



AEC Securities Public Company Limited

YOUR PROSPERITY PARTNER

2015

ANNUAL REPORT

2	Message from Chairman of the Board of Directors
3	Message from Chairman of the Executive Committee
4	The Report of Corporate Governance and Corporate Social Responsibility Committee
6	Vision, Mission, Strategy
8	Board of Director
19	Management Team
21	Company Highlights
22	General Information and other Important Information
24	History of The Company
28	Business
38	Risk Factors
42	Other Important Information
43	Shareholding Information
52	Organization Structure
53	Management Structure
65	Corporate Governance
72	Corporate Social Responsibility
74	Internal Control and Risk Management
80	Connected Transactions
82	Management Discussion and Analysis
84	Independent Auditor's Report
86	Financial Statement
94	Notes to Financial Statements
148	Contact Us





Mom Rajawongse Somlabh Kitiyakara
Chairman of the Board of Directors

Message from Chairman of the Board of Directors

With the determination on business operations, the company aims to create new products and services as well as improve the system in order to provide better service to customers as well as the adherence and commitment to the organization conducts business under the principle of good governance, integrity and social responsibility. Company Continues to develop its securities and investment quality, transparency, along with the development of human resources to contribute to sustainable growth.

On behalf of the Board of Directors. We must thank our shareholders, customers, business partners, which has supported the company's operations continued throughout and commend the management and all employees for their dedication and commitment to building a portfolio company all along.




Mr. Praphol Milindachinla
Chairman of the
Executive Committee

Message from Chairman of the Executive Committee

In 2015, the company remains committed to maintaining service opportunities and channels for investment in securities with comprehensive services across the country with both the potential and the strategic planning system performance and with the perseverance of the management and staff at all levels. Power is essential to the company AEC Securities Public Company Limited can overcome barriers and various challenges throughout the course of the past. The company has developed services

and investment securities that can meet a variety of customer solutions. This will focus on convenience with complete information sufficient investment decisions already The company continues to focus on business management with an efficient, transparent, adhering to the principles of corporate governance, Moral and social responsibility to contribute to sustainable growth.

A stylized, handwritten signature in white ink on a dark blue background.

Mr. Weerasak Kowsurat

Chairman of the Corporate Governance
and Social Responsibility Committee

The Report of Corporate Governance and Corporate Social Responsibility Committee

AEC Securities Public Company Limited ("the Company") was founded in 2013 with the commitment to serve the public with the principles of corporate governance according to the guidelines of the regulatory agencies such as The Stock Exchange of Thailand, The Securities and Exchange Commission and the Institute of Directors of Thailand. The company has established the Corporate Governance and Social Responsibility, on February 27, 2014 consists of four people assigned to me by Mr. Weerasak Kowsurat of independent directors and the Chairman of the Board of Corporate Governance and Corporate Social Responsibility Committee. Qualified third party and not as a director or executive of the company's

three members, namely Mr. Weerasak Futrakul, Mr. Surachai Puprasert and Dr. Sorajak Kaseamsuwan are directors of the Corporate Governance and Corporate Social Responsibility Committee.

In order to truly independent in governance according to the principles of corporate governance and comply with the law and to ensure good governance principles with practical results and there is no direct benefit to the performance of the company both assigned to oversee operations in the field of corporate social responsibility. The role of the Corporate Governance and Corporate Social Responsibility Committee as follows.

- Proposed Policy Statement on Corporate Governance and Corporate Social Responsibility. Including policies to create develop and promote the image, product and brand of the company.
- Overseeing the company's operations to ensure compliance with corporate governance and social responsibility and regulatory agencies such as The Securities and Exchange Commission. The Stock Exchange of Thailand and Various government agencies.
- Review policies on Corporate Governance and Corporate Social Responsibility of the Company regularly.
- Recommend the ethics of doing business and the practice of manual employees, including executives, directors and consultants.
- To promote a culture of good corporate governance. Participation in activities and social activities for sustainable development in the effect in practice

In 2015 continue to 2016 the Committee on Corporate Governance and Corporate Social Responsibility held a meeting to consider and approve the activities to promote good governance and a social responsibility by focusing on the business of superior standard requirements of the law and taking into account transparency, honesty and integrity are critical attention to the following important events.

- The company participated in anti-corruption program from Director of the Institute of Thailand. Currently has submitted a letter of intent to participate in the project.
- Set up Anti -corruption policy concerning on policies to support political, Policies contributing to society Policies and receiving gifts and prizes. To be effective at all levels, from the Advisor, Board of Directors, management and employees and considering as the company rules. This will take effect in 2016.
- Set up the self-evaluation of Board of Directors. In a way that is consistent with good corporate governance. In order to prevent conflicts of interest and Connected Transaction.
- Reviewed the performance of the company according to the criteria of the survey on corporate governance in listed companies Thailand by Institute of Directors of Thailand.
- To promote the social activity such as participating Thailand's southern border project by Statesmen His Excellency General Prem Tinsulanonda foundation. The project of strengthen the financial literacy to the disadvantaged in access to knowledge and the preparation of financial literacy guide for the loss of vision.
- Consideration of the report on implementation of the principles of corporate governance. Prescribed by the Stock Exchange of Thailand to complete the fifth section contained in the Annual Report of the Company.

The company strongly believes that, the operations of the company is according to the above principles in transparency, honesty, integrity and the Company will continues development corporate governance and a social responsibility which will help business in the long-term sustainable growth. This is to establish trust and confidence of our shareholders, customers of the company, the company partners and all parties and stakeholders that trust the Board of Directors, management and employees to operate the company.

Vision Mission



Vision

“Moving Your Wealth Forward”

Mission

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



Strategy

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

1. Securities Brokerage
2. Investment Management
3. 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, effort into various systems that related business and strategic partnerships in both domestically and internationally, which is not only limited to our Bangkok office since our Company has planned to offer its service to all regions of Thailand. This path to expansion will be spearheaded by our securities brokerage business to key cities in Thailand. Furthermore, the Company has planned to expand into the Southeast Asia region, especially within the Association of Southeast Asian Nations (ASEAN) by 2016, commencing with investment banking services in Laos and Myanmar.



Mom Rajawongse Somlabh Kitiyakara
Chairman of the Board of Directors /
Independent Director

Age (Year)	65
Period	2013 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	- Bachelor of Business Administration, Hotel Management Hawaii School of Business
Training for the Director Courses of Thai Institute of Directors Association (IOD)	- Director Accreditation Program (DAP 106/2013), IOD - Corporate Governance for Capital Market Intermediaries (CGI 8/2015), IOD
Working Experience in the 5 preceding years	2013 - Present - Chairman of the Board : AEC Securities PCL. 2012 - Present - Chairman of Saving and Credit Cooperative : Muangthong of Savings and Credit Cooperative 1992 - Present - Her Royal Highness Princess Soamsawali's Private Secretary : Thewet Palace
Criminal offence Record during the Post 10 years.	- None -



Associate Professor Dr. Chaiya Yimwilai
Chairman of Audit Committee /
Independent Director

Age (Year)	63
Period	2013 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	<ul style="list-style-type: none"> - Ph.D, Public Administration, Golden Gate University - M.A., Public Administration, Ohio State University - B.A., Public Administration, Ohio Northern University
Training for the Director Courses of Thai Institute of Directors Association (IOD)	- Director Accreditation Program (DAP 2005), IOD
Working Experience in the 5 preceding years	<p>2013 - Present</p> <ul style="list-style-type: none"> - Chairman of Audit Committee : AEC Securities PCL. <p>2012 - Present</p> <ul style="list-style-type: none"> - Advisor to the Chairman : Charoen Pokphand PCL. <p>2011 - Present</p> <ul style="list-style-type: none"> - Chairman of the Board/ Committee of Offensive Strategic Planning for Public Relation : Senate <p>2007 - Present</p> <ul style="list-style-type: none"> - Research and Development Committee : Senate <p>Other</p> <ul style="list-style-type: none"> - Government Spokesman : Ministry of Commerce
Criminal offence Record during the Post 10 years.	- None -

Mr. Weerasak Kowsurat Independent Director



Age (Year)	50
Period	2013 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	<ul style="list-style-type: none"> - Master of Laws (LL.M.), Harvard Law School - Bachelor of Laws (LL.D.) (Honors), Chulalongkorn University
Training for the Director Courses of Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Role of the Chairman Program (RCP 2013) - Director Accreditation Program (DAP 2009) - Director Certification Program (DCP) - Role of the Compensation Committee (RCC) - Role of the Nomination & Governance Committee (RNG), - Corporate Governance for Executive (CGE)
Other	<ul style="list-style-type: none"> - Course of Corporate Governance for Director and Executive, Public Director Institute
Working Experience in the 5 preceding years	<p>2013 - Present</p> <ul style="list-style-type: none"> - Independent Director : AEC Securities PCL. <p>2009 - Present</p> <ul style="list-style-type: none"> - Chairman : MCS Automation Technology Co., Ltd. <p>Present</p> <ul style="list-style-type: none"> - Secretary General : The National Federation of Thai Film Associations <p>2008 - 2009</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors : Tourism Authority of Thailand <p>Other</p> <ul style="list-style-type: none"> Minister of ministry of tourism and sport Advisor to the Prime Ministry Secretary to the President of the Senate
Criminal offence Record during the Post 10 years.	- None -



Mr. Paisit Kaenchan
Audit Committee /
Independent Director

Age (Year)	55
Period	2013 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	<ul style="list-style-type: none"> - Master of Business Administration (Executive) (M.B.A.), Sasin Graduate Institute of Business Administration - Master of International Development Administration, Western Michigan University - Master of Arts Political Science, Western Michigan University - Bachelor of Arts in Political Science, Thammasat University
Training for the Director Courses of Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Advance Audit Committee Program (AACP 13/2013) - Director Certification Program (DCP 56/2005) - Corporate Governance for Capital Market Intermediaries (CGI 8/2015) - Risk Management Committee Program (RMP 4/2014) - Role of Compensation Committee Program (RCC 18/2014) - Role of Nomination and Governance Committee Program (RNG 6/2014)
Other	<ul style="list-style-type: none"> - Thammasat Leadership Program Class 1 2012, Thammasat University - Certificate in Hotel Real Estate Investment & Asset Management 2008 Cornell University, U.S.A
Working Experience in the 5 preceding years	<p>2016 - Present</p> <ul style="list-style-type: none"> - Chief Executive Officer : Grande Asset Hotels and Property PCL. <p>2013 - Present</p> <ul style="list-style-type: none"> - Audit Committee / Independent Director : AEC Securities PCL. <p>2010 - 2016</p> <ul style="list-style-type: none"> - Principal : Hospitality Advisory Services Co., Ltd <p>2010 - 2012</p> <ul style="list-style-type: none"> - Chief Representatives- Hotel : Marriott Hotel & Resort Asia Development <p>2007 - 2009</p> <ul style="list-style-type: none"> - SEVP & Chief Investment Officer : TCC Hotel Group - SEVP & Chief Operation Officer : TCC Hotel Group <p>2006 - 2006</p> <ul style="list-style-type: none"> - Chief Executive Officer : Grande Asset Development PCL. <p>1996 - 2006</p> <ul style="list-style-type: none"> - Executive Vice President Hotel Management : The Erawan Group PCL.
Criminal offence Record during the Post 10 years.	- None -

Ms.Siriporn Thongkam
Audit Committee /
Independent Director



Age (Year)	42
Period	2013 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	- Master of Accountancy Program, Chulalongkorn University
Training for the Director Courses	- Director Accreditation Program (DAP 2013)
of Thai Institute of Directors Association (IOD)	- Corporate Governance for Capital Market Intermediaries (CGI3/2015)
Working Experience in the 5 preceding years	2013 - Present - Audit Committee / Independent Director : AEC Securities PCL. 2009 - Present - Director : 504 LK Construction Company Limited 2007 - 2008 - Advisory to the Board of Directors : Kamol Insurance Public Company Limited
Criminal offence Record during the Post 10 years.	- None -



Dr.Vichya Krea-ngam
Director

Age (Year)	34
Period	2014 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	<ul style="list-style-type: none"> - Doctor of the Science of Laws (J.S.D.), University of California, Berkeley, School of Law - Master of Laws (LL.M.), University of California, Berkeley, School of Law - Bachelor of Laws (LL.B.) (Honors), Chulalongkorn University, Faculty of Law
Training for the Director Courses of Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Advanced Audit Committee Program (AACP 22/2016) - Corporate Governance for Capital Market (CGI 8/2015) - Director Accreditation Program (DAP 116/2015)
Other	<ul style="list-style-type: none"> - Barrister-at-Law, Institute of Legal Education, Thai Bar Association - Diploma of Advocacy and Lawyer License, Lawyers Council of Thailand - Certificate of Senior Executives on Justice Administration, Class 16, Office of the Judicial Training - Certificate of New Era Leadership in the Democratic Systems, Class 1, King Prajadhipok's Institute
Working Experience in the 5 preceding years	<p>2014 - Present</p> <ul style="list-style-type: none"> - Director: AEC Securities PCL. <p>2014 - Present</p> <ul style="list-style-type: none"> - Director / Audit Committee and Remuneration Committee : General Engineering PCL. <p>2015 - Present</p> <ul style="list-style-type: none"> - Chairman of Corporate Governance Committee : General Engineering PCL. <p>2014 - Present</p> <ul style="list-style-type: none"> - Independent Director /: Namyong Terminal PCL. <p>2016 - Present</p> <ul style="list-style-type: none"> - Audit Committee and Remuneration Committee : Namyong Terminal PCL.

Dr.Vichya Krea-ngam Director

Working Experience in the 5
preceding years

2014 - Present

- Independent Director : Sikarin PCL.

2010 - Present

- Corporate Affairs Expert : True Corporation PCL.

2010 - Present

- Lecturer : Faculty of Law, Assumption University

2010 - Present

- Visiting Lecturer : Faculty of Integrated Social Science,
Khon Kaen University

2015 - Present

- Academic Advisor to the Committee : Committee on the Reform
of Sports, Arts, Culture, Religion, Morality and Ethics under
: The National Reform Steering Assembly

2015 - Present

- Advisor to the Sub-Committee : Sun-Committee on Quick
Action (Quick-Win) Reform under The National Reform Steering
Assembly

2015 - Present

- Director : Chulalongkorn Law School Alumni Association

2013 - Present

- Director / Chairman of CSR Committee / Public Relation
Executive Director : The Badminton Association of Thailand
under The Royal Patronage of His Majesty The King

2013 - 2014

- Sub - Committee : Sub-Committee on ICT and Public Media
under The Senate

2013 - 2014

- Advisor to the Sub-Committee : Sub-committee on Research
for Regulation, Order and Laws relating to ICT and
Telecommunications under The House of Representatives

2006 - 2010

- Associate Lawyer : White & Case (Thailand) Co.,Ltd.

- None -

Criminal offence Record during
the Post 10 years.



Mr. Praphol Milindachinla
Director / Chairman
of the Executive Committee

Age (Year)	55
Period	2013 - Present
Shareholding (%)	24.372
Relationship with Executive	-
Education	<ul style="list-style-type: none"> - Master of Political Science, Kasetsart University - Bachelor of Political Science, Kasetsart University
Training for the Director Courses of Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 2005), IOD - Corporate Governance for Capital Market Intermediaries (CGI 3/2015), IOD
Working Experience in the 5 preceding years	<p>2013 - Present</p> <ul style="list-style-type: none"> - Director / Chairman of the Executive Committee : AEC Securities PCL. <p>2011 - Present</p> <ul style="list-style-type: none"> - Advisory to the Executive Committee : Three Sixty Five Public Company Limited <p>2006 - Present</p> <ul style="list-style-type: none"> - Advisor : Independent Advisor Company Limited <p>2009 - 2011</p> <ul style="list-style-type: none"> - Secretary to Minister of Commerce : Ministry of Commerce
Criminal offence Record during the Post 10 years.	- None -

Mr. Polchet Likittasombat
Director /
Executive Committee



Age (Year)	48
Period	2013 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	<ul style="list-style-type: none"> - Master Degree, Faculty of Business Administration (MBA), Chulalongkorn University - Bachelor Degree Faculty of Engineering, (Electrical Engineering), King Mongkut's Institute of Technology Ladkrabang
Training for the Director Courses of Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 70/2006) - Advanced Audit Committee Program (ACP 12/2013) - Corporate Governance for Capital Market Intermediaries (CGI 2/2015)
Other	<ul style="list-style-type: none"> - Senior Executive Program, Class 49, The Prince DamrongRajanubhap, Institute of Research and Development (DRIRD), Ministry of Interior
Working Experience in the 5 preceding years	<p>2014 - Present</p> <ul style="list-style-type: none"> - Director / Executive Committee : AEC Securities PCL. <p>2013 - 2014</p> <ul style="list-style-type: none"> - Advisor of the Board : AECSecurities PCL. <p>2014 - Present</p> <ul style="list-style-type: none"> - Director : AAMC Asset Management co.,Ltd <p>2013 - Present</p> <ul style="list-style-type: none"> - Executive Director : International Research Corporation PCL. <p>2013 - Present</p> <ul style="list-style-type: none"> - Director / Chairman of Audit Committee: Public Warehouse Organization
Criminal offence Record during the Post 10 years.	- None -



Mr. Angoon Phimpkorn
Director /
Executive Committee

Age (Year)	60
Period	2015 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	<ul style="list-style-type: none"> - Thai Barrister at law , Institute of Legal Education, The Thai Bar Under The Royal Patronage - Bachelor's Degree in Law, Ramkhamhaeng University
Training for the Director Courses of Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> - Corporate Governance for Capital Market Intermediaries (CGI 8/2015)
Working Experience in the 5 preceding years	<p>2015 - Present</p> <ul style="list-style-type: none"> - Director : AEC Securities PCL. <p>2014 - 2015</p> <ul style="list-style-type: none"> - Executive Committee : AEC Securities PCL. <p>2014 - Present</p> <ul style="list-style-type: none"> - Director : AAMC Asset Management co.,Ltd <p>2002 - Present</p> <ul style="list-style-type: none"> - Law Advisor : SritongPanich Co.,Ltd Group <p>2002 - Present</p> <ul style="list-style-type: none"> - Law Advisor : C.I.N Estate Co.,Ltd <p>2002 - Present</p> <ul style="list-style-type: none"> - Law Advisor : CharnIssara Development PCL. <p>1998 - Present</p> <ul style="list-style-type: none"> - Director : Angoon Phimpkorn Law Firm
Criminal offence Record during the Post 10 years.	- None -

Mr.Thada Chanprasit
Chief Executive Officer



Age (Year)	50
Period	2015 - Present
Shareholding (%)	-
Relationship with Executive	-
Education	- Master of MBA, Thammasat University
Training for the Director Courses of Thai Institute of Directors Association (IOD)	- Corporate Governance for Capital Market Intermediaries (CGI 8/2015)
Other	- Fundamental Practice for Corporate Secretary : FPCS (Class28/2013), Thai Listed Companies Association
Working Experience in the 5 preceding years	2015 - Present - Chief Executive Officer : AEC Securities PCL. 2014 - 2015 - Chief Operating : Officer AEC Securities PCL. 2013 - 2014 - Senior Executive Vice President and Company Secretary : AEC Securities PCL. 2012 - 2013 - Executive Vice president : Bualuang Securities PCL. 2011 - 2012 - Chief Operation Officer : RHB OSK Securities (Thailand)PCL. 2003 - 2011 - Executive Vice president : Asia Plus Securities PCL.
Criminal offence Record during the Post 10 years.	- None -

Name / Position	Age (Year)	Education	Relationship with Executive	Share- holding (%)	Working Experience		
					Period	Position	Name of Corporation
1. Mr. Thada Chanprasit Chief Executive Officer	50	- Master of MBA, Thammasat University	-	-	2015 - Present	Chief Executive Officer	AEC Securities PCL.
					2014 - 2015	Chief Operating Officer	AEC Securities PCL.
					2013 - 2014	Senior Executive Vice President and Company Secretary	AEC Securities PCL.
					2012 - 2013	Executive Vice president	Bualuang Securities PCL.
					2011 - 2012	Executive Vice president	RHB OSK Securities (Thailand) PCL.
2. Mr. Pisit Patumban Chief Executive Officer	51	- Master of Business Administration, National Institute of Development Administration (NIDA) - Master of Psychology, Kasetsart University	-	-	2003 - 2011	Chief Operating Officer	Asia Plus Securities PCL.
					2015 - Present	Chief Executive Officer	AEC Securities PCL.
					2013 - 2015	President (Marketing Securities)	AEC Securities PCL.
					2006 - 2013	Managing Director	KGI Securities PCL.
3. Mrs. Amporn Chiammunchit Chief Operating Officer	53	- Master of Accountancy, Thammasat University	-	-	2015 - Present	Chief Operating Officer	AEC Securities PCL.
					2015 - 2015	Vice President	Advance Finance PCL.
					2007 - 2013	Assistant Managing Director	CIMB Securities International (Thailand) PCL.
					2005 - 2007	Senior Vice President	Sicco Securities PCL.
					2004 - 2005	Manager	C.L.S.A Securities PCL.
4. Mr. Kanog Wongsarawit Senior Executive Vice President	47	- Master of Economics , University of Wollongong	-	-	1999 - 2004	Senior Vice President	Krungsri Securities PCL.
					2013 - Present	Senior Executive Vice President	AEC Securities PCL.
					2011 - 2013	Senior Executive Vice President Wealth Management	FinansiaSyrys Securities PCL.
					2008 - 2011	Senior Deputy, Managing Director Business Development Group	Sicco Securities PCL.

