expediting new innovative products such as 1) Automated stock trading services with artificial intelligence technology or AI (Artificial Intelligence), which is comparatively like a human computer in adapting to the occurring events and situations, 2) Securities Borrowing and Lending or SBL which is the securities borrowing and lending between the lender and the borrower, 3) Trading of Single Stock Futures that the broker will be the customer's opposite party. On the Single Stock Futures trades, whether Long or Short Side or the Block Trade, the distribution of incomes to other businesses such as investment banking business, private fund management business, etc., should be included in order to reduce the risk of relying solely on incomes from the securities brokerage business.

### Net Profit Growth Rate per Share of Thai Stock Market



Source: Bloomberg (14 January 2019)

### Forward PER 2018



Source: Bloomberg



### 3. 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

#### 3.1 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, Bond dealer other than the Company has focally aimed to develop the business with the innovation on Artificial Intelligence (AI) as a tool for customer service.

- **Risks 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 2018, the company accounted for the NCR of 36.74% or in monetary amount of 164.70 million 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. The company has the Bond Committee to scrutinize the bond that the company will go in for transactions in order to ensure that it is the quality bond without any opportunity for a risk to happen from the counterparty's non-compliance with the contract. So that in 2018, Office of Securities Exchange Commission (SEC) by The Capital Market Supervisory Board has regulations regarding for license to be permit and authorized to new offering bond. Which makes the securities company and issuers customer have more details on the process for offering bond and the bond are reliable. Meanwhile, the amount of bond to be offered in 2019 is decreased. So that, the Company would be develop relevant personnel to have knowledge and perception for rule and situation that have changed. In order to be adjust to increase the potential of working to achieve the set goals.

### **3.2 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) and 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.

### **3.3 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**
  - **Risk 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.

- **Risk 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 economic situation is still uncertain; the market fluctuations are still going on which, all these, 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. 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. In addition, the company will increase the income proportion 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.

### **3.4 Compliance Risk**

Securities companies operate under the laws, rules and regulations of the SEC and SET. 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 Company of any changes in the rules and regulations of SEC and SET. Such as the criteria for offer for sale of Convertible Debentures permission change by

announcement of The Capital Market Supervisory Board No. Torjor 17/2018 subject: Offer for sale of new Convertible Debentures permission of SEC.

The group of major shareholders to influence corporate policy, management or operation of the company significantly (as of December 28, 2018) is a Milindachinla Group hold as 24.38% (Mr. Praphol Milindachinla, holds as 23.557% and Mrs. Vimolwan Milindachinla holds as 0.823%). The Company there is no shareholding agreement between the major shareholders in matters that affect the management of the Company.

#### 4. Operating Assets

##### 4.1 Land, Building, Machinery and Equipment

As of 31 December 2018, the Company has fixed assets of office space, fittings, office equipment and vehicles were 67,121,802 baht.

List of Assets	Net value after depreciation (Baht)	Encumbrance	Type of ownership
1. Computers and accessories.	11,339,850	None	Owner
2. Office equipment	43,447,881	None	Owner
3. Work under construction	-	None	Owner
4. Financial Lease	12,334,071	48 Months	Owner
<b>Total</b>	<b>67,121,802</b>		

##### 4.2 Intangible Assets

As of 31 December 2018, the Company has intangible assets of software computers for securities trading and other operating systems were 13,698,015 baht.

List of Assets	Net value after depreciation (Baht)	The remaining period of amortization
1. Software	12,743,971	3-5 Years
2. Derivatives business license fees	-	-
3. Securities business license fees	-	-
4. Company Logo fees	3,591	5 Years
5. Goodwill	-	-
6. Software under development	950,453	None
<b>Total</b>	<b>13,698,015</b>	

The company holds the business license, which is owned and without any encumbrance as the details in following:

Types of license	Issuer	Date of received	Term
1. Securities Business License Type A	Ministry of Finance	31 January 2014	Indefinite
2. Derivative Business License Type Sor-1 (S1)	Office of Securities and Exchange Commission	20 February 2014	Indefinite
3. Financial Advisory License	Office of Securities and Exchange Commission	22 December 2018	5 years
4. SBL License( Principal Only)	Office of Securities and Exchange Commission	20 May 2014	-

The Company has entered into the Lease Contract to be used the office of the Company as follows:

Head Quarters / Branches		Tenancy / Lesser	Leased Period			Area (Sq.m.)	Rent / Service (THB)	
			Year	Commencement Date	Expiry Date		2018	2017
1	Head Quarters	63 Athenee Tower,17 <sup>th</sup> Fl., Wireless Rd., Lumpini, Pathumwan, Bangkok 10330 Unit No. 1701-1707  <b>Lessor:</b> Thai Commercial Investment Freehold and Leasehold Fund c/o Krungthai Asset Management PCL.	3 Y	01/06/2016	31/05/2019	1,389.86	15,535,855.08	15,535,855.08
		63 Athenee Tower,15 <sup>th</sup> Fl., Wireless Rd., Lumpini, Pathumwan, Bangkok 10330 Unit No. 1507/2  <b>Lessor:</b> Thai Commercial Investment Freehold and Leasehold Fund c/o Krungthai Asset Management PCL.	3 Y 1 Y 8 M	01/10/2014 01/10/2017	30/09/2017 31/05/2019	156.34	- 1,747,568.52	1,214,605.46 436,892.13
		63 Athenee Tower,5 <sup>th</sup> Fl., Wireless Rd., Lumpini, Pathumwan, Bangkok 10330 Unit No. 502 C  <b>Lessor:</b> Thai Commercial Investment Freehold and Leasehold Fund c/o Krungthai Asset Management PCL.	3 Y	01/02/2015 01/02/2018	31/01/2018 31/05/2019	98.79	85,685.91 1,012,251.79	1,028,231.02 -



Head Quarters / Branches	Tenancy / Lesser	Leased Period			Area (Sq.m.)	Rent / Service (THB)	
		Year	Commencement Date	Expiry Date		2018	2017
	63 Athenee Tower, 4 <sup>th</sup> Fl., Wireless Rd., Lumpini, Pathumwan, Bangkok 10330 Generator 1 Room  <b>Lessor:</b> Thai Commercial Investment Freehold and Leasehold Fund c/o Krungthai Asset Management PCL.	3 Y	01/08/2015  01/08/2018	31/07/2018  31/05/2019	10	-  240,000.00	240,000.00  -
2	Silom Branch (Closed)  323 United Center Building ,15 <sup>th</sup> Fl., Silom Road, Bangrak, Bangkok 10500 Unit No. 507-508  <b>Lessor :</b> United Centre Co., Ltd.	3 Y	15/01/2015  15/01/2017	14/01/2017  14/01/2020	295	-  2,436,086.40 (11 M 10 D)	-  2,579,385.60
3	Chiangmai - Mahidol Road Branch  288/61-62 Mahidol Road, Tambon Changklan, Amphoe Muang Chiangmai, Chiangmai 50100  <b>Lessor :</b> Ms. Kularb Kabkam	3 Y	01/02/2014  01/02/2017	31/01/2017  31/01/2020	34.4  Sq.w.	-  657,333.33 (11 M 10 D)	53,000.00  638,000.00
4	Soi Soonvijai Branch (Closed)  499/5 Soi Soonvijai, New Phetchaburi Road, Bang Kapi, Huai Khwang, Bangkok 10320  <b>Lessor :</b> Yai Rak Lan Ordinary Partnerships	3 Y	01/02/2014  01/02/2017	31/01/2017  31/01/2020	155	-  377,750.00 (11 M 10 D)	33,750.00  404,250.00

Head Quarters / Branches	Tenancy / Lesser	Leased Period			Area (Sq.m.)	Rent / Service (THB)	
		Year	Commencement Date	Expiry Date		2018	2017
5 Central Ladphrao Branch (Closed)	1693 Central Lat Phrao Office Building , Unit No. 1101, 11 <sup>st</sup> Fl., Phahonyothin Road, Chatuchak , Bangkok 10900 <b>Lessor:</b> Central Pattana PLC.	3 Y 7 M	15/02/2014 15/02/2017	14/02/2017 30/09/2017	182.04	-  ( 9 M )	245,711.04 885,532.83 ( 9 M )
6 Chiangmai – Changklan Road Branch (Closed)	215/2 Unit no.B202, Changklan Road, Tambon Changklan, Amphoe Muang Chiangmai 50100 <b>Lessor:</b> C. A.S. Market Place Ltd., Part.	3 Y	15/01/2017	15/01/2020	89	380,015.16 (11 M 10 D)	402,369.00
7 Nakhon Si Thamarat Branch (Closed)	202,204 Wandeekositkulporn Road, Tambon Naimuang, Amphoe Muang Nakhon Si Thamarat, Nakhon Si Thamarat 80000 <b>Lessor:</b> Ms. Kittiya Saksrimaneekol	3 Y	01/03/2014 01/03/2017	28/02/2017 28/02/2020	39.5 Sq.w.	- 275,000.00 (11 M )	50,000.00 250,000.00
8 Hatyai Branch (Closed)	59/10, 59/12 Juti – Anusorn Road, Tambon Hadyai, Amphoe Hatyai, Songkhla 90110 <b>Lessor :</b> Mr.Nikom Preechaveerakul	3 Y	01/03/2014 01/03/2017	28/02/2017 28/02/2020	56.7 Sq.w.	- 693,000.00 (11 M)	120,000.00 630,000.00
9 The Nine Branch (Closed)	33/4 The Nine Tower Grand Building Rama 9, 2 <sup>rd</sup> Fl., Rama 9 Road, Huai Khwang, Bangkok 10310 <b>Lessor:</b> Grand Canal Land PCL.	2Y 10M	05/08/2014	30/06/2017	115.01	-	499,948.50 (6 M)

Head Quarters / Branches		Tenancy / Lesser	Leased Period			Area (Sq.m.)	Rent / Service (THB)	
			Year	Commencement Date	Expiry Date		2018	2017
10	Mahatun Plaza Branch (Cancellation rental Room No.199)	Unit No.200 888/200 Mahatun Plaza Building ,3 <sup>rd</sup> Fl., Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 <b>Lessor:</b> Mahatun Plaza Co., Ltd.	3 Y  Renew A Contract 3 Y	01/09/2014  01/09/2016 01/09/2017	31/08/2016  31/08/2017 31/08/2020	132	-  - 1,169,467.20	-  754,142.40 382,536.00
		Unit No.199 888/200 Mahatun Plaza Building ,3 <sup>rd</sup> Fl., Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 <b>Lessor:</b> Mahatun Plaza Co., Ltd.	2Y 5M	01/09/2015  01/09/2016	31/08/2016  31/08/2017	132	-  - (8 M)	-  754,142.40 (8 M)
11	Phahonyothin Branch (Closed)	412/44, 412/45 Ban Phahonyothin Place Building , Plaza Zone, 3 <sup>rd</sup> Fl., Phahonyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400 <b>Lessor:</b> Phahon 8 Co., Ltd.	3 Y  Renew A Contract 4 M	01/09/2015  01/09/2018	31/08/2018  31/12/2018	126	609,675.92  181,842.15 (10 M 8 D )	876,960.00  - (10 M 8 D )
12	Bangna Branch (Closed)	58, BIZZO Building Unit No. B201,B202, 2 <sup>nd</sup> Fl., Bangna trad 23 Road,Bangna, Bangkok 10260	3 Y	01/09/2015  01/09/2017	31/08/2017  31/08/2020	100	-  551,218.00 (11 M 10 D)	383,456.00  191,728.00

Head Quarters / Branches		Tenancy / Lesser	Leased Period			Area (Sq.m.)	Rent / Service (THB)	
			Year	Commencement Date	Expiry Date		2018	2017
		<b>Lessor:</b> Deesuwan resort Co., Ltd.						
13	Saraburi Branch (Closed)	1/11 Soi 13, Sut Ban That Road, Tambon Pak Phrieo, Amphoe Mueng Saraburi, Saraburi 18000 <b>Lessor:</b> Ms. Naree Srivichai	3 Y  Renew A Contract 3 Y	15/01/2015  15/01/2018	14/01/2018  14/01/2021	-	-  252,631.56  (12 M)	240,000.00  -
14	Fashion Island Branch (Closed)	589/7-9 Fashion Island, B Fl., Unit B 001 Ram Intra Road, Khannayao, Khannayao, Bangkok 10230 <b>Lessor:</b> Siam Retail Development Co., Ltd	3 Y  Renew A Contract 2 Y	01/10/2015  01/10/2018	30/09/2018  30/09/2020	91.65	952,371.81  255,824.47  (11 M 10 D)	1,269,829.08  -
15	Park Ventures Branch (Cancellation rental No.1607A and Closed)	57 Park Ventures Ecoplex Building, Unit 1607A 16th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 <b>Lessor:</b> Golden Ventures Leasehold Real Estate Investment Trust (GVREIT)	1 Y 2 M	01/06/2016	31/07/2017	159.50	-	1,304,980.11 (7 M)
		57 Park Ventures Ecoplex Building, Unit 1607B, 1608 16th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 <b>Lessor:</b> Golden Ventures Leasehold Real	2 Y 3 M  Renew A Contract 3 M	01/06/2016  01/09/2018	31/08/2018  30/11/2018	287.50	2,309,085.04  865,906.89  (11 M)	3,463,627.56

Head Quarters / Branches		Tenancy / Lesser	Leased Period			Area (Sq.m.)	Rent / Service (THB)	
			Year	Commencement Date	Expiry Date		2018	2017
		Estate Investment Trust (GVREIT)						
16	Nakhon Ratchasima Branch (Closed)	1195/5 Mittraprab - Nongkai Road, Tambon Naimuang, Amphoe Muang Nakhon Ratchasima, Nakhon Ratchasima 30000 <b>Lessor:</b> Mr. Surapong Kongmiya	3 Y	01/03/2017	29/02/2020	-	156,666.66 (11 M 10 D)	130,000.00 (10 M)

## 5. Legal Disputes

5.1 Black Case Number Por. 1193-1194/2556, Red Case Number Por. 1796 – Por. 1797/2557 Bangkok South Civil Court

**Case** : Rescission of Sale and Purchase Agreement, Rescission of Tender Offer and Rescission of Resolutions

**Parties** : APF Holdings Company Limited, Plaintiff, and AEC Securities Public Company Limited, 3<sup>rd</sup> Defendant.

**Court of Jurisdiction** : Bangkok South Civil Court

**Case Commencement Date** : 17 June 2013

### Claims

On 17 June 2013, Plaintiff filed a claim alleging that Plaintiff had an agreement with 1<sup>st</sup> Defendant and 2<sup>nd</sup> Defendant regarding the transfer of the shares of the 3<sup>rd</sup> Defendant and requested the court to order the 1<sup>st</sup> Defendant, 2<sup>nd</sup> Defendant and 3<sup>rd</sup> Defendant to

(1) Rescission of the Asset Sale and Purchase Agreement between 1<sup>st</sup> Defendant and 2<sup>nd</sup> Defendant and to remove the list of transferees from the Register of Shareholders that 1<sup>st</sup> Defendant transferred the shares to under any agreement between the 1<sup>st</sup> Defendant and 2<sup>nd</sup> Defendant,

(2) Rescission of the Resolutions of the Board of Directors and the Resolutions of the Shareholders that 2<sup>nd</sup> Defendant exercise the vote on,

(3) Rescission of Tender Offer dated 14 May 2013 of 2<sup>nd</sup> Defendant, and

(4) Rescission of the Resolution of the Board of Directors that approved the transfer of 3<sup>rd</sup> Defendant's assets on the Stock Exchange of Thailand (SET) Membership to other persons and to prohibit the transfer of the SET Membership.

### Facts

The Company (3<sup>rd</sup> Defendant) does not have any agreements with the Plaintiff regarding transfer of shares and the Company has not transferred the SET Membership to any other persons.

### Case Status

On 19 December 2013, the Bangkok South Civil Court ordered to suspend the motion of temporary injunction on the transfer of the SET Membership.

On 23 September 2014, the case was dismissed by the court of first instance. However, the former major shareholder appealed this decision to the Appeal Court. The Appeal Court gave judgment dismissing the plaintiff.

On 4 December 2561, the Supreme Court affirmed the judgment of the Appeal Court and the court of first instance. The case is therefore finished and finalized.

## 6. General Information and Other Important Information

### 6.1 General Information

Name of Company	:	AEC Securities Public Company Limited
Nature of Business	:	Securities Business <ul style="list-style-type: none"> <li>■ Securities Brokerage <ul style="list-style-type: none"> <li>- Internet Trading</li> <li>- AIPRO Trading System</li> </ul> </li> <li>■ Derivatives Brokerage</li> <li>■ Securities Trading</li> <li>■ Investment Banking</li> <li>■ Underwriting</li> <li>■ Lending and borrowing</li> <li>■ Selling Agent</li> <li>■ Wealth Management</li> </ul>
Head Office Address	:	63 Athenee Tower, 15 <sup>th</sup> , 17 <sup>th</sup> Fl., 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	:	THB 2,414,615,498 (As of 31 December 2018)
Paid-up Capital	:	THB 1,244,249,008 (As of 31 December 2018)
Number of Share	:	1,244,224,758 Shares
Par Value	:	1 Baht
Type of Share	:	Ordinary shares
External Auditors	:	Ms. Wanawat Hemachayart Certified Public Accountant Registration No.7049 and/or Mr. Sompop Pholprasarn Certified Public Accountant Registration No.6941 and/or <b>Mazars Company Limited</b> Empire Tower, Tower 2 , 12 <sup>th</sup> Floor, South Sathorn Road, Bangkok 10120

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Company's Registrar	:	<b>Thailand Securities Depository Co., Ltd.</b> 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel.0-2009-9000 Fax 0-2009-9991 Website: <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a> E-mail: SETContactCenter@set.or.th
Legal Advisor	:	<b>Siam Premier International Law Officer Limited</b> The Offices of Central World, 26 <sup>th</sup> Floor, 999/9 Rama 1 Road, Pathumwan, Bangkok 10330  <b>Kudan and Partners Limited</b> 127 Gaysorn Towers, 23 <sup>rd</sup> Floor, Unit C&F Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330  <b>Thammarat Law Company Limited</b> 370/10 Supatra Building, 6 <sup>th</sup> Floor, Pharam 9 Road, Bang Kapi, Huai Khwang, Bangkok 10320  <b>APS Law Company Limited</b> 190/319 Moo.6, Phraek Sa, Muang Samut Prakarn, Samut Prakarn 10280  <b>Yong Law Office</b> 62/122, Ban Chang, Muang, Pathum Thani, 12000
Investor Relations	:	<b>The Office of Director and Company Secretary</b> AEC Securities Public Company Limited 63 Athenee Tower, 15 <sup>th</sup> , 17 <sup>th</sup> Floor., Wireless Rd., Lumpini, Pathumwan, Bangkok, 10330 Tel. 0-2659 -3317 Fax. 0-2659 - 3388 E-mails: <a href="mailto:thaveedej.u@aece.com">thaveedej.u@aece.com</a> ; <a href="mailto:pranpriya.h@aece.com">pranpriya.h@aece.com</a>



## 6.2 Other Important Information

- On 28 February 2019, the Board of Directors Meeting, No. 1/2019, has an acknowledged resignation of Mr. Noppadol Mingchinda as Director (Authorized Director), Executive Director and Acting Chief Financial Officer and effective since on March 1, 2019 onwards and has a resolution as follows;
- 1) Appointment Dr. Sathit Limpongpan as Advisory of the Company.
  - 2) Appointment Mr. Waiwit Udayachalerm as Director (Replacement Mr. Noppadol Mingchinda whose director was resigned before the end of term.)

## Part 2

### Management and Corporate Governance

#### 7 .Shareholding Information

##### 7.1. Amount of Registered Capital

As of 30 December 2018, the Company has a registered capital of THB 2,414,615,498 and a paid-up capital of THB 1,224,249,008 in the amount of 1,224, 249,008 ordinary shares (no preferred shares) at a par value of THB 1.00

##### 7.2. Shareholders

The top twenty major shareholders of the Company as of the Book Closing Date on 30 December 2018.