Name / Position	Age (Year)	Education	Relationship with Executive	Share- holding (%)	Working Experience		
					Period	Position	Name of Corporation
5. Mr. Kittipong Vipooipinyo Managing Director – Investment Banking 1	45	- Mater of Financial Management, Mahidol University	-	-	2015 - Present	Managing Director – Investment Banking 1	AEC Securities PCL.
					2013 - 2015	Managing Director Investment Banking	Asia Wealth Securities Co.,Ltd
					2013 - 2013	Managing Director – Investment Banking 2	Country Group Securities PCL.
					2012 - 2013	Senior Vice President Investment Banking	AIRA Securities PCL.
6. Mr. Teerawat Chongthaweeephoh Managing Director – Investment Banking 2	53	- MBA (Finance), Oklahoma State University - Bachelor Degree of Engineering, Chulalongkorn University	-	-	2015 - Present	Managing Director – Investment Banking 2	AEC Securities PCL.
					2009 - 2014	Assistant Managing Director Investment Banking	KTB Securities (Thailand) PCL.
7. Mr. Kasidit Nuchtan Assistant Managing Director – Compliance and Internal Audit Department	47	- Bachelor Degree – Business Administration, Dhurakij Pundit University	-	-	2015 –Present 2014 - 2015	Assistant Managing Director Senior Vice President	AEC Securities PCL. Merchant Partners Asset Management Co.,Ld
					2005 - 2014	Vice President	UOB Securities PCL.
8. Ms. Manee Khemthong Vice President Account Department	50	- Bachelor Degree of Accountancy, Ramkhamhaeng University	-	-	2015 - Present 2013 - 2015	Vice President Assistant Vice President	AEC Securities PCL. RHB OSK Securities (Thailand) PCL.
					1998 –2013	Vice President	CIMB Securities Interna- tional (Thailand) PCL.
9. Ms. Obom Rattanaapol Senior Vice President Financial Department	51	- Bachelor Degree of Economics, Kasetsart University - Master of Science (Applied Statistics), NIDA	-	-	2014 - Present 2006 - 2014	Senior Vice President Senior Vice President	AEC Securities PCL. FinansiaSyrus Securities PCL.

Unit: Million Baht

Period As of	Year Ended 2013 December 31, 2013	Year Ended 2014 December 31, 2014	Year Ended 2015 December 31, 2015
Financial Data			
Assets	1,013.38	3,314.06	2,235.40
Liabilities	85.46	2,211.36	1,076.83
Equities	927.92	1,102.71	1,158.57
Paid – up Capital	844.08	1,009.74	1,224.24
Revenue	50.20	711.72	643.61
Net Profit	(40.07)	6.59	(190.63)
Earning Per Share (Baht)	(0.05)	0.01	(0.16)
Financial Ratio			
ROA (%)	(3.96)	0.30	(6.87)
ROE (%)	(4.23)	0.65	(16.86)
Net Profit Margin (%)	(79.83)	0.93	(29.62)
Statistics as of			
	December 31,2013	December 31,2014	December 31,2015
Close Price (Baht)	10.80	1.45	0.41
Market Cap.	1,823.22	1,474.23	136.30
P/E	N/A	N /A	N/A
P/B	1.90	1.33	0.43
Book Value per share (Baht)	5.7	1.09	0.95
Dividend Yield (Baht)	N/A	N/A	N/A

Name of Company	AEC Securities Public Company Limited
Nature of Business	Securities Business <ul style="list-style-type: none"> • Securities Brokerage <ul style="list-style-type: none"> - Internet Trading • Derivatives Business • Securities Trading • Investment Banking • Underwriting • Lending and borrowing • Selling Agent
Head Office Address	63 Athenee Tower, 15th, 17th 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 2015)
Paid-up Capital	:THB 1,244,224,758 (As of 31 December 2015)
Number of Share	1,244,224,758 Shares
Par Value	1 Baht
Type of Share :	Ordinary shares
External Auditors	Ms.Ratana Jara Certified Public Accountant Registration No.3734 and/or Ms.Somjai Khunapasut Certified Public Accountant Registration No.4499 and/or Ms.Rachada Yongsawadvanich Certified Public Accountant Registration No.4951 EY Office Limited 33rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Company's Registrar	Thailand Securities Depository Co.,Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel.0-2009-9000 Fax 0-2009-9991

Legal Advisor

Kritnin Co., Ltd.
No. 29, Vanissa Building, 2nd Floor, Room B, Soi Chidlom
Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Siam Premier International Law Officer Limited
The Offices of Central World, 26th Floor,
999/9 Rama 1 Road, Pathumwan, Bangkok 10330

Investor Relations

The Office of Director and Company Secretary
AEC Securities Public Company Limited
63 Athenee Tower, 15th, 17th Fl.,
Wireless Rd., Lumpini, Pathumwan, Bangkok, 10330
Tel. 0-2695-3317 Fax. 0-2659-3457
Emails: thaveedej.u@aeccs.com; arada.l@aeccs.com

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 15 full service branches on Bangkok and Perimeter areas 9 branches at SoiSoonvijai branch, Central Ladprao branch, Silom Road branch, Pachacheun branch, The Nine branch, Mahatun Plaza branch, Phahonyothin branch, Bangna branch and Fashion-Island branch. On Provincial 6 Branches at Chiangmai-Mahidol Road branch, Chiangmai-ChangklanRoad branch, Nakhon Sri Thamarat branch, Hadyai branch, Nakhonsawan branch and Saraburi branch

Year 2011

- On 25 October 2011, the Company sold its assets and business related to Selling Agency for securities and derivatives but did not sell the license to operate such business. The Company transferred its employees related to such business and transferred its customers’ account to UOBKH. Therefore, the Company temporarily stopped its Selling Agency business for securities and derivatives. Since 25 October 2011 and from the SET and the Thailand Futures Exchange Public Company Limited (“TFEX”) from 25 October 2011 to 31 December 2013. After the sale and transfer of business, the Company continued to operate its securities brokerage and investment advisory business.

Year 2012

- On 31 December 2012, UOB Kay Hian Securities Public Company Limited (“UOBKH”), a listed company, held 93.47% shareholding of the paid-up shares of the Company and UOB Holdings Limited, which as a company incorporated in Singapore and the biggest company in the company group, was the parent company.

Year 2013

- On 30 April 2013, the Company was notified by UOBKH, the majority shareholder of the Company, that UOBKH had signed an agreement to sell all of its shares in the amount of 157,796,396 shares or 93.47 percent of the paid-up shares of the Company to a group of investors.
- On 10 June 2013, at the Extraordinary General Meeting of Shareholders No. 1/2014, the shareholders resolved to change the name of the Company from “United Securities Public Company Limited” to “AEC Securities Public Company Limited”, which was registered with the Ministry of Commerce as of 12 June 2013.

- On 31 December 2013, the Company had an office at No. 1550, Floor 4-5, Thanapoom Tower, New Petchaburi Road, Makkasan, Ratchatewi, Bangkok and on 15 July 2013, the Company moved and registered its new address to No. 63 Athenee Tower, Floor 17, Wireless Road, Lumphini, Pathumwan, Bangkok

Year 2014

- On 31 January 2014, the Company received a Type-Gor (A) license from the Ministry of Commerce and on 20 February 2014, the Company received a Type Sor-1 (S1) license from the SEC and SET (otherwise a “Full Licenses Services” license) allowing the Company to engage in all types business related to securities and derivatives brokerage and trading, making the Company a Type-Gor (A) securities company.
 - The Full Licenses Services for securities comprise of (1) Securities Brokerage (2) Securities Trading (3) Underwriting (4) Investment Advisory (5) Mutual Funds (6) Private Funds (7) Short Selling (8) Capital Fund.
 - The Full Licenses Services for derivatives comprise of (1) Derivatives Agent/Brokerage (2) Derivatives Trading (3) Derivatives Advisory (4) Derivatives Capital Management.
- On 31 January 2014, at the Extraordinary General Meeting of Shareholders No.1/2014, the shareholders’ approval of changing the par value of ordinary shares of the Company from a par value of 5 Baht to a par value of 1 Baht and reducing the registered capital of the Company from 860,000,000 Baht to 844,083,250 Baht by cancelling authorized but unissued shares of the Company and approval of increasing the registered capital of the Company to 1,331,716,928 Baht by issuing new ordinary shares in amount of 487,633,408 shares to be offered to existing shareholders (Right Offering) in amount of 168,816,704 shares and to Private Placement (PP) in amount of 100,000,000 shares, including the issuance of two types of Warrants to purchase ordinary shares of the Company of which W1 will be of 168,816,704 warrants and W2 will be of 50,000,000 warrants.
- On 14 May 2014, the Board of Director Meeting No.6/2014 approval to the acquisition of AAMC Asset Management Company Limited in order to expand the scope of business operation to create variety and will expand the investment to other business and opportunity for the business and build synergies and financial advisory business, which make AECS can run the asset management business in the name of “AAMC” by buying or transferring sub-debt from the financial institute then manage and/or sell it later. And offered to the Shareholders consideration, which the EGM No.2/2014 approval to the acquisition of AAMC Asset Management Company Limited.
- On 31 December 2014, Mr.Kobkiat Boontherawara is resigned from Director and Chief Executive Officer and the Board of Director Meeting No.11/2014 held on 17 December 2014, the meeting resolved to appoint Mr.Praphol Milindachinla as the Acting Chief Executive Officer will be effective on January 1, 2014 and has been approved by Securities and Exchange Commission on 26 December 2014.

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 April 1, 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 May 14, 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-Type2 (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 Officer and Director resigned from Executive Committee and Board of Directors.
 - On 27 July 2015, the Board of Directors Meeting No. 6/2015 resolved to appoint Mr.Angoon Phimpkorn as Executive Director (Authorized Director), replacing Mr.Apichai Taechaubol and received approval from the Securities and Exchange Commission on August 21, 2015 .
 - On August 27, 2015, Mr.Chaiwat Utaiwan, Advisor to the Board of Directors resigned from Advisor to the Board of Director.
 - On December 24, 2015, the Company appointed Mrs.Amporn Chianmunchit Chief Operating Officer as Acting Chief Executive Officer and received approval from the Securities and Exchange Commission on January 25, 2016.

1. Revenue and Expense Structure of the Company

Revenue	2015		2014		2013	
	Baht	%	Baht	%	Baht	%
Brokerage fees from Securities business	490,699,210	74.31	442,926,595	61.36	7,000,849	13.94
Brokerage fees from Derivatives business	72,773,087	11.02	35,145,317	4.87	385,678	0.77
Brokerage fees from selling agent of unit trust	7,968,381	1.21	12,624,562	1.75	5,958,108	11.87
Fees and service income – Investment advisory fees	58,833,729	8.91	71,351,714	9.89	329,472	0.66
Gain (loss) on securities	(80,482,069)	(12.19)	93,461,455	12.95	11,496,209	22.90
Interest income	91,985,848	13.93	64,060,456	8.87	22,706,014	45.23
Other income	18,522,060	2.81	2,269,409	0.31	2,324,366	4.63
Total Revenues	660,300,246	100.00	721,839,508	100.00	50,200,696	100.00

Expense	2015		2014		2013	
	Baht	%	Baht	%	Baht	%
Financial costs	74,220,657	8.69	54,913,553	7.75	60,131	0.07
Fee and service expenses	95,592,428	11.19	77,726,403	10.97	6,107,511	6.80
Operating expenses						
Personnel expenses	447,967,571	52.43	401,322,501	56.67	29,476,388	32.83
Premises and equipment expenses	127,397,531	14.91	98,864,973	13.96	17,029,561	18.97
Directors and managements' remuneration	20,430,667	2.39	14,400,667	2.03	24,164,760	26.91
Directors' remuneration (going concern)	0	0.00	0	0.00	0	0.00
Other expenses	89,281,146	10.45	66,141,877	9.34	13,187,268	14.69
Total operating expenses	685,076,915	80.18	580,730,018	82.00	83,857,977	93.39
Reverse of bad debt and doubtful accounts	(491,590)	(0.06)	(5,136,913)	(0.73)	(235,508)	(0.26)
Total Expenses	854,398,410	100.00	708,233,061	100.00	89,790,111	100.00

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

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

Types of Securities Trading Account

- **Cash Account**

A cash account is a type of securities trading account that the customer can trade under a trading limit that is considered and evaluated from the amount of cash that the customer provided according to the rules and regulations of the Company. The cash or security that the customer provides must have a value of 20% of the trading limit (according to the regulation of SET effective on 2 May 2013). All cash provided by the customer and held by the Company will receive interest (as stipulated under the rules and regulations of the Company), and any payments for the purchase or sale of securities must be provided within 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.

- **Selling Agent**

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
- KasikornAsset management Company Limited
- SCB Asset Management Company Limited
- Thanachart Fund 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
- Solaris 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

- **SBL**

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

- **Private 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.

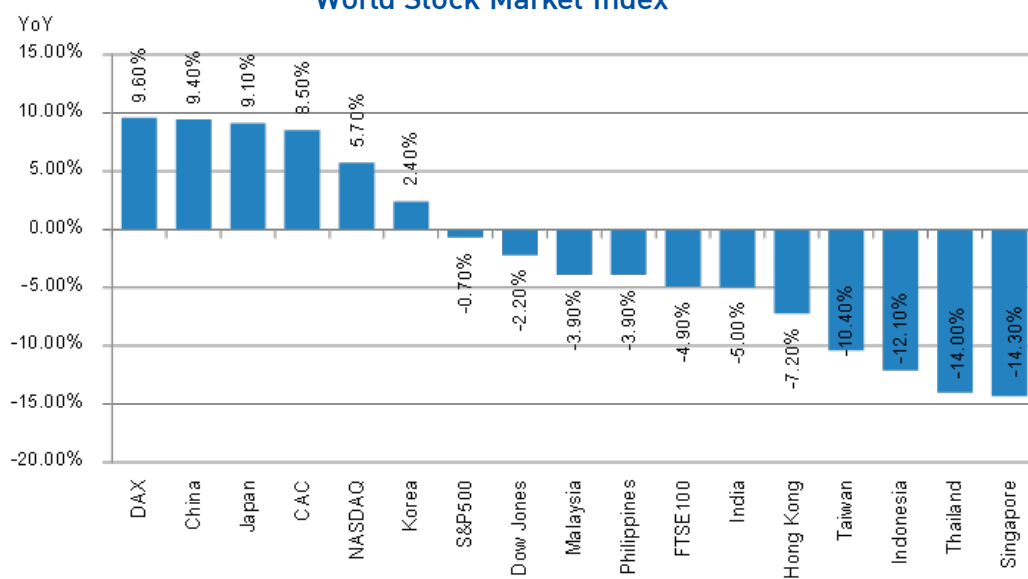
AEC Securities provide tailor-made solutions for each customer who requires different needs and the private management team, who possess over 20 years of experience of analyzing and crafting investment strategies in the capital markets.

3. Market Overview and Competition

- **Market Overview in 2015**

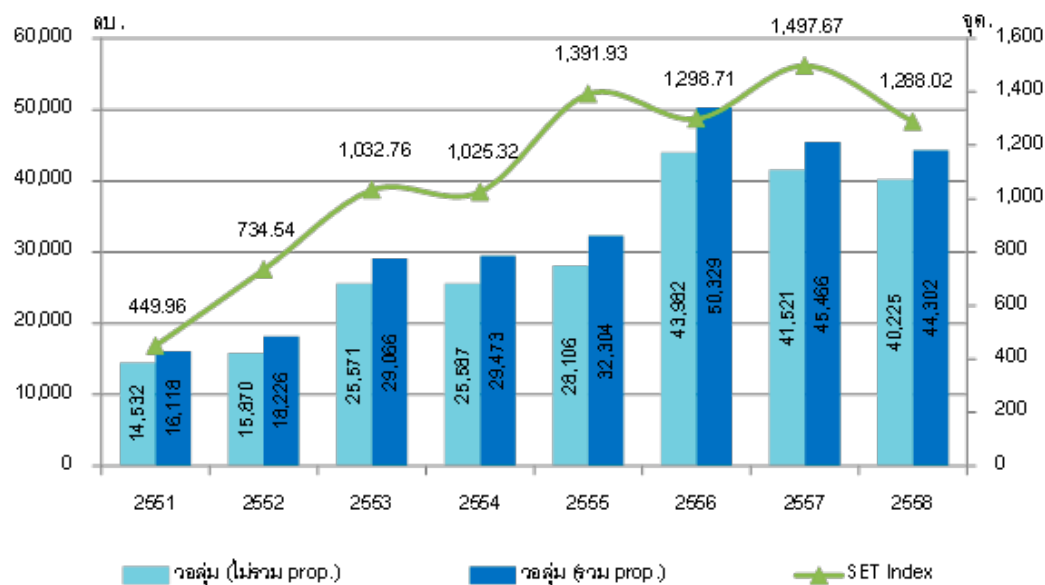
In 2015, was a year of negative fluctuations of the stock market and risky assets around the world including stock market in Thailand. After facing risks factor plunges into many aspects of the stock market in Thailand with domestic risks factor in countries such as Thailand's economic recovery continues to be slow combine with low growth in consumption and private investment and the below target disbursement of government budget. Household debt concerns, pressured banking sector in provide lending. Moreover, the effects of 4G auction that required higher capital spending than expected pressures communications sector. (Only tourism sector remains a key economic driving force in the year 2015 even if the bombings in Bangkok on August 2015, but only on a short-term. While there are risk factors such as a declining in international crude oil prices on world markets has put pressure on sales in the energy sector, Greece's debt negotiation, Federal reserve (FED) raised policy interest rate, the slowdown of the economy and revalue the Yuan, the Fund Flow direction from the stock market out of Thailand and the Asian region pressure the confidence of Thailand stock exchange, by SET Index reached the highest point of the year at 1619.77 points, as of February 4, 2015, before dramatically decreased because the risk factors, the SET Index dropped to the lowest point at 1251.99 points made on 14 December 2015 and year-end 2015 SET Index closed at 1288.02 points with the Thailand stock market to a negative return of about -14.0. % Year to Year ranks second in Asia (see chart). However, with the fluctuations that occur throughout the year in 2015, Thailand Stock Exchange (the SET and MAI) have average trading value per day (including proprietorial trading) was THB 4.43 billion, decreased just 2.6% Year to Year (excluding proprietorial trade worth THB 4.02 billion would have decreased by only 3.1% Year to Year).

World Stock Market Index



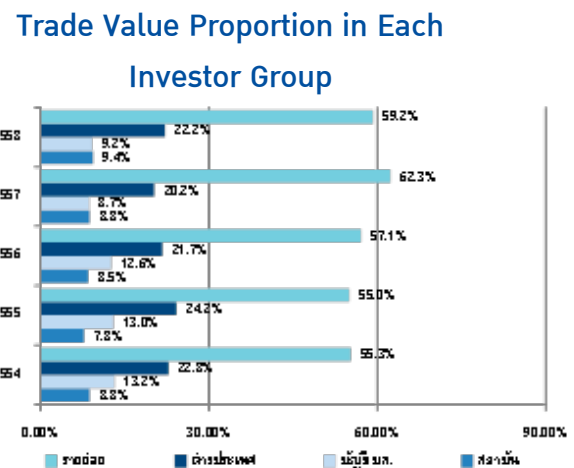
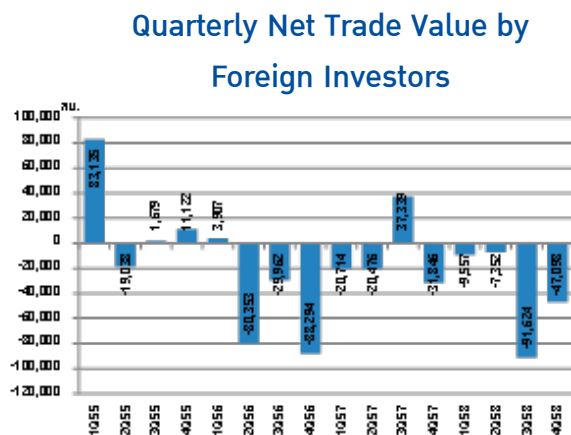
Source : SET and Bloomberg

Trade Value and Thai Stock Market Index



Source: SET

In 2015, Institutional and individual investors have an important role in supporting the market in times of market volatility in Thailand as well. The institutional investors are net buyers of the three consecutive years. In 2015 institutional investors net buy (both SET and MAI) of up to 8.21 billion baht and share trading value increased by 8.8% in year 2014 is 9.4% of the total trading value of individual investors, although the proportion of trading down from 62.3% in 2014 to 59.2% of the total trading value with net buy of THB 7.98 billion by the year 2557, the net sales of THB 3.75 billion due to the nature of the investment focused on retail trading is around. For short-term speculation while foreign investors continued positive net sellers in equities Thailand consecutive year, the third by the year 2015 net sales were harder to THB 1.55 billion higher than in 2014, with net sales to THB 3.56 billion and the proportion of turnover, up from 20.2% in 2014 to 22.2%

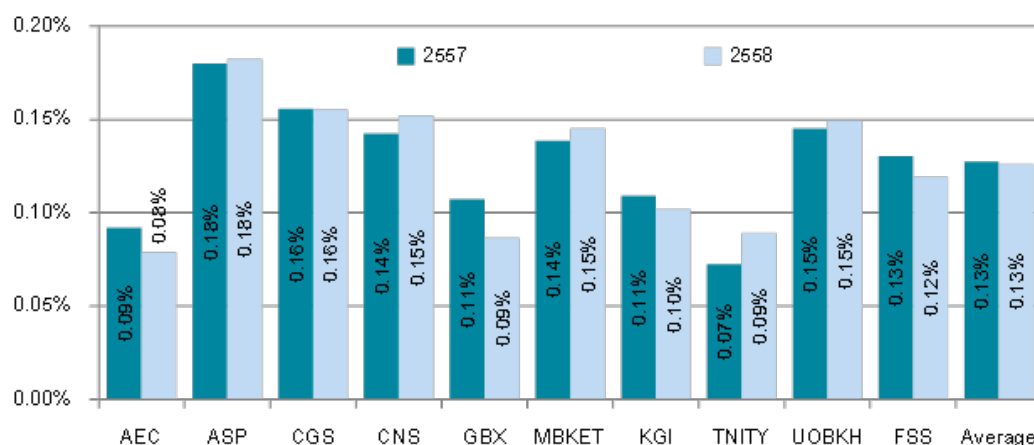


Source: SET

• Business Overview 2015

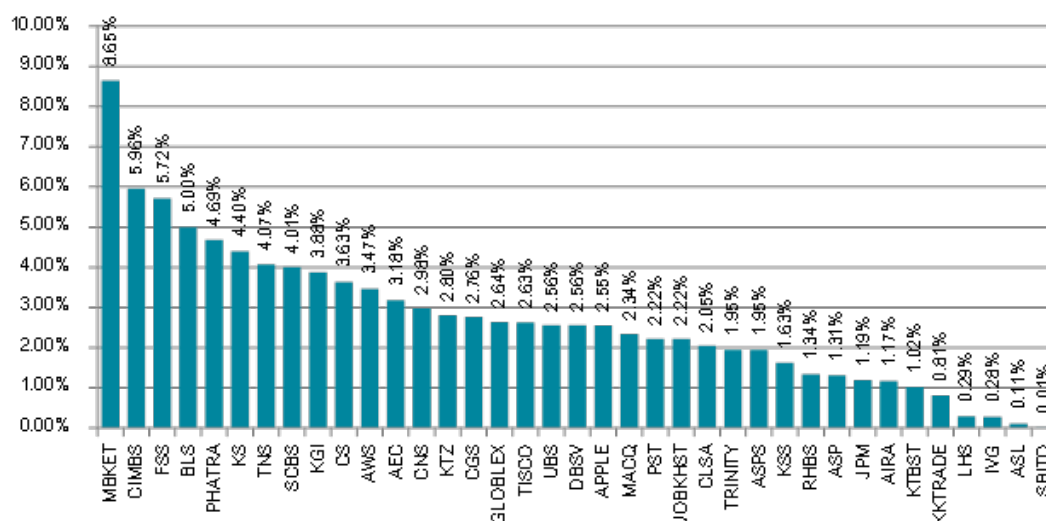
In 2015, earnings of securities decrease from the year 2014, although many of the securities company w delayed price competition in the business. After the start of business operations into the second year of the new 3-4 securities companies in 2014 resulted in the commission rate for trading securities, net (excluding proprietary trade) of the portfolio remained steady at 0.13 % close to year 2014 But with risk factors from both domestic and foreign pressured sentiment and traditional investments made in the year 2015 with a turnover (including SET and MAI) per day, decreased 2.6% Year to Year , to THB 4.43 billion (if excluding proprietary trade is worth THB 4.02 million, decrease 3.1% Year to Year). The pressure on the revenue from the brokerage fee decrease dramatically. Moreover, the volatility and direction of Thailand stock market stock dropped since the beginning of the year until the end of the year. It also makes a profit from the investment banking decreased from the previous year as well. The investment banking although 2015 market overview with new listed companies (IPO) 41 companies, reduce from the year 2014 with 45 companies were listed on the SET 20 of MAI 3 of IFF 2 of the Property Fund and REIT 6. However, the capital rose through the year 2015 the amount of capital raised, increase 14.6% Year to Year, to THB 1.31 billion. The securities with the highest fund raising in 2015 is Jasmine Broadband Internet Infrastructure Fund (JASIF) with the size of THB 5.50 billion, followed by North Bangkok Power Plant Block 1 Infrastructure Fund Electricity Generating Authority of Thailand (EGATIF) with the size of THB 2.08 billion and Global Power Synergy Public Company Limited (GPSC), with the size of THB 1.00 billion.

Net Commission Rate of the Listed Securities in the Stock Exchange of Thailand



Source: SET

Market Share of the Security Companies in 2015



• Industry Trend 2016

In 2016, we estimate earnings of securities companies will improve from 2015, according to the Thailand stock market has rebound amid volatile overseas. We expect the year 2016, the SET Index target of 1,390 points based on the assumption of the operating results of listed companies is likely to grow 10% Year to Year growth in Thailand (GDP) at 2.9% Year to Year under the fair value of the SET PER 14.5 times, which is equivalent to the performance of the medium-term profitability. In terms of volatility, we believe Thailand stock market is likely moving in the range of 1080-1380 point, the adjustment in the cost of risk (Cost of Equity) at 11-12 %.

We look Thailand stock market is likely to recover at an accelerated rate during the first four months of this year by 1) Thailand is in the emerging markets is likely to increase investment from abroad with divestment in China. 2) The recovery of oil prices by lowering production and delivery to market speculation Futures. 3) Stock Exchange of Thailand today pay dividend is Annualized Returns as high as 15 % (based on the rate of dividend 3.5 % in the period, held for three months), and 4) the industry is Market Capitalization 3 First is the energy, communications and banking experience since the beginning of the year 2016 was trading at a PER below 10x . The dividend rate at 4-7 %, there is also a positive factor to watch out for this year is easing global monetary policy in developed countries. We expect Japan and European monetary policy is relaxing and clear. While the economic uncertainty affecting the slow rate hike in the US Fed Funds Rate.

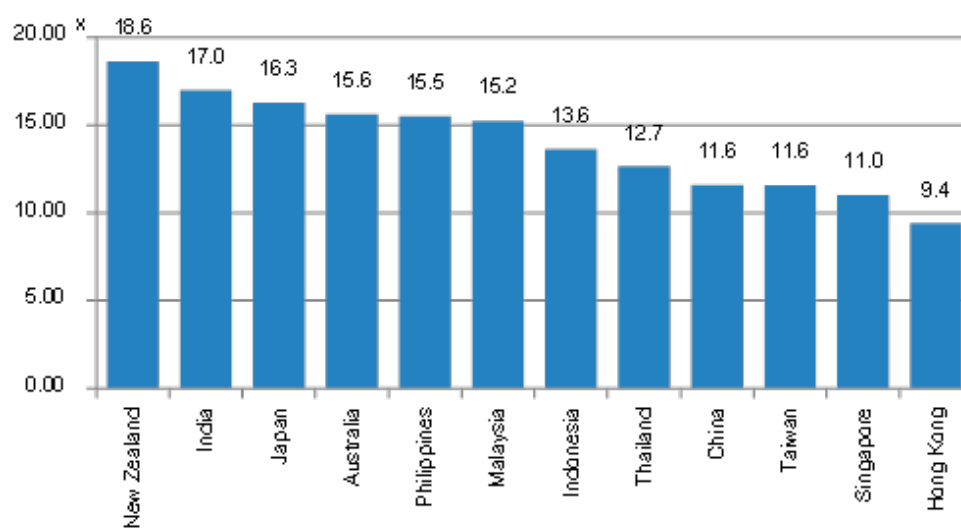
The risk of a negative market this year also need to keep an eye on include 1) the risk of the Chinese economy, likely reserves fell sharply and fluctuations in exchange rates and the unemployment rate rising from the restructuring. 2) Volatility of financial institutions in Europe and the UK, the problem of asset quality in the banking sector which is low-risk NPL to come into the company's refineries and losses on financial instruments are complex and likely to increase. And 3) the rate of economic growth in the country has decreased less than expected. The export might face negative from the automotive and agriculture industries. Farmer income has decreased from drought. And delays and disruption in the disbursement of the government's budgeting.

Growth Rate of Net Profit Per Stock in Thai Stock Market



Source: SET

Forward PER ũ 2016



Source: SET

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 Sub-committee and also report to the working group's risk management and anti-money laundering monitoring the results of the risk. Moreover, there is an audit and compliance department that functions independently and is responsible for auditing and reviewing the affairs of the Company.

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

1. Strategic Risk

Strategic risks are risks that result from the inability to operate the Company's business or strategy of the Company, which may be caused by not following the business plan or under the effect of external conditions leading to a change in the business plan.

- **Risks associated with underwriting.**

In investment banking, the Company is responsible for distributing and guaranteeing the distribution of securities. As a result, there are risks should the Company prove unable to distribute all or part of the securities that they have guaranteed, leading to the purchase of securities by the Company itself. This will affect the liquidity of the Company and the Company will sustain a loss from guaranteeing those securities. Risks associated with underwriting include inappropriate pricing, changing market situations, etc. Nevertheless, to reduce such risks, the Company has considered such risks and presented them to the Executive Committee for consideration, including evaluating market conditions before guaranteeing the underwriting. Furthermore, the Company maintains a Net Capital Rule (NCR) at a rate higher than stipulated by the Securities Exchange Commission (SEC) at 7%. As at December 31, 2015, the company had NCR was 713.16 Million Baht or 92.62%.

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.

- **Risks 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.

- **Risk associated with reliance on major customers.**

In 2015, the brokerage department of the Company is departments that generate the majority of revenue for the company by turnover, mostly from a number of major customers. While retail customers still have lower ratios result in the concentration of revenues with major customers, if the volume of customers has decreased significantly may affect the income of the brokerage firm aware of the risks of such a policy to expand the number of retail customers and trading value increased steadily in order to diversify sources of revenue to balance.

3. Financial Risk

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

- **Credit Risk**

- **Risks from Credit Balance Accounts**

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

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

- **Risks from Derivatives Trading.**

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

- **Market Risk**

- **Risks associated with Market Fluctuations.**

The Company operates in securities business as (1) Securities Brokerage Group such Securities Brokerage, Derivatives Brokerage, Securities Lending and Borrowing (2) Investment Banking Groups such Underwriting, Investment advisory, Merger and Acquisition etc. (3) Investment Management Groups such Mutual Funds. The majority of revenue from the company's brokerage business, which that related to several factors. Fluctuations in the economic that are impact factors including the capital market in Thailand over the past year are highly volatile. Results of risk factors are from domestic factors and external risks factors which has affected the arrival of the inevitable. Risk factors for domestic, In Politically of Thailand are under the current constitution and no elections. In Economy is forecast to grow slowly even though the Government has a policy on investment and development of large infrastructure whatsoever. The factors such was the impact on the economic and financial results of the listed company which may cause the SET Index has volatility and trading volume in the stock market will pose a moderate due to the risk to the performance of the business brokerage and securities accounts for its investment (Portfolios). The Company's policy is focused on the distribution fees to the Derivative business, Securities lending and borrowing, Investment banking and Investment Management.

- **Risks associated with Invested Capital.**

The Company has invested in equity instruments which have risks of falling prices resulting from fluctuations in the market. As a result, the Company has countered such risks by diversifying their investments in a variety of types of products, both short-term and long-term, and the Investment Committee is responsible for setting policies and guidelines towards safe and sound investment. The Investment Committee regulates and monitors such risks associated with investments as well.

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.

The group of major shareholders to influence corporate policy, management or operation of the company significantly (as of December 31, 2015) is a Milindachinla Group (Mr.Praphol Milindachinla, Chairman of Executive Officer holds as 23.557% and Mrs.Vimolwan Milindachinla holds as 0.815%). The Company there is no shareholding agreement between the major shareholders in matters that affect the management of the Company.

Events after 31 December 2015

On 24 December 2015, the Company to appoint Mrs.Amporn Chiammunchit Chief Operating Officer as the Acting CEO and has been approved by the Securities and Exchange Commission on January 25, 2016.

1. Amount of Registered Capital

As of 31 December 2015, the Company has a registered capital of THB2,414,615,498 and a paid-up capital of THB1,224,224,758 in the amount of 1,224,224,758 ordinary shares (no preferred shares) at a par value of THB 1.00

2. Shareholders

The top twenty major shareholders of the Company as of the Book Closing Date on 25 December 2015.

No.	Shareholder	Amount of Shares	Percentage of Registered Capital
1	Mr.Praphol Milindachinla	288,400,000	23.557
2	Mr.Tanet Panichewa	47,100,000	3.847
3	Thai NVDR Company Limited	41,676,225	3.404
4	Mrs.Kingkarn Samitanon	35,631,980	2.911
5	P-SAT Corporation Co.,Ltd.	27,949,870	2.283
6	Mr.Boonkiat Uesudkij	19,037,200	1.555
7	Thai Luxe Enterprise Pcl.	18,500,200	1.511
8	Mr.Chuchart Jareanudompol	17,016,100	1.390
9	Mr.Kasin Wangsawangkul	16,299,900	1.331
10	Mrs.Duangta Jaiyen	15,500,000	1.266
11	Ms.Siriwna Panichiwa	12,000,000	0.980
12	Nippon Pack (Thailand) Pcl. C/O AEC Securities Pcl.	11,890,100	0.971
13	Mr.Piluck Wongwaisayawan	11,890,100	0.971
14	Ms.Kantakorn Smitanon	11,000,100	0.899
15	Ms.Vimolwan Milindachinla	11,000,000	0.899
16	Ms.Tunyarat Tungpadungrat	9,897,050	0.808
17	Mr.Chatchai Kiratiworasakul	8,281,700	0.676
18	Mr.Suchat Wangsawangkul	8,016,800	0.655
19	Mrs.Nattamon Yongthunyaraj	8,000,000	0.653
20	Mr.Nattachai Tangjarupongsakul	7,994,100	0.653
Total		625,172,125	51.064

Major shareholders with influence on policy-making, management and operation of the Company:
Mr.Praphol Milindachinla (Authorized Director)

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	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 ^[1]	300,000,000	N/A	N/A	16-22 June 2015	Exercise Price = 1.00 Baht/ common 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 ^[2]	200,000,000	N/A	N/A	16-22 June 2015	Exercise Price = 1.00 Baht/ common 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	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. 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.
Declaration of Exercising Rights	Within 5 days before the exercising period
Last Declaration of Exercising Rights	Not fewer than 15 days before the last exercising period
Conditions on Warrant Exercising Rights	According to the terms and conditions of AEC-W3, as approved by the Shareholders.
Conditions on Issuing Additional Ordinary Shares in case of Right Adjustments:	When there is an adjustment of exercise price and conversion ratio as stipulated within the terms and conditions of AEC-W3.