No.	Shareholder	Amount of Shares	Percentage of Registered Capital
1	Mr. Praphol Milindachinla	288,400,000	23.557
2	Ms. Yuwadee Wachiraprapa	95,768,800	7.823
3	Mrs. Kingkarn Samitanon	79,000,000	6.453
4	Mrs. Anunya Ruangsakvichit	65,327,600	5.336
5	Ms. Pimsuda Suttisonk	43,000,000	3.512
6	Mr. Tanet Panichiwa	41,800,000	3.414
7	Mrs. Nirumol Mangthab	27,700,400	2.263
8	Mr. Anurot Saneepakornkai	25,000,000	2.042
9	Mr. Suchaicharn Wongpiyabaworn	22,381,400	1.828
10	Mr. Kasin Wangsawangkul	20,309,900	1.659
11	PP Prime Public Company Limited	18,500,200	1.511
12	Mr. Chuchart Jareanudompol	16,594,000	1.355
13	Mrs. Duangta Jaiyen	15,500,000	1.266
14	LGT BANK (SINGAPORE) LTD	14,032,500	1.146
15	Ms. Siriwna Panichiwa	12,000,000	0.980

No.	Shareholder	Amount of Shares	Percentage of Registered Capital
16	Mr. Pailak Wongwaisayawon	11,000,100	0.899
17	Ms. Kantakorn Smittanon	11,000,000	0.899
18	Mrs. Vimolwan Milindachinla	10,080,800	0.823
19	Mr. Wanlop Wutapanit	10,071,750	0.823
20	Mr. Sukiat Surabotsopol	10,000,000	0.817
	<b>Total</b>	<b>837,467,450</b>	<b>68.406</b>

*Major shareholders with influence on policy-making, management and operation of the Company.*

### 7.3 Public Offering

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

##### (A) Decrease of Capital

The Annual General Meeting of Shareholders year 2015 held on 30 April 2015 approve the reduction of the registered capital of the Company from Baht 1,331,716,928 to Baht 1,325,403,898 by cancelling 6,313,030 authorized but unissued ordinary shares at a par value of Baht 1 each (save for the authorized but unissued ordinary shares amounting to 89,211,600 shares which have been reserved for exercising of the holders of the Warrants to purchase the ordinary shares of the Company –Type 2 (“AEC- W2” or “Warrants-Type 2”) and the Warrants to purchase the ordinary shares of the Company –Type 3 (“AEC-W3” or (“Warrants-Type 3”))

##### (B) Increase of Capital

The Annual General Meeting of Shareholders year 2015 held on 30 April 2015 approve the increase of the registered capital of the Company from Baht 1,325,403,898 to Baht 2,414,615,498 by issuing 1,089,211,600 new ordinary shares at a par value of Baht 1 each. Detail as follows;

Type of capital increase	Type of Shares Issued	Number of shares (shares)	Par Value (THB/Share)	Total (THB)
Specifying the use of proceeds	Ordinary	1,089,211,600	1.00	1,089,211,600
	Preferred	-	-	-

**(C) Allotment of Newly Issued Ordinary Shares**

Allotted to	Number of shares (shares)	Ratio (Old : New)	Sale Price (THB/Share)	Subscription and payment period	Note
Existing Shareholders (Right Offering)	300,000,000	4 : 1	1.00	16-22 June 2015	-
Private Placement	200,000,000	-	1.00	16-22 June 2015	-
To be reserved for exercising rights of the warrants (AEC-W4) to be issued to the existing shareholders who subscribe for the right offering shares <sup>(1)</sup>	300,000,000	N/A	N/A	16-22 June 2015	Exercise Price = 1.00 Baht/comm on share
To be reserved for exercising rights of the warrants (AEC-W5) to be issued to the investors who subscribe for the privately placed shares <sup>(2)</sup>	200,000,000	N/A	N/A	16-22 June 2015	Exercise Price = 1.00 Baht/comm on share
To be reserved for adjustment of exercising rights of the warrants (AEC-W2 and AEC-W3)	89,211,600	N/A	N/A		-

**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"> <li>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,</li> <li>2) when the Company sell newly issued shares at the price below 90% of the market price,</li> <li>3) when the Company sell convertible securities with the exercise price below 90% of the market price,</li> <li>4) when the Company pays stock dividends, fully or partially, to the shareholders,</li> <li>5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and</li> <li>6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders.</li> </ol> <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	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.  The Company will not extend the maturity of AEC-W3 or make any adjustment other than those stated herein.
Registrar of the Warrants	AEC Securities Public Company Limited

**3) Details of the Warrants to Purchase the Ordinary Shares of the Company Series #4 Issued to the Existing Shareholders who subscribe to the Right Offering (AEC-W4)**

Type of Warrants	The fourth series of warrants to purchase the newly issued ordinary shares of the Company (AEC-W4)
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	300,000,000 units
Selling Price/Unit	-0-
Offering Method	The Company will allocate AEC-W4 to the shareholders who subscribe to the Right Offering.

Allocation Method	<p>AEC-W4 will be allocated to the shareholders who subscribe to the Right Offering. The list of the shareholders who are eligible for the Right Offering will be determined on May 28, 2015 (Record Date) and the book closing date will be May 29, 2015.</p> <p>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.</p>
Number of Ordinary Shares Reserved for the Exercise of AEC-W4	300,000,000 common shares with 1.00 Baht par value each, or 27.03% of the current outstanding common shares as of February 3, 2015.
Conversion Ratio	1 unit of warrant can be converted to 1 ordinary share (except there is any adjustment to rights)
Exercise Price	1.00 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 June and December between 9.00 am to 3.30 pm over the tenor of the warrants.</p> <p>The first exercising date is December 30, 2015 and the last exercising date is May 27, 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-W4, 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-W4
Offering Period for AEC-W4	The allocation of AEC-W4 to the existing shareholders who subscribe to the Right Offering will be made within one year after the Approval of the Shareholders.
Secondary Market for AEC-W4	The Stock Exchange of Thailand
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-W4, in order to maintain the rights and benefits of the warrant holders under the following circumstances,</p> <ol style="list-style-type: none"> <li>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,</li> <li>2) when the Company sell newly issued shares at the price below 90% of the market price,</li> <li>3) when the Company sell convertible securities with the exercise price below 90% of the market price,</li> <li>4) when the Company pays stock dividends, fully or partially, to the shareholders,</li> <li>5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and</li> <li>6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders.</li> </ol> <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-W4, 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-W4, and to register the AEC-W4 with the Stock Exchange of Thailand.</p> <p>The Company will not extend the maturity of AEC-W4 or make any adjustment other than those stated herein.</p>
Registrar of the Warrants	Thailand Securities Depository Company Limited ("TSD")

4) Details of the Warrants to Purchase The Ordinary Shares of the Company Series #5 Issued to the Private Placement Subscribers (AEC-W5)

Type of Warrants	The five series of warrants to purchase the newly issued ordinary shares of the Company ("AEC-W5")
Category of Warrants	Stated the name of the holder and transferable
Maturity	Amounts of Warrants Issued
Amounts of Warrants Issued	200,000,000 Units
Selling Price/Unit	-0-
Offering Method	The Company will allocate AEC-W5 to the shareholders who subscribe to the Private Placement
Allocation Method	AEC-W5 will be allocated to the Private Placement subscriber at the ratio of 1 unit of warrant for each 1 newly issued ordinary shares
Number of Ordinary Shares Reserved for the Exercise of AEC-W5	200,000,000 common shares with 1.00 Baht par value each, or 18.02 % of the current outstanding common shares as of February 3, 2015.
Conversion Ratio	1 unit of warrant can be converted to 1 ordinary share (except there is any adjustment to rights)
Exercise Price	1.00 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 June and December between 9.00 am to 3.30 pm over the tenor of the warrants.</p> <p>The first exercising date is 30 December 2015 and the last exercising date is 30 June 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-W5, 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-W5.
Offering Period for AEC-W5:	The allocation of AEC-W5 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-W5	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"> <li>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,</li> <li>2) when the Company sell newly issued shares at the price below 90% of the market price,</li> <li>3) when the Company sell convertible securities with the exercise price below 90% of the market price,</li> <li>4) when the Company pays stock dividends, fully or partially, to the shareholders,</li> <li>5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and</li> <li>6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders.</li> </ol> <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	AEC Securities Public Company Limited

#### 7.4 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.

## 8. Management Structure

The management structure of the Company includes comprises of the Board of Directors and Sub - committee are 13 Sub - committee as follows:

- |  |   |
|--|---|
| 1. Audit Committee   | 8. Investment Banking Sub-Committee   |
| 2. Executive Committee   | 9. Purchasing and Procurement Sub-Committee                                     |
| 3. Corporate Governance<br>and Social Responsibility Committee | 10. Risk Management and Anti-Money<br>Laundering Working Group on Sub-Committee |
| 4. Nominations and Remuneration Committee                      | 11. Fixed Income Sub-Committee  |
| 5. Risk Management Committee                                   | 12. Private Fund Management Sub-Committee                                       |
| 6. Credit Sub-Committee  | 13. Discipline Working Group Sub-Committee                                      |
| 7. Investment Sub-Committee                                    |   |

### 8.1 The Board of Directors

As of 31 December 2018, the Company has 8 directors on the Board of Directors comprising of 3 Executive Directors (37.50%) and 5 Non-Executive Director and Independent Directors (62.50%) as follows:

No	Name	Board of Director	Date of Appointment
1	Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Directors and Independent Director	30 April 2013
2	Prof.Dr. Chaiya Yimwilai	Vice Chairman of the Board of Directors and Acting Chairman of the Executive Committee	19 February 2018
3	Assoc. Prof. Suchart Laopreeda	Chairman of Audit Committee and Independent Director	27 June 2017
4	Mr. Paisit Kaenchan	Independent Director and Audit Committee	30 April 2013
5	Mr. Seree Suwanpanont	Audit Committee and Independent Director	11 October 2017
6	Mr. Chanachai Joonjiraporn *	Director and Chief Executive Officer	20 April 2016
7	Mr. Thaveedj Uyawong*	Director Executive Director and Company Secretary	11 October 2017
8	Mr. Noppadol Mingchinda <sup>1*</sup>	Director Executive Director and Acting Chief Executive Finance	10 May 2018

\* Executive Director

<sup>1</sup> Mr. Noppadol Mingchinda resigned from the Board of Director Executive Director and Acting Chief Executive Finance effective on 1 March 2019.

#### Authorized Directors

The company's authorized signatory is Mr. Chanachai Joonjiraporn, Mr. Thaveedej Uyawong and Mr. Noppadol Mingchinda 2 of 3 directors' co-sign together with the company's seal affixed.

#### 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 month to consider various agendas and manage the Company to reduce risks. The scope of authority of the Board of Directors is as follows:

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
Prof.Dr. Chaiya Yimwilai	Vice Chairman of the Board of Directors and Acting Chairman of the Executive Committee		X		X
Assoc. Prof. Suchart Laopreeda	Chairman of Audit Committee and Independent Director	X		X	X
Mr. Paisit Kaenchan	Independent Director and Audit	X		X	X
Mr. Seree Suwanpanont	Audit Committee and Independent		X		X
Mr. Chanachai Joonjiraporn *	Director and Chief Executive Officer	X		X	X
Mr. Thaveedej Uyawong*	Director Executive Director and Company Secretary	X	X		X
Mr. Noppadol Mingchinda*	Director Executive Director and Acting Chief Executive Finance	X		X	X

\* Executive Director

## 8.2 Sub-Committees

### 8.2.1 Audit Committee

As of 31 December 2018, there are 3 members of Audit committee as follow:

No.	Name	Position
1*	Assoc. Prof. Suchart Laopreeda	Chairman of Audit Committee
2	Mr. Paisit Kaenchan	Audit Committee
3	Mr. Seree Suwanpanont	Audit Committee
	The Audit committee Secretary : Mr. Kasidit Nuchtan	

### Authorization and responsibilities of the Audit Committee

- To review the Company's financial reporting process to ensure accuracy and adequacy.

2. To ensure 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\* Assoc. Prof. Suchart Laopreeda has knowledge experience and expert in auditing financial statements of the Company. Graduate in Master of Accounting, Chulalongkorn University and work in the government service in the position Associate professor, Department of Accounting, Faculty of Business Administration Ramkhamhaeng University, and has experience in reviewing and auditing financial statements of listed companies in the Stock Exchange of Thailand and non- listed companies in a variety of business types.

### 8.2.2 Executive Committee

As of 31 December 2018, there are 7 members of Executive Committee as follow:

No.	Name	Position
1	Prof.Dr. Chaiya Yimwilai	Chairman of the Executive Committee (Acting)
2	Mr. Chanachai Joonjirapornand	Executive Director and Chief Executive Officer
3	Mrs. Vallapa Sunakorn	Executive Director and Chief Operation Officer
4	Dr. Akalarp Yimwilai	Executive Director
5	Mr. Thaveedej Uyawong	Executive Director and Company Secretary
6	Mr. Noppadol Mingchinda*	Executive Director and Chief Finance Officer (Acting)
7	Mr. Waiwit Udayachalerm	Executive Director
The Executive Committee Secretary : Ms. Sutthatip Boonrakcharoen		

*\*Mr. Noppadol Mingchinda resigned from the Board of Director Executive Director and Acting Chief Finance Officer effective on 1 March 2019.*

#### 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

### 8.2.3 Corporate Governance and Social Responsibility Committee

As of 31 December 2018, there are 2 members of Corporate Governance and Social Responsibility Committee as follow:

No.	Name	Position
1	Mr. Surachai Puprasert	Corporate Governance and Social Responsibility Committee
2	Dr. Sorajak Kaseamsuwan	Corporate Governance and Social Responsibility Committee
The Corporate Governance and Social Responsibility Committee Secretary : Mr. Thaveedej Uyawong		

#### Authorization and responsibilities of the Corporate Governance and Social Responsibility Committee

1. Proposed Policy Statement on Corporate Governance and Corporate Social Responsibility. Including policies to create develop and promote the image and brands of the company
2. Overseeing the company's operations to ensure compliance with corporate governance and social responsibility of regulatory agencies such as the Securities and Exchange Commission, The Stock Exchange of Thailand and Government Official.
3. Review of policy on corporate governance and social responsibility of the company regularly.
4. Proposed restrictions on the conduct of the business of the Company and the practice of manual employees, including executives, directors and consultants.
5. To promote a culture of good corporate governance participation in social activity and activities for sustainable development the effect in practice.
6. To appoint sub- committees to be responsible for supporting the Corporate Governance and Social Responsibility Committee of the Board of Directors as appropriate.
7. To perform any other duties assigned by the Board of Directors.

#### 8.2.4 The Nomination and Remuneration Committee

As of 31 December 2018, there are 3 members of Nomination and Remuneration Committee as follow:

No.	Name	Position
1	Mr. Seree Suwanpanont	Chairman of Nomination and Remuneration Committee
2	Mr. Paisit Kaenchan	Nomination and Remuneration Committee
3	Assoc. Prof. Suchart Laopreeda	Nomination and Remuneration Committee
The Nomination and Remuneration Committee Secretary : Mr. Thaveedej Uyawong		

#### 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. Determine the remuneration packages for directors and the chief executive officer.
4. Establish, in a fair manner, criteria which will create the expected results to the Board of Director for approval.
5. To perform any other duties assigned by the Board of Director.

#### 8.2.5 The Risk Management Committee

As of 31 December 2018, there are 3 members of Risk Management Committee as follow:

No.	Name	Position
1	Mr. Paisit Kaenchan	Chairman of Risk Management Committee
2	Assoc. Prof. Suchart Laopreeda	Risk Management Committee
3	Mrs. Vallapa Sunakorn	Risk Management Committee
The of Risk Management Committee Secretary : Mr. Sataya Rangseekajee		

#### 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.

#### 8.2.6 The Credit Sub-Committee

As of 31 December 2018, there are 3 members of the Credit Sub-Committee as follow:

No.	Name	Position
1	Mrs. Vallapa Sunakorn	Chairman of Credit Sub-Committee
2	Mr. Wiwat Angsupipat	Credit Sub-Committee
3	Mr. Sataya Rangseekajee	Credit Sub-Committee
	The Credit Sub-Committee Secretary : Mrs. Yada Atsongkram	

#### Authorization and responsibilities of The Credit Sub-Committee

1. 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.
2. Authorizing credit limit of customers.
3. Approval the credit limit of customers for all types of trading account.
4. 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.
5. Review, amend and change interest rates for deposits and loans for all types of trading accounts related to the securities business and derivatives business.
6. Determine policy and direction in risk management related to the securities business and derivatives business.
7. 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. Others as designated by the company

### 8.2.7 The Investment Sub-Committee

As of 31 December 2018, there are 4 members of Investment Sub-Committee as follow:

No.	Name	Position
1	Mr. Noppadol Mingchinda*	Chairman of Investment Sub-Committee
2	Mr. Thaveedej Uyawong	Investment Sub-Committee
3	Ms. Ob-om Ratanapol	Investment Sub-Committee
	The Investment Sub-Committee Secretary : Mr. Sataya Rangseekajee	

*\*Mr. Noppadol Mingchinda resigned from the Chairman of Investment Sub-Committee effective on 1 March 2019.*

### 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. Others as designated by the company.

### 8.2.8 The Investment Banking Sub-Committee

As of 31 December 2018, there are 4 members of Investment Banking Sub-Committee as follow:

No.	Name	Position
1	Mr. Noppadol Mingchinda*	Chairman of Investment Banking Sub-Committee
2	Mrs. Vallapa Sunakorn	Investment Banking Sub-Committee
3	Mr. Sataya Rangseekajee	Investment Banking Sub-Committee
4	Head of Investment Banking	Investment Banking Sub-Committee
	The of Investment Banking Sub-Committee Secretary : Ms. Arada Lawkawee	

#### Authorization and responsibilities of The Investment Banking Sub-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 follows:
  - i) Financial Advisory
  - ii) Underwriting
  - iii) 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. Others as designated by the company.

#### 8.2.9 The Purchasing and Procurement Sub-Committee

As of 31 December 2018, there are 4 members of Purchasing and Procurement Sub-Committee as follow:

No.	Name	Position
1	Dr. Akalarp Yimwilai	Chairman of Purchasing and Procurement Sub-Committee
2	Mr. Thaveedej Uyawong	Purchasing and Procurement Sub-Committee
3	Mrs. Vallapa Sunakorn	Purchasing and Procurement Sub-Committee
4	Head of Purchasing and Procurement	Purchasing and Procurement Sub-Committee
	The Purchasing and Procurement Sub-Committee Secretary : Ms. Chitvimon Chaiwatana	



#### Authorization and responsibilities of The Purchasing and Procurement Sub-Committee

1. Determine direction and follow-up procedures regarding purchasing and procurement by the company, including demanding employees of the company to provide information and requesting documentation in order to be reviewed.
2. Follow and evaluate the purchasing and procurement process of the company under the objectives and missions of the company.
3. Recommending and proposing ideas and opinions to the Executive Committee regarding purchasing and procurement by the company.
4. Others as designated by the company.

#### 8.2.10 The Private Fund Sub-Committee

As of 31 December 2018, there are 4 members of the Private Fund Sub-Committee as follow:

No.	Name	Position
1	Mr. Chanachai Joonjiraporn	Chairman of Private Fund Sub-Committee
2	Mrs. Vallapa Sunakorn	Private Fund Sub-Committee
3	Mr. Aphisit Limsupanark	Private Fund Sub-Committee
4	Head of Private Fund Management	Private Fund Sub-Committee
	The Private Fund Sub-Committee Secretary : Mr. Anupon Sriard	

#### Authorization and responsibilities of The Private Fund Sub-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.

### 8.2.11 The Fixed Income Sub-Committee

As of 31 December 2018, there are 5 members of the Fixed Income Sub-Committee as follow:

No.	Name	Position
1	Mr. Noppadol Mingchinda*	Chairman of Fixed Income Sub-Committee
2	Mr. Chanachai Joonjiraporn	Fixed Income Sub-Committee
3	Dr. Akalarp Yimwilai	Fixed Income Sub-Committee
4	Mr. Waiwit Udayachalerm	Fixed Income Sub-Committee
5	Mr. Panu Jaroonsri	Fixed Income Sub-Committee
	The Fixed Income Sub-Committee Secretary : Ms. Sumana Siribovornkiat	

*\*Mr. Noppadol Mingchinda resigned from the Chairman of Fixed Income Sub-Committee effective on 1 March 2019.*

### Authorization and responsibilities of The Fixed Income Sub-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.
5. Review the fixed-income business.
6. Perform as designated by the Executive Committee.
7. Report to the Executive Committee.