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

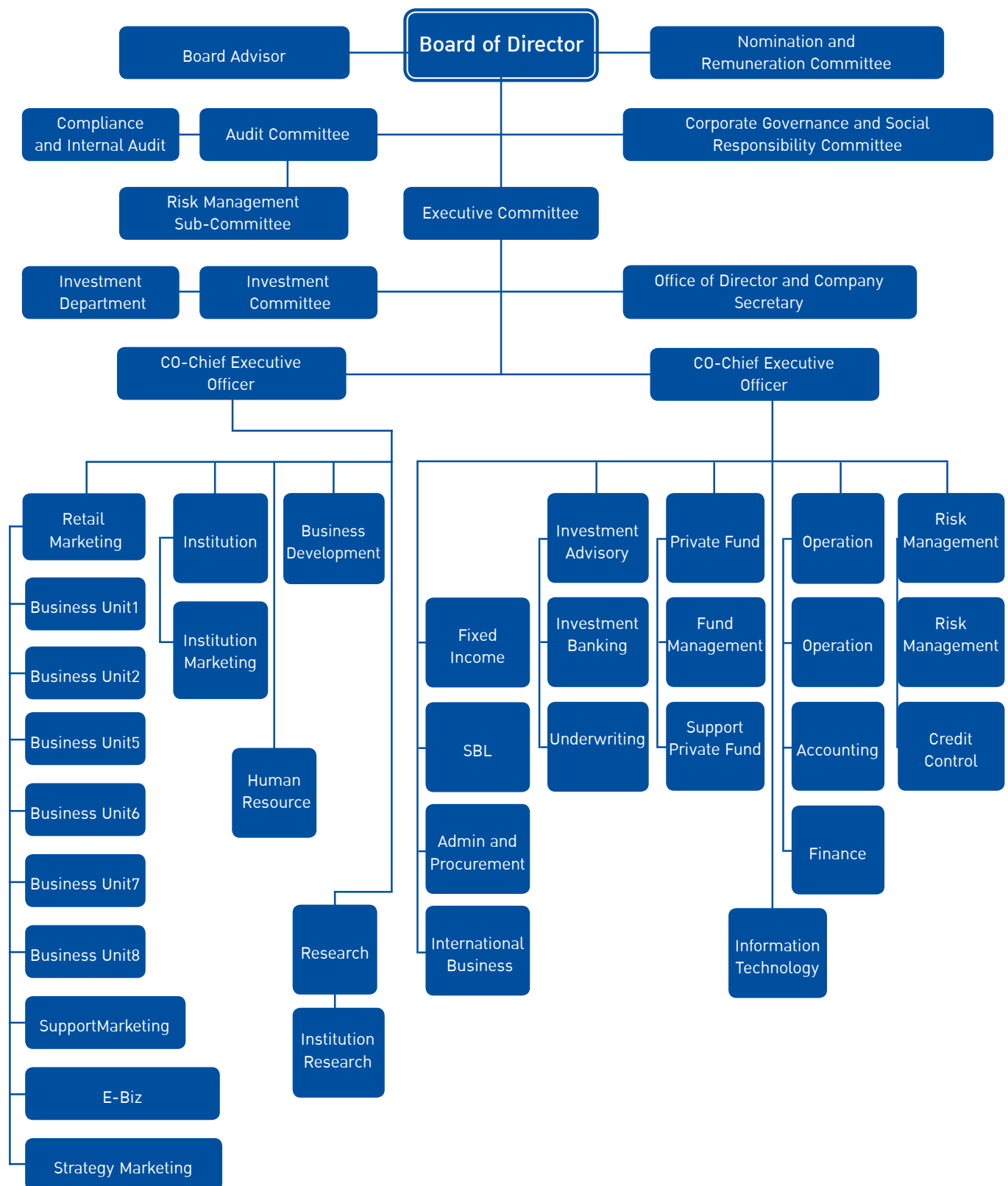
Type of Warrants	The five series of warrants to purchase the newly issued ordinary shares of the Company ("AEC-W5")
Category of Warrants	Stated the name of the holder and transferable
Maturity	Amounts of Warrants Issued
Amounts of Warrants Issued	200,000,000 Units
Selling Price/Unit	-0-

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"> 1) when there is a change in the par value of the shares of the Company as a result of the share merger or share splits, 2) when the Company sell newly issued shares at the price below 90% of the market price, 3) when the Company sell convertible securities with the exercise price below 90% of the market price, 4) when the Company pays stock dividends, fully or partially, to the shareholders, 5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and 6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders. <p>The Board of Directors or any assigned Person will make decisions on changes in terms and conditions related to the adjustment in exercise price and conversion ratio.</p>
Remaining Warrants after Expiry Date	To be cancelled
Other Conditions	<p>Assign the Board of Directors or any Person assigned to have the authority to set conditions and details of the AEC-W5, including the offering and allocation methods, negotiation, entering into any contract or agreement, acquiring permission from any state agency (if needed), or any necessary transaction related to the issuance of AEC-W5, and to register the AEC-W5 with the Stock Exchange of Thailand.</p> <p>The Company will not extend the maturity of AEC-W5 or make any adjustment other than those stated herein.</p>
Registrar of the Warrants	AEC Securities Public Company Limited

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.



The management structure of the Company includes comprises of the Board of Directors, the Board of Executive Directors, the Audit Committee, the Executive Committee, the Corporate Governance and Social Responsibility Committee, the Nominations and Remuneration Committee, and the Risk Management Sub-Committee, with details as follows:

1. The Board of Directors

As of 31 December 2015, the Company has 10 directors on the Board of Directors comprising of 4 executive directors (40%) and 6 non-executive independent directors (60%) as follows:

No.	Name	Board of Director	Date of Appointment
1	Mom Rajawongse Somlabh Kitiyakara	Chairman and Independent Director	30 Apr 2013
2	Mr.Paisit Kaenchan	Chairman of Audit Committee and Independent Director	30 Apr 2013
3	Mr.Paisit Kaenchan	Audit Committee and Independent Director	30 Apr 2013
4	Ms.Siriporn Thongkam	Audit Committee and Independent Director	30 Apr 2013
5	Mr.Weerasak Kowsurat	Independent Director	19 Aug 2013
6	Mr.Vichya Krea-ngam	Director	9 Dec 2014
7	Mr.Praphol Milindachinla*	Director and Chairman of Executive Committee	30 Apr 2013
8	Mr.Polchet Likittanasombat*	Director and Executive Committee	6 Jun 2014
9	Mr.Angoon Phimpkorn*	Director and Executive Committee	22 Aug 2015
10	Mr.Thada Chanprasit	Director and Executive Committee	23 Apr 2015
The secretary is Mr.Thaveedj Uyawong			

* Director as Executive Committee

Authorized Directors

The company's authorized signatory is Mr.Praphol Milindachinla Mr.Polchet Likittanasombat Mr. Angoon Phimpkorn and Mr.Thada Chanprasit, 2 of 4 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 Directors

Name	Position	Finance and Capital Markets	Law and Regulations	Accounting and Finance	Management
MomRajawongse Somlabh Kitiyakara	Chairman of the Board of Directors and Independent Director				X
Assoc. Prof. Dr.Chaiya Yimwilai	Chairman of the Audit Committee and Independent Director	X	X	X	X
Mr.Paisit Kaenchan	Audit Committee and Independent Director	X		X	X
Ms.Siriporn Thongkam	Audit Committee and Independent Director	X		X	X
Mr.Weerasak Kowsurat	Independent Director		X		X
Dr.Vichya Krea-ngam	Director		X		X
Mr.Praphol Milindachinla	Director and Chairman of the Executive Committee	X	X		X
Mr.Polchet Likittanasombat	Director and Executive Director	X	X		X
Mr.Angoon Phimpkorn	Director and Executive Director		X		X
Mr.Thada Chanprasit	Director and Chief Executive Officer	X	X	X	X

2. Sub-Committees

2.1 Audit Committee

As of 31 December 2015, there are 3 members of Audit committee as follow:

No.	Name	Position
1	Assoc. Prof. Dr.Chaiya Yimwilai	Chairman of the Audit Committee and Independent Director
2	Mr.Paisit Kaenchan	Audit Committee and Independent Director
3	Ms.Siriporn Thongkam	Audit Committee and Independent Director
The Audit committee Secretary : Mr.Kasidit Nuchtan		

Authorization and responsibilities of the Audit Committee

1. 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.

2.2 Executive Committee

As of 31 December 2015, there are 5 members of Executive Committee as follow:

No.	Name	Position
1	Mr. Praphol Milindachinla	Chairman of the Executive Committee
2	Mr. Polchet Likittanasombat	Executive Director
3	Mr. Angoon Phimpkorn	Executive Director
4	Mr. Thada Chanprasit	Executive Director and Chief Executive Officer
5	Mr. Pisit Patumban	Executive Director and Chief Executive Officer
The Executive Committee Secretary : Mr. Thaveedj Uyawong		

Authorization and responsibilities of the Executive Committee

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

2.3 Corporate Governance and Social Responsibility Committee

As of 31 December 2015, there are 4 members of Corporate Governance and Social Responsibility Committees as follow:

No.	Name	Position
1	Mr.Weerasak Kowsurat	Chairman of the Corporate Governance and Social Responsibility Committee
2	Mr.Weerasak Futrakul	Corporate Governance and Social Responsibility Committee
3	Mr.Surachai Puprasert	Corporate Governance and Social Responsibility Committee
4	Dr.Sorajak Kaseamsuwan	Corporate Governance and Social Responsibility Committee
The Corporate Governance and Social Responsibility Committee Secretary : Mr. Thada Chanprasit		

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.

2.4 The Nomination and Remuneration Committee

As of 31 December 2015, there are 3 members of Nomination and Remuneration Committees as follow:

No.	Name	Position
1	Mr.Weerasak Kowsurat	Chairman of Nomination and Remuneration Committee
2	Mr.Paisit Kaenchan	Nomination and Remuneration Committee
3	Ms.Siriporn Thongkam	Nomination and Remuneration Committee
The Nomination and Remuneration Committee Secretary : Mr.Thada Chanprasit		

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. Establish, in a fair manner, criteria which will create the expected results to the Board of Director for approval.
4. To perform any other duties assigned by the Board of Director.

2.5 The Risk Management Sub-Committee

As of 31 December 2015, there are 3 members of Risk Management Sub-Committees as follow:

No.	Name	Position
1	Mr.Weerasak Kowsurat	Chairman of Risk Management Sub-Committee
2	Ms.Siriporn Thongkam	Risk Management Sub-Committee
3	Mr.Angoon Phimphkorn	Risk Management Sub-Committee
The of Risk Management Sub-Committee Secretary : Mr.Sataya Rangseekajee		

Authorization and responsibilities of The Risk Management Sub-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.

Management Team

As of 31 December 2015 Management Team as follows;

No.	Name	Position
1	Mr.Thada Chanprasit	Chief Executive Officer
2	Mr.Pisit Patumban	Chief Executive Officer
3	Mrs.Amporn Chiammunchit*	Chief Operating Officer
4	Mr.Kanog Wongsarawit*	Senior Executive Vice President – Business Development
5	Mr.Kittipong Vipooopinyo*	Managing Director – Investment Banking
6	Mr.Teerawat Chongthaweephol*	Managing Director – Investment Banking
7	Mr.Kasidit Nuchtan*	Assistant Managing Director -Compliance and Internal Audit Department
8	Ms.Obom Rattanapol*	Senior Vice President - Financial Department
9	Ms.Manee Khemthong*	Vice President - Account Department

Note * The people who is 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 2015 (as of 31 December 2015)

Name	Board of Director Meeting 11 Times	Audit Committee 4 Times	Executive Committee 14 Times	Nomination and Remuneration Committee 1 Time	Corporate Governance and Social Responsibility Committee 1 Time
Mom Rajawongse Somlabh Kitiyakara	10/11				
Assoc. Prof. Dr.Chaiya Yimwilai	11/11	4/4			
Mr.Paisit Kaenchan	11/11	4/4		1/1	
MissSiriporn Thongkam	11/11	4/4		1/1	
Mr.Weerasak Kowsurat	9/11			1/1	1/1
Dr.Vichya Krea-ngam	10/11				
Mr.Praphol Milindachinla	11/11		13/14		
Mr.Polchet Likittanasombat	10/11		14/14		
Mr.Angoon Phimphorn ¹	4/11		14/14		
Mr.Thada Chanprasit ²	7/11		10/14		

*1Appointment as Director as 22 August 2015

*2 Appointment as Director as 23 April 2015

3. The Company Secretary

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

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

4. The selection of directors and executives

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

- (1) Not a director who has led the Board of Director to decide on the operations of the company, parent company, subsidiary, or related company.
- (2) 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.

5. Remuneration of Directors and Executive

Name	Position	Monthly Remuneration	Allowance per Meeting (Baht)	Total (Baht)
Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Directors	960,000	200,000	1,160,000
Assoc. Prof. Dr.Chaiya Yimwilai	Independent Director	480,000	110,000	590,000
	Chairman of Audit Committee	-	120,000	120,000
Mr.Paisit Kaenchan	Independent Director	480,000	110,000	590,000
	Audit Committee	-	40,000	40,000
	Nominations and Remuneration Committee	-	7,500	7,500
Miss.Siriporn Thongkam	Independent Director	480,000	110,000	590,000
	Audit Committee	-	40,000	40,000
	Nominations and Remuneration Committee	-	7,500	7,500
Mr.Weerasak Kowsurat	Independent Director	480,000	90,000	570,000
	Chairman Nominations and Remuneration Committee	-	10,000	10,000
	Chairman Corporate Governance and Social Responsibility Committee	-	10,000	10,000
Mr.Vichya Krea-ngam	Director	480,000	100,000	580,000
Mr.Praphol Milindachinla	Director	-	-	-
	Chairman of Executive Director	3,600,000	-	3,600,000
Mr.Polchet Likittanasombat	Director	-	-	-
	Executive Director	3,000,000	-	3,000,000
Mr.Angoon Phimphkorn	Director	-	-	-
	Executive Director	1,549,667	-	1,549,667
Mr.Thada Chanprasit	Director	-	-	-
	Chief Executive Director	3,916,000	-	3,916,000
Total		15,425,667	955,000	16,380,667

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 2015 has set the remunerations of the Board of Directors and the Sub Committees as the following rate :

Board / Committee	Position	Remunerations	เบี้ยประชุม ต่อครั้ง (บาท)
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 Committee	-	10,000
	Member of Nomination and Remuneration Committee	-	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
Bonus Board for Operating results for the year 2015 at a rate not exceeding 5 percent- ages of net profit from operations. By assign to the Board of Director is to deter- mine the appropriate amount.			-

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 2015 is as follows;

Salary	225.17	Million Baht
Provident Fund Contribution	7.94	Million Baht
Social Security Contribution	3.66	Million Baht
Marketing Officers' Benefit	171.07	Million Baht
Total	407.84	Million Baht

Information from Financial Statement as of 31 December 2015

Expenses Related to Personnel	446.25	Million Baht
Remuneration to Directors and Executives	19.52	Million Baht

6. Personnel

As of 31 December 2015, there were 423 officers in the following departments:

Department	Amount (Person)
The Office of the Board of Director and Company Secretary	16
Department of Information Technology	13
Department of Investment	2
Department of Compliance and Internal Audit	6
Department of Credit Control	5
Department of Human Resource	4
Department of Administration and Procurement	3
Department of Investment Management	7
Department of Risk Management	3
Department of Accounting	6
Department of Finance	4
Department of Operation	11
Department of Business Development	5
Department of Private Fund	6
Department of Bond Management	2
Department of Developing Marketing Strategy	6
Department of Electronic Marketing (E-Biz)	3
Department of Research	9
Department of Securities Borrowing and Lending	3
Department of Investment Banking	8
Department of Foreign Investment Banking	2
Department of Marketing Support	29
Department of Retail Business	268
Department of Institution Marketing	2
Total	423

1. Policies on Corporate Governance

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

2. Supervision of Business Operation in Subsidiaries Company

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

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

3. Controlling Inside Information

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

- The Front Office and Back Office are physically separated from each other.
- The Research department and Investment Banking department are clearly separated from each other to protect marketing officers from knowing vital information before they are disclosed to the public for personal gain and/or for the gain of customers and/or other persons.
- The Proprietary Investment department is clearly separated from Retail Marketing department.
- The Company actively controls a Watched List, Restricted List and Research List to control inside information.
- The Company allows directors, executives and officers to open securities trading and/or derivatives trading accounts with the Company. Related persons to officers such as spouse and offspring that have not reached the legal age must allow other Securities Companies to disclose trading information and activities to the Company so that the Company can control and prohibit the use of inside information for the gain of officers and/or related persons.

Guidelines for keeping confidential information and the use of internal information

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

4. Remuneration of the External Auditor

The Company acknowledges the significance of accurate information in providing confidence for investors and consumers in the financial statements of the Company, and has provided the fee for the external auditor for the year 2015 in the amount of THB1,500,000 to EY Office Limited.

5. Principles of Corporate Governance

Rights of shareholders

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

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

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

Before the meeting date

- The Company delivers the notice of the AGM together with related documents in hard copies and annual report CDs to all shareholders (annual reports in document format also provided upon request), prior to the meeting. The Company assigned the Thailand Securities Depository Co., Ltd., as the Company's Registrar in order to send the invitation to its shareholders by registered mail over 14 days prior to the meeting.
- The Company published notice of the AGM with related documents in both Thai and English language on its website, www.aecs.com, under the topic '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 he 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. 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 (ELCID) and also posted on the Company's website under "AEC 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 2015, the Company's Board of Directors consisted of 10 members comprising 4 executive directors (40%), 6 non-executive independent directors (60%), 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 rules 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.

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 controlsystems, 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
- The Company will propose to Board of director to review the anti-corruption policy every year.

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 Treadway 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 subcommittees 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 Treadway Commission (COSO), to increase confidence that the Company has an internal control mechanism that can fulfill the objectives of the Company.

2. Report of Audit Committee

Board of Director of AEC Securities Public Company Limited has appointed 3 Independent Directors to be the Audit Committee members consisting of (1) Assoc. Prof. Dr. Chaiya Yimwilai, (2) Mr. Paisit Kaenchan and (3) Ms. Siriporn Thongkam, with Assoc. Prof. Dr. Chaiya Yimwilai taking the post of the Audit Committee Chairman and Assistant Managing Director of Control and Audit Department performing duty as the Secretary. Each Audit Committee member has the qualification and experience sufficient to perform duty in reviewing the reliability of financial statements. Each of them is neither an Advisor to an Executive Director nor an employee nor a staff of the Company and is fully qualified as prescribed by Office of the Securities Exchange and Commission

The Audit Committee has performed its duty independently in accordance with the scope of duty prescribed under the Audit Committee Charter and has received co-operations from all related parties. The Audit Committee is aware of the importance of the internal control, risk management and good corporate governance which is the aim to enable the Company to avail good internal control, carry out the risk management at a suitable and acceptable level and in making the Company's financial report accurate and reliable.

In 2015, the Audit Committee held a total of 4 meetings and every meeting was attended by all Committee members. The duty performed by the Audit Committee consisted of the material issues as follows:

1. Reviewing quarterly and yearly financial statements; the Audit Committee conducted the audits on the quarterly and yearly financial statements of the Company before they were submitted to the Company Board of Directors to be assured that the Company's financial statements had been prepared in compliance with the generally accepted accounting standard including the disclosure of information in the financial statements to be properly and sufficiently made in a timely manner as well as taking the observations of the auditor for use in the improvements and corrections on the preparations of the Company's financial statements. The Audit Committee was of the same opinion as that of the auditor that the Company's financial statements were prepared in compliance with the generally accepted accounting standard and that the disclosure of information in the financial statements was properly and sufficiently made in a timely manner as prescribed.
2. Making selection and nomination for the appointment of the auditor; the Audit Committee considered the selection of the auditor by taking into account the independency of the auditor and fixed the remuneration as suitable including the submission to the Company Board of Directors of a proposal to appoint the Public Certified Accountant suitably qualified to be the Company's auditor which, in this connection, E Y Office Company Limited was approved to be appointed the Company's auditor for 2015.
3. Making considerations on connected transactions and conflict of interest to ensure that they were executed and the pertinent information disclosed properly and completely as prescribed by law.
4. Making considerations on the Performance Report of the External Law Office to ensure that such performances are in accordance with the policy prescribed by the Company.
5. Monitoring control over the work of the Regulatory and Audit Department; the Audit Committee reviewed the Yearly Audit Plan which was prescribed on the base of the awareness of the contingent risk that would affect the financial statements and operations of the Company as the main purpose and thoroughly covering the other issues which would affect the operations. In this respect, the Audit Committee had acknowledged the Performance Report of the Regulatory and Audit Department on a monthly and quarterly basis for considerations and proposal of the guidelines on the improvements as well as conducting the follow-ups on the improvements of what was discovered through the observations.

In conclusion, the Audit Committee has performed duty in accordance with the scope and duty prescribed under the Audit Committee Charter and that the Committee is of the opinion that the preparation of the financial statements and the disclosure of the pertinent information of the Company is proper and reliable and that various requirements prescribed by the Regulatory and Audit Department are complied with, that the risk management is suitably implemented with efficiency, that the internal control is well and sufficiently implemented whereby no material error which would affect the financial status of the Company is found and that the audit result has been fully reported to the Company Board of Directors.

A handwritten signature in blue ink, appearing to read 'A. Yimwilai', is positioned above the printed name.

[Assoc. Prof. Dr. Chaiya Yimwilai]
Chairman of Audit Committee

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 Treadway Commission (COSO), which has been considered and approved by the Board of Directors.

The Audit Committee agrees with the Board of Directors.

4. Head of Internal Control and Compliance of the Company

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

Details	Head of Internal Control and Compliance
Name	Mr.Kasidit Nuchtan
Position	Assistance Managing Director
Education	Bachelor Degree – Business Administration,Dhurakij Pundit Universtiy
Experience	<p>AEC Securities PCL. Executive Vice President Apr. 2015 – Present</p> <p>Merchant Partners Asset Senior Vice President Sep.2014 – Apr. 2015</p> <p>Management Co.,Ld</p> <p>UOB Securities PCL. Vice President Apr. 2005 – Sep. 2014</p>
Training	<p>Course of Regulatory Practice (Organized by Association of Thai Securities Companies, The Stock Exchange of Thailand and The Securities and Exchange Commission)</p> <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Control and responsibility on auditing results accordance with the plan and objective are determinate, which is conformity with policy of the Company. Reporting on operation of the department to supervisor and management. - Consultant comments and recommend on the internal control and system development to be effective and adapt to changing business environments. Including to legal compliance regulations of the Company along with ethics of member companies - Consulting and training and evaluate the performance of employee in the department.
----------------	--

The Audit Committee has considered the head of internal control and compliance of the Company as knowledgeable, experienced and qualified for the position. In 2015, training on Auditing to know the facts about the customer according to the Law on the Prevention and Money Laundering Office Course (by AML.O) and Preparation of the securities and asset Management Company for requesting a certificate of compliance alignment of the private sector in the fight against corruption (by SEC).

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

1. Connected Transactions between the Company and related persons in 2014 and 2015

Related Person	Relationship	Transaction	Value		Necessity and reasons
			2014	2015	
The Director of the AAMC Asset Management Company Limited	Subsidiary Company	Brokerage fees	94,672	74,518	<p>The Director open the account and makes transactions through the company. The commission fee and condition of transaction according to normal business and under market terms and conditions.</p> <p>Tendency of future transactions Transactions may occur in the futures under the terms and trade which can be compared with a list of such third parties because the normal business of the company</p>

2. Measures or approval process for connected transactions

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

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

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

3. Policies and tendency of connected transactions

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

Operational and Financial Standing Analysis

(1) Operational Analysis

In 2015, AEC Securities Public Co., Ltd. was engaged in full-scale securities business primarily as a broker facilitating the buying and selling of financial securities and derivatives. We also operated licensed businesses such as securities trading, investment advisor, securities underwriting, securities borrowing and lending, and private fund management. In 2015, we opened two more branches in Saraburi and at Fashion Island with the total of 15 branches.

Our total revenues in 2015 were Baht 643,614,651, a decrease by Baht 68,105,929 accounting for 9.57 percent as compared to that in 2014 at the total of Baht 711,720,580, with the following significant accounting entry changes:

Brokerage fee revenue increased from Baht 490,696,474 in 2014 to Baht 571,440,678 in 2015, an increase by Baht 80,744,204 or 16.46 percent, contributed by an increase by Baht 47,772,615 in securities trading commission and by Baht 37,627,770 in derivatives trading commission and a decline by Baht 4,656,181 in investment units selling agent commission.

Fee and service revenues decreased from Baht 71,351,714 in 2014 to Baht 58,833,729 in 2015, a decline by Baht 12,517,985 or 17.54 percent, contributed by a decline by Baht 32,667,784 in securities underwriting revenue and by Baht 35,484,751 in investment and financial advisory revenue and an increase by Baht 51,131,939 in bill of exchange sales revenue.

Profits from investment funds decreased from Baht 76,461,455 in 2014 to the loss of Baht 80,482,069 in 2015, a decline by Baht 156,943,524 or 205.26 percent due to an allowance for revaluation of investments in marketable listed securities managed by an asset management company.

Interest income revenue increased from Baht 24,113,623 in 2014 to Baht 31,038,244 in 2015, an increase by Baht 6,924,621 or 28.72 percent, contributed by bank deposit interest income.

Interest on margin loans increased from Baht 46,827,905 in 2014 to Baht 60,590,521 in 2015, an increase by Baht 13,762,616 or 29.39 percent.

Total expenses increased from Baht 706,165,041 in 2014 to Baht 835,563,138 in 2015, an increase by Baht 129,398,097 or 18.32 percent mostly as a result of

Financial costs of the Company increased from Baht 54,913,553 in 2014 to Baht 74,220,657 in 2015, an increase by Baht 19,307,104 or 35.16 percent, contributed by more deposits from an increasing number of clients and by loan interest from issuance of debt instruments to serve as current capital for the Company.

Fees and service fees payable increased from Baht 77,726,403 in 2014 to Baht 95,592,428 in 2015, an increase by Baht 17,866,025 or 22.99 percent, contributed by the increase of service fees payable as varied by the increase in the number of securities and derivatives trading brokerage transactions.

Personnel expenses increased from Baht 400,389,654 in 2014 to Baht 446,247,651 in 2015, an increase by Baht 45,857,997 or 11.45 percent, varying according to the trading volumes of securities and derivatives.

Premises and equipment expenses increased from Baht 98,645,750 in 2014 to Baht 125,334,171 in 2015, an increase by Baht 26,688,421 or 27.05 percent, due to more business expansion, branches and job system investments.

In conclusion, in the year of 2015, the Company reported a comprehensive loss of Baht 192,783,767, with a firm-specific comprehensive loss of Baht 190,634,090, a decline by Baht 199,759,395 or 2,189.07 percent as compared to the same period in 2014 in which the net operating profit was Baht 9,125,305, due to the loss in investment funds of Baht 80,482,069 mostly attributable to the allowance for revaluation of investments in marketable listed securities managed by an asset management company and more premises and equipment expenses associated with more business expansion, branches and job system investments, resulting in the depreciation of Baht 54,646,674. With the majority of the assets depreciated over 5 years, the Company, having run the business for two years, would have high operating costs in the first five years.

(2) Financial Standing Analysis

As of 31 December 2015, the Company's total assets were Baht 2,235,402,520, a decline by Baht 1,078,660,384 or 32.55 percent as compared to the same period in 2014 at the amount of Baht 3,314,062,904, with the following details:

The net receivables amount in securities and derivatives business as of 31 December 2015 was Baht 1,082,804,604, a decline by Baht 487,784,166 or 31.06 percent as compared to the amount as of 31 December 2014 at Baht 1,570,588,770. The decline was mostly from the reduction by Baht 32,363,008 in debtors buying securities in cash and by Baht 458,664,692 in margin loan debtors.

The net investment funds as of 31 December 2015 were Baht 527,079,620, a decline by Baht 304,101,692 or 36.59 percent as compared to the amount as of 31 December 2014 at Baht 831,181,312, primarily caused by the reduction by Baht 380,040,036 in the investment funds in investment units.

Premises and equipment improvements, which for the most part included computing devices, office equipment and office decorative items, were totally Baht 213,995,805, an increase by Baht 1,795,436 or 0.85 percent as compared to the amount as of 31 December 2014 at Baht 212,200,369.

The total liabilities as of 31 December 2015 were Baht 1,076,927,992, a decline by Baht 1,134,527,343 or 51.30 percent as compared to the same period in 2014 at Baht 2,211,355,335, chiefly caused by the reduction in securities and derivatives business creditors and issued debt instruments and other loans, the details of which are as follows:

The securities and derivatives business creditors as of 31 December 2015 were Baht 284,325,781, a decline by Baht 275,904,821 or 49.25 percent as compared to the amount as of 31 December 2014 at Baht 560,230,602, mostly by reason of the reduction by 301,688,992 in the debtors buying securities in cash.

The issued debt instruments and other loans as of 31 December 2015 were Baht 575,923,317, a decline by Baht 788,291,900 or 57.78 percent as compared to the amount as of 31 December 2014 at Baht 1,364,215,217, due to the maturing of the subordinated debenture.

Shareholders' equity as of 31 December 2015 was Baht 1,158,574,528, an increase by Baht 55,866.95 or 5.07 percent as compared to the same period in 2014 at Baht 1,102,707,569.

In conclusion, the Company is considered a securities company with strong financial standing and is still solvent and able to provide loans at a typical standard level.

I have audited the accompanying consolidated financial statements of AEC Securities Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of AEC Securities Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AEC Securities Public Company Limited and its subsidiary and of AEC Securities Public Company Limited as at 31 December 2015 and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Other matters

Statements of financial position as at 31 December 2014 for comparative purposes

The consolidated financial statements of AEC Securities Public Company Limited and its subsidiary and the separate financial statements of AEC Securities Public Company Limited for the year ended 31 December 2014 were audited in accordance with generally accepted auditing standards by another auditor who expressed an unqualified opinion on those statements, under his report dated 27 February 2015.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 26 February 2016

STATEMENT OF FINANCIAL POSITION

To the Shareholders of AEC Securities Public Company Limited
As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Assets					
Cash and cash equivalents	7	139,787,568	347,548,271	135,679,026	287,878,964
Deposits at financial institutions	8	77,196,484	46,054,244	77,196,484	46,054,244
Receivables from Clearing House	9	13,795,300	203,488,804	13,795,300	203,488,804
Securities and derivatives					
business receivables - net	10	1,082,804,604	1,570,588,770	1,082,804,604	1,570,588,770
Investments - net	12	567,079,620	831,181,312	527,079,620	831,181,312
Investment in subsidiary	13	-	-	55,120,380	55,120,380
Premises improvement and equipment - net	14	218,857,459	218,307,957	213,995,805	212,200,369
Goodwill		4,376,116	4,376,116	-	-
Intangible assets - net	15	38,459,800	42,695,663	38,429,061	42,695,663
Deferred tax assets	32	12,236,449	10,922,052	12,236,449	10,922,052
Other assets - net	16	92,356,345	54,142,106	79,065,791	53,932,346
Total assets		2,246,949,745	3,329,305,295	2,235,402,520	3,314,062,904

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (Continued)



To the Shareholders of AEC Securities Public Company Limited
As at 31 December 2015

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
Liabilities and shareholders' equity					
Liabilities					
Payables to Clearing House		111,006,010	136,860,598	111,006,010	136,860,598
Securities and derivatives business payables	18	284,325,781	560,230,602	284,325,781	560,230,602
Finance lease liabilities	19	1,427,071	2,107,892	1,427,071	2,107,892
Debt issued and borrowings	20	575,923,317	1,364,215,217	575,923,317	1,364,215,217
Provisions for litigations	33.1	5,617,345	5,617,345	5,617,345	5,617,345
Provision for long-term employee benefits	21	13,834,816	5,702,851	13,834,816	5,702,851
Accrued expenses		70,170,896	110,492,155	69,815,527	108,448,902
Accrued withholding tax		1,029,567	630,082	1,011,834	603,667
Other liabilities	22	15,119,270	28,670,163	13,866,291	27,568,261
Total liabilities		1,078,454,073	2,214,526,905	1,076,827,992	2,211,355,335
Shareholders' equity					
Share capital	23, 24				
Registered	23.1				
2,414,615,498 ordinary shares of Baht 1 each (2014: 1,331,716,928 ordinary shares of Baht 1 each)		2,414,615,498	1,331,716,928	2,414,615,498	1,331,716,928
Issued and fully paid-up	23.2				
1,224,224,758 ordinary shares of Baht 1 each (2014: 1,009,743,709 ordinary shares of Baht 1 each)		1,224,244,758	1,009,743,709	1,224,244,758	1,009,743,709
Share premium		85,226,981	53,226,981	85,226,981	53,226,981
Retained earnings					
Appropriated - statutory reserve	25	17,207,886	17,207,886	17,207,886	17,207,886
Unappropriated (deficit)		(164,250,614)	28,318,185	(168,105,097)	22,528,993
Equity attributable to owners of the Company		1,162,429,011	1,108,496,761	1,158,574,528	1,102,707,569
Non-controlling interests of the subsidiary		6,066,661	6,281,629	-	-
Total shareholders' equity		1,168,495,672	1,114,778,390	1,158,574,528	1,102,707,569
Total liabilities and shareholders' equity		2,246,949,745	3,329,305,295	2,235,402,520	3,314,062,904

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

To the Shareholders of AEC Securities Public Company Limited
For the years ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Profit or loss:					
Revenues					
Brokerage fees	29	571,440,678	490,696,474	571,440,678	490,696,474
Fee and service income	30	58,833,729	71,351,714	58,833,729	71,351,714
Gains (losses) on investments		(80,482,069)	76,461,455	(80,482,069)	76,461,455
Gains on sale of investment in receivables		-	17,000,000	-	-
Interest income		31,395,327	17,232,551	31,038,244	24,113,623
Interest on margin loans		60,590,521	46,827,905	60,590,521	46,827,905
Other income		18,522,060	2,269,409	2,193,548	2,269,409
Total revenues		660,300,246	721,839,508	643,614,651	711,720,580
Expenses					
Finance costs		74,220,657	54,913,553	74,220,657	54,913,553
Fee and service expenses		95,592,428	77,726,403	95,592,428	77,726,403
Operating expenses					
Personnel expenses	21	447,967,571	401,322,501	446,247,651	400,389,654
Premises and equipment expenses		127,397,531	98,864,973	125,334,171	98,645,750
Directors' remuneration	31	20,430,667	14,400,667	19,520,667	13,980,667
Other expenses		89,281,146	66,141,877	75,139,154	65,645,927
Total operating expenses		685,076,915	580,730,018	666,241,643	578,661,998
Reversal of bad debt and doubtful accounts		(491,590)	(5,136,913)	(491,590)	(5,136,913)
Total expenses		854,398,410	708,233,061	835,563,138	706,165,041
Profit (loss) before income tax		(194,098,164)	13,606,447	(191,948,487)	5,555,539
Income tax	32	1,314,397	(585,996)	1,314,397	1,032,476
Profit (loss) for the year		(192,783,767)	13,020,451	(190,634,090)	6,588,015
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gains on defined benefit plans		-	3,171,613	-	3,171,613
Income tax effects		-	(634,323)	-	(634,323)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	2,537,290	-	2,537,290
Other comprehensive income for the year		-	2,537,290	-	2,537,290
Total comprehensive income for the year		(192,783,767)	15,557,741	(190,634,090)	9,125,305

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME (Continued)



To the Shareholders of AEC Securities Public Company Limited
For the years ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit (loss) attributable to					
Equity holders of the Company		(192,568,799)	12,377,207	(190,634,090)	6,588,015
Non-controlling interests of the subsidiary		(214,968)	643,244		
		<u>(192,783,767)</u>	<u>13,020,451</u>		
Total comprehensive income attributable to					
Equity holders of the Company		(192,568,799)	14,914,497	(190,634,090)	9,125,305
Non-controlling interests of the subsidiary		(214,968)	643,244		
		<u>(192,783,767)</u>	<u>15,557,741</u>		
Earnings per share	27				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.17)</u>	<u>0.01</u>	<u>(0.16)</u>	<u>0.01</u>

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT

To the Shareholders of AEC Securities Public Company Limited
For the years ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit (loss) before income tax	(194,098,164)	13,606,447	(191,948,487)	5,555,539
Adjustments to reconcile loss before income tax to net cash received (paid) from operating activities				
Depreciation and amortisation	55,898,249	46,673,020	54,646,674	46,550,903
Reversal of bad debt and doubtful accounts	(491,590)	(5,136,913)	(491,590)	(5,136,913)
Unrealised (gain) loss on revaluation of investments in trading securities	73,451,369	(8,058,297)	73,451,369	(8,058,297)
Gains on sales of investment in receivables	-	(17,000,000)	-	-
Loss on write-off of intangible assets	-	107,000	-	107,000
(Gain) loss on sale of premises improvement, equipment and intangible assets	(2,236)	4,632,488	(2,236)	4,632,488
Provision for long-term employee benefits	8,131,965	6,723,786	8,131,965	6,723,786
Finance costs	74,220,657	54,913,553	74,220,657	54,913,553
Interest and dividend income	(91,985,848)	(64,060,456)	(91,628,765)	(70,941,528)
Cash paid for interest expenses	(74,416,574)	(54,590,978)	(74,416,574)	(54,590,978)
Cash received from interest income	91,550,002	65,178,090	91,211,618	72,059,162
Cash paid for corporate income tax	(3,804,872)	(2,281,607)	(3,615,840)	(2,261,076)
Operating gain (loss) before changes in operating assets and liabilities	(61,547,042)	40,706,133	(60,441,209)	49,553,639
Operating assets (increase) decrease				
Deposits at financial institutions	(31,142,240)	14,439,529	(31,142,240)	14,439,529
Receivables from Clearing House	189,693,504	(32,293,691)	189,693,504	(32,293,691)
Securities and derivatives business receivables	488,275,756	(1,327,755,651)	488,275,756	(1,327,755,651)
Investments in trading securities	280,650,333	(663,111,642)	280,650,333	(663,111,642)
Other assets	(33,973,521)	(16,870,563)	(21,100,458)	(16,662,324)
Operating liabilities increase (decrease)				
Payable to Clearing House	(25,854,588)	104,134,519	(25,854,588)	104,134,519
Securities and derivatives business payables	(275,904,821)	540,015,603	(275,904,821)	540,015,603
Accrued expenses	(40,125,342)	104,128,650	(38,437,458)	103,763,870
Accrued withholding tax	399,485	45,750	408,167	19,335
Other liabilities	(3,627,634)	8,802,839	(3,980,615)	8,752,841
Net cash provided by (used in) operating activities	486,843,890	(1,227,758,524)	502,166,371	(1,219,143,972)

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT (Continued)



To the Shareholders of AEC Securities Public Company Limited
For the years ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Cash paid for purchase of investment in subsidiary	-	(28,115,500)	-	(55,120,380)
Cash paid for purchase of investment in private debt securities	(40,000,000)	-	-	-
Cash paid for purchase of investment in general investment	(50,000,010)	-	(50,000,010)	-
Cash paid for short-term loan to subsidiary	-	-	-	(230,000,000)
Proceeds from short-term loan to subsidiary	-	-	-	230,000,000
Cash paid for purchase of premises improvement and equipment	(54,755,434)	(167,964,887)	(54,553,530)	(162,787,086)
Proceeds from disposal of premises improvement and equipment	54,978	603,532	54,978	603,532
Cash paid for purchase of intangible assets	(7,432,455)	(23,050,051)	(7,396,075)	(23,050,051)
Cash paid for purchase of investment in receivables	-	(331,829,073)	-	-
Proceeds from sale of investment in receivables	-	348,829,073	-	-
Net cash used in investing activities	(152,132,921)	(201,526,906)	(111,894,637)	(240,353,985)
Cash flows from financing activities				
Proceeds from (cash paid for) issuing bills of exchange and subordinated debentures	(788,291,900)	1,364,215,217	(788,291,900)	1,364,215,217
Cash payment for finance lease liabilities	(680,821)	(640,480)	(680,821)	(640,480)
Cash received from issuance of ordinary shares	246,501,049	165,660,189	246,501,049	165,660,189
Increase in capital of the subsidiary	-	3,000,120	-	-
Net cash provided by (used in) financing activities	(542,471,672)	1,532,235,046	(542,471,672)	1,529,234,926
Net decrease in cash and cash equivalents	(207,760,703)	102,949,616	(152,199,938)	69,736,969
Cash and cash equivalents at beginning of year	347,548,271	244,598,655	287,878,964	218,141,995
Cash and cash equivalents at end of year	139,787,568	347,548,271	135,679,026	287,878,964

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

To the Shareholders of AEC Securities Public Company Limited
For the years ended 31 December 2015

(Unit: Baht)

Consolidated financial statements								
	Note	Issued and fully paid-up share capital	Share premium	Retained earnings (deficit)		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated	Unappropriated (deficit)			
Balance as at 1 January 2014		844,083,520	53,226,981	16,878,485	13,733,089	927,922,075	-	927,922,075
Profit for the year		-	-	-	12,377,207	12,377,207	643,244	13,020,451
Other comprehensive income for the year		-	-	-	2,537,290	2,537,290	-	2,537,290
Total comprehensive income for the year		-	-	-	14,914,497	14,914,497	643,244	15,557,741
Purchase investment in subsidiary		-	-	-	-	-	2,638,265	2,638,265
Issue ordinary shares		165,660,189	-	-	-	165,660,189	-	165,660,189
Increase in capital of the subsidiary		-	-	-	-	-	3,000,120	3,000,120
Appropriated statutory reserve	25	-	-	329,401	(329,401)	-	-	-
Balance as at 31 December 2014		1,009,743,709	53,226,981	17,207,886	28,318,185	1,108,496,761	6,281,629	1,114,778,390
Balance as at 1 January 2015		1,009,743,709	53,226,981	17,207,886	28,318,185	1,108,496,761	6,281,629	1,114,778,390
Loss for the year		-	-	-	(192,568,799)	(192,568,799)	(214,968)	(192,783,767)
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(192,568,799)	(192,568,799)	(214,968)	(192,783,767)
Issue ordinary shares	23.2	214,501,049	32,000,000	-	-	246,501,049	-	246,501,049
Balance as at 31 December 2015		1,224,244,758	85,226,981	17,207,886	(164,250,614)	1,162,429,011	6,066,661	1,168,495,672

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY (Continued)

To the Shareholders of AEC Securities Public Company Limited
For the years ended 31 December 2015

(Unit: Baht)

Separate financial statements						
	Note	Issued and paid-up share Capital	Share premium	Retained earnings (deficit)		Total shareholders' equity
				Appropriated	Unappropriated (deficit)	
Balance as at 1 January 2014		844,083,520	53,226,981	16,878,485	13,733,089	927,922,075
Profit for the year		-	-	-	6,588,015	6,588,015
Other comprehensive income for the year		-	-	-	2,537,290	2,537,290
Total comprehensive income for the year		-	-	-	9,125,305	9,125,305
Issue ordinary shares		165,660,189	-	-	-	165,660,189
Appropriated statutory reserve	25	-	-	329,401	(329,401)	-
Balance as at 31 December 2014		1,009,743,709	53,226,981	17,207,886	22,528,993	1,102,707,569
Balance as at 1 January 2015		1,009,743,709	53,226,981	17,207,886	22,528,993	1,102,707,569
Loss for the year		-	-	-	(190,634,090)	(190,634,090)
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	(190,634,090)	(190,634,090)
Issue ordinary shares	23.2	214,501,049	32,000,000	-	-	246,501,049
Balance as at 31 December 2015		1,224,244,758	85,226,981	17,207,886	(168,105,097)	1,158,574,528

The accompanying notes are an integral part of the financial statements.