## 8.2.12 The Risk Management and Anti-Money Laundering Sub-Committee

As of 31 December 2017, there are 5 members of the Anti-Money Laundering Sub-Committee as follow:

No.	Name	Position
1	Mr. Chanachai Joonjiraporn	Chairman of Anti-Money Laundering Sub-Committee
2	Mrs. Vallapa Sunakorn	Anti-Money Laundering Sub-Committee
3	Head of Risk Management	Anti-Money Laundering Sub-Committee
4	Head of the Office of Director and Company Secretary	Anti-Money Laundering Sub-Committee
5	Head of Compliance and Internal Audit	Anti-Money Laundering Sub-Committee
	The Anti-Money Laundering Sub-Committee Secretary : Mr. Kasidit Nuchtan	

### Authorization and responsibilities of The Anti-Money Laundering Sub-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. Others as designated by the company.

### 8.2.13 The Discipline Working Group Sub-Committee

As of 31 December 2018, there are 4 members of Discipline Working Group Sub-Committee as follow:

No.	Name	Position
1	Mr. Chanachai Joonjiraporn	Chairman of The Discipline Working Group Sub-Committee
2	Mrs. Vallapa Sunakorn	The Discipline Working Group Sub-Committee
3	Mr. Kasidit Nuchtan	The Discipline Working Group Sub-Committee
4	Mr. Thaveedej Uyawong	The Discipline Working Group Sub-Committee
	The Discipline Working Group Sub-Committee Secretary : Mr. Sakol Sonklung	

#### Authorization and responsibilities of The Discipline Working Group Sub-Committee

1. Investigate issues regarding complaints and conducts against rules and regulations and ethical practices, whereby methods to be used include investigation for evidence, interview and filing reports.
2. Reviewing each case of disciplinary action and all factors involved in order to find an effective and practical solution and recommendation towards disciplining.
3. Investigating disciplinary actions under the proper procedure in order for the process to be fair and legitimate to all parties involved. Such investigations shall cover examination of witnesses, investigation of all facts, cross-examination, as well as review of documents and behaviors, as whatever method is necessary for the situation.
4. Summarize complaints and provide solutions to customers and any parties involved.

### Management Team

As of 31 December 2018, Management Team as follows;

No.	Name	Position
1	Mr. Chanachai Joonjiraporn	Executive Director and Chief Executive Officer
2	Mr. Thaveedej Uyawong	Executive Director and Company Secretary
3	Dr. Noppadol Mingchinda	Executive Director and Chief Finance Officer (Acting)
4	Mrs. Vallapa Sunakorn	Executive Director and Chief Operating Officer
5	Dr. Akalarp Yimwilai	Executive Director
6	Mr. Waiwit Udayachalerm	Executive Director
7	Mr. Kasidit Nuchtan	Executive Vice President – Compliance and Internal Audit
8	Ms. Obom Rattanaol	Senior Vice President - Financial Department

No.	Name	Position
9	Ms. Manee Khemthong	Vice President - Accounting Department

*\*Dr. Noppadol Mingchinda resigned from the Executive Director and Chief Executive Finance (Acting) effective on 1 March 2019.*

Note The people No.2-9 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 2018 (as of 31 December 2018)

No.	Name	Board of Director	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Risk Management Sub-Committee
1	Mom Rajawongse Somlabh Kitiyakara	8/8				
2	Prof.Dr. Chaiya Yimwilai <sup>*1</sup>	5/8		16/19		
3	Assoc. Prof. Suchart Laopreeda	8/8	6/6		4/4	12/12
4	Mr. Paisit Kaenchan	8/8	6/6		4/4	12/12
5	Mr. Seree Suwanpanont	5/8	5/6		4/4	
6	Mr. Chanachai Joonjiraporn	8/8		18/19		
7	Mr. Thaveedej Uyawong	8/8		19/19		
8	Mr. Noppadol Mingchinda <sup>*2</sup>	4/8		13/19		

<sup>\*1</sup> Appointment as Vice of Chairman of the Board of Director on 19 February 2018 and The Chairman of Executive Committee (Acting) on 10 January 2018.

<sup>\*2</sup> Appointment as Executive Director on 10 May 2018.

### 8.3 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.

### 8.4 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 follows:

#### **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 follows:

- (1) Holds not more than 1% of the shares with voting right of the Company, BFIT, or related company.
- (2) Not being an employee who gets salary or authorized person of the company, parent company, subsidiary, or related company (at present and within 2 years before appointment).
- (3) Not being a person who has a lineage or legal relationship in terms of father, mother, spouse, siblings, child, and children's spouse of the executives, major shareholders, controlling persons of persons who will be nominated to be an executive or authorized person.
- (4) Do not have a business relationship, at and within 2 years before appointment, with the Company, parent company, subsidiary, or related company that can impede one's independent decisions and do not have other traits that will lead to the inability to independently give opinions about the Company's operation.
- (5) Not a director who is appointed to represent the company's board, major shareholders, or shareholders who are related to major shareholders of company.
- (6) No other characteristics that cannot be seen to be independent.

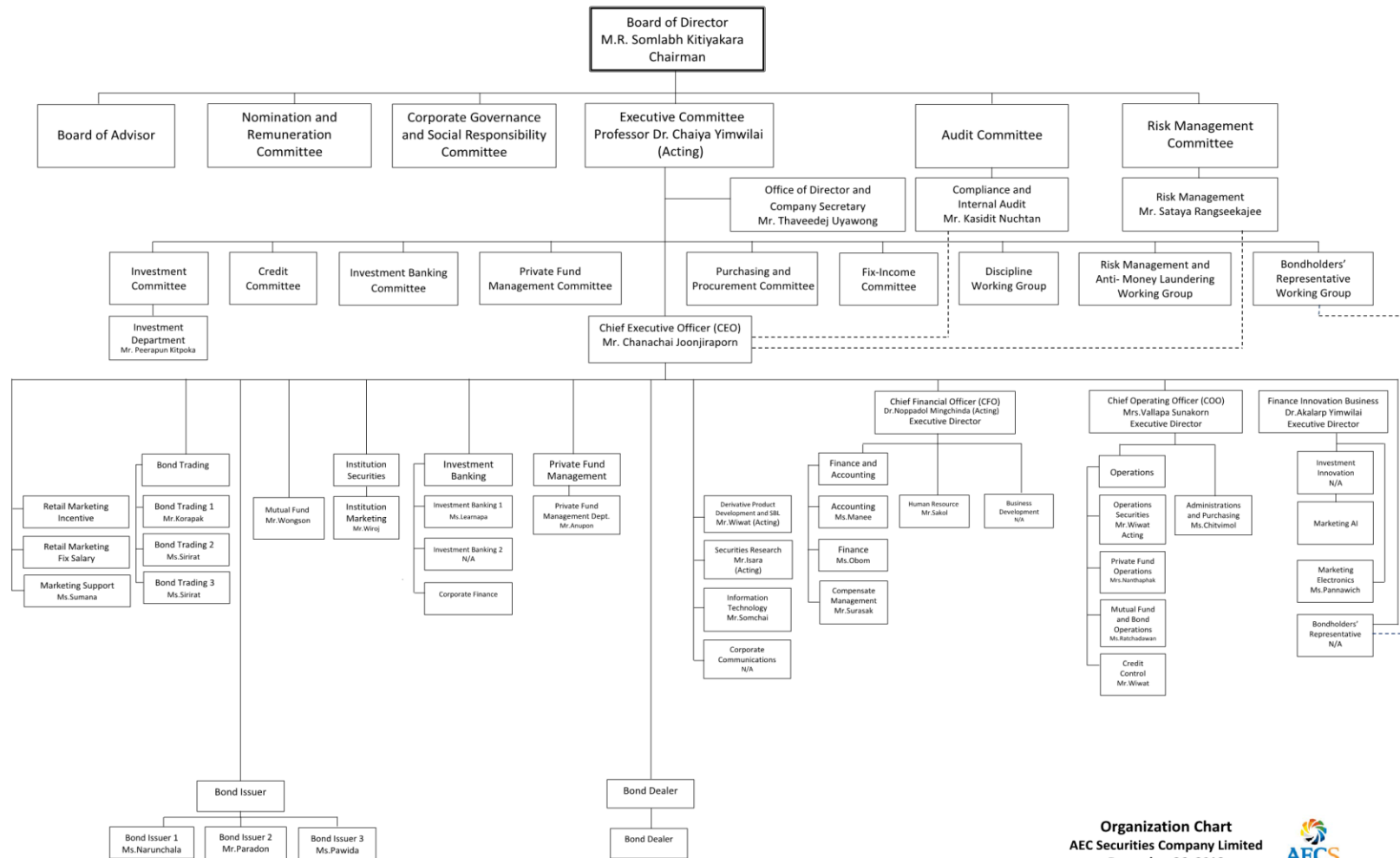
**Persons nominated to be a member of the Audit Committee, are subject to additional qualification as follow:**

- (A) Not a director who has led the Board of Director to decide on the operations of the company, parent company, subsidiary, or related company.
- (B) Not a director of a parent company, subsidiary, and subsidiary in the same sub-order.



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.

## 8.5 Organization Chart



**Organization Chart**  
AEC Securities Company Limited  
December 26, 2018

## 8.6 Remuneration of Directors and Executive

Name	Position	Monthly Remuneration	Allowance per Meeting	Total (Baht)
Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Directors Ana Independent Director	960,000	160,000	1,120,000
Prof.Dr. Chaiya Yimwilai	Vice Chairman of the Board of Directors and Acting Chairman of the Executive Committee	603,800	50,000 -	653,800
Assoc. Prof. Suchart Laopreeda	Independent Director Chairman of Audit Committee Nominations and Remuneration Committee Chairman of Risk Management Sub-Committee	480,000	80,000 180,000 30,000 90,000	860,000
Mr. Paisit Kaenchan	Independent Director Audit Committee Nominations and Remuneration Committee Chairman of Risk Management Sub-Committee	480,000	80,000 60,000 30,000 120,000	770,000
Mr. Seree Suwanpanont	Independent Director Audit Committee Chairman of Nominations and Remuneration Committee	480,000	50,000 60,000 40,000	630,000
Mr. Chanachai Joonjiraporn *	Director Executive Director and Chief Executive Officer	-	-	-
Mr. Thaveedej Uyawong*	Director Executive Director and Company Secretary	-	-	-
Dr. Noppadol Mingchinda*	Director Executive Director and Chief Executive Finance (Acting)	-	-	-
<b>Total</b>		<b>3,003,800</b>	<b>1,030,000</b>	<b>4,033,800</b>

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

Allowance per meeting will be paid only to director who attend the meeting.

The Annual General Meeting of Shareholders year 2018 has set the remunerations of the Board of Directors and the Sub - Committees as the following rate:

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	300,000	-
	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
<b>Bonus :</b> Board for Operating results for the year 2018 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.			
<b>Other Benefit : None</b>			

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

### The Remuneration of Personnel

The remuneration of personnel for 2018 is as follows:

Salary	195.49	Million Baht
Provident Fund Contribution	8.54	Million Baht
Social Security Contribution	3.28	Million Baht
Marketing Officers' Benefit	117.82	Million Baht
<b>Total</b>	<b>325.13</b>	<b>Million Baht</b>

### Information from Financial Statement as of 31 December 2018

Expenses Related to Personnel	349.12	Million Baht
Remuneration to Directors and Executives	38.25	Million Baht
<b>Total</b>	<b>387.37</b>	<b>Million Baht</b>

## 8.7 Personnel

As of 31 December 2018, there were 183 officers in the following departments

Department	Amount (Person)
The Office of the Board of Director and Company Secretary	16
Department of Information Technology	8
Department of Investment 1	1
Department of Investment 2	1
Department of Investment 3	5
Department of Compliance and Internal Audit	6
Department of Credit Control	4
Department of Human Resource	4
Department of Administration and Procurement	4
Department of Risk Management	3
Department of Accounting	5
Department of Finance	4
Department of Operation	7
Department of Mutual Fund Operation	3
Department of Private Fund Operation	2

Department	Amount (Person)
Department of Private Fund	3
Department of Compensate Management	1
Department of Bond Trading 1	4
Department of Bond Trading 2	2
Department of Institution Marketing	4
Department of Electronic Marketing (E-Biz)	2
Department of Marketing AI	1
Department of Marketing Team B1	3
Department of Mutual Fund	1
Department of Bond Issuer 1	2
Department of Bond Issuer 2	1
Department of Bond Issuer 3	1
Department of Research Securities	6
Department of Bond Dealer Team A2	2
Department of Bond Dealer Team A3	1
Department of Bond Dealer Team A4	1
Department of Bond Dealer Team B	2
Department of Securities Borrowing and Lending (SBL)	2
Department of Investment Banking 2	2
Department of Investment Banking 3	6
Department of Marketing Support	3
Department of Retail Marketing	28
Department of Marketing Retail Team B	9
Department of Investment Innovation	3
<b>Total</b>	<b>163</b>

## 9. Corporate Governance

### 9.1 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.

### 9.2 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.

### 9.3 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 15<sup>th</sup> 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.

#### 9.4 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 2018, 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)	Remark
AEC Securities Public Company Limited	Mazars Company Limited	1,700,000	-
<i>Subsidiaries</i> : ACE Incorporation Company Limited	Mazars Company Limited	80,000	Since on December 2018
<b>Audit Fee Total</b>		<b>1,780,000</b>	

**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.



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## 9.5 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](http://www.aecs.com), under the topic 'AEC 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 trashes 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 15, 17, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Tel. 02-836-0160 or to [compliance@aece.com](mailto:compliance@aece.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 2018, the Company's Board of Directors consisted of 8 members comprising 3 Executive Directors (37.50%), 5 Non-Executive Director and Independent Directors (62.50%), 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 Corporate Governance and Social Responsibility Committee, the Nominations and Remuneration Committee, and the Risk Management Sub - 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 4 times a year. 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, F54-3 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 Board consisting of the Chairman of the Executive Board, the Managing 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.

## 10. 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.

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 [compliance@aece.com](mailto:compliance@aece.com)
- The Company will propose to Board of director to review the anti-corruption policy every year.

**Prevention of Involvement in Corruption**

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; and 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 proceeded to enact the following anti-corruption measures:

- The Company will communicate and enforce anti-corruption policies throughout the whole organization.
- The Company has opened channels of communication for reports of any corrupt acts and violations of anti-corruption policies to the Internal Audit and Compliance Department at 02-836-0160 or [compliance@aeecs.com](mailto:compliance@aeecs.com)
- The Board of Directors shall review anti-corruption policies on a constant basis.

#### **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. 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.

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**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., Witthayu Rd.,  
Lumphini, Pathumwan, Bangkok 10330.
- Via email, to be sent to [Compliance@aece.com](mailto:Compliance@aece.com).

## 11. Internal Control and Risk Management

### 11.1 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

### 11.2 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) Assoc. Prof. Suchart Laopreeda; (2) Mr. Paisit Kaenchan and (3) Mr. Seree Suwanpanont, with Assoc. Prof. Suchart Laopreeda chairman of the Audit Committee, Department of Compliance and Internal 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 2018, the Audit Committee held a total of 6 meetings, attended by all committee members Except for the meeting No. 5/2018, Mr. Seree Suwanpanont didn't attend the meeting, due to personal reasons. The Committee's main activities are summarized as follows:

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 2018.

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.

### 11.3 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.

### 11.4 Head of Internal Control and Compliance of the Company

Details of the Head of internal control and compliance of the Company as follows;

Name	Mr. Kasidit Nuchtan		
Position	Executive Vice President		
Name	Mr. Kasidit Nuchtan		
Education	Bachelor of Business Administration, Dhurakij Pundit University		
Experience	AEC Securities PCL.	Executive Vice President	Apr. 2015 – Present

	<p>Merchant Partners Asset Management Co.,Ltd      Senior Vice President      Sep. 2014 – Apr. 2015</p> <p>UOB Securities PCL.      Vice President      Apr. 2005 – Sep. 2014</p>
Related trainings	<p>Course in relation to monitoring controls over the duty performance (organized by Association of Thai Securities Companies, Stock Exchange of Thailand, Office of SEC and Anti-Money Laundering Office (AMLO)).</p> <ul style="list-style-type: none"> <li>- Compliance with the Law on Anti-Money Laundering and Law on the Prevention and Suppression of Terrorism Financing.</li> <li>- Compliance Meeting 2016 (Important Work System, Monitoring Controls Over Personnel Under Duty Suspension Order/Revocation of the Prevention or Surveillance on the Participation in the Commission of Offence in the case of the Purchase of Bond/in the case of Making the Put Through Transaction, Monitoring Controls to Prevent Limited Company Information from being Disseminated, Readiness Preparation for AML/CFT Assessment from FATF.</li> <li>- Rehearsal of understanding on the Office of SEC Regulations.</li> <li>- Rehearsal of understanding on the Association Notification, Re: Rules, Conditions and Procedures on the Securities Transfer and Revocation and Issuance of the Script and Securities Deposits.</li> <li>- Knowing new Securities Law and Proper Compliance.</li> </ul>
Duty and Responsibility	<p>Monitoring controls over and taking responsibility for duty performance of the Department to be in accordance with the plan and goal as prescribed which shall be in compatibility with the company's policy; submitting the Department Performance Report to the Superior and the Management; giving advice, comments and recommendations to the Management and others Departments relating to the internal control and work system development for efficiency and backing up the business changes including compliances with related laws and regulations and the Company Regulations as well as the Ethical Code of member companies; providing advice, trainings and conducting performance evaluations of staff and employees in the Department</p>

The Audit Committee has considered the head of internal control and compliance of the Company as knowledgeable, experienced and qualified for the position. In 2018, additional training on The Anti-Money Laundering Office

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

## 12. Connected Transactions

### 12.1 Connected Transactions between the Company and related persons in 2017 - 2018

Related Person	Relationship	Transaction	Value (Thousand Baht)		Necessity and reasons
			2017	2018	
1. Thai Rent A Car Co., Ltd.	Mom Rajawongse Somlabh Kitiyakara, Director of the Company holding the position of Director in Thai Rent A Car Co., Ltd. (Thai Rent A Car) which Thai Rent A Car has director registration on 27 August 2018	- Car rental	39	-	<p>Thai Rent A Car Co., Ltd. is service provider of car rental of the company. The service fee is under general trading terms.</p> <p><b><u>Tendency of future transactions</u></b></p> <p>Such transactions may occur in the future under general trading terms. If it appears that the service provider offers the best service fee and terms are most beneficial to the company.</p>

Related Person	Relationship	Transaction	Value (Thousand Baht)		Necessity and reasons
			2017	2018	
2. ACE Incorporation Co.,Ltd. ("Subsidiary")	The Company is a major shareholder of the subsidiary of 99.60 % as of 31 December 2018	- The Company has a load s to the subsidiary for operating on business and due for payment on 30 June 2019.	-	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.
		- Investments in subsidiary	-	996	Investments in subsidiary 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.
3. Zipmex Co.,Ltd. ("Associate")	The Company have investment on Associate and shareholders of 30% as of 31 December 2018	- Investments in associate	-	300	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.