1. General information

AEC Securities Public Company Limited (“the Company”) (formerly known as United Securities Public Company Limited) is a company limited incorporated and domiciled in Thailand. The registered office of the Company is at 63, 15th, 17th Floor, Athenee Tower, Wireless Road, Lumpini, Pathumwan, Bangkok. As at 31 December 2015, the Company has 15 branches in Bangkok and upcountry (2014: 13 branches).

The Company operates its business in Thailand and its principal activities are securities brokerage and derivatives agent. The Company was granted licenses by the Ministry of Finance and the Office of the Securities and Exchange Commission to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory Service
4. Securities Underwriting
5. Derivatives Agent
6. Securities Borrowing and Lending
7. Private Fund Management

In 2011, the Company sold and transferred its securities and derivatives brokerage related businesses to UOB Kay Hian Securities (Thailand) Public Company Limited (“UOBKH”). After the sale and transfer of such businesses, the Company was permitted by the Office of the Securities and Exchange Commission (“SEC”) to temporarily cease its operation of securities and derivatives brokerage businesses, effective from 25 October 2011, and was permitted by the Stock Exchange of Thailand (“SET”) and Thailand Futures Exchange Public Company Limited (“TFEX”) to cease its operations from 25 October 2011 to 31 December 2013. However, the Company continues to operate securities business in the form of securities trading and investment advisory services.

On 30 April 2013, the Company was informed by UOBKH which was the major shareholder of the Company, that UOBKH had entered into a Share Purchase Agreement to sell 157,796,396 ordinary shares of the Company, representing 93.47 percent of its paid-up capital, to a group of investors; and on the same day the Board of Directors meeting No.3/2013 resolved to approve the Company's transfer of the following assets:

- A) Transfer Stock Exchange of Thailand membership to UOBKH or any party nominated by UOBKH, and
- B) Transfer the fixed income business and mutual fund distribution business, including clients, staff and related assets, to UOBKH.

The total value of above assets is Baht 2 million.

After the transfer of SET membership, fixed income business and mutual fund distribution business to UOBKH, the Company planned to resume operation of the securities and derivatives brokerage business.

On 15 May 2013, the Company entered into the Assets Purchase Agreement with UOBKH, whereby the Company was to transfer the assets relating to the fixed income and mutual fund distribution business, and also transfer the SET membership. The transfer of the fixed income and mutual fund business was effective on 1 June 2013 and the Company received full payment from UOBKH on 26 July 2013.

However, the Company has not transferred the SET Membership to UOBKH because the former major shareholder of the Company petitioned Bangkok South Civil Court to issue an injunction to the Company temporarily preventing the transfer of the SET Membership to UOBKH. In addition, the former major shareholder sued the Company as a third defendant seeking to prevent the transfer of the SET Membership to UOBKH. Moreover, the Company received a postponement notice from UOBKH to hold the transfer of the SET Membership to UOBKH. In order to operate its businesses as planned, the Company therefore submitted letters to reactivate its securities and derivatives brokerage businesses to SEC on 10 July 2013, to TFEX on 17 July 2013, and to SET on 18 July 2013.

Subsequently, on 27 September 2013 the Company received approval from SEC to reactivate its securities and derivatives brokerage businesses. On the same date, SET and TFEX granted the Company approval to start submitting securities and derivatives purchase or sale orders using the abbreviation “AEC”, from 4 October 2013 onwards.

On 19 December 2013, the Bangkok South Civil Court lifted the temporary injunction preventing the transfer of the SET Membership. With respect to the lawsuit brought by the former major shareholder of the Company as mentioned above, on 23 September 2014 the Court of First Instance dismissed the case. However, the plaintiff has filed an appeal and the case is being considered by the Court of Appeal. Therefore, as at 31 December 2015, the Company has not yet transferred the SET Membership to UOBKH.

2. Basis for preparation of the interim financial statements

- 2.1 These financial statements are prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547. The presentation of the financial statement has been made in compliance with SEC Notification No. Sor Tor/Khor/Nor. 53/2553 relating to the format of the financial statements for securities businesses, dated 15 December 2010.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements “the Company” and the following subsidiary company.

Subsidiary	Nature of business	Country of incorporation	Percentage of Shareholding	
			2015	2014
			Percent	Percent
AAMC Asset Management Company Limited	Asset Management	Thailand	90	90

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) The subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in the subsidiary under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standard that became effective in the current period

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiary's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiary's financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Change in accounting estimation

During the year, the Company changed the estimated useful lives of leasehold improvements from 5 years to 10 years, in order to reflect the appropriate of the conditions of use in the present and the economic benefits expected to be received in the future. and the Company's estimated useful lives of these assets. The Company has applied the changes in estimated useful lives of assets prospectively.

The amounts affecting the consolidated and separate statements of comprehensive income are summarised below.

	Profit after tax increase (decrease)	Earnings per share increase (decrease)
	(Thousand Baht)	(Baht per share)
Year 2015	9,280	0.01
Year 2016	12,494	0.01
Year 2017	12,494	0.01
Year 2018	10,199	0.01
Year 2019 - 2024	(44,467)	(0.04)

5. Significant accounting policies

5.1 Revenue recognition

a) Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction date.

b) Fee and service income

Fee and service income are recognised when services have been rendered, taken into account the stage of completion.

c) Gain (loss) on investments

Gain (loss) on investments are recognised as income/expense on the transaction date.

d) Interest and dividend

Interest is recognised on an accrual basis based on an effective rate. Dividend is recognised when the right to receive the dividend is established.

e) Interest on credit balance loans

Interest is recognised on accrual basis. The Company cease accrual when there is uncertainty as to the collectability of loans and interest.

The following cases are considered as uncertainty of collectability of loans and interest in accordance with the Notification of the Office of the Securities and Exchange Commission.

- 1) Loans with are not fully collateralised.
- 2) Installment loans with repayments scheduled less frequently than three-months and for which principal or interest is overdue by more than three months.
- 3) Installment loans with repayments scheduled no less frequently than every three-months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- 4) Other receivables from which interest payment is overdue for longer than three-months.

5.2 Expense recognition

a) Interest on borrowings

Interest on borrowings is charged to expenses on an accrual basis.

b) Fee and service expenses

Fee and service expenses are charged to expenses on an accrual basis.

5.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand and all bank deposit accounts maturing within 3 months or less from the date of acquisition, and including certificate of deposit maturing within 3 months or less from the date of acquisition and not subject to withdrawal restrictions.

5.4 Deposits at financial institutions

Deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with an original maturity of longer than 3 months or with an original maturity of 3 months or less, but the Company and its subsidiary intend to roll-over them, or deposits subject to withdrawal restrictions.

5.5 Recognition and amortisation of customers' assets

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

5.6 Borrowing and lending of securities

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

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

5.7 Investments

- a) Investments in trading securities are determined at fair value. Changes in fair value of these securities are recorded as gains or losses in the statement of comprehensive income.
- b) Investments in available-for-sale securities, both held for short-term and long-term investments, are stated at fair value. The change in the fair value of securities is recorded as gain (loss) on changes in value of investments as part of other comprehensive income in the statement of comprehensive income, and will be recorded as part of profit or loss when the securities are sold.
- c) Held to maturity debt securities are recorded at amortised cost. The Company records premium/discount on debt securities is amortised by the effective interest rate method with the amortised amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities which the Company classified as general investments, are stated at cost net of allowance for impairment loss (if any).
- e) The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on required rate of return or the yield rates quoted by the Thai Bond Market Association.
- f) In the event the company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date, The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.
- g) The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as part of profit or loss in the statement of comprehensive income.
- h) Impairment loss (if any) is included in part of profit or loss in the statement of comprehensive income when there is a factor indicating that such investments might be impaired.
- i) Investments in subsidiary are accounted for in the separate financial statements using the cost net of allowance for impairment loss (if any).

5.8 Receivables from/payables to Clearing House

Receivables from/payables to Clearing House comprise the net balance of receivables from/payables to Thailand Clearing House in respect of settlements for securities trades and derivative instruments. They include amounts pledged with Thailand Clearing House as security for derivatives trading.

5.9 Securities and derivatives business receivables and allowance for doubtful accounts

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

1) Receivable from securities business and derivatives business of cash accounts

Receivable from securities business and derivatives business of cash accounts are the receivable that were derived from cash settlements within 1 - 3 working days after the securities and derivatives purchasing date.

2) Credit balance receivables

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

3) Other receivables

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

The allowance for doubtful accounts on securities business receivables is based on management's review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission's Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated 25 August 2000 and 15 February 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

5.10 Premises and Equipment/Depreciation

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

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

Building improvement	5 and 10 years
Furniture, fixtures and equipment	5 years
Financial lease assets	5 years

No depreciation is provided on assets under installation.

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

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

5.11 Intangible assets and amortisation

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

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

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

SET and derivatives memberships	5 years
Computer software licenses	Over the period of license term
Software	5 years
Company's logo	5 years

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

5.12 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.13 Securities and derivatives business payables

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

5.14 Borrowings and debt issued

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

5.15 Long-term lease

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

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

5.16 Provisions

Provisions are recognised 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.

5.17 Related party transactions

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

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

5.18 Impairment of assets

The Company and its subsidiary assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company and its subsidiary realises loss on impairment when the asset's recoverable amount is less than the book value. An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Fair value less cost to sell reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in part of profit or loss in the statement of comprehensive income.

At the reporting date, an assessment is made whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company and its subsidiary estimates the asset's recoverable amount and impairment loss recognised in prior periods reversed.

5.19 Employee benefits

a) Short-term benefits

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

b) Post-employment benefits (Defined contribution plans)

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

c) Post-employment benefits (Defined benefit plans)

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

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

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

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, as an expense on a straight-line basis over up to five years from the date of adoption.

5.20 Foreign currencies

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

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

Gains and losses on foreign exchange are included in determining income.

5.21 Income tax

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

Current tax

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

Deferred tax

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

The Company and its subsidiary recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

The Company and its subsidiary records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.22 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgements and estimates

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

6.1 Allowances for doubtful accounts for securities and derivatives business receivables

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgment to establish reserves for estimated losses for each outstanding receivable when there is any doubt about the receivable's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

6.2 Fair value of financial instruments

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

6.3 Impairment of equity investments

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

6.4 Building improvement and equipment/Depreciation

In determining depreciation of building improvement and equipment, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiary's premises and equipment and to review estimate useful lives and residual values when there are any changes.

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

6.5 Recognition and derecognition of assets and liabilities

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

6.6 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

6.7 Employee benefit

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

6.8 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess of the results of the litigation and recorded provision for contingent liabilities as at the end of reporting period. In case where they believe that no loss will result, the contingent liabilities are recorded.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash, short-term deposits and notes receivable with maturity less than three months	1,367,503	1,594,050	1,363,394	1,534,381
Cash and short-term deposits managed by an asset management company	548	59,878	548	59,878
Less: Deposits for customers' accounts	(1,228,263)	(1,306,380)	(1,228,263)	(1,306,380)
Total cash and cash equivalents	139,788	347,548	135,679	287,879

8. Deposits at financial institutions

As at 31 December 2015, deposits at financial institutions amounting to Baht 77 million (2014: Baht 46 million), represent fixed deposits pledged with banks as collateral for bank overdrafts and loans, to secure letters of guarantee issued by these banks, and as a bond for the postponement of legal execution under a lawsuit as discussed in Note to financial statements No. 17 and No. 33.1.1.

9. Receivables from Clearing House

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Receivables from Clearing House	41,361	229,995
Receivables from Clearing House managed by an asset management company	13,574	12,816
Less: Receivables from Clearing House for the customers	(41,140)	(39,322)
Total Receivables from Clearing House	13,795	203,489

10. Securities and derivatives business receivables - net

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
<u>Securities business receivables</u>		
Customer accounts - cash	402,563	434,927
Customer accounts - credit balance	609,290	1,067,955
Collateral receivables	32,160	54,677
Securities borrowing and lending	26,000	377
Other receivables		
Installment receivables	317	2,473
Receivables subject to legal proceedings	95,306	100,333
Total securities business receivables	1,165,636	1,660,742
Add: Accrued interest receivables	37	67
Less: Allowance for doubtful accounts	(86,558)	(91,586)
	1,079,115	1,569,223
<u>Derivatives business receivables</u>		
Derivatives business receivables	3,690	1,366
Securities and derivatives business receivables - net	1,082,805	1,570,589

As at 31 December 2015, the Company has credit balance accounts and other receivables, including interest receivables, for which it has stopped recognising interest income of approximately Baht 95 million (2014: Baht 100 million).

The Company has classified securities and derivatives business receivables in accordance with the Notification of the SEC as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	2015			2014		
	Receivable balance	Allowance for doubtful accounts	Receivable balance - net	Receivable balance	Allowance for doubtful accounts	Receivable balance - net
Normal debts	1,074,021	-	1,074,021	1,561,805	-	1,561,805
Substandard debts	8,784	-	8,784	8,784	-	8,784
Doubtful debts	86,558	(86,558)	-	91,586	(91,586)	-
Total	1,169,363	(86,558)	1,082,805	1,662,175	(91,586)	1,570,589

11. Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Beginning balance of the year	91,586	96,723
Reversal of bad debt and allowance for doubtful accounts	(5,028)	(5,137)
Ending balance of the year	86,558	91,586

12. Investments - net

(Unit: Thousand Baht)

	Consolidated financial statements			
	2015		2014	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Current investments</u>				
Trading securities				
Listed securities	81,225	69,797	12,913	12,706
Listed securities managed by an asset management company	220,969	166,867	189,950	197,623
Unit trusts	240,222	240,416	620,261	620,852
Private debt securities	40,000	40,000	-	-
Total	582,416	517,080	823,124	831,181
Add (less): Allowance for revaluation	(65,336)	-	8,057	-
Trading securities - net	517,080	517,080	831,181	831,181
Current investments - net	517,080	517,080	831,181	831,181
<u>Long-term investments</u>				
Available-for-sale securities				
Private debt securities	28,500	-	28,500	-
Less: Allowance for impairment	(28,500)		(28,500)	
Available-for-sale securities - net	-	-	-	-
Held-to-maturity debt securities				
Private debt securities	8,500	-	8,500	-
Less: Allowance for impairment	(8,500)		(8,500)	
Held-to-maturity debt securities - net	-	-	-	-
General investments				
Non marketable equity securities	50,000	50,000	-	-
Total general investments	50,000	50,000	-	-
Total investments - net	567,080	567,080	831,181	831,181

(Unit: Thousand Baht)

	Separate financial statements			
	2015		2014	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Current investments</u>				
Trading securities				
Listed securities	81,225	69,797	12,913	12,706
Listed securities managed by an asset management company	220,969	166,867	189,950	197,623
Unit trusts	240,222	240,416	620,261	620,852
Total	542,416	477,080	823,124	831,181
Add (less): Allowance for revaluation	(65,336)	-	8,057	-
Trading securities - net	477,080	477,080	831,181	831,181
Current investments - net	477,080	477,080	831,181	831,181
<u>Long-term investments</u>				
Available-for-sale securities				
Private debt securities	28,500	-	28,500	-
Less: Allowance for impairment	(28,500)		(28,500)	
Available-for-sale securities - net	-	-	-	-
Held-to-maturity debt securities				
Private debt securities of private sector	8,500	-	8,500	-
Less: Allowance for impairment	(8,500)		(8,500)	
Held-to-maturity debt securities - net	-	-	-	-
General investments				
Non marketable equity securities	50,000	50,000	-	-
General investments	50,000	50,000	-	-
Long-term investments - net	50,000	50,000	-	-
Investments - net	527,080	527,080	831,181	831,181

13. Investment in subsidiary

13.1 Details of investment in a subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Subsidiary	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(Percent)	(Percent)				
AAMC Asset Management								
Company Limited	55,000	55,000	90	90	55,120	55,120	-	-
Total Investment in subsidiary	55,000	55,000			55,120	55,120	-	-

As at 31 December 2015 and 2014, the subsidiary had an authorised share capital of Baht 100 million and paid-up share capital of Baht 55 million. The Company has commitments of Baht 40.5 million with respect to the unpaid portion of its investment in the subsidiary.

13.2 Details of investment in subsidiary that have material non-controlling interest

(Unit: Thousand Baht)

Subsidiary	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Percent)	(Percent)						
AAMC Asset Management								
Company Limited	10	10	6,067	6,282	(215)	643	-	-

13.3 Summarised financial information that based on amounts before inter-company elimination about a subsidiary that have material non-controlling

Summarised information about financial position as at 31 December

(Unit: Thousand Baht)

	AAMC Asset Management Company Limited	
	2015	2014
Interbank and money market items	4,104	59,664
Account receivable	10,982	-
Investments	40,000	-
Building improvement and equipment - net	4,862	6,018
Current liabilities	1,202	2,322
Non-current liabilities	850	850

Summarised information about comprehensive income for the year ended 31 December

(Unit: Thousand Baht)

	AAMC Asset Management Company Limited	
	2015	2014
Revenue	16,686	349,162
Profit (loss)	(2,150)	6,571
Total comprehensive income	(2,150)	6,571

Summarised information about cash flow for the year ended 31 December

(Unit: Thousand Baht)

	AAMC Asset Management Company Limited	
	2015	2014
Cash flow from operating activities	(15,323)	(8,516)
Cash flow from investing activities	(40,238)	11,822
Cash flow from financing activities	-	30,000
Net increase (decrease) in cash and cash equivalents	(55,561)	33,306

14. Premises improvement and equipment - net

(Unit :Thousand Baht)

	Consolidated financial statement				
	Leasehold improvement	Furniture, fixtures and office equipment	Financial lease assets	Assets under installation	Total
Cost					
1 January 2014	38,202	42,416	3,100	7,471	91,189
Additions	46,465	18,086	-	110,420	174,971
Transfer in (out)	93,753	23,870	268	(117,891)	-
Disposals/Written-off	(3,795)	(3,566)	(268)	-	(7,629)
31 December 2014	174,625	80,806	3,100	-	258,531
Additions	29,408	11,551	-	22,445	63,404
Transfer in (out)	7,067	(2,976)	-	(22,445)	(18,354)
Disposals/Written-off	(59)	-	-	-	(59)
31 December 2015	211,041	89,381	3,100	-	303,522
Accumulated depreciation					
1 January 2014	(479)	(4,400)	(107)	-	(4,986)
Depreciation for year	(21,284)	(15,726)	(620)	-	(37,630)
Transfer in (out)	(1,140)	1,140	-	-	-
Depreciation and disposals	15	2,378	-	-	2,393
31 December 2014	(22,888)	(16,608)	(727)	-	(40,223)
Depreciation for year	(26,874)	(17,057)	(620)	-	(44,551)
Transfer in (out)	(782)	885	-	-	103
Depreciation and disposals	6	-	-	-	6
31 December 2015	(50,538)	(32,780)	(1,347)	-	(84,665)
Net book value					
31 December 2014	151,737	64,198	2,373	-	218,308
31 December 2015	160,503	56,601	1,753	-	218,857
Depreciation for the year					
2014					37,630
2015					44,551

(Unit :Thousand Baht)

	Separate financial statement				
	Leasehold improvement	Furniture, fixtures and office equipment	Finance lease assets	Assets under installation	Total
Cost					
1 January 2014	38,202	42,416	3,100	7,471	91,189
Additions	40,301	18,021	-	110,420	168,742
Transfer in (out)	93,753	23,870	268	(117,891)	-
Disposals/Written-off	(3,795)	(3,566)	(268)	-	(7,629)
31 December 2014	168,461	80,741	3,100	-	252,302
Additions	29,408	11,551	-	22,445	63,404
Transfer in (out)	7,067	(2,976)	-	(22,445)	(18,354)
Disposals/Written-off	(59)	-	-	-	(59)
31 December 2015	204,877	89,316	3,100	-	297,293
Accumulated Depreciation					
1 January 2014	(479)	(4,400)	(107)	-	(4,986)
Depreciation for year	(21,163)	(15,726)	(620)	-	(37,509)
Transfer in (out)	(1,140)	1,140	-	-	-
Depreciation and disposals	15	2,378	-	-	2,393
31 December 2014	(22,767)	(16,608)	(727)	-	(40,102)
Depreciation for year	(25,641)	(17,044)	(620)	-	(43,305)
Transfer in (out)	(782)	885	-	-	103
Depreciation and disposals	6	-	-	-	6
31 December 2015	(49,184)	(32,767)	(1,347)	-	(83,298)
Net book value					
31 December 2014	145,694	64,133	2,373	-	212,200
31 December 2015	155,693	56,549	1,753	-	213,995
Depreciation for the year					
2014					37,509
2015					43,305

As at 31 December 2015, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 4.6 million (2014: Baht 4.6 million).

15. Intangible assets - net

(Unit: Thousand Baht)

Consolidated financial statement												
For the year ended 31 December 2015												
	Useful lives	Cost					Accumulated amortisation					Intangible assets - Net
		1 January 2015	Additions	Transfer in (out)	Disposal/ Written off	31 December 2015	1 January 2015	Additions	Transfer in (out)	Disposal/ Written off	31 December 2015	
Computer software	5 years	53,506	5,244	2,777	-	61,527	(14,820)	(11,051)	-	(103)	(25,974)	35,553
Software under installation	-	3,178	1,871	(3,198)	-	1,851	-	-	-	-	-	1,851
SET and Derivatives memberships	5 years	227,770	-	-	-	227,770	(227,770)	-	-	-	(227,770)	-
Licenses	1 year	642	258	262	-	1,162	(75)	(227)	-	-	(302)	860
Company's logo	4-5 years	346	-	-	-	346	(81)	(69)	-	-	(150)	196
Total		285,442	7,373	(159)	-	292,656	(242,746)	(11,347)	-	(103)	(254,196)	38,460

(Unit: Thousand Baht)

Separate financial statement												
For the year ended 31 December 2015												
	Useful lives	Cost					Accumulated amortisation					Intangible assets - Net
		1 January 2015	Additions	Transfer in (out)	Disposal/ Written off	31 December 2015	1 January 2015	Additions	Transfer in (out)	Disposal/ Written off	31 December 2015	
Computer software	5 years	53,506	5,208	2,777	-	61,491	(14,820)	(11,046)	-	(103)	(25,969)	35,522
Software under installation	-	3,178	1,871	(3,198)	-	1,851	-	-	-	-	-	1,851
SET and Derivatives memberships	5 years	227,770	-	-	-	227,770	(227,770)	-	-	-	(227,770)	-
Licenses	1 year	642	258	262	-	1,162	(75)	(227)	-	-	(302)	860
Company's logo	4-5 years	346	-	-	-	346	(81)	(69)	-	-	(150)	196
Total		285,442	7,337	(159)	-	292,620	(242,746)	(11,342)	-	(103)	(254,191)	38,429

(Unit: Thousand Baht)

Consolidated financial statement												
For the year ended 31 December 2014												
	Useful lives	Cost					Accumulated amortisation					Intangible assets - Net
		1 January 2014	Additions	Transfer in (out)	Disposal/ Written off	31 December 2014	1 January 2014	Additions	Transfer in (out)	Disposal/ Written off	31 December 2014	
Computer software	5 years	33,547	13,004	6,955	-	53,506	(5,917)	(8,903)	-	-	(14,820)	38,686
Software under installation	-	4,964	5,565	(7,351)	-	3,178	-	-	-	-	-	3,178
SET and Derivatives memberships	5 years	227,770	-	-	-	227,770	(227,770)	-	-	-	(227,770)	-
Licenses	1 year	107	267	375	(107)	642	-	(75)	-	-	(75)	567
Company's logo	4 - 5 years	302	23	21	-	346	(15)	(66)	-	-	(81)	265
Total		266,690	18,859	-	(107)	285,442	(233,702)	(9,044)	-	-	(242,746)	42,696

Separate financial statement												
For the year ended 31 December 2014												
	Useful lives	Cost					Accumulated amortisation					Intangible assets - Net
		1 January 2014	Additions	Transfer in (out)	Disposal/ Written off	31 December 2014	1 January 2014	Additions	Transfer in (out)	Disposal/ Written off	31 December 2014	
Computer software	5 years	33,547	13,004	6,955	-	53,506	(5,917)	(8,903)	-	-	(14,820)	38,686
Software under installation	-	4,964	5,565	(7,351)	-	3,178	-	-	-	-	-	3,178
SET and Derivatives memberships	5 years	227,770	-	-	-	227,770	(227,770)	-	-	-	(227,770)	-
Licenses	1 year	107	267	375	(107)	642	-	(75)	-	-	(75)	567
Company's logo	4 - 5 years	302	23	21	-	346	(15)	(66)	-	-	(81)	265
Total		266,690	18,859	-	(107)	285,442	(233,702)	(9,044)	-	-	(242,746)	42,696

As at 31 December 2015, certain computer software has been fully amortised but is still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 4.4 million (2014: Baht 4.4 million).

16. Other assets - net

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deposits	8,760	7,491	8,558	7,491
Payments for clearing funds	26,489	22,359	26,489	22,359
Asset for protecting the clearing system	5,000	5,000	5,000	5,000
Prepaid expenses	3,541	7,270	3,345	7,270
Accrued interest income	4,047	3,612	4,028	3,612
Accrued income	26,237	5,368	26,237	5,368
Receivables from sales of investment	10,982	546	-	546
Others	7,693	2,889	5,802	2,679
Less: Allowance for impairment of other assets	(393)	(393)	(393)	(393)
Total other assets - net	92,356	54,142	79,066	53,932

As at 31 December 2015 and 2014, the outstanding balances of other assets include investment in securities amounting to Baht 0.1 million which the Company purchased in order to return them to a customer in relation to litigation (Note 33.1.1).

17. Credit facility from financial institutions

As at 31 December 2015 and 2014, the Company has unused facilities for bank overdraft and Effect Not clear from local banks as follows:

(Unit: Thousand Baht)

	Interest rate	Consolidated and separate financial statements	
		2015	2014
Credit line of bank overdrafts	Fixed plus margin, MOR*	55,000	45,000
Credit line of Effect Not Clear**	0.50 percent per year	50,000	200,000
Credit line of Effect Not Clear**/			
Intraday Advance Payment***	0.75 percent per year	20,000	20,000
Intraday Advance Payment***	0.50 percent per year	300,000	-
		<u>425,000</u>	<u>265,000</u>

The Company's fixed deposits are pledged with banks as collateral for credit line of bank overdraft and credit line of loans (as discussed in Note 8).

* MOR is interest rate of overdraft facilities for corporate customer in Good Standings.

** Effect not clear means the service that the bank would pass the account owner's cheque before knowing the clearing result of the cheque which the account owner had deposited.

*** Intraday Advance payment means the service that the bank would paid in advance for the owner which the owner will repay such advance to the bank within the same day.

18. Securities and derivatives business payables

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
<u>Securities business payables</u>		
Cash accounts	256,948	558,637
Securities borrowing and lending payables	<u>26,000</u>	<u>377</u>
Total securities business payables	<u>282,948</u>	<u>559,014</u>
<u>Derivatives business payables</u>		
Derivatives business payables	<u>1,378</u>	<u>1,217</u>
Total derivatives business payables	<u>1,378</u>	<u>1,217</u>
Total securities and derivatives business payables	<u>284,326</u>	<u>560,231</u>

As at 31 December 2015, fair value of borrowing securities is Baht 26 million and remaining balance of these securities are Baht 1 million.

19. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated and separate financial statement	
	2015	2014
Liabilities under finance lease agreements	1,516	2,307
Less: Deferred interest expenses	(89)	(199)
Total	1,427	2,108
Less: Portion due within one year	(724)	(681)
Liabilities under finance lease agreements - net of current portion	703	1,427

The Company has entered into a hire-purchase agreement with a leasing company for rental of a vehicle for use in its operation, whereby it is committed to pay rental on a monthly basis. The term of agreement is 4 years, ended at 30 November 2017.

As at 31 December 2015 and 2014, future minimum lease payments under the financial lease agreements were as follows:

(Unit: Thousand Baht)

	2558		
	Within 1 year	1 - 5 years	Total
Future minimum lease payments	791	725	1,516
Deferred interest expenses	(67)	(22)	(89)
Present value of future minimum lease payments	724	703	1,427

(Unit: Thousand Baht)

	2557		
	Within 1 year	1 - 5 years	Total
Future minimum lease payments	791	1,516	2,307
Deferred interest expenses	(110)	(89)	(199)
Present value of future minimum lease payments	681	1,427	2,108

20. Debt issued and borrowings

(Unit: Thousand Baht)

		Consolidated and separate financial statement			
		2015			
		The maturity dates of debt			
		Within 1 year	1-5 years	Over 5 years	Total
	Interest rate (percent)				
Bills of exchange	4.62 - 5.00	300,923	-	-	300,923
Subordinate debentures	5.10 - 6.00	205,000	70,000	-	275,000
Total		505,923	70,000	-	575,923

(Unit: Thousand Baht)

		Consolidated and separate financial statement			
		2014			
		The maturity dates of debt			
		Within 1 year	1-5 years	Over 5 years	Total
	Interest rate (percent)				
Bills of exchange	4.80 - 5.50	295,215	-	-	295,215
Subordinate debentures	5.00 - 6.00	614,000	455,000	-	1,069,000
Total		909,215	455,000	-	1,364,215

21. Provision for long-term employee benefit

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Provision for long-term employee benefit at beginning of year	5,703	2,151
Included in profit or loss:		
Current service costs	7,964	14,058
Interest costs	168	49
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	(951)
Financial assumptions changes	-	166
Experience adjustments	-	(2,387)
Benefits paid during the year	-	(7,383)
Provisions for long-term employee benefits at end of year	13,835	5,703

The Company expects not to pay long-term employee benefits during the next year (2014: Baht 1 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 22.69 years (2014: 23.64 years).

The principal actuarial assumptions used to calculate the obligations under the defined post-employment benefit plans as at 31 December 2015 and 2014 are as follows:

	Consolidated and separate financial statements	
	2015	2014
Discount rate	2.94 %	2.94 %
Salary increase rate	3 %	3 %
Turnover rate	0 - 16 %	0 - 16 %
	Subject to range of age of employee Subject to range of age of employee	

The result of sensitivity analysis for significant assumptions that affect the present value of long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Changes in assumption	Increased	Decreased
Discount rate	1%	(1,167)	1,340
Salary increase rate	1%	1,535	(1,349)

22. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Fixed asset payable	263	10,187	263	9,985
Provision for demolition of office improvement	9,530	8,429	8,680	7,579
Value added tax payable	4,413	6,790	4,060	6,790
Others	913	3,264	863	3,214
Total other liabilities	15,119	28,670	13,866	27,568

23. Share capital

23.1 Registered share capital

On 30 April 2015, the 2015 Annual General Meeting of the Company's shareholders passed resolutions as follows:

1. Approved of the reduction and the increase of the registered capital and the amendment of the Memorandum of Association of the Company as follows:
 - 1.1 Reduce the registered capital of the Company from Baht 1,331,716,928 to Baht 1,325,403,898 by cancelling 6,313,030 authorised but unissued ordinary shares at a Baht 1 each.
 - 1.2 Increase 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 Baht 1 each.

The Company already registered the capital reduction and the capital increase with the Ministry of Commerce on 14 May 2015.

2. Approved the allocation of the newly issued ordinary shares as follows:
 - 2.1 The allocation of the newly issued ordinary shares in the amount of 300,000,000 shares for offering to existing shareholders in proportion to their respective shareholding (Right Offering: RO) with the ratio of 4 existing ordinary share to 1 newly issued ordinary share in combination with the warrants to purchase the ordinary shares of the Company - Type 4 ("AEC-W4") at an offering price of Baht 1 per share. The fraction of share remaining shall be disregarded.
 - 2.2 The allocation of the newly issued ordinary shares in the amount of 200,000,000 shares for offering to Private Placement subscribers (Private Placement: PP) in combination with the Warrants to purchase the ordinary shares of the Company – Type 5 ("AEC-W5") at an offering price of Baht 1 per share.

- 2.3 The allocation of newly issued ordinary shares in the amount of 300,000,000 shares in order to be reserved for the rights exercises by the holder of Warrant AEC-W4.
- 2.4 The allocation of newly issued ordinary shares in the amount of 200,000,000 shares in order to be reserved for the rights exercises by the holder of Warrant AEC-W5.
- 2.5 The allocation of 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"). Once the Company has issued and offering the newly issued ordinary shares, Warrant "AEC-W4" and Warrant "AEC-W5".

23.2 Issued and paid-up share capital

On 26 January 2015, the Board of Director's Meeting No. 1/2015 passed a resolution to issue and allocate 100,000,000 new ordinary shares through Private Placement, at an offering price of Baht 1.32 per share in combination with Warrant AEC-W3. The Company received full payment of the share subscription amounting to Baht 132 million on 29 January 2015, resulting the increase in issued and paid-up share capital of the Company from Baht 1,009,743,709 to Baht 1,109,743,709. The Company already registered the increase in paid-up capital with the Ministry commerce on 3 February 2015.

In addition, during June 2015, the Company sold the increased ordinary shares of Baht 114,501,049 as discussed in Note 23.1 No.2.1 to existing shareholders and allocated the Warrants AEC-W4 to shareholders who reserved the rights to buy the ordinary shares in proportion to their respective shareholding with the ratio of 1 newly issued ordinary share to 1 warrant, resulting the increase in the Company's issued and paid-up share capital from Baht 1,109,743,709 to Baht 1,224,244,758. The Company already registered the increase in issued and paid-up share capital with the Ministry of Commerce on 25 June 2015.

24. Ordinary share warrants

The Company has issued the warrants to the allocated shareholders, details of each type of warrants are as follows:

- (1) Warrants to purchase ordinary shares type 2 (“AEC-W2”) are allocated to the existing shareholders who have the rights to buy the ordinary shares in proportion to their respective shareholding with the ratio of 1 newly issued ordinary share to 1 warrant.

Number of proposed warrants	: 168,816,704 Units
Number of allocated warrants	: 165,660,189 Units
Underlying shares	: 165,660,189 Shares
Conversion ratio	: 1 warrant can be converted to 1 ordinary share
Offering price	: Baht 0 per unit (at no cost)
Exercise price	: Baht 2 per share, except an amendment in accordance with the right adjustment.
Issue date	: 11 April 2014
Term of warrants	: 3 years from the issue date
Exercise period	: The warrants can be exercised on the last working days of every June and December throughout the life of the warrant. The first exercise date is 30 June 2014 and last exercise date is 10 April 2017.
Secondary Market	: The Company registered the warrants with the Stock Exchange of Thailand on 14 May 2014.

No warrants had been exercised during the year, therefore as at 31 December 2015 the outstanding Warrant AEC-W2 was 165,660,189 units as equal to the original allocated units.

- (2) Warrants to purchase ordinary shares type 3 (“AEC-W3”) are allocated to the existing shareholders who has the rights to buy the ordinary shares with the ratio of 2 newly issued ordinary share to 1 Warrant.

Number of allocated warrants	: 50,000,000 Units
Underlying shares	: 50,000,000 Shares
Conversion ratio	: 1 warrant can be converted to 1 ordinary share
Offering price	: Baht 0 per unit (at no cost)
Exercise price	: Baht 3 per share, except an amendment in accordance with the right adjustment.
Issue date	: 27 January 2015
Term of warrants	: 3 years from the issue date
Exercise period	: The warrants can be exercised on the last working days of every June and December throughout the life of the warrant. The first exercise date is 31 March 2015 and last exercise date is 26 January 2018.

No warrants had been exercised during the year, therefore as at 31 December 2015 the outstanding Warrant AEC-W3 was 50,000,000 units as equal to the original allocated units.

- (3) Warrants to purchase ordinary shares type 4 (“AEC-W4”) are allocated to the existing shareholders who have the rights to buy the ordinary shares in proportion to their respective shareholding with the ratio of 1 newly issued ordinary share to 1 Warrant.

Number of proposed warrants	: 300,000,000 Units
Number of allocated warrants	: 114,501,049 Units
Underlying shares	: 114,501,049 Shares
Conversion ratio	: 1 warrant can be converted to 1 ordinary share
Offering price	: Baht 0 per unit (at no cost)
Exercise price	: Baht 1 per share, except an amendment in accordance with the right adjustment.
Issue date	: 28 May 2015
Term of warrants	: 3 years from the issue date
Exercise period	: The warrants can be exercised on the last working days of every June and December throughout the life of the warrant. The first exercise date is 30 December 2015 and last exercise date is 27 May 2018.
Secondary market	: The Company registered the warrants with the Stock Exchange of Thailand on 16 July 2015.

No warrants had been exercised during the year, therefore as at 31 December 2015 the outstanding Warrant AEC-W4 was 114,501,049 units as equal to the original allocated units.