## 12.2 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.

## 12.3 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.

### Part 3

#### Significant Financial Information

#### 13. Significant Financial Information

##### 13.1 Financial Statement

##### *Report of the Independent Certified Public Accountants*

Type of report is unqualified opinion for the year ended of December 31, 2018, December 31, 2017 and December 31, 2016

##### *Significant Financial Information for 3 year ago*

#### AEC SECURITIES PUBLIC COMPANY LIMITED

#### STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit : Baht

	DECEMBER 31, 2018		DECEMBER 31, 2017		DECEMBER 31, 2016	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>ASSETS</b>						
Cash and cash equivalents	47,573,986	2.30	97,897,735	3.38	95,458,760	3.51
Receivables from Clearing House	80,021,771	3.86	257,417,636	8.88	351,913,252	12.94
Securities and derivatives						
business receivables	320,789,566	15.48	1,196,391,524	41.26	904,172,332	33.24
Investments	1,346,176,435	64.97	1,104,343,700	38.09	1,062,471,242	39.06
Loan to third parties	43,975,827	2.12	-	-	-	-
Investment in associate	254,717	0.01	-	-	17,896,838	0.66
Premises improvement and equipment	67,121,802	3.24	139,055,760	4.79	174,737,283	6.43
Intangible assets	13,698,015	0.66	25,437,044	0.88	36,978,997	1.36
Deferred tax assets	16,857,451	0.81	2,595,810	0.09	3,348,499	0.12
Other assets	135,723,035	6.55	76,323,999	2.63	72,956,899	2.68
<b>Total assets</b>	<b>2,072,192,605</b>	<b>100.00</b>	<b>2,899,463,208</b>	<b>100.00</b>	<b>2,719,934,102</b>	<b>100.00</b>

**AEC SECURITIES PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

AS AT DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit : Baht

	DECEMBER 31, 2018		DECEMBER 31, 2017		DECEMBER 31, 2016	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>LIABILITIES</b>						
Securities sold under repurchase agreements	639,898,088	30.88	337,510,709	11.64	198,930,193	7.31
Payables to Clearing House	101,743,744	4.91	124,470,385	4.29	-	-
Securities and derivatives business payables	209,476,387	10.11	968,789,591	33.41	785,091,556	28.86
Liabilities under finance lease agreements	8,424,249	0.41	5,136,000	0.18	703,368	0.03
Debt issued and borrowings	104,154,131	5.02	285,519,789	9.85	463,939,170	17.06
Provision for long-term employee benefits	7,029,685	0.34	11,944,765	0.41	14,148,227	0.52
Other liabilities	64,175,857	3.10	89,635,938	3.09	113,109,884	4.16
<b>TOTAL LIABILITIES</b>	<b>1,134,902,141</b>	<b>54.77</b>	<b>1,823,007,177</b>	<b>62.87</b>	<b>1,575,922,398</b>	<b>57.94</b>
<b>SHAREHOLDERS' EQUITY</b>						
Share capital						
Issued and paid-up share capital	1,224,249,008	59.08	1,224,245,458	42.22	1,224,244,758	45.01
Share premium	85,227,681	4.11	85,227,681	2.94	85,226,981	3.14
Retained earnings (deficit)						
Appropriated - statutory reserve	17,207,886	0.83	17,207,886	0.59	17,207,886	0.63
Unappropriated (deficit)	(327,591,544)	(15.81)	(250,224,994)	(8.62)	(182,667,921)	(6.72)
Other components of shareholders' equity	(61,806,058)	(2.98)	-	-	-	-
<b>Total shareholders' equity</b>	<b>937,286,973</b>	<b>45.23</b>	<b>1,076,456,031</b>	<b>37.13</b>	<b>1,144,011,704</b>	<b>42.06</b>
Non-controlling interest	3,491	0.00	-	-	-	-
<b>Total shareholders' equity</b>	<b>937,290,464</b>	<b>45.23</b>	<b>1,076,456,031</b>	<b>37.13</b>	<b>1,144,011,704</b>	<b>42.06</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,072,192,605</b>	<b>100.00</b>	<b>2,899,463,208</b>	<b>100.00</b>	<b>2,719,934,102</b>	<b>100.00</b>

**Note:**

- The statement of financial position for the year 2018 presenting on consolidated financial statements due to the company has subsidiary company by investment shareholding is 99.60%.
- The statement of financial position for the year 2017 presenting on separate financial statements due to the remaining shares of the remaining shares were sold on March 31, 2017.
- The statement of financial position for the year 2018 presenting on consolidated financial statements in which equity method is applied. Due to the change in the status of investments in subsidiaries as investments in associates. As a result, the Company sold some of its investment in subsidiary on 30 June 2016. After the sale, the Company's shareholding proportion decreased from 90% to 30%.

AEC SECURITIES PUBLIC COMPANY LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit : Baht

	DECEMBER 31, 2018		DECEMBER 31, 2017		DECEMBER 31, 2016	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>REVENUES</b>						
Brokerage fees	428,489,280	65.39	480,931,926	65.94	584,524,736	71.46
Fee and service income	104,174,091	15.90	103,192,712	14.15	67,655,146	8.27
Interest on margin loans	19,955,151	3.05	34,943,692	4.79	37,870,904	4.63
Gain and return on financial instruments	67,481,392	10.30	105,960,756	14.53	126,036,606	15.41
Gain on disposal of associate	-	-	4,375	0.00	(2,147,478)	(0.26)
Other income	35,139,022	5.36	4,309,619	0.59	4,045,542	0.49
<b>Total revenues</b>	<b>655,238,936</b>	<b>100.00</b>	<b>729,343,080</b>	<b>100.00</b>	<b>817,985,456</b>	<b>100.00</b>
<b>EXPENSES</b>						
Employee benefit expenses	387,365,568	59.12	433,719,162	59.47	475,536,045	58.13
Fee and service expenses	107,254,589	16.37	94,265,695	12.93	103,940,294	12.71
Share of loss of investment in associate	45,283	0.01	-	-	91,696	0.01
Finance costs	44,155,093	6.74	48,064,855	6.59	37,884,941	4.63
Other expenses	203,322,060	31.03	232,254,112	31.84	218,208,603	26.68
<b>Total expenses</b>	<b>742,142,593</b>	<b>113.27</b>	<b>808,303,824</b>	<b>110.83</b>	<b>835,661,579</b>	<b>102.16</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(86,903,657)</b>	<b>(13.27)</b>	<b>(78,960,744)</b>	<b>(10.83)</b>	<b>(17,676,123)</b>	<b>(2.16)</b>
<b>INCOME TAX</b>	<b>955,421</b>	<b>0.15</b>	<b>1,583,875</b>	<b>0.22</b>	<b>(7,272,669)</b>	<b>(0.89)</b>
<b>LOSS FOR THE YEAR</b>	<b>(85,948,236)</b>	<b>(13.12)</b>	<b>(77,376,869)</b>	<b>(10.61)</b>	<b>(24,948,792)</b>	<b>(3.05)</b>

AEC SECURITIES PUBLIC COMPANY LIMITED  
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit : Baht

	DECEMBER 31, 2018		DECEMBER 31, 2017		DECEMBER 31, 2016	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
OTHER COMPREHENSIVE INCOME :						
Loss on change in value of investment in available-for-sale securities	(77,257,573)	(11.79)	-	-	-	-
Less income tax effects	15,451,515	2.36	-	-	-	-
Actuarial gains on defined benefit plans	10,726,472	1.64	11,682,818	1.60	8,076,403	0.99
Less income tax effects	(2,145,295)	(0.33)	(2,336,564)	(0.32)	(1,615,281)	(0.20)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	(53,224,881)	(8.12)	9,346,254	1.28	6,461,122	0.79
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(139,173,117)	(21.24)	(68,030,615)	(9.33)	(18,487,670)	(2.26)
Loss attributable to						
Owners of the parent	(85,947,727)	(13.12)	(77,376,869)	(10.61)	(24,878,429)	(3.04)
Non-controlling interests	(509)	0.00	-	-	(70,363)	(0.01)
	(85,948,236)	(13.12)	(77,376,869)	(10.61)	(24,948,792)	(3.05)
Total comprehensive loss attributable to						
Owners of the parent	(139,172,608)	(21.24)	(68,030,615)	(9.33)	(18,417,307)	(2.25)
Non-controlling interests	(509)	0.00	-	-	(70,363)	(0.01)
	(139,173,117)	(21.24)	(68,030,615)	(9.33)	(18,487,670)	(2.26)
BASIC LOSS PER SHARE	(0.07)		(0.06)		(0.02)	
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	1,224,247,607		1,224,245,241		1,224,244,758	

**Note :**

- The statement of comprehensive income for the year 2018 is presented in the consolidated financial statements.
- The statement of comprehensive income for the year 2017 is presented in the separate financial statements.
- The statement of comprehensive income for the year 2016 is presented in the consolidated financial statements.

AEC SECURITIES PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit: Baht

	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components shareholder's equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of subsidiaries	Total shareholder's equity
			Appropriated	Unappropriated (Deficit)				
Balance as at 1 January 2016	1,224,244,758	85,226,981	17,207,886	(164,250,614)	-	1,162,429,011	6,066,661	1,168,495,672
Decrease in non- controlling interest of the subsidiary as a result of disposal of investment	-	-	-	-	-	-	(5,996,298)	(5,996,298)
Total comprehensive loss for the year	-	-	-	(24,878,429)	6,461,122	(18,417,307)	(70,363)	(18,487,670)
Balance as at 31 December 2016	1,224,244,758	85,226,981	17,207,886	(189,129,043)	6,461,122	1,144,011,704	-	1,144,011,704

AEC SECURITIES PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit: Baht

	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components shareholder's equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of subsidiaries	Total shareholder's equity
			Appropriated	Unappropriated (Deficit)				
Balance as at 1 January 2017	1,224,244,758	85,226,981	17,207,886	(188,655,501)	6,461,122	1,144,485,246	-	1,144,485,246
Issuance of ordinary shares during the year from the exercise of warrants	700	700	-	-	-	1,400	-	1,400
Total comprehensive loss for the year	-	-	-	(77,376,869)	9,346,254	(68,030,615)	-	(68,030,615)
Balance as at 31 December 2017	1,224,245,458	85,227,681	17,207,886	(266,032,370)	15,807,376	1,076,456,031	-	1,076,456,031

AEC SECURITIES PUBLIC COMPANY LIMITED  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit: Baht

	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components shareholder's equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of subsidiaries	Total shareholder's equity
			Appropriated	Unappropriated (Deficit)				
Balance as at 1 January 2018	1,224,245,458	85,227,681	17,207,886	(266,032,370)	15,807,376	1,076,456,031	-	1,076,456,031
Issuance of ordinary shares during the year from the exercise of warrants	3,550	-	-	-	-	3,550	-	3,550
Addition investment in subsidiary by purchasing share from non-controlling interest	-	-	-	-	-	-	4,000	4,000
Total comprehensive loss for the year	-	-	-	(77,366,550)	(61,806,058)	(139,172,608)	(509)	(139,173,117)
Balance as at 31 December 2018	1,224,249,008	85,227,681	17,207,886	(343,398,920)	(45,998,682)	937,286,973	3,491	937,290,464

Note:

Statement of changes in equity

- The statement for the year 2016 is presented in the consolidated financial statements.
- The statement for the year 2017 is presented in the separate financial statements.
- The statement for the year 2018 is presented in the consolidated financial statements.



## AEC SECURITIES PUBLIC COMPANY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit : Baht

	2018	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax	(86,903,657)	(78,960,744)	(17,676,123)
Adjustments to reconcile loss before income tax to net cash provided by (paid from) from operating activities			
Depreciation and amortization	53,680,330	58,137,819	57,296,740
Transfer investment from trading investment to available-for-sale	(77,257,573)	-	-
Allowance for doubtful account	3,111,995	3,342,056	-
Unrealised loss on revaluation of investments in trading securities	38,848,951	27,598,527	(85,089,525)
Loss on revaluation of investments	-	-	1,455,585
(Gain) on disposal of associate	-	(4,375)	2,147,478
Loss on sale and disposal of premises improvement and equipment	5,154,811	14,996,876	6,239,733
Share of loss from investment in associate	45,283	-	91,696
Amortisation of intangible asset	-	-	44,626
Provision for long-term employee benefits	7,416,392	9,749,356	8,389,814
Finance costs	44,155,093	48,064,855	37,884,941
Interest and dividend income	(85,022,192)	(87,261,800)	(68,155,824)
<b>LOSS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>	(96,770,567)	(4,337,430)	(57,370,859)

## AEC SECURITIES PUBLIC COMPANY LIMITED

## CASH FLOWS STATEMENT (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit : Baht

	2018	2017	2016
Operating assets (increase) decrease			
Receivables from Clearing House	177,395,865	94,495,616	(338,117,952)
Securities and derivatives business receivables	875,601,958	(292,219,191)	178,632,272
Investment in trading securities	(86,841,080)	236,953,086	(322,856,313)
Other assets	(56,711,144)	4,108,388	13,648,876
Operating liabilities increase (decrease)			
Securities sold under repurchase agreements	302,387,379	137,976,774	198,930,193
Payables to Clearing House	(22,726,641)	124,470,385	(111,006,010)
Securities and derivatives business payables	(759,313,204)	183,698,035	500,765,775
Provision for long-term employee benefits	(1,605,000)	(270,000)	-
Other liabilities	(22,698,847)	(16,177,813)	15,736,931
Cash received from operating activities	308,718,719	468,697,850	78,362,913
Cash paid for interest expenses	(40,727,304)	(47,055,552)	(37,687,942)
Cash received from interest	76,257,753	74,579,323	65,678,702
Cash paid for income tax	(4,228,022)	(9,559,138)	(6,426,927)
Net cash provided by operating activities	340,021,146	486,662,483	99,926,746

## AEC SECURITIES PUBLIC COMPANY LIMITED

## CASH FLOWS STATEMENT (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018, DECEMBER 31, 2017 AND DECEMBER 31, 2016

Unit : Baht

	2018	2017	2016
<b>Cash flows from investing activities</b>			
Cash paid from purchase of investment in associate	(300,000)	-	-
Cash paid for held-to-maturity securities	(533,000,000)	(730,000,000)	-
Cash received from held-to-maturity securities	418,000,000	435,000,000	-
Cash paid for from held-to-maturity securities	-	-	(49,974,934)
Proceeds from sale of investment in subsidiary - net	-	-	33,930,246
Cash paid from purchase of general investment	(67,945,277)	-	-
Loans to third parties	(43,800,000)	-	-
Proceeds from sale of investment in associate	-	18,374,755	-
Cash paid for purchase of premises improvement and equipment	(3,485,785)	(24,494,114)	(10,859,166)
Proceeds from disposal of premises improvement and equipment	29,006,744	7,241,282	-
Cash paid for purchase of intangible assets	(2,119,628)	(9,739,273)	(4,643,850)
Proceeds from sale of intangible assets	-	95,810	-
<b>Net cash used in investing activities</b>	<b>(203,643,946)</b>	<b>(303,521,540)</b>	<b>(31,547,704)</b>
<b>Cash flows from financing activities</b>			
Repayment of bills of exchanges	(410,000,000)	(775,000,000)	-
Proceeds from issuing bills of exchanges	225,000,000	665,000,000	-
Proceeds from issuing bills of exchange	-	-	93,015,853
Repayment of subordinate debentures	-	(70,000,000)	(205,000,000)
Cash received from paid-up share capital	4,000	-	-
Cash received from issuance of ordinary shares	3,550	1,400	-
Cash paid for liabilities under finance lease agreements	(1,708,499)	(703,368)	(723,703)
<b>Net cash used in financing activities</b>	<b>(186,700,949)</b>	<b>(180,701,968)</b>	<b>(112,707,850)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(50,323,749)</b>	<b>2,438,975</b>	<b>(44,328,808)</b>
Cash and cash equivalents at the beginning of the period	97,897,735	95,458,760	139,787,568
<b>Cash and cash equivalents at the end of the year</b>	<b>47,573,986</b>	<b>97,897,735</b>	<b>95,458,760</b>

**Note:**

- The cash flow statement for the year 2018 is presented in the consolidated financial statements.
- The cash flow statement for the year 2017 is presented in the separate financial statements.
- The cash flow statement for the year 2016 is presented in the consolidated financial statements.

### 13.2 SUMMARY OF KEY FINANCIAL RATIOS

Financial Ratio	2018	2017	2016
<b><u>Profitability Ratio</u></b>			
Gross Profit Margin	75.58%	80.37%	82.57%
Net Profit Margin	(13.12%)	(10.61%)	(3.05%)
Return on Owners' Equity	(8.54%)	(6.97%)	(2.16%)
Return on Investment	5.51%	9.78%	16.43%
<b><u>Efficiency Ratio</u></b>			
Return on Asset	(3.46%)	(2.75%)	(1.00%)
Asset Turn Over Ratio	0.26	0.26	0.33
<b><u>Financial Ratio</u></b>			
Liquid Asset to Borrowing	13.38	4.21	2.50
Earning Asset to Borrowing	3.85	5.09	2.71
Liquid Asset to total Asset Ratio	67.26%	41.46%	42.56%
Earning Asset to total Asset Ratio	19.34%	50.14%	46.17%
Debt Equity Ratio	1.21	1.69	1.38
Dividend Payout	-	-	-
<b><u>Other Ratio</u></b>			
Securities Investment to Total Asset	64.96%	38.09%	39.06%
Net Capital Ratio (Calculated according to the SEC.)	36.74%	45.90%	52.80%

**Note:**

- The statement of financial position for the year 2018 presenting on consolidated financial statements due to the company has subsidiary company.
- The statement of financial position for the year 2017 presenting on separate financial statements.
- The statement of financial position for the year 2018 presenting on consolidated financial statements.

## 14. Analysis and explanations of the Management

### Operational analysis and financial condition

#### (1) Analysis on the company's operational result:

##### *The overview of the operations and factors on the significant changes in the accounting period cycle of 2018.*

AEC Securities Public Co., Ltd. is a member of the Stock Exchange of Thailand under No. 38, receiving the license to operate securities business in complete and full form under Category Kor and the license to operate forward contract business in complete and full form under Category S-1 with its main business of being the securities and forward contract brokers. In addition, the company carries out the businesses according to the acquired operating license such as securities trade, financial advisor (investment banking), underwriting service business, securities borrowing and lending business and personal fund management business. In 2018 and 2017, the company's income derived from the commission was computed to be in the proportion of 65% and 66% of the total company's income. The company provides services to both the natural person and institutional customers in country. Most of the company's customers are the natural person customers. In 2018, the company accounted for the market share specifically in carrying out the business as the securities broker at 1.80%, with ranking rated in the 24<sup>th</sup> place of the whole market.

In November 2018, the Company has investments in associate; Zipmex Co., Ltd , acquired ordinary shares of 0.3 million shares or 30% of total of share of Zipmex Co., Ltd, which is run business of a digital asset exchange, Cryptocurrencies, Token, Trading center and custodian in both of retail and institution investors.

In November 2018, the Company its closed 3 branch as Phahonyothin, Park Venture and Nakhon Sri Thamarat for the reason that the turnover did not reaching the goal and reduced the equipment expenses.

In December 2018, the Company established of new a subsidiary name as ACE Incorporation Co., Ltd by holding shareholders 99,600 shares or 99.60% of totaling share of ACE Incorporation Co., Ltd. which is run business investments in a limited company and a public company limited and being a shareholders or a partnerships including investment with person and juristic person for operating all types of lawful business both domestic and international.

In December 2018, 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.

In this regard, after the entry into such Asset Disposition Transaction, the Company will continue carrying out the securities and derivative brokerage business. In additional, the Company is expanding its business to Artificial Intelligence (AI), Digital Assets and investment with other business partners to generate income and sustainable growth.

For the year 2018, the investment condition and securities industrial business competitiveness were still intense and critical, particularly, the competitiveness in becoming the market leader and the increase in the new rivals which had still emerged into the securities industrial business markets at all times. However, the company was firmly determined to develop and maintain its competitiveness as well as expand its income base to be increasingly more diversified by reducing the income proportion from the securities trade commission and then increasing more income proportion in other businesses whether the income derived from the fees, profits from the investments, income from bond trades and expand its business in investment innovation etc. In addition, the company has more investment in a subsidiary and associate for the company enable to grow in strength, continuously and sustainably exist both on the aspects of the operational results and being a good organization.

For the accounting year cycle of 2018, the company and subsidiary accounted for the total revenues of 655.24 million Baht, a decrease of 74.10 million Baht or 10.16% from 729.34 million Baht in 2017. The decrease in the company and subsidiary are revenue was due to the reason of the decrease in the commission and earnings interest on margin loans and gain and returns on financial instruments.

Source of the company and subsidiary are revenue consisted of the income from the brokerage commission, fees and services, interest on margin loans, gain and returns on financial instruments and other incomes where the income proportion of each category including the growth can be illustrated as follows:

(Unit: Million Baht)

Revenues	2018		2017	
	Amount	Percent	Amount	Percent
Brokerage commission	428.49	65.39	480.93	65.94
Fee and service	104.17	15.90	103.19	14.15
Interest on margin loans	19.96	3.05	34.94	4.79
Gain and return on financial instruments	67.48	10.30	105.96	14.53
Gain (loss) on sale of investments in subsidiaries	-	-	-	-
Other revenues	35.14	5.36	4.31	0.59
<b>Total Revenues</b>	<b>655.24</b>	<b>100.00</b>	<b>729.34</b>	<b>100.00</b>

Remark : For the year 2018, presented with consolidated financial statements because of the company have investment on a subsidiary.

For the year 2017, presented with separate financial statements.

Meanwhile, the total expenses decreased at 66.16 million Baht from 808.30 million Baht in 2017, or at 742.14 million Baht in 2018 equal to 8.19%, resulting mainly from the expenses on employee benefits and finance cost and other expenses. Due to a reducing of equipment expenses from dispose of the Company's assets in respect of securities and derivative retail brokerage business.

In conclusion, for the year of 2018, the Company and subsidiary reported a comprehensive loss of 139.17 million Baht, the operating of the company and subsidiary loss increased at 71.14 million Baht or 104.57% as compared to the same period in 2017 in which the net operating loss was 68.03 million Baht.

From the results above, the Company and subsidiary are gross profit rate for the period of 2018 decreased from previously 80.37% in 2017 to 75.58 in 2018; the net profit rate decreased from (10.61%) in 2017 to (13.12%) in 2018. The return on equity attributable to owners rate decreased from (6.97%) in 2017 to (8.54%) in 2018, and the return on investment rate decreased from 9.78% in 2017 to 5.51% in 2018. The return on assets rate decreased from (2.75%) in 2017 to (3.46) in 2018, and the asset turnover rate 0.26% in 2018 as the same in 2017.

The total revenues for the period ended of 2018 decreased as compared to that of 2017.

#### **Revenues on Brokerage Fees**

The brokerage fees for the period of 2018 decreased from 480.93 million Baht in 2017 to 428.49 million Baht in 2018, as a decrease by 52.44 million Baht or 10.90%, mainly by a decrease by 75.39 million Baht or 18.17% in brokerage fees from securities business, meanwhile, the brokerage fees from derivative business increase by 22.95 million Baht or 34.71%.

The revenue proportion of brokerage business per total revenues a bit decreased from 65.94% in 2017 to 65.39% in 2018.

#### **Revenues on Fee and Service Income**

The fee and service income for the period of 2018 increased from 103.19 million Baht, in 2017 to 104.17 million Baht, in 2018, as an increase by 0.98 million Baht or 0.95%, mainly factors by an increase by 28.83 million Baht or 83.25% in underwriting fee; by 1.71 million Baht or 47.63% in off-exchange trading. Meanwhile, the investment advisory fees decreased by 10.10 million Baht or 36.65%, with a decline by 19.92 million Baht or 66.69% in commission from buying and selling of bills of exchange.

The revenue proportion of fees and service per total revenues slightly decreased from previously 14.15% in 2017 to 15.90% in 2018.

**Revenues on Interest on margin loans**

The revenue on interest on margin loans decreased from 34.94 million Baht in 2017 to 19.96 million Baht in 2018, as a decline by 14.98 million Baht or 42.87% due to the decline of margin loan business.

**Revenues on Gain and return on financial instruments**

The gain and return on financial instruments decreased from 105.96 million Baht in 2017 to 67.48 million Baht in 2018, as a decrease by 38.48 million or 36.32% due to profit of investment decreased 51.23 million baht meanwhile, revenues of interest and dividend increase by 12.75 million baht.

The proportion of gain and return on financial instruments decreased from 14.53% in 2017 to 10.30% in 2018.

**Other Income**

The Company and subsidiary had other income that included benefits allocated from the Clearing Fund, benefits allocated from the Derivatives Clearing Fund, and default fine revenue, with the total value of 2018 equal to 35.14 million Baht as increasing from 2017 equal to 4.31 million Baht as a increase by 30.83 million Baht or 715.31%, mostly resulting from revenues of dispose of the Company's assets in respect of securities and derivative retail brokerage business.

**Total expenses for the accounting period of 2018 decreased in comparison to that of 2017.**

**Employee Benefits Expenses**

The expenses on employee benefits decreased from 433.72 million Baht in 2017 to 387.36 million Baht in 2018, as a decline by 46.35 million Baht or 10.69% as varied by the value of securities and derivatives trading.

**Fee and Service Expenses**

The fee and service expenses increased from 94.27 million Baht in 2017 to 107.25 million Baht in 2018, as an increase by 12.98 million Baht or 13.77% due to increase of fees and service expenses as varied by the increase in the number of securities and derivatives trading brokerage transactions, Prop Trade account and underwriting fees.

**Share of loss of investment in associate**

In 2018, the company recognized the share of loss caused by the operation of associate company by 0.05 million Baht.



### Financial Costs

The Company's financial costs decreased from 48.06 million Baht in 2017 to 44.16 million Baht in 2018, as a decline by 3.90 million Baht or 8.11%, contributed by the decrease of bonds for loans.

### Other Expenses

The Company's other expenses included premises and equipment, entertainment, data service, lease line and internet service, bank charges, fuel, messengers, advertising and public relations, other fees, audit fee, lawyer fee, specific business tax, etc., which cost a total of 203.32 million in 2018, as an decrease by 28.93 million Baht or 12.46% when compared to 232.25 million Baht in 2017 mainly factor from a decline of equipment expenses form disposed of the Company's assets in respect of securities and derivative retail brokerage business.

### Income Tax

There was no corporate income tax expense for the year of 2018 due to the company and subsidiary are loss, but there was a deferred income tax relating to origination and reversal of temporary differences at the amount of 0.96 million Baht reported as income tax revenue.

The income tax related to other comprehensive profit and loss included deferred tax on loss on change in value of investments in available for sale securities was 15.45 million Baht that reported as deferred tax and deferred tax on actuarial gain for employee benefits was 2.15 million Baht that reported income tax expenses.

## (2) Financial Standing Analysis

### *Overview of the Company's financial standing as of 31 December 2018*

As of 31 December 2018, the Company and subsidiary was total assets were 2,072.19 million Baht, as a decrease by 827.27 million Baht or 28.53% of the total assets of 31 December 2017 at the amount of 2,899.46 million Baht that compose of significant issue as securities and derivatives business receivables at 320.79 million Baht decreased from 1,196.39 million Baht, Premises improvement and equipment and Intangible assets amount 80.82 million Baht as a decline from 164.46 million Baht , mainly from disposed of the Company's assets in respect of securities and derivative retail brokerage business.

As of 31 December 2018, the Company and subsidiary was total liabilities were 1,134.90 million Baht, decreasing by 688.11 million Baht or 37.75% of the total liabilities as of 31 December 2017 at the amount of 1,823.01 million Baht, chiefly caused by the decrease of securities and derivatives business payables from

968.79 million Baht to 209.48 million Baht and debt issued and borrowings was decreased from 285.52 million Baht to 104.15 million Baht. Meanwhile, a security sold under repurchase agreements was increased from 337.51 million Baht to 639.90 million Baht.

The debt to equity ratio was decline from 1.69 times in 2017 to 1.21 times in 2018 due to the decrease of securities and derivatives business payables at 759.31 million Baht.

The Company's financial liquidity remained good with the net capital as of 31 December 2018 at 164.70 million Baht, equal to the net liquid capital rule (NCR) of 36.74% of general liabilities and security interest, which was a higher rate than that specified by the requirements under the SEC regulations, i.e. not lower than 7% of general liabilities and security interest.

In conclusion, the Company is considered a securities company with strong financial standing and is still solvent for business operation.

The Company's total assets as of 31 December 2018 decreased as compared to the same period in 2018.

#### **Cash and Cash Equivalents**

The cash and cash equivalents was decreased by 50.33 million Baht from 97.90 million Baht in 2017 to 47.57 million Baht in 2018 or 51.41%.

#### **Receivables from Clearing House**

As of 31 December 2018, the Company had receivables from Clearing House at the amount of 80.02 million Baht, as the net balance of receivables from Clearing House caused by securities and derivatives clearing, comprising the security money deposited to the Clearing House for derivatives transactions, which varies according to securities trading value on the day-end as a normal trading state of securities business.

#### **Securities and Derivatives Business Receivables**

The net securities and derivatives business receivables as of 31 December 2018 amounted 320.79 million Baht, decreasing by 875.60 million Baht or 73.19% as compared to the same period in 2017 at 1,196.39 million Baht, was mainly by the decrease of receivables from securities business of cash accounts by 600.73 million Baht. Which caused from disposed of the Company's assets in respect of securities and derivative retail brokerage business.

The Company takes into consideration the risk from doubtful accounts and bad debt with the assessment of each debtor's financial status. This assessment includes importance placed on customer acceptance consideration for quality customers, determination of securities trading amount suitable for customer's financial status, risk consideration and security value, and customer reminder for punctual securities payment. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

In this respect, the Company has the policy to set allowance for doubtful accounts by means of comparing the source of debt obligation to the customer's security. For any debtor with security inferior to the debt, the Company will set allowance for doubtful accounts to be higher than the security, as in compliance with the requirements stated in the Office of the Securities and Exchange Commission's Notifications No. KorThor. 33/2543 dated 25 August 2000 and Kor.Thor.5/2544 dated 15 February 2001 regarding NPL accounting for securities companies.

Nonetheless, as of 31 December 2018, the Company's allowance for doubtful accounts was 86.56 million Baht.

#### **Investments**

The net investments as of 31 December 2018 amounted 1,346.18 million Baht, increasing by 241.84 million Baht or 21.90% as compared to the same period in 2017 at 1,104.34 million Baht, chiefly caused by the increase of trading securities in private bond at 332.15 million Baht and held-to-maturity private debt securities at 114.34 million Baht, in line with the bond trading situation as aforementioned. Investments in general investments increased by 67.95 million Baht due to expanding in Artificial Intelligence (AI) business, Digital Asset and investment with other business partners.

#### **Premises Improvement and Equipment**

Premises improvement and equipment was represent by cost deduct with accumulated depreciation and allowance for impairment of investments in assets (if any). Depreciation of building improvement and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives.

Premises improvement and equipment, for the most part, included computing devices, office equipment and office decorative items; the net book value as of 31 December 2018 was 67.12 million Baht as compared to the balance at the end of 2017 at 139.06 million Baht, decreasing by 71.94 million Baht or 51.73%. Mostly causes from disposed of the Company's assets in respect of securities and derivative retail brokerage business.

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**Other Assets**

The Company and subsidiary were other assets include deposits, payments for clearing funds, asset for protecting the clearing system, prepaid expenses, accrued interest income, accrued income and other receivables from sales; the net book value as of 31 December 2018 was 135.72 million Baht as compared to the balance at the end of 2017 at 76.32 million Baht, increasing by 59.40 million Baht or 77.83% mainly owing to the increase of deposits was 46.03 million Baht, which deposit from share purchase and general investment and increasing of accrued fees and service income was 9.70 million Baht.

The Company's total liabilities as of 31 December 2018 decreased as compared to the same period in 2017.

**Securities sold under repurchase agreements**

As of 31 December 2018, the Company and subsidiary have private debt securities sold under repurchase agreements amounting to Baht 639.90 million with maturity dates within 3 months, as compared to the balance at the end of 2017 at 337.51 million Baht, increasing by 302.39 million Baht or 89.59%.

**Securities and derivatives business payables**

The securities and derivatives business payables as of 31 December 2018 amounted 209.48 million Baht as compared to the balance at the end of 2017 at 968.79 million Baht, decreasing by 759.31 million Baht or 78.38%, mostly contributed by the decrease of creditors buying securities in cash account at 730.25 million Baht due to disposed of the Company's assets in respect of securities and derivative retail brokerage business.

**Liabilities under finance lease agreements**

The Company has entered into hire-purchase agreements with leasing companies at the amount of 8.42 million Baht in order to rent vehicles for the business operation, whereby it is committed to pay rental on a monthly basis. The terms of agreements are 4 years, ended of July 2022.

**Debt issued and other borrowings**

The debt issued and other borrowings as of 31 December 2018 were 104.15 million Baht as compared to the balance at the end of 2017 at 285.52 million Baht, decreasing by 181.37 million Baht or 63.52% due to the maturity dates of bills of exchanges

(Unit: Million Baht)

Consolidated and separate financial statements					
31 December 2018					
The maturity dates of debt					
	Interest rate	Within 1 year	1 - 5 years	Over 5 years	Total
	(percent)				
Bills of exchanges	3.50 – 5.50	104.15	-	-	104.15
Total		104.15	-	-	104.15

(Unit: Million Baht)

Separate financial statements					
31 December 2017					
The maturity dates of debt					
	Interest rate	Within 1 year	1 - 5 years	Over 5 years	Total
	(percent)				
Bills of exchanges	3.50 – 5.75	285.52	-	-	285.52
Total		285.52	-	-	285.52

### Other Liabilities

The Company and subsidiary was other liabilities as of 31 December 2018 amounted 64.18 million Baht as compared to the balance at the end of 2017 at 89.64 million Baht, decreasing by 25.46 million Baht or 28.40%, mostly caused by accrued employee expenses to be paid in 2019 including marketing officers and investment advisors' benefit, fees for licensed persons to be paid on the basis of business amount and fixed rate based on the marketing compensation criteria set out by the government, suppliers and account payables, and other expenses such as accrued interest, accrued commission, accrued entertainment expenses, accrued audit fees, etc.

Total shareholders' equity the Company as of 31 December 2018 decreased as compared to the same period in 2017.

The Company and subsidiary was shareholders' equity as of 31 December 2018 amounted 937.29 million Baht, as a decline by 139.17 million Baht as compared to the same period in 2017 at 1,076.46 million Baht or 12.93%.

### Company's Liquidity and Investment Sufficiency

#### Liquidity

In 2018, the Company and subsidiary was net cash and cash equivalents decreased by 50.32 million Baht, as detailed into the following cash flow activities:

(Unit: Million Baht)

	2018	2017
Cash flows from operating activities	340.02	486.66
Cash flows from investing activities	(203.64)	(303.52)
Cash flows from financing activities	(186.70)	(180.70)
Net increase (decrease) in cash and cash equivalents	(50.32)	2.44

#### Cash flows from operating activities

In 2018, the Company and subsidiary was net cash flows from operating activities amounted to the total of 340.02 million Baht, with the operating loss prior to the change in operating assets and liabilities at 96.77 million Baht, and the decrease in the change in operating assets at 909.45 million Baht and in operating liabilities at 503.96 million Baht. There were cash paid for interest expenses at 40.73 million Baht, cash received from interest at 76.26 million Baht and cash paid for income tax at 4.23 million Baht.

#### Cash flows from investing activities

In 2018, the Company and subsidiary was net cash flows used in investing activities amounted to the total of 203.64 million Baht, mainly caused by the cash paid from purchase for investments that the held-to-maturity investments at 533 million Baht and the cash paid from purchase of general investment at 67.94 million Baht, Loans to third parties at 43.80 million Baht, Cash paid for purchase of premises improvement and equipment and intangible assets at 5.61 million Baht, cash paid from purchase of investment in associate at 0.30 million Baht and cash received from held-to-maturity securities at 418 million Baht, Proceeds from disposal of premises improvement and equipment at 29.10 million Baht.

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**Cash flows from financing activities**

In 2018, the Company and subsidiary was net cash flows used in financing activities amounted to the total of 186.70 million Baht, chiefly due to the repayment of bills of exchange at 410 million Baht, Cash paid for liabilities under finance lease agreements at 1.71 million Baht and proceeds from issuing bills of exchanges at 225 million Baht.

At all events, in considering the Company's liquidity, an additional point to be taken is the ability to maintain the Net Liquid Capital Rule (NCR) in accordance with the requirements of the Office of the Securities and Exchange Commission (SEC). The Company has a policy to maintain an NCR and its ratio at a rate higher than stipulated by the SEC; that is to say, the SEC specifies the NCR to be maintained at no less than 25 million Baht and the NCR ratio at no less than 7% of liabilities and guarantees. In the past 2 years (2017-2018), the Company was able to maintain the NCR ratio at a rate higher than 7%, meaning that the Company's liquidity was sufficient for business operation. The Company's NCR in 2017 was 45.90% and 36.74% in 2018. However, the NCR ratio varies according to different factors such as the amounts of securities trading, investment funds, debentures and issued bonds, and securities underwriting.

**Source of funding**

As of 31 December 2018, the Company and subsidiary was sourcing of funding from liabilities amounted 1,134.90 million Baht and from equity 937.29 million Baht. The debt to equity ratio as of 31 December 2017 and 2018 was equal to 1.69 and 1.21 times respectively. The majority of liabilities are securities sold under repurchase agreements, securities and derivatives business payables and debt issued and other borrowings. However, if considering the debt to equity ratio without including the securities and derivatives business payables, the Company's debt to equity ratio as of 31 December 2017 and 2018 would be 0.79 and 0.99 times respectively.

**Provisions**

Provisions are recognized when the Company and the subsidiary 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.

The Company has Commitment and contingent liabilities as follows:

1. Litigation against the Company by securities trading customers:

In 2009, the Company was sued by a securities trading customer seeking compensation of Baht 34.8 million for the Company's breach of a securities brokerage agreement. On 17 February 2011, the Court of first instance gave a judgement in favour of the plaintiff. During the year 2012, the Company appealed the Court's decision and on 22 August 2014, the Appeal Court gave judgement dismissing the plaintiff.

On 16 January 2018, the Supreme Court denied the plaintiff's appeal. The case is therefore finished and finalised.

2. Litigation against the Company by a former major shareholder of the Company:

In 2013, the Company was sued as a third defendant by the former major shareholder of UOBKH, to prevent the transfer of SET Membership to the UOBKH as the Board of Directors of the Company had resolved in the meeting No. 3/2013 (Note 1) On 23 September 2014, the case was dismissed by the court of first instance. However, the former major shareholder appealed this decision to the Appeal Court. The Appeal Court gave judgement dismissing the plaintiff.

On 4 December 2018, the Supreme Court affirmed the judgement of the Appeal Court and the court of first Instance. The case is therefore finished and finalised.

3. Litigation relating to a client's share transfer:

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. The case is being considered by the Court of First Instance, which 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.

4. Case against the Company by a former employee:

On 18 October 2017, the Company was sued as a defendant by a former employee of the Company for compensation and damages of Baht 31 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 damages claimed. The case is currently under the consideration of the Court of First Instance, which has not yet reached a final judgement. As a result the outcome of the case cannot be determined at this time. Although management of the Company believe that the Company will not incur any significant losses, the Company has nevertheless recorded potential compensation from the case of Baht 0.4 million in its accounts.



On 18 July 2018, the Company and the defendant reached a settlement in the sum of Baht 0.7 million to the defendant.

5. Cases against the Company:

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 Company is currently preparing statements and documents to submit to the Court within the stipulated timeframe.

The management of the Company has investigated the facts and relevant documentation and believes that the agreement to purchase and sell the shares is not void and that the Company is not involved and has no legal relationship with the plaintiff and, as a result, it is likely that the Court will decide to dismiss the parts of the case relating to the Company.

### Verification of the Information

The Company has made a thorough auditing of all the information neither stated in this Annual Report and would like to verify that all information stated herein is complete and correct and has neither misled nor missed out any important points needed. In addition, this also serves to certify the followings:

1. Financial Statement and other financial information summarized herein have fully served to clarify the important financial status, operating result as well as cash flow status of the Company and its subsidiary.
2. The Company is accountable for its disclosure system to ensure that it has disclosed all of the Company's and its subsidiary's important information completely and correctly and also ensure the consistency of such disclosure system.
3. The Company is accountable for the initiation of good management internal control system of the Company and its monitoring. The internal control system assessment information as of 31 December, 2018 was reported to the Company's independent auditor and the Audit Committee. Such report serves to define the mistakes and the significant changes of the internal control system as well as any breaches which may have an impact on the Company's and its subsidiary's financial statement reporting.

In order to verify that all documents are the correct and true copy, the Company hereby, authorized Mr. Thaveedej Uyawong to make an initial signature on all pages of the documents. Therefore, any of the pages in this Annual Report without Mr. Thaveedej Uyawong's initial signature shall be considered an untrue copy which has not been verified by the Company.

Name	Position	Signature
1. Mr. Chanachai Joonjiraporn	Director / Chief Executive Officer	_____
2. Mr. Thaveedej Uyawong	Director / Executive Director	_____

Name	Position	Signature
Attorney Mr. Thaveedej Uyawong	Director / Executive Director	_____

## Attachment 1 Directors and Executives Profile and Company Secretary

(Information as of 31 December 2561)

### 1. Mom Rajawongse Somlabh Kitiyakara

Chairman of the Board of Directors / Independent Director

Age (Year) : 68

Appointment as a Director : 30 April 2013

#### 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 during the past five years

##### Listed Companies:

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

##### Non-Listed Companies:

2017 – Present Director : King Bio Environmental and Industry Holding (Thailand) Co., Ltd.

2515 – Present Director : King Travel International Group Co., Ltd.

2012 – Present Director : King Win International Travel Group Co., Ltd.

2010 – Present Director : Chatuchak Place Co., Ltd.

2004 – Present Director : King Dragon International Tourist Group Co., Ltd.

1992 – Present Her Royal Highness Princess Soamsawali's Private Secretary : Thewet Palace

#### Work Experience in the past

Chairman of Saving and Credit Cooperative : Muangthong of Savings and Credit Cooperative

#### 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 2018

- Board of Directors 8/8 Time

## 2. Professor Dr. Chaiya Yimwilai

Vice Chairman of the Board of Directors / Chairman of Executive Committee (Acting)

Age (Year) : 66

Appointment as a Director : 19 February 2018

### Education

- Ph.D., Public Administration : Golden Gate University
- M.P.A., Public Administration : Ohio State University
- B.P.A., Public Administration : Ohio Northern University

### Training

Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP 2005) ,IOD

### Shareholding (%)

-None-

### Relationship between Directors and Executive

-None

### Work Experience during the past five years

#### Listed Companies:

2018 – Present	Vice Chairman of the Board of Directors / Chairman of Executive Committee (Acting) : AEC Securities PLC.
2013 – 2017	Vice Chairman of the Board of Directors / Chairman of Audit Committee : AEC Securities PLC.

#### Non-Listed Companies:

2014 – Present	Deputy Minister of Deputy Prime Minister Dr. Wisanu Krea-nagm
2011 – Present	Chairman of the Board /Committee of Offensive Strategic Planning for Public Relation : Senate
2007 – Present	Research and Development Committee : Senate
2007 – Present	Government Advisory of Public Relations and Mass Communication : Senate
2007 – Present	Director of Doctor of Philosophy program of Department of Public Administration : Sripatum University

### Work Experience in the past

- Chairman of Advisory Savant Ministry of Commerce
- Research and Development Committee of Senate
- Sub – Committee of National Justice Administration Development
- Advisor of Royal Thai Army Radio and Television
- Minister of Ministry of Tourism and Sports (Dr.Suvit Yodmanee)
- Spokesman of Office of The Prime Minister (Gen. Surayud Chulanont)

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 2018

- Board of Directors 8/8 Time
- Executive Committee 16/19 Time

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### 3. Assoc. Prof. Suchart Laopreeda

Chairman of Audit Committee / Independent Director

Age (Year) : 57

Appointment as a Director : 27 June 2017

#### Education

- Master of Accountancy : Chulalongkorn University
- Bachelor of Political Science : Ramkhamhaeng University
- Bachelor of Business Administration : Krirk University

#### Training

Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP 177/2015)

Shareholding (%)

-None-

Relationship between Directors and Executive

-None-

#### Work Experience during the past five years

##### Listed Companies:

2017 – Present      Chairman of Audit Committee / Independent Director : AEC Securities PLC.  
2015 – Present      Audit Committee / Independent Director : ALT Telecom PLC.

##### Non-Listed Companies:

2015 – Present      Audit Committee : Munkong Steel Co., Ltd.  
2015 – Present      Chairman of Audit Committee : Sirivej Medical Co., Ltd.  
2015 – Present      Director : MKSI Inter Co., Ltd.  
2015 – Present      Director : Munkong Engineering and Development Co., Ltd.

#### Work Experience in the past

Executive Director : Port Authority of Thailand

Head of Accounting Department : Port Authority of Thailand

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 2018

- Board of Directors 8/8 Time
- Audit Committee 6/6 Time
- Nomination and Remuneration Committee 4/4 Time
- Risk Management Committee 12/12 Time

#### 4. Mr. Paisit Kaenchan

Audit Committee / Independent Director

Age (Year) : 58

Appointment as a Director : 30 April 2013

##### Education

- Master of Business Administration, (Executive M.B.A.) : Sasin Graduate Institute of Business Administration
- 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 13/2013)
- 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 during the past five years

###### Listed Companies :

2013 – Present      Audit Committee / Independent Director : AEC Securities PLC

###### Non-Listed Companies :

2018 – Present      Director (Authorized Director) : AIM Real Estate Management Co.,Ltd.

2016 – Present      Director (Authorized Director) : AIM Reit Management Co.,Ltd.

2010 – Present      Director (Authorized Director) : Hospitality Advisory Services Co.,Ltd.

##### Work Experience in the past

- Chief Representative Development : Marriott Hotel & Resort Asia
- Executive Vice President : The Erawan Group PLC.

- SEVP & Chief Operation Officer : TCC Hotel Group
- SEVP & Chief Investment Officer : TCC Land Development
- President : Grande Asset Development PLC.
- 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 2018

- Board of Directors 8/8 Time
- Audit Committee 6/6 Time
- Nomination and Remuneration Committee 4/4 Time
- Risk Management Committee 12/12 Time

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# 5. Mr. Seree Suwanpanont

Audit Committee / Independent Director

Age (Year) : 62

Appointment as a Director : 11 October 2017

## Education

- Ph.D. (Honorary Doctorate Degree (Law)) : Ramkhamhaeng University
- Master of Law (Business Law) : Ramkhamhaeng University
- Bachelor of Laws : Ramkhamhaeng University

## Training

- Executive Program 5/2007 : Capital Market Academy

## Shareholding (%)

-None-

## Relationship between Directors and Executive

-None-

## Work Experience during the past five years

### Listed Companies :

2017 – Present      Audit Committee / Independent Director : AEC Securities PLC

### Non-Listed Companies :

2016 – Present      Director : Suwanmontree Co., Ltd

2016 – Present      Director : Yok Suwanmontree Co., Ltd.

2007 – Present      Chairman of the Board of Director : Business and Success (2007) Co.,Ltd.

2007 – Present      Chairman of the Board of Director : Bangkok Law Center Co., Ltd.

## Work Experience in the past

- Director : V Direct Distributor Co.,Ltd
- Member of National Reform Council : National Reform Council (NRC)
- Chairman of the Commission : The Commission for Reform of Law and Justice National Reform Council (NRC)
- Member and First Vice President : The constituent assembly 2007
- Director and Secretary : Lawyers Council Under the Royal Patronage

## 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 2018

- Board of Directors 5/8 Time
- Audit Committee 5/6 Time
- Nomination and Remuneration Committee 4/4 Time

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#### 6. Mr. Chanachai Joonjiraporn

Director (Authorized Director) / Executive Director / Chief Executive Officer

Age (Year) : 52

Appointment as a Director : 21 March 2016

#### Education

- Master of Political Science : Ramkhamhaeng University
- Master of Business Administration : Ramkhamhaeng University
- Bachelor of Business Administration (Finance) : Dhurakijbundit University

#### Training

##### Thai Institute of Directors (IOD)

- Family Business Governance (FBG 10/2017)
- Board that Make a Difference (BMD04/2017)
- Boardroom Success Through Financing and Investment (BFI 01/2017)
- Corporate Governance for Capital Market Intermediaries (CGI 8/2015)
- Director Certification Program Update (DCPU 4/2015)
- Director Certification Program (DCP 136/2010)
- Director Accreditation Program (DAP 80/2009)

##### Other Training Courses

- Capital Market Academy (CMA 23/2016) : Capital Market Academy (CMA)
- Thailand and ASEAN Community in Global Political Economy (TAG 6/2016): King Prajadhipok's Institute

#### Shareholding (%)

-None-

#### Relationship between Directors and Executive

-None-

#### Work Experience during the past five years

##### Listed Companies :

2017 – 15 Jan 2019	Independent Director and Audit Committee: Triton Holding PCL.
2016 – Present	Director (Authorized Director) / Executive Committee / Chief Executive Officer : AEC Securities PCL.

##### Non-Listed Companies :

2018 – Present	Director (Authorized Director) : Inspire IVF Co., Ltd.
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#### Work Experience in the past

- Audit Committee : Strega PLC.
- Director / Chief Executive Officer : Country Group Securities PLC.
- Director / Executive Director: Asia Capital Group PLC.

- Executive Director : Finansia Syrus Securities PLC.
- Director / Chief Executive Officer: Globex Securities PLC.
- Deputy Managing Director : Simico 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 2018

- Board of Directors 8/8 Time
- Executive Director 18/19 Time

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## 7. Mr. Thaveedej Uyawong

Director (Authorized Director) / Executive Director / Company Secretary

Age (Year) : 60

Appointment as a Director : 11 October 2017

### Education

- Master of Science : National Institute of Development Administration  
(Human Resource and Organization Development)
- 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 during the past five years

#### Listed Companies :

2014 – Present      Director (Authorized Director) / Executive Director / Company Secretary  
: AEC Securities PLC.

#### Non-Listed Companies :

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 2018

- Board of Directors 8/8 Time
- Executive Director 19/19 Time

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# 8. Dr.Noppadol Mingchinda

Director (Authorized Director) / Executive Director / Chief Finance Officer (Acting)

Age (Year) : 58

Appointment as a Director : 10 May 2018

## Education

- Ph.D. BA. (Planning and Business) : University of the South Australia, Australia
- Master of Business Administration (Finance): Thammasat University
- Bachelor of Business Administration (Finance): Assumption Business Administration College

## Training

### Thai Institute of Directors (IOD)

- Company Secretary Program (CSP 61/2015)
- Director Certification Program (DCP 195/2014)

## Shareholding (%)

-None-

## Relationship between Directors and Executive

-None-

## Work Experience during the past five years

### Listed Companies :

2018 – March 2019 Director (Authorized Director) / Executive Director / Chief Finance Officer (Acting)  
: AEC Securities PLC.

2016 – 2017 Managing Director and Company Secretary : PCN Corp PLC.

2008 – 2016 Chief Executive Officer and Company Secretary : Grand Asset Hotels and Property PLC.

### Non-Listed Companies :

2018 – March 2019 Director (Authorized Director) : Zipmex Co.,Ltd.

## Work Experience in the past

- Deputy Managing Director : BEC World PLC.
- Chief Finance Officer : Triton Holding PLC. (Hong Kong)
- Chief Finance Officer : Single (Thailand) PLC.
- Chief Finance Officer : SIG Combibloc (Thailand) Co.,Ltd.
- Assistance of Chief Finance Officer : CRC Ahold Co.,Ltd
- Chief Finance Officer : JF Thankom Securities 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 2018

- Board of Directors 4/8 Time
- Executive Director 13/19 Time

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Executive Director

Name / Position	Age (Year)	Education	Relationship With Executive	Share holding (%)	Working Experience During the Past Five Year		
					Period	Position	Name of Corporation
<b>1. Mr. Chanachai Joonjiraporn</b>  <b>Position :</b> Director (Authorized Director) / Executive Director / Chief Executive Officer	52	<ul style="list-style-type: none"> <li>Master of Political Science, Ramkhamhaeng University</li> <li>Master of Business Administration, Ramkhamhaeng University</li> <li>Bachelor of Business Administration (Finance), Dhurakijbundit University</li> </ul>	None	None	2018 – Present	Director (Authorized)	Inspire IVF Co.,Ltd.
					2017 – Present	Independent Director and Audit Committee	Triton Holding PCL.
					2016 – Present	Director (Authorized Director) / Executive Director / Chief Executive Officer	AEC Securities PLC.
					2017 – 2018	Audit Committee	Strega PCL.
					2012 – 2017	Director / Chief Executive Officer	Country Group Securities PLC.
					2015 – 2016	Director / Executive Director	Asia Capital Group PLC.

Name / Position	Age (Year)	Education	Relationship With Executive	Share holding (%)	Working Experience During the Past Five Year		
					Period	Position	Name of Corporation
2. Mr. Thaveedej Uyawong  Position : Director (Authorized Director) / Executive Director / Company Secretary	60	<ul style="list-style-type: none"> <li>Master of Science ,National Institute of Development Administration (Human Resource and Organization Development)</li> <li>Certificate of Thai Barrister at Law, Institute of Legal Education , The Thai Bar Under The Royal Patronage</li> <li>Bachelor of Laws, Ramkhamhaeng University</li> </ul>	None	None	2018 – Present	Director (Authorized Director)	ACE Incorporation Co.,Ltd.
					2014 – Present	Director (Authorized Director) / Executive Director / Company Secretary	AEC Securities PLC.

Name / Position	Age (Year)	Education	Relationship With Executive	Share holding (%)	Working Experience During the Past Five Year		
					Period	Position	Name of Corporation
<b>3. Dr. Noppadol Mingchinda</b>  <b>Position :</b> Director (Authorized Director) / Executive Director / Chief Finance Officer (Acting)	58	<ul style="list-style-type: none"> <li>Ph.D. BA. (Planning and Business), University of the South Australia, Australia</li> <li>Master of Business Administration (Finance), Thammasat University</li> <li>Bachelor of Business Administration (Finance), Assumption Business Administration College</li> </ul>	None	None	2018 – March 2019	Director (Authorized Director) / Executive Director / Chief Finance Officer (Acting)	AEC Securities PLC.
					2018 – March 2019	Director (Authorized Director)	Zipmex Co., Ltd.
					2016 – 2017	Managing Director and Company Secretary	PCN Corp PLC.
					2008 – 2016	Chief Executive Officer and Company Secretary	Grand Asset Hotels and Property PLC.
<b>4. Mrs. Vallapa Sunakorn</b>  <b>Position :</b> Executive Director / Chief Operating Officer	62	<ul style="list-style-type: none"> <li>Bachelor of Business Administration (Accountancy), Krik University</li> </ul>	None	None	2015 – Present	Executive Director / Chief Operating Officer	AEC Securities PCL.
					2015 – Present	Audit Committee	Asia Capital Group PLC.
					2013 – 2015	Managing Director	Apple Wealth Securities PLC.
					2011 – 2013	Deputy Managing Director (Compliance & Internal Audit)	Finansia Syrus Securities PCL
					2009 – 2011	Assistant Managing Director (Compliance & Internal Audit)	Globex Securities PLC.

Name / Position	Age (Year)	Education	Relationship With Executive	Share holding (%)	Working Experience During the Past Five Year		
					Period	Position	Name of Corporation
<b>5. Dr. Akalarp Yimwilai</b>  <b>Position : Executive Director</b>	34	<ul style="list-style-type: none"> <li>• Ph.D. (Public Admonition), Sripatum University</li> <li>• Master of Law, Georgetown University</li> <li>• Master of Law (International Law), The University of Law of England and Wales, London</li> <li>• Bachelor of Law (International Law), The University of Law of England and Wales, London</li> <li>• Bachelor of Public Admonition, Royal Holloway, University of London</li> </ul>	None	None	2018 – Present 2017 – Present 2014 – 2017	Director (Authorized Director) Executive Director Manager of Law Dept.	Zipmex Co.,Ltd AEC Securities PCL. AEC Securities PCL.

Name / Position	Age (Year)	Education	Relationship With Executive	Share holding (%)	Working Experience During the Past Five Year		
					Period	Position	Name of Corporation
<b>6. Mr. Waiwit Udayachalerm</b>  <b>Position :</b> Executive Director	55	<ul style="list-style-type: none"> <li>Master of Economics International Economics and Finance , Chulalongkorn University</li> <li>Bachelor of Commerce an Accounting (Finance and Banking) , Chulalongkorn University</li> </ul>	None	None	2018 – Present	Executive Director	AEC Securities PCL.
					2018 – Present	Director (Authorized Director)	W consultant Co.,Ltd.
					2018 – Present	Director (Authorized Director)	Speed Auto Parts Co.,Ltd.
<b>7. Mr. Kasidit Nuchtan</b>  <b>Position :</b> Assistant Managing Director Compliance and Internal Audit Dept.	50	<ul style="list-style-type: none"> <li>Bachelor of Business Administration, Dhurakij Pundit University</li> </ul>	None	None	2015 – Present	Assistant Managing Director	AEC Securities PLC.
					2014 – 2015	Senior Vice President	Merchant Partners Securities Co. Ltd.
					2005 – 2014	Vice President	UOB Securities PLC.

Name / Position	Age (Year)	Education	Relationship With Executive	Share holding (%)	Working Experience During the Past Five Year		
					Period	Position	Name of Corporation
<b>8. Ms. Obom Rattanaol</b>  <b>Position :</b> Senior Vice President Financial Dept.	54	<ul style="list-style-type: none"> <li>Master of Science (Applied Statistics) National Institute of Development Administration</li> <li>Bachelor of Economics Kasetsart University</li> </ul>	None	None	2014 – Present 2004 – 2014	Senior Vice President Senior Vice President	AEC Securities PLC. Finansia Syrus Securities PLC.
<b>9. Ms. Manee Khemthong</b>  <b>Position :</b> Vice President Account Department	53	<ul style="list-style-type: none"> <li>Bachelor of Accounting Ramkhamhaeng University</li> </ul>	None	None	2017 – Present 2013 – 2015 2012 – 2013 1998 - 2012	Vice President Assistant Vice President Account Dept. Vice President Account Dept. Assistant Vice President Account Dept	AEC Securities PLC. RHB OSK Securities (Thailand) PLC. CIMB International (Thailand) PLC. SICCO Securities PLC.

## Attachment 2 Information of Directors of Subsidiaries

This information provided regards to the position of Directors, Executives and Controlling persons with controlling power over the subsidiary, associate or related Company.

List of Directors / Executives	AEC Securities PLC.	ACE Incorporation Co., Ltd.	Zipmex Co., Ltd.
1. Mom Rajawongse Somlabh Kitiyakara	/, X		
2. Professor Dr. Chaiya Yimwilai	/, XXX		
3. Assoc.Prof.Suchart Laopreeda	/, XX		
4. Mr. Paisit Kaenchan	/, //		
5. Mr. Seree Suwanpanont	/, //		
6. Mr. Chanachai Joonjiraporn	/, ///, *		
7. Mr. Thaveedj Uyawong	/, ///, *	/, X	
8. Dr. Noppadol Mingchinda	/, ///, *		
9. Mrs. Vallapa Sunakorn	///, *		
10. Dr. Akalarp Yimwilai	///, *		/
11. Mr. Waiwit Udayachalerm	///, *		
12. Mr. Kasidit Nuchtan	*		
13. Mr. Sakol Sonklung	*		
14. Ms. Obom Rattanapol	*		
15. Ms. Manee Khemthong	*		

### Note:

- X Chairman of the Board of Director
- / Director
- XX Chairman of Audit Committee
- // Member of Audit Committee
- XXX Chairman of Executive Committee
- /// Executive Director
- \* Executive

### Attachment 3 Information of the Head of Internal Control and Compliance of the Company

Details	Head of Internal Control and Compliance		
Name	Mr. Kasidit Nuchtan		
Position	Assistant Managing Director		
Education	Bachelor Degree – Business Administration, Dhurakij Pundit Universtiy		
Experience	AEC Securities PCL.	Executive Vice President	Apr. 2015 – Present
	Merchant Partners Asset Management Co., Ltd.	Senior Vice President	Sep. 2014 – Apr. 2015
	UOB Securities PCL.	Vice President	Apr. 2005 – Sep. 2014
Training	Course of Regulatory Practice (Organized by Association of Thai Securities Companies, The Stock Exchange of Thailand and The Securities and Exchange Commission)  - Expectations of SEC and Preparing of Compliance to the capital markets in the futures - Ethics in the Securities Business - The regulatory order is not appropriate - Regulatory of Derivatives - Governance rules of the SET and TCH - Private Funds - Guidelines for the management of financial risk - Regulatory approach to performance management funds and issues observed by the audit  - The rules and regulations related to the brokerage unit		
Responsibility	■ 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 internal control and compliance of the Company as knowledgeable, experienced and qualified for the position. In 2018, additional training on The Anti-Money Laundering Office

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



Attachment 4

Information of Appraisal of Assets Price

- None -

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**Attachment 5    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) Assoc. Prof. Suchart Laopreeda; (2) Mr. Phaisit Kaenchan and (3) Mr. Seree Suwanpanont, with Assoc. Prof. Suchart Laopreeda holding the position of the Chairman of the Audit Committee and Assistant Managing Director for 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 2018, the Audit Committee held 6 periodical meetings with all Directors participating in every meeting except the 5/2018 meeting which was not participated by Mr. Seree Suwanpanont due to his tied up mission at the House of Representative. 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 2018 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.



(Assoc. Prof. Suchart Laopreeda)

Chairman of Audit Committee

## แบบประเมินความเพียงพอของระบบการควบคุมภายใน

### แนวคิดและวัตถุประสงค์

การมีระบบการควบคุมภายในที่ดีมีความสำคัญอย่างยิ่งสำหรับบริษัทจดทะเบียนหรือบริษัทที่มีประชาชนเป็นผู้ถือหุ้น โดยระบบที่ดีจะสามารถช่วยป้องกัน บริหาร จัดการความเสี่ยงหรือความเสียหายต่าง ๆ ที่อาจเกิดขึ้นกับบริษัทและผู้ที่มีส่วนได้เสียได้เป็นอย่างดี ดังนั้น จึงเป็นหน้าที่ของคณะกรรมการบริษัทที่จะต้องดำเนินการให้มั่นใจว่า บริษัทมีระบบควบคุมภายในที่เหมาะสม และเพียงพอในการดูแลการดำเนินงานให้เป็นไปตามเป้าหมาย วัตถุประสงค์ กฎหมาย ข้อกำหนดที่เกี่ยวข้องได้อย่างมีประสิทธิภาพ สามารถป้องกันทรัพย์สินจากการทุจริตเสียหาย รวมทั้งมีการจัดทำบัญชี รายงานที่ถูกต้อง น่าเชื่อถือ

สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ (ก.ล.ต.) ได้รับความร่วมมือเป็นอย่างดีจากไพรซ์วอเตอร์เฮาส์คูเปอร์ส ประเทศไทย (PwC Thailand) ในการพัฒนาแบบประเมินความเพียงพอของระบบควบคุมภายใน (“แบบประเมิน”) ฉบับนี้ขึ้น เพื่อเป็นเครื่องมือช่วยให้บริษัทใช้เป็นแนวทางในการประเมินความเพียงพอของระบบการควบคุมภายในของบริษัทด้วยตนเอง

แบบประเมินนี้ได้จัดทำตามแนวคิดของ COSO<sup>1</sup> (The Committee of Sponsoring Organizations of the Treadway Commission) ที่ได้ปรับปรุง framework ใหม่ เมื่อเดือนพฤษภาคม 2556 และนำมาปรับให้เข้าใจง่ายขึ้น รวมทั้งเหมาะสมกับบริบทของประเทศไทย ซึ่งคำถามหลักยังแบ่งออกเป็น 5 ส่วนเช่นเดียวกับแนวทางของ COSO เดิม แต่ได้ขยายความแต่ละส่วนออกเป็นหลักการย่อยรวม 17 หลักการ เพื่อให้เข้าใจและเห็นภาพของแต่ละส่วนได้ชัดเจนยิ่งขึ้น

### การนำไปใช้

บริษัทควรใช้แบบประเมินนี้เป็นแนวทางในการประเมินหรือทบทวนความเพียงพอของระบบควบคุมภายในอย่างน้อยทุกปี และอาจมีการทบทวนเพิ่มเติมหากเกิดเหตุการณ์ที่อาจส่งผลกระทบต่อการทำงานของบริษัทอย่างมีนัยสำคัญ การประเมินดังกล่าวควรผ่านการพิจารณาของคณะกรรมการตรวจสอบและคณะกรรมการบริษัทด้วย เพื่อให้เกิดการแลกเปลี่ยนความเห็น มีความเข้าใจตรงกัน และสามารถกำหนดแนวทางปฏิบัติที่เหมาะสมกับบริษัทได้

การตอบแบบประเมินในแต่ละข้อ ควรอยู่บนพื้นฐานของการปฏิบัติจริง หากประเมินแล้วพบว่า บริษัทยังขาดการควบคุมภายในที่เพียงพอในข้อใด (ไม่ว่าจะเป็นการไม่มีระบบในเรื่องนั้น หรือมีแล้วแต่ยังไม่เหมาะสม) บริษัทควรอธิบายเหตุผลและแนวทางแก้ไขประกอบไปด้วย

<sup>1</sup> เป็นคณะกรรมการร่วมของสถาบันวิชาชีพ 5 แห่ง ได้แก่ สถาบันผู้สอบบัญชีรับอนุญาตแห่งสหรัฐอเมริกา (AICPA) สถาบันผู้ตรวจสอบภายในสากล (Institute of Internal Auditors หรือ IIA) สถาบันผู้บริหารการเงิน (Financial Executives Institute หรือ FEI) สมาคมนักบัญชีแห่งสหรัฐอเมริกา (American Accounting Association หรือ AAA) และสถาบันนักบัญชีเพื่อการบริหาร (Institute of Management Accountants หรือ IMA)

### การควบคุมภายในองค์กร (Control Environment)

#### 1. องค์กรแสดงถึงความยึดมั่นในคุณค่าของความซื่อตรง (integrity) และจริยธรรม

คำถาม	ใช่	ไม่ใช่
<p>1.1 คณะกรรมการและผู้บริหารกำหนดแนวทาง และมีการปฏิบัติที่อยู่บนหลักความซื่อตรงและการรักษาจรรยาบรรณในการดำเนินงาน ที่ครอบคลุมถึง</p> <p>1.1.1 การปฏิบัติหน้าที่ประจำวัน และการตัดสินใจในเรื่องต่าง ๆ</p> <p>1.1.2 การปฏิบัติต่อลูกค้า ลูกค้า และบุคคลภายนอก</p>	<p>✓</p> <p>✓</p>	
<p>1.2 มีข้อกำหนดที่เป็นลายลักษณ์อักษรให้ผู้บริหารและพนักงานปฏิบัติหน้าที่ด้วยความซื่อตรงและรักษาจรรยาบรรณ ที่ครอบคลุมถึง</p> <p>1.2.1 มีข้อกำหนดเกี่ยวกับจริยธรรม (code of conduct) สำหรับผู้บริหารและพนักงาน ที่เหมาะสม</p> <p>1.2.2 มีข้อกำหนดห้ามผู้บริหารและพนักงานปฏิบัติตนในลักษณะที่อาจก่อให้เกิดความขัดแย้งทางผลประโยชน์กับกิจการ ซึ่งรวมถึงการห้ามคอร์รัปชันอันทำให้เกิดความเสียหายต่อองค์กร<sup>2</sup></p> <p>1.2.3 มีบทลงโทษที่เหมาะสมหากมีการฝ่าฝืนข้อกำหนดข้างต้น</p> <p>1.2.4 มีการสื่อสารข้อกำหนดและบทลงโทษข้างต้นให้ผู้บริหารและพนักงานทุกคนรับทราบ เช่น รวมอยู่ในการปฐมนิเทศพนักงานใหม่ ให้พนักงานลงนามรับทราบข้อกำหนดและบทลงโทษเป็นประจำทุกปี รวมทั้งมีการเผยแพร่ code of conduct ให้แก่พนักงานและบุคคลภายนอกได้รับทราบ</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	
<p>1.3 มีกระบวนการติดตามและประเมินผลการปฏิบัติตาม Code of Conduct</p> <p>1.3.1 การติดตามและประเมินผลโดยหน่วยงานตรวจสอบภายในหรือหน่วยงานกำกับดูแลการปฏิบัติ (compliance unit)</p> <p>1.3.2 การประเมินตนเองโดยผู้บริหารและพนักงาน</p> <p>1.3.3 การประเมินโดยผู้เชี่ยวชาญที่เป็นอิสระจากภายนอกองค์กร</p>	<p>✓</p> <p>✓</p>	<p>✓</p>
<p>1.4 มีการจัดการอย่างทันเวลา หากพบการไม่ปฏิบัติตามข้อกำหนดเกี่ยวกับความซื่อตรงและการรักษาจรรยาบรรณ</p> <p>1.4.1 มีกระบวนการที่ทำให้สามารถตรวจพบการฝ่าฝืนได้ภายในเวลาที่เหมาะสม</p> <p>1.4.2 มีกระบวนการที่ทำให้สามารถลงโทษหรือจัดการกับการฝ่าฝืนได้อย่างเหมาะสม และภายในเวลาอันควร</p> <p>1.4.3 มีการแก้ไขการกระทำที่ขัดต่อหลักความซื่อตรงและการรักษาจรรยาบรรณอย่างเหมาะสม และภายในเวลาอันควร</p>	<p>✓</p> <p>✓</p> <p>✓</p>	

<sup>2</sup> บริษัทควรกำหนดการควบคุมภายในตามมาตรการต่อต้านคอร์รัปชันให้เหมาะสมกับความเสี่ยงของบริษัท

2. คณะกรรมการมีความเป็นอิสระจากฝ่ายบริหาร และทำหน้าที่กำกับดูแล (Oversight) และพัฒนาการดำเนินการด้านการควบคุมภายใน

คำถาม	ใช่	ไม่ใช่
2.1 มีการกำหนดบทบาทหน้าที่ของคณะกรรมการแยกจากฝ่ายบริหาร โดยได้ส่งหนังสือชี้แจงเฉพาะของคณะกรรมการไว้อย่างชัดเจน	✓	
2.2 คณะกรรมการกำกับดูแลให้มีการกำหนดเป้าหมายการดำเนินธุรกิจที่ชัดเจนและวัดผลได้ เพื่อเป็นแนวทางในการปฏิบัติงานของผู้บริหารและพนักงาน	✓	
2.3 คณะกรรมการกำกับดูแลให้บริษัทกำหนดบทบาทหน้าที่ของคณะกรรมการและผู้บริหารให้ถูกต้องตามกฎหมาย กฎบัตร ซึ่งครอบคลุมบทบาทที่สำคัญของคณะกรรมการตรวจสอบ ผู้สอบบัญชี ผู้ตรวจสอบภายใน และผู้รับผิดชอบต่อรายงานทางการเงิน	✓	
2.4 คณะกรรมการเป็นผู้มีความรู้เกี่ยวกับธุรกิจของบริษัท และมีความเชี่ยวชาญที่เป็นประโยชน์ต่อบริษัท หรือสามารถขอคำแนะนำจากผู้เชี่ยวชาญในเรื่องนั้นๆ ได้	✓	
2.5 คณะกรรมการประกอบด้วยกรรมการอิสระที่มีความรู้ ความสามารถน่าเชื่อถือ และมีความเป็นอิสระในการปฏิบัติหน้าที่อย่างแท้จริง เช่น ไม่มีความสัมพันธ์ทางธุรกิจกับบริษัท ไม่มีความสัมพันธ์อื่นใด อันอาจมีอิทธิพลต่อการใช้ดุลยพินิจและปฏิบัติหน้าที่อย่างเป็นอิสระ ในจำนวนที่เหมาะสมเพียงพอ	✓	
2.6 คณะกรรมการกำกับดูแลการพัฒนาและปฏิบัติเรื่องการควบคุมภายใน ในองค์กร ซึ่งครอบคลุมทั้งการสร้างสภาพแวดล้อมการควบคุม การประเมินความเสี่ยง กิจกรรมการควบคุม ข้อมูลและการสื่อสาร และการติดตาม	✓	

3. ฝ่ายบริหารได้จัดให้มีโครงสร้างสายการรายงาน การกำหนดอำนาจในการสั่งการและความรับผิดชอบที่เหมาะสมเพื่อให้องค์กรบรรลุวัตถุประสงค์ ภายใต้การกำกับดูแล (oversight) ของคณะกรรมการ

คำถาม	ใช่	ไม่ใช่
3.1 ผู้บริหารระดับสูงกำหนดโครงสร้างองค์กรที่สนับสนุนการบรรลุวัตถุประสงค์ของบริษัท โดยพิจารณาถึงความเหมาะสมทั้งทางธุรกิจและกฎหมาย รวมถึงการจัดให้มีการควบคุมภายในอย่างมีประสิทธิภาพ เช่น แบ่งแยกหน้าที่ในส่วนงานที่สำคัญ ซึ่งทำให้เกิดการตรวจสอบถ่วงดุลระหว่างกัน มีงานตรวจสอบภายในที่ขึ้นตรงกับกรรมการตรวจสอบ และมีสายการรายงานที่ชัดเจน เป็นต้น	✓	
3.2 ผู้บริหารระดับสูงกำหนดสายการรายงานในบริษัท โดยพิจารณาถึงความเหมาะสมเกี่ยวกับอำนาจหน้าที่ ความรับผิดชอบ และการสื่อสารข้อมูล	✓	
3.3 มีการกำหนด มอบหมาย และจำกัดอำนาจหน้าที่และความรับผิดชอบอย่างเหมาะสมระหว่างคณะกรรมการบริษัท ผู้บริหารระดับสูง ผู้บริหาร และพนักงาน	✓	

#### 4. องค์การแสดงถึงความมุ่งมั่นในการจูงใจ พัฒนาและรักษาบุคลากรที่มีความรู้ความสามารถ

คำถาม	ใช่	ไม่ใช่
4.1 บริษัทมีนโยบายและวิธีการปฏิบัติเพื่อจัดหา พัฒนา และรักษาบุคลากรที่มีความรู้และความสามารถที่เหมาะสม และมีกระบวนการสอบทานนโยบายและวิธีการปฏิบัตินั้นอย่างสม่ำเสมอ	✓	
4.2 บริษัทมีกระบวนการประเมินผลการปฏิบัติงาน การให้แรงจูงใจหรือรางวัลต่อบุคลากรที่มีผลการปฏิบัติงานดี และการจัดการต่อบุคลากรที่มีผลงานไม่บรรลุเป้าหมาย รวมถึง การสื่อสารกระบวนการเหล่านี้ให้ผู้บริหารและพนักงานทราบ	✓	
4.3 บริษัทมีกระบวนการแก้ไขปัญหาหรือเตรียมพร้อมสำหรับการขาดบุคลากรที่มีความรู้และความสามารถที่เหมาะสมอย่างทันเวลา	✓	
4.4 บริษัทมีกระบวนการสรรหา พัฒนา และรักษาผู้บริหารและพนักงานทุกคน เช่น การจัดระบบพี่เลี้ยง (mentoring) และการฝึกอบรม	✓	
4.5 บริษัทมีแผนและกระบวนการสรรหาผู้สืบทอดตำแหน่ง (succession plan) ที่สำคัญ	✓	

#### 5. องค์การกำหนดให้บุคลากรมีหน้าที่และความรับผิดชอบในการควบคุมภายใน เพื่อให้บรรลุตามวัตถุประสงค์ขององค์กร

คำถาม	ใช่	ไม่ใช่
5.1 คณะกรรมการและผู้บริหารมีกระบวนการและการสื่อสารเชิงบังคับให้บุคลากรทุกคนมีความรับผิดชอบต่อการควบคุมภายใน และจัดให้มีการปรับปรุงแก้ไขกระบวนการปฏิบัติ ในกรณีที่เป็น	✓	
5.2 คณะกรรมการและผู้บริหารกำหนดตัวชี้วัดผลการปฏิบัติงาน การสร้างแรงจูงใจ และการให้รางวัล ที่เหมาะสม โดยพิจารณาทั้งเรื่องการปฏิบัติตาม Code of Conduct และวัตถุประสงค์ในระยะสั้นและระยะยาวของบริษัท	✓	
5.3 คณะกรรมการและผู้บริหารประเมินแรงจูงใจและการให้รางวัลอย่างต่อเนื่อง โดยเน้นให้สามารถเชื่อมโยงกับความสำเร็จของหน้าที่ในการปฏิบัติตามการควบคุมภายในด้วย	✓	
5.4 คณะกรรมการและผู้บริหารได้พิจารณาไม่ให้มีการสร้างแรงกดดันที่มากเกินไป ในการปฏิบัติหน้าที่ของบุคลากรแต่ละคน	✓	

### การประเมินความเสี่ยง (Risk Assessment)

6. องค์การกำหนดวัตถุประสงค์ไว้อย่างชัดเจนเพียงพอ เพื่อให้สามารถระบุและประเมินความเสี่ยงต่าง ๆ ที่เกี่ยวข้องกับการบรรลุวัตถุประสงค์ขององค์กร

คำถาม	ใช่	ไม่ใช่
6.1 บริษัทสามารถปฏิบัติตามมาตรฐานการบัญชีที่รับรองโดยทั่วไป และเหมาะสมกับธุรกิจในช่วงนั้น โดยแสดงได้ว่ารายการในรายงานทางการเงินมีตัวตนจริง ครบถ้วน แสดงถึงสิทธิหรือภาระผูกพันของบริษัทได้ถูกต้อง มีมูลค่าเหมาะสม และเปิดเผยข้อมูลครบถ้วน ถูกต้อง	✓	
6.2 บริษัทกำหนดสาระสำคัญของรายการทางการเงิน โดยพิจารณาถึงปัจจัยที่สำคัญ เช่น ผู้ใช้รายงานทางการเงิน ขนาดของรายการ แนวโน้มของธุรกิจ	✓	
6.3 รายงานทางการเงินของบริษัทสะท้อนถึงกิจกรรมการดำเนินงานของบริษัทอย่างแท้จริง	✓	
6.4 คณะกรรมการหรือคณะกรรมการบริหารความเสี่ยง อนุมัติและสื่อสารนโยบาย การบริหารความเสี่ยงให้ผู้บริหารและพนักงานทุกคนรับทราบและถือปฏิบัติ จนเป็นส่วนหนึ่งของวัฒนธรรมขององค์กร	✓	

7. องค์การระบุและวิเคราะห์ความเสี่ยงทุกประเภทที่อาจกระทบต่อการบรรลุวัตถุประสงค์ไว้อย่างครอบคลุมทั่วทั้งองค์กร

คำถาม	ใช่	ไม่ใช่
7.1 บริษัทระบุความเสี่ยงทุกประเภทซึ่งอาจมีผลกระทบต่อการดำเนินธุรกิจทั้งระดับองค์กร หน่วยธุรกิจ ฝ่ายงาน และหน้าที่งานต่าง ๆ	✓	
7.2 บริษัทวิเคราะห์ความเสี่ยงทุกประเภทที่อาจเกิดจากทั้งปัจจัยภายในและปัจจัยภายนอกองค์กร ซึ่งรวมถึงความเสี่ยงด้านกลยุทธ์ การดำเนินงาน การรายงานการปฏิบัติตามกฎเกณฑ์ และด้านเทคโนโลยีสารสนเทศ	✓	
7.3 ผู้บริหารทุกระดับมีส่วนร่วมในการบริหารความเสี่ยง	✓	
7.4 บริษัทได้ประเมินความสำคัญของความเสี่ยง โดยพิจารณาทั้งโอกาสเกิดเหตุการณ์ และผลกระทบที่อาจเกิดขึ้น	✓	
7.5 บริษัทมีมาตรการและแผนปฏิบัติงานเพื่อจัดการความเสี่ยง โดยอาจเป็นการยอมรับความเสี่ยงนั้น (acceptance) การลดความเสี่ยง (reduction) การหลีกเลี่ยงความเสี่ยง (avoidance) หรือการร่วมรับความเสี่ยง (sharing)	✓	



8. องค์การได้พิจารณาถึงโอกาสที่จะเกิดการทุจริต ในการประเมินความเสี่ยงที่จะบรรลุวัตถุประสงค์ของ  
องค์การ

คำถาม	ใช่	ไม่ใช่
8.1 บริษัทประเมินโอกาสที่จะเกิดการทุจริตขึ้น โดยครอบคลุมการทุจริตแบบต่างๆ เช่น การจัดทำรายงานทางการเงินเท็จ การทำให้สูญเสียทรัพย์สิน การคอร์รัปชัน การที่ผู้บริหารสามารถฝ่าฝืนระบบควบคุมภายใน (management override of internal controls) การเปลี่ยนแปลงข้อมูลในรายงานที่สำคัญ การได้มาหรือใช้ไปซึ่งทรัพย์สินโดยไม่ถูกต้อง เป็นต้น	✓	
8.2 บริษัทได้ทบทวนเป้าหมายการปฏิบัติงานอย่างรอบคอบ โดยพิจารณาความเป็นไปได้ของเป้าหมายที่กำหนดแล้ว รวมทั้งได้พิจารณาความสมเหตุสมผลของการให้สิ่งจูงใจหรือผลตอบแทนแก่พนักงานแล้วด้วยว่า ไม่มีลักษณะส่งเสริมให้พนักงานกระทำไม่เหมาะสม เช่น ไม่ตั้งเป้าหมายยอดขายของบริษัทไว้สูงเกินความเป็นจริง จนทำให้เกิดแรงจูงใจในการตกแต่งตัวเลขยอดขาย เป็นต้น	✓	
8.3 คณะกรรมการตรวจสอบได้พิจารณาและสอบถามผู้บริหารเกี่ยวกับโอกาสในการเกิดทุจริต และมาตรการที่บริษัทดำเนินการเพื่อป้องกันหรือแก้ไขการทุจริต	✓	
8.4 บริษัทได้สื่อสารให้พนักงานทุกคนเข้าใจและปฏิบัติตามนโยบายและแนวปฏิบัติที่กำหนดไว้	✓	

9. องค์การสามารถระบุและประเมินความเปลี่ยนแปลงที่อาจมีผลกระทบต่อระบบการควบคุมภายใน

คำถาม	ใช่	ไม่ใช่
9.1 บริษัทประเมินการเปลี่ยนแปลงปัจจัยภายนอกองค์กร ที่อาจมีผลกระทบต่อการดำเนินธุรกิจ การควบคุมภายใน และรายงานทางการเงิน ตลอดจนได้กำหนดมาตรการตอบสนองต่อการเปลี่ยนแปลงนั้นอย่างเพียงพอแล้ว	✓	
9.2 บริษัทประเมินการเปลี่ยนแปลงรูปแบบการทำธุรกิจ ที่อาจมีผลกระทบต่อการดำเนินธุรกิจ การควบคุมภายใน และรายงานทางการเงิน ตลอดจนได้กำหนดมาตรการตอบสนองต่อการเปลี่ยนแปลงนั้นอย่างเพียงพอแล้ว	✓	
9.3 บริษัทประเมินการเปลี่ยนแปลงผู้นำองค์กร ที่อาจมีผลกระทบต่อการดำเนินธุรกิจ การควบคุมภายใน และรายงานทางการเงิน ตลอดจนได้กำหนดมาตรการตอบสนองต่อการเปลี่ยนแปลงนั้นอย่างเพียงพอแล้ว	✓	

### การควบคุมการปฏิบัติงาน (Control Activities)

10. องค์การมีมาตรการควบคุมที่ช่วยลดความเสี่ยงที่จะไม่บรรลุวัตถุประสงค์ขององค์การ ให้อยู่ในระดับที่ยอมรับได้

คำถาม	ใช่	ไม่ใช่
10.1 มาตรการควบคุมของบริษัที่มีความเหมาะสมกับความเสี่ยง และลักษณะเฉพาะขององค์การ เช่น สภาพแวดล้อม ความซับซ้อนของงาน ลักษณะงาน ขอบเขต การดำเนินงาน รวมถึงลักษณะเฉพาะอื่น ๆ	✓	
10.2 บริษัทมีมาตรการควบคุมภายในที่กำหนดเป็นลายลักษณ์อักษร และครอบคลุมกระบวนการต่างๆ อย่างเหมาะสม เช่น มีนโยบายและระเบียบวิธีปฏิบัติงานเกี่ยวกับธุรกรรมด้านการเงิน การจัดซื้อ และการบริหารทั่วไป ตลอดจนกำหนดขอบเขต อำนาจหน้าที่ และลำดับชั้นการอนุมัติของผู้บริหารในแต่ละระดับไว้อย่างชัดเจน รัดกุม เพื่อให้สามารถป้องกันการทุจริตได้ เช่น มีการกำหนดขนาดวงเงินและอำนาจอนุมัติของผู้บริหารแต่ละระดับ ขั้นตอนในการอนุมัติโครงการลงทุน ขั้นตอนการจัดซื้อและวิธีการคัดเลือกผู้ขาย การบันทึกข้อมูลรายละเอียด การตัดสินใจจัดซื้อ ขั้นตอนการเบิกจ่ายวัสดุอุปกรณ์ หรือ การเบิกใช้เครื่องมือต่างๆ เป็นต้น โดยได้จัดให้มีกระบวนการสำหรับกรณีต่าง ๆ ดังนี้ 10.2.1 การเก็บรวบรวมข้อมูลเกี่ยวกับผู้ถือหุ้นรายใหญ่ กรรมการ ผู้บริหาร และผู้ที่เกี่ยวข้องกับบุคคลดังกล่าว รวมทั้งบุคคลที่เกี่ยวข้องกัน เพื่อประโยชน์ในการติดตามและสอบทานการทำรายการระหว่างกัน หรือรายการที่อาจมีความขัดแย้งทางผลประโยชน์ รวมทั้งมีการปรับปรุงข้อมูลให้เป็นปัจจุบันเสมอ 10.2.2 กรณีที่บริษัทอนุมัติธุรกรรมหรือทำสัญญากับผู้ที่เกี่ยวข้องในลักษณะที่มีผลผูกพันบริษัทในระยะยาวไปแล้ว เช่น การทำสัญญาซื้อขายสินค้า การให้กู้ยืม การค้าประกัน บริษัทได้ติดตามให้มั่นใจแล้วว่า มีการปฏิบัติตามเงื่อนไข ที่ตกลงกันไว้ตลอดระยะเวลาที่มีผลผูกพันบริษัท เช่น ติดตามการชำระหนี้ตามกำหนด หรือมีการทบทวนความเหมาะสมของสัญญา เป็นต้น	✓	
10.3 บริษัทกำหนดให้การควบคุมภายในมีความหลากหลายอย่างเหมาะสม เช่น การควบคุมแบบ manual และ automated หรือการควบคุมแบบป้องกันและติดตาม	✓	
10.4 บริษัทกำหนดให้มีการควบคุมภายในในทุกระดับขององค์การ เช่น ทั้งระดับกลุ่มบริษัท หน่วยธุรกิจ สายงาน ฝ่ายงาน แผนก หรือกระบวนการ	✓	
10.5 บริษัทมีการแบ่งแยกหน้าที่ความรับผิดชอบในงาน 3 ด้านต่อไปนี้ ออกจากกันโดยเด็ดขาด เพื่อเป็นการตรวจสอบซึ่งกันและกัน กล่าวคือ (1) หน้าที่อนุมัติ (2) หน้าที่บันทึกรายการบัญชีและข้อมูลสารสนเทศ (3) หน้าที่ในการดูแลจัดเก็บทรัพย์สิน	✓	

11. องค์การเลือกและพัฒนากิจกรรมการควบคุมทั่วไปด้วยระบบเทคโนโลยี เพื่อช่วยสนับสนุนการบรรลุวัตถุประสงค์

คำถาม	ใช่	ไม่ใช่
11.1 บริษัทควรกำหนดความเกี่ยวข้องกันระหว่างการใช้เทคโนโลยีสารสนเทศในกระบวนการปฏิบัติงานและการควบคุมทั่วไปของระบบสารสนเทศ	✓	
11.2 บริษัทควรกำหนดการควบคุมของโครงสร้างพื้นฐานของระบบเทคโนโลยีให้มีความเหมาะสม	✓	
11.3 บริษัทควรกำหนดการควบคุมด้านความปลอดภัยของระบบเทคโนโลยีให้มีความเหมาะสม	✓	
11.4 บริษัทควรกำหนดการควบคุมกระบวนการได้มา การพัฒนา และการบำรุงรักษาระบบเทคโนโลยีให้มีความเหมาะสม	✓	

12. องค์การจัดให้มีกิจกรรมการควบคุมผ่านทางนโยบาย ซึ่งได้กำหนดสิ่งที่คาดหวังและขั้นตอนการปฏิบัติเพื่อให้แน่ใจว่านโยบายที่กำหนดไว้นั้นสามารถนำไปสู่การปฏิบัติได้

คำถาม	ใช่	ไม่ใช่
12.1 บริษัทมีนโยบายที่รัดกุมเพื่อติดตามให้การทำธุรกรรมของผู้ถือหุ้นรายใหญ่ กรรมการ ผู้บริหาร หรือผู้ที่เกี่ยวข้องกับบุคคลดังกล่าว ต้องผ่านขั้นตอนการอนุมัติ ที่กำหนด เช่น ข้อบังคับของบริษัท เกณฑ์ของตลาดหลักทรัพย์แห่งประเทศไทย เกณฑ์ของสำนักงาน ฯลฯ เพื่อป้องกันการหาโอกาส หรือนำผลประโยชน์ของบริษัทไปใช้ส่วนตัว	✓	
12.2 บริษัทมีนโยบายเพื่อให้การพิจารณาอนุมัติธุรกรรมกระทำโดยผู้ที่ไม่มีส่วนได้เสียในธุรกรรมนั้น	✓	
12.3 บริษัทมีนโยบายเพื่อให้การพิจารณาอนุมัติธุรกรรมคำนึงถึงประโยชน์สูงสุดของบริษัทเป็นสำคัญ และพิจารณาโดยถือเสมือนเป็นรายการที่กระทำกับบุคคลภายนอก (at arms' length basis)	✓	
12.4 บริษัทมีกระบวนการติดตามดูแลการดำเนินงานของบริษัทย่อยหรือบริษัทร่วม รวมทั้งกำหนดแนวทางให้บุคคลที่บริษัทแต่งตั้งให้เป็นกรรมการหรือผู้บริหาร ในบริษัทย่อยหรือร่วมนั้น ถือปฏิบัติ (หากบริษัทไม่มีเงินลงทุนในบริษัทย่อยหรือบริษัทร่วมไม่ต้องตอบข้อนี้)	✓	
12.5 บริษัทกำหนดหน้าที่และความรับผิดชอบในการนำนโยบายและกระบวนการ ไปปฏิบัติโดยผู้บริหารและพนักงาน	✓	
12.6 นโยบายและกระบวนการปฏิบัติของบริษัทได้รับการนำไปใช้ในเวลาที่เหมาะสม โดยบุคลากรที่มีความสามารถ รวมถึงการครอบคลุมกระบวนการแก้ไขข้อผิดพลาด ในการปฏิบัติงาน	✓	
12.7 บริษัททบทวนนโยบายและกระบวนการปฏิบัติให้มีความเหมาะสมอยู่เสมอ	✓	

**ระบบสารสนเทศและการสื่อสารข้อมูล (Information & Communication)**

13. องค์การข้อมูลที่เกี่ยวข้องและมีคุณภาพ เพื่อสนับสนุนให้การควบคุมภายในสามารถดำเนินไปได้ตามที่กำหนดไว้

คำถาม	ใช่	ไม่ใช่
13.1 บริษัทกำหนดข้อมูลที่ต้องการใช้ในการดำเนินงาน ทั้งข้อมูลจากภายในและภายนอกองค์กร ที่มีคุณภาพและเกี่ยวข้องต่องาน	✓	
13.2 บริษัทพิจารณาทั้งต้นทุนและประโยชน์ที่จะได้รับ รวมถึงปริมาณและความถูกต้องของข้อมูล	✓	
13.3 บริษัทดำเนินการเพื่อให้คณะกรรมการมีข้อมูลที่สำคัญอย่างเพียงพอสำหรับใช้ประกอบการตัดสินใจ ตัวอย่างข้อมูลที่สำคัญ เช่น รายละเอียดของเรื่องที่เสนอ ให้พิจารณา เหตุผล ผลกระทบต่อบริษัท ทางเลือกต่าง ๆ	✓	
13.4 บริษัทดำเนินการเพื่อให้กรรมการบริษัทได้รับหนังสือนัดประชุมหรือเอกสารประกอบการประชุมที่ระบุข้อมูลที่จำเป็นและเพียงพอต่อการพิจารณาก่อนการประชุมล่วงหน้าอย่างน้อยภายในระยะเวลาขั้นต่ำตามที่กฎหมายกำหนด	✓	
13.5 บริษัทดำเนินการเพื่อให้รายงานการประชุมคณะกรรมการมีรายละเอียดตามควร เพื่อให้สามารถตรวจสอบย้อนหลังเกี่ยวกับความเหมาะสมในการปฏิบัติหน้าที่ของกรรมการแต่ละราย เช่น การบันทึกข้อซักถามของกรรมการ ความเห็นหรือข้อสังเกตของกรรมการในเรื่องที่พิจารณา ความเห็นของกรรมการรายที่ไม่เห็นด้วยกับเรื่องที่เสนอพร้อมเหตุผล เป็นต้น	✓	
13.6 บริษัทมีการดำเนินการดังต่อไปนี้ 13.6.1 มีการจัดเก็บเอกสารสำคัญ ไว้อย่างครบถ้วนเป็นหมวดหมู่ 13.6.2 กรณีที่ได้รับแจ้งจากผู้สอบบัญชีหรือผู้ตรวจสอบภายในว่ามีข้อบกพร่องในการควบคุมภายใน บริษัทได้แก้ไขข้อบกพร่องนั้นอย่างครบถ้วนแล้ว	✓ ✓	

14. องค์การสื่อสารข้อมูลภายในองค์กร ซึ่งรวมถึงวัตถุประสงค์และความรับผิดชอบต่อการควบคุมภายในที่จำเป็นต่อการสนับสนุนให้การควบคุมภายในสามารถดำเนินไปได้ตามที่วางไว้

คำถาม	ใช่	ไม่ใช่
14.1 บริษัทมีกระบวนการสื่อสารข้อมูลภายในอย่างมีประสิทธิภาพ และมีช่องทางการสื่อสารที่เหมาะสม เพื่อสนับสนุนการควบคุมภายใน	✓	
14.2 บริษัทมีการรายงานข้อมูลที่สำคัญถึงคณะกรรมการบริษัทอย่างสม่ำเสมอ และคณะกรรมการบริษัทสามารถเข้าถึงแหล่งสารสนเทศที่จำเป็นต่อการปฏิบัติงาน หรือสอบถามรายการต่าง ๆ ตามที่ต้องการ เช่น การกำหนดบุคคลที่เป็นศูนย์ติดต่อเพื่อให้สามารถติดต่อขอข้อมูลอื่นนอกจากที่ได้รับจากผู้บริหาร รวมทั้งการติดต่อสอบถามข้อมูลจากผู้สอบบัญชี ผู้ตรวจสอบภายใน การจัดประชุมระหว่างคณะกรรมการและผู้บริหารตามที่คณะกรรมการร้องขอ การจัดกิจกรรมพบปะหารือระหว่างคณะกรรมการและผู้บริหารนอกเหนือจากการประชุมคณะกรรมการ เป็นต้น	✓	

คำถาม	ใช่	ไม่ใช่
14.3 บริษัทจัดให้มีช่องทางการสื่อสารพิเศษหรือช่องทางลับเพื่อให้บุคคลต่าง ๆ ภายในบริษัทสามารถแจ้งข้อมูลหรือเบาะแสเกี่ยวกับการฉ้อฉลหรือทุจริตภายในบริษัท (whistle-blower hotline) ได้อย่างปลอดภัย	√	

#### 15. องค์กรได้สื่อสารกับหน่วยงานภายนอก เกี่ยวกับประเด็นที่อาจมีผลกระทบต่อการควบคุมภายใน

คำถาม	ใช่	ไม่ใช่
15.1 บริษัทมีกระบวนการสื่อสารข้อมูลกับผู้มีส่วนได้เสียภายนอกองค์กรอย่างมีประสิทธิภาพ และมีช่องทางการสื่อสารที่เหมาะสม เพื่อสนับสนุนการควบคุมภายใน เช่น จัดให้มีเจ้าหน้าที่หรือหน่วยงานนักลงทุนสัมพันธ์ ศูนย์รับเรื่องร้องเรียน เป็นต้น	√	
15.2 บริษัทจัดให้มีช่องทางการสื่อสารพิเศษหรือช่องทางลับเพื่อให้ผู้มีส่วนได้เสียภายนอกองค์กรสามารถแจ้งข้อมูลหรือเบาะแสเกี่ยวกับการฉ้อฉลหรือทุจริต (whistle-blower hotline) แก่บริษัทได้อย่างปลอดภัย	√	

#### ระบบการติดตาม (Monitoring Activities)

#### 16. องค์กรติดตามและประเมินผลการควบคุมภายใน เพื่อให้มั่นใจได้ว่าการควบคุมภายในยังดำเนินไปอย่างครบถ้วน เหมาะสม

คำถาม	ใช่	ไม่ใช่
16.1 บริษัทจัดให้มีกระบวนการติดตามการปฏิบัติตามจริยธรรมธุรกิจและข้อกำหนดห้ามฝ่ายบริหารและพนักงานปฏิบัติตนในลักษณะที่อาจก่อให้เกิดความขัดแย้ง ทางผลประโยชน์ เช่น กำหนดให้แต่ละส่วนงานติดตามการปฏิบัติ และรายงานผู้บังคับบัญชา หรือมอบหมายให้หน่วยงานตรวจสอบภายในติดตามการปฏิบัติ และรายงานต่อคณะกรรมการตรวจสอบ เป็นต้น	√	
16.2 บริษัทจัดให้มีการตรวจสอบการปฏิบัติตามระบบการควบคุมภายในที่วางไว้ โดยการประเมินตนเอง และ/หรือการประเมินอิสระโดยผู้ตรวจสอบภายใน	√	
16.3 ความถี่ในการติดตามและประเมินผลมีความเหมาะสมกับการเปลี่ยนแปลงของบริษัท	√	
16.4 ดำเนินการติดตามและประเมินผลระบบการควบคุมภายใน โดยผู้ที่มีความรู้และความสามารถ	√	
16.5 บริษัทกำหนดแนวทางการรายงานผลการตรวจสอบภายในให้ขึ้นตรงต่อคณะกรรมการตรวจสอบ	√	
16.6 บริษัทส่งเสริมให้ผู้ตรวจสอบภายในปฏิบัติหน้าที่ตามมาตรฐานสากล การปฏิบัติงานวิชาชีพ	√	

คำถาม	ใช่	ไม่ใช่
การตรวจสอบภายใน (International Standards for the Professional Practice of Internal Auditing, IIA)		

17. องค์การประเมินและสื่อสารข้อบกพร่องของการควบคุมภายในอย่างทันเวลาต่อบุคคลที่รับผิดชอบ ซึ่งรวมถึงผู้บริหารระดับสูงและคณะกรรมการตามความเหมาะสม

คำถาม	ใช่	ไม่ใช่
17.1 บริษัทประเมินผลและสื่อสารข้อบกพร่องของการควบคุมภายใน และดำเนินการเพื่อติดตามแก้ไขอย่างทันทั่วทั้งที่ หากผลการดำเนินงานที่เกิดขึ้นแตกต่างจากเป้าหมายที่กำหนดไว้ อย่างมีนัยสำคัญ	✓	
17.2 บริษัทมีนโยบายการรายงาน ดังนี้ 17.2.1 ฝ่ายบริหารต้องรายงานต่อคณะกรรมการบริษัทโดยพลัน ในกรณีที่เกิดเหตุการณ์หรือสงสัยว่ามีเหตุการณ์ทุจริตอย่างร้ายแรง มีการปฏิบัติที่ฝ่าฝืนกฎหมายหรือมีการกระทำที่ผิดปกติอื่น ซึ่งอาจกระทบต่อชื่อเสียงและฐานะการเงินของบริษัทอย่างมีนัยสำคัญ 17.2.2 รายงานข้อบกพร่องที่เป็นสาระสำคัญ พร้อมแนวทางการแก้ไขปัญหา (แม้ว่าจะได้เริ่มดำเนินการจัดการแล้ว) ต่อคณะกรรมการบริษัท/คณะกรรมการตรวจสอบ เพื่อพิจารณาภายในระยะเวลาอันควร 17.2.3 รายงานความคืบหน้าในการปรับปรุงข้อบกพร่องที่เป็นสาระสำคัญต่อคณะกรรมการบริษัท/คณะกรรมการตรวจสอบ	✓  ✓  ✓	