- (4) Warrants to purchase ordinary shares type 5 ("AEC-W5") are allocated to Private Placement subscriber which is UOB Kay Hian Private Limited.

Number of proposed warrants	: 200,000,000 Units
Number of warrants	: 0 Units
Underlying shares	: 200,000,000 Shares
Offering price	: Baht 0 per unit (at no cost)

No warrants had been allocated to such Private Placement subscriber therefore there was no not Warrant AEC-W5 outstanding as at 31 December 2015,

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

According to the Thai Civil and Commercial Code, the subsidiary is required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the subsidiary pays out a dividend, until such reserve reaches ten percent of its registered share capital. The statutory reserve cannot be used for dividend payment.

26. Capital management

The objective of the Company and its subsidiary's capital management is to safeguard the Company's and the subsidiary's abilities to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company has a policy to pay dividend at least 75% of net profit after statutory reserve deduction. The payment is subject to the resolution of the shareholders' meeting.

27. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

However, as at 31 December 2015 and 2014, no calculation of diluted earnings per share since they were no issued dilutive potential ordinary shares from the exercise of warrants (since the exercise price is in excess of the fair value of the ordinary shares).

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to the Company (Baht)	(192,568,799)	12,377,207	(190,634,090)	6,588,015
Weighted average number of shares (shares)	1,160,305,899	971,646,295	1,160,305,899	971,646,295
Basic earnings profit (loss) per share (Baht/share)	(0.17)	0.01	(0.16)	0.01

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 6 percent of basic salary. The fund, which is managed by Krungsri Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year, the contribution for the year 2015 accounting to approximately Baht 8 million (2014: Baht 6 million) were recognised as expenses.

29. Brokerage fees

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Brokerage fees from securities business	490,700	442,927
Brokerage fees from derivatives business	72,773	35,145
Brokerage fees from selling agent of unit trust	7,968	12,624
Total brokerage fees	571,441	490,696

30. Fees and service income

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Underwriting fees	95	32,763
Investment advisory fees	1,825	37,310
Commission from sale of bills of exchange	51,132	-
Others	5,782	1,279
Total fees and service income	58,834	71,352

31. Directors' remuneration

Directors' remuneration represents the benefit paid to the directors of the Company in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to directors who hold executive position.

32. Income tax

Income tax for the years ended 31 December 2015 and 2014, were mode up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	-	1,618	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,314)	(1,032)	(1,314)	(1,032)
Income tax expense (income) reported in the statement of comprehensive income	(1,314)	586	(1,314)	(1,032)

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Deferred tax assets		
Allowance for impairment of investments	7,514	7,514
Provision for long-term employee benefits	2,767	1,141
Amortisation of intangible assets	832	1,144
Provision for litigations	1,123	1,123
Total	12,236	10,922

As at 31 December 2015 and 2014, the Company and its subsidiary did not record deferred tax assets for temporary differences relating to tax loss carried forward and unrealised mark to market losses on revaluations of investments, since the Company's management considered there to be uncertainty about whether they could be utilised in the future.

33. Commitment and contingent liabilities

33.1 Litigations

33.1.1 Litigation against the Company by securities trading customers

- 1) The Company was sued by a securities trading customer as the second defendant for the return of securities with a monetary value of approximately Baht 3.3 million. During the year 2004, the Court of first instance judged that the Company, as an employer, was jointly responsible with the first defendant. On 29 January 2010, the Appeal Court upheld the judgment of the Court of first instance. Subsequently, the Company appealed the court's decision to the Supreme Court. Currently, the case is under the consideration of the Supreme Court. The amount claimed, which included principal and interest, amounts to Baht 4.5 million. However, the Company has placed a fixed deposit as a bond to postpone legal execution (Note 8) and has purchased securities of Baht 0.1 million (Note 16). As at 31 December 2015 and 2014, the Company had set up a provision of Baht 5.6 million as a result of this litigation.

- 2) 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 judgment 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 judgment dismissing the plaintiff. Currently, the case is under the consideration of the Appeal Court. The Company's management believes that the Company will not be obliged to pay such compensation.

However, if the litigation matters listed above result in the Company incurring losses in excess of the recorded amounts mentioned above, the Company can claim the losses from UOBKH under the Assignment Agreement between the Company and the new major shareholder which grants the Company the right to make claims against UOBKH only for those cases that occurred before 26 March 2013. The Company can lodge claims with UOBKH for up to 60 days from the date of final judgment.

33.1.2 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 (see 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. Accordingly, as at 31 December 2015, the Company has not transferred SET Membership to UOBKH.

33.2 The Company and its subsidiary have non-cancellable lease agreements for office premises and facilities for periods of 1-4 years, renewable every 1-4 years. In addition, the Company has non-cancellable lease agreements for vehicles for periods of 4 years with rental fee rates as specified in the agreements. The Company and its subsidiary do not have an option to purchase the leased assets at the expiry of lease period. These agreements expire within December 2018.

As at 31 December 2015 and 2014, the Company and its subsidiary are required to pay rental and related service fees under the lease agreements for office premises and facilities and vehicles as follows:

(Unit: Thousand Baht)

Type	Consolidated financial statements			
	Remaining rental expenses			
	2015		2014	
	Within 1 year	Within 2 - 5 years	Within 1 year	Within 2 - 5 years
Office building	21,315	10,464	25,997	21,498
Office equipment	8,948	11,200	8,158	17,537
Vehicle	8,570	7,676	8,670	16,429
	<u>38,833</u>	<u>29,340</u>	<u>42,825</u>	<u>55,464</u>

(Unit: Thousand Baht)

Type	Separate financial statements			
	Remaining rental expenses			
	2015		2014	
	Within 1 year	Within 2 - 5 years	Within 1 year	Within 2 - 5 years
Office building	20,541	8,871	25,259	21,498
Office equipment	8,948	11,200	8,158	17,537
Vehicle	8,570	7,676	8,670	16,429
	<u>38,059</u>	<u>27,747</u>	<u>42,087</u>	<u>55,464</u>

33.3 As at 31 December 2015 and 2014, the Company and its subsidiary have commitments to purchase computer software amounting to Baht 2 million and Baht 3 million, respectively.

33.4 As at 31 December 2015 and 2014, the Company is required to pay to the Stock Exchange of Thailand monthly securities trading fees of Baht 50,000 and 0.005 percent of the trading value.

33.5 As at 31 December 2015 and 2014, the Company is required to pay service fees to the Thailand Depository Company Limited for rendering securities depository system services at rates according to each type of service.

33.6 As at 31 December 2015 and 2014, the Company is required to pay fees to the Office of the Securities and Exchange Commission for its business operations under the license whereby the Company is charged a fee at a rate of 1 percent of total fee income which is calculated from net capital gain arisen from the trading of debt securities and unit trusts and fee income from securities underwriting. Such fee shall not be less than Baht 500,000 per annum.

33.7 As at 31 December 2015 and 2014, the Company is required to pay contributions to the Compensation Fund for Securities Clearing and Settlement, which is overseen by the Thailand Securities Depository Company Limited, and the Compensation Fund for Derivatives Clearing and Settlement, which is overseen by the Thailand Clearing House Company Limited at certain rates of its net settlements each month.

33.8 As at 31 December 2015 and 2014, the Company is required to pay annual membership fees of Baht 500,000 per annum to the Thailand Future Exchange Public Company Limited and an annual fee of Baht 300,000 and a monthly fee of Baht 15,000 to Thailand Clearing House Company Limited.

34. Related party transactions

Related persons or entities of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related parties also include individuals owning, directly or indirectly, an interest in the voting shares of the Company and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

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

The name of the related company is as follows:

Name	Relationship	Business type
AAMC Asset Management Company Limited	Subsidiary	Asset management

During the years 2015 and 2014, the Company has no significant business transaction and outstanding balance with the related party.

Management's remuneration

Management benefit expenses represent cash remuneration as salaries, bonus and provident fund paid to the management of the Company in accordance with the Notification of the Capital Market and Supervisory Board No. Tor Jor. 24/2552 dated 20 July 2009 regarding "Prescription of Prohibited Characteristics of Issuing Company's Director and Executive".

For the years 2015 and 2014, managements' remuneration were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Short-term employee benefits	28,463	33,773
Post-employment benefits	2,205	(199)
Total	30,668	33,574

35. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its products and services and have 3 reportable segments as follows:

- Securities business segment, which provide service according to brokering, derivatives brokering and securities borrowing and lending.
- Investment Segment, which investment in securities and private fund.
- Asset management segment, which manages Non-Performing Loan (NPL) assets from financial institution.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit of loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the income tax is not allocated to the segment.

The transfer price between operating segment is based on fair value (arm's length basis).

The following tables present revenue and profit information regarding the Company's and its subsidiary's operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Thousand Baht)

	2015			
	Securities and derivatives business	Investing business	Asset management business	Consolidated
Income				
Brokerage fees	571,441	-	-	571,441
Fee and service income	58,834	-	-	58,834
Gain (loss) on investments	22,286	(102,768)	-	(80,482)
Interest income	-	2,349	357	2,706
Interest on margin loans	60,591	-	-	60,591
Profit (loss) from operations by segment	19,572	(115,344)	(2,150)	(97,922)
Unallocated income and expenses:				
Interest income				28,689
Other income				18,522
Other operating expenses				(143,387)
Loss before tax				(194,098)
Income tax				1,314
Loss for the year				(192,784)

(Unit: Thousand Baht)

	2014				
	Securities and derivatives business	Investing business	Asset management business	Elimination entries	Consolidated
Income					
Brokerage fees	490,696	-	-	-	490,696
Fee and service income	71,352	-	-	-	71,352
Gain (loss) on investments	(857)	77,318	-	-	76,461
Gain on sale of investment in receivables	-	-	17,000	-	17,000
Interest income	-	8,794	38	(6,919)	1,913
Interest on margin loans	46,828	-	-	-	46,828
Profit from operations by segment	359,271	86,113	6,432	6,919	458,735
Unallocated income and expenses:					
Interest income					15,319
Other income					2,269
Other operating expenses					(462,717)
Profit before tax					13,606
Income tax					(586)
Profit for the year					13,020

36. Fair value hierarchy

As of 31 December 2015, the Company and its subsidiary had assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statement			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	236,664	240,416	-	477,080
Debt instruments	-	40,000	-	40,000
Assets for which fair value are disclosed				
Cash and cash equivalents	139,788	-	-	139,788
Deposits at financial institutions	-	77,196	-	77,196
Receivables from Clearing House	-	13,795	-	13,795
Securities and derivatives business receivables - net	-	1,082,805	-	1,082,805
Non-marketable equity securities	-	-	50,000	50,000
Liabilities for which fair value are disclosed				
Payables to Clearing House	-	111,006	-	111,006
Securities and derivatives business payables	-	284,326	-	284,326
Finance lease liabilities	-	1,427	-	1,427
Debt issued and borrowings	-	300,943	278,488	579,431

(Unit: Thousand Baht)

	Separate financial statement			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	236,664	240,416	-	477,080
Assets for which fair value are disclosed				
Cash and cash equivalents	135,679	-	-	135,679
Deposits at financial institutions	-	77,196	-	77,196
Receivables from Clearing House	-	13,795	-	13,795
Securities and derivatives business receivables - net	-	1,082,805	-	1,082,805
Non-marketable equity securities	-	-	50,000	50,000
Liabilities for which fair value are disclosed				
Payables to Clearing House	-	111,006	-	111,006
Securities and derivatives business payables	-	284,326	-	284,326
Finance lease liabilities	-	1,427	-	1,427
Debt issued and borrowings	-	300,943	278,488	579,431

37. Financial instruments

Financial instruments are any contracts which give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity in the meantime.

37.1 Risk management

The company and its subsidiary have no policy for speculation in or engaging in the trading of any derivative financial instruments.

Financial instruments of the Company and its subsidiary principally comprise cash and cash equivalents, deposits at financial institutions, investments, receivables from and payables to Clearing House, borrowings from financial institutions, securities and derivatives business receivables and payables and debt issued and borrowings. The financial risks associated with these financial instruments and how they are managed is described below:

37.1.1 Liquidity risk

Under the notification of the SEC No.Kor Tor. 18/2549 regarding “Principle for Maintaining Capital Adequacy”, the Company shall have adequate capital at the end of the day at least Baht 15 million and at least 7% of general liability.

The Company has been granted a securities business license in the form of derivatives agent in accordance with the law of derivatives agent. The Company has to maintain capital adequacy at the end of the day at least Baht 25 million and at least 7% of general liability and assets which will be placed as collateral except in case the Company discontinues operation of derivatives agent and informs the SEC, after which the Company has to maintain capital following the requirement in the first paragraph above.

Additionally, in accordance with the regulation of Thailand Clearing House Company Limited (TCH) Chapter 300 “Ordinary Members” regarding the “Qualification of Membership”, the Ordinary Membership is required to have share capital at least Baht 100 million for membership operating only derivatives business.

As at 31 December 2015 and 2014, the company has maintained capital adequacy higher than notification of the SEC, and had share capital higher than TCH’s regulation.

The maturity dates of financial instruments held as of 31 December 2015 and 2014, counting from the financial position dates, are as follows:

(Unit : Million Baht)

	Consolidated financial statement						
	2015						
	Within 1		Over 5	No	Non-	performing	Total
	At call	year					
		1 - 5 years	years	maturity	debts		
Financial assets							
Cash and cash equivalents	140	-	-	-	-	-	140
Deposits at financial institutions	-	77	-	-	-	-	77
Receivables from Clearing House	-	14	-	-	-	-	14
Securities and derivatives business							
receivables - net	-	1,074	-	-	-	9	1,083
Investments - net	-	517	-	-	50	-	567
Financial liabilities							
Payables to Clearing House	-	111	-	-	-	-	111
Securities and derivatives business							
payables	-	284	-	-	-	-	284
Financial lease liabilities	-	1	1	-	-	-	2
Debt issued and borrowings	-	506	70	-	-	-	576

(Unit : Million Baht)

	Consolidated financial statement						
	2014						
	Within 1		Over 5	No	Non-	performing	Total
	At call	year					
		1 - 5 years	years	maturity	debts		
Financial assets							
Cash and cash equivalents	348	-	-	-	-	-	348
Deposits at financial institutions	-	46	-	-	-	-	46
Receivables from Clearing House	-	203	-	-	-	-	203
Securities and derivatives business							
receivables - net	-	1,562	-	-	-	9	1,571
Investments - net	-	831	-	-	-	-	831
Financial liabilities							
Payables to Clearing House	-	137	-	-	-	-	137
Securities and derivatives business							
payables	-	560	-	-	-	-	560
Financial lease liabilities	-	1	1	-	-	-	2
Debt issued and borrowings	-	909	455	-	-	-	1,364

(Unit : Million Baht)

	Separate financial statement						
	2015						
	At call	Within 1	1 - 5 years	Over 5	No	Non-	Total
		year		years	maturity	performing debts	
Financial assets							
Cash and cash equivalents	136	-	-	-	-	-	136
Deposits at financial institutions	-	77	-	-	-	-	77
Receivables from Clearing House	-	14	-	-	-	-	14
Securities and derivatives business							
receivables - net	-	1,074	-	-	-	9	1,083
Investments - net	-	477	-	-	50	-	527
Financial liabilities							
Payables to Clearing House	-	111	-	-	-	-	111
Securities and derivatives business							
payables	-	284	-	-	-	-	284
Financial lease liabilities	-	1	1	-	-	-	2
Debt issued and borrowings	-	506	70	-	-	-	576

(Unit : Million Baht)

	Separate financial statement						
	2014						
	At call	Within 1	1 – 5 years	Over 5	No	Non-	Total
		year		years	maturity	performing debts	
Financial assets							
Cash and cash equivalents	288	-	-	-	-	-	288
Deposits at financial institutions	-	46	-	-	-	-	46
Receivables from Clearing House	-	203	-	-	-	-	203
Securities and derivatives business							
receivables - net	-	1,562	-	-	-	9	1,571
Investments - net	-	831	-	-	-	-	831
Financial liabilities							
Payables to Clearing House	-	137	-	-	-	-	137
Securities and derivatives business							
payables	-	560	-	-	-	-	560
Financial lease liabilities	-	1	1	-	-	-	2
Debt issued and borrowings	-	909	455	-	-	-	1,364

37.1.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

As at 31 December 2015 and 2014, significant financial assets and liabilities classified by type of interest rate are as follows:

(Unit: Million Baht)

	Consolidated financial statement								
	2015								
	Outstanding balance of financial Instrument								
	Remaining period to the contractual reprising								
	date or maturity date							Interest Rate (% p.a.)	
	Floating Interest rate	Within 1 year	1 - 5 years	Over 5 years	Non- performing debts	Without interest	Total	Floating interest rate	Fixed interest rate
Financial assets									
Cash and cash equivalents	140	-	-	-	-	-	140	0.125 - 1.20	-
Deposits at financial institutions	-	77	-	-	-	-	77	-	1.15 - 2.60
Receivables from Clearing House	-	-	-	-	-	14	14	-	-
Securities and derivatives business									
receivables - net	-	609	1	-	9	464	1,083	5.50 - 12.00	18.00
Investments - net	-	-	-	-	-	567	567	-	-
Financial liabilities									
Payables to Clearing House	-	-	-	-	-	111	111	-	-
Securities and derivatives business									
payables	-	-	-	-	-	284	284	-	-
Financial lease liabilities	-	1	1	-	-	-	2	-	6.1237
Debt issued and borrowings	-	506	70	-	-	-	576	-	4.62 - 6.00

(Unit: Million Baht)

	Consolidated financial statement								
	2014								
	Outstanding balance of financial Instrument								
	Remaining period to the contractual reprising								
	date or maturity date							Interest Rate (% p.a.)	
	Floating Interest rate	Within 1 year	1 - 5 years	Over 5 years	Non- performing debts	Without interest	Total	Floating Interest rate	Fixed Interest rate
Financial assets									
Cash and cash equivalents	348	-	-	-	-	-	348	0.13 - 2.60	-
Deposits at financial institutions	-	46	-	-	-	-	46	-	1.25 - 2.50
Receivables from clearing House	-	-	-	-	-	203	203	-	-
Securities and derivatives business									
receivables - net	-	1,068	3	-	9	491	1,571	5.425 - 12.00	15.00
Investments - net	-	-	-	-	-	831	831	-	-
Financial liabilities									
Payables to clearing House	-	-	-	-	-	137	137	-	-
Securities and derivatives business									
payables	-	-	-	-	-	560	560	-	-
Financial lease liabilities	-	1	1	-	-	-	2	-	6.1237
Debt issued and borrowings	-	909	455	-	-	-	1,364	-	4.80 - 6.00

(Unit: Million Baht)

	Separate financial statement								
	2015								
	Outstanding balance of financial Instrument								
	Remaining period to the contractual reprising								
	date or maturity date							Interest Rate (% p.a.)	
Floating								Floating	Floating
Interest	Within	1 - 5	Over 5	Non-	Without			Interest	Interest
rate	1 year	years	years	performing	interest	Total		rate	rate
Financial assets									
Cash and cash equivalents	136	-	-	-	-	-	136	0.125 - 1.20	-
Deposits at financial institutions	-	77	-	-	-	-	77	-	1.15 - 2.60
Receivables from Clearing House	-	-	-	-	-	14	14	-	-
Securities and derivatives business									
receivables - net	-	609	1	-	9	464	1,083	5.50 - 12.00	18.00
Investments - net	-	-	-	-	-	527	527	-	-
Financial liabilities									
Payables to Clearing House	-	-	-	-	-	111	111	-	-
Securities and derivatives business									
payables	-	-	-	-	-	284	284	-	-
Financial lease liabilities	-	1	1	-	-	-	2	-	6.1237
Debt issued and borrowings	-	506	70	-	-	-	576	-	4.62 - 6.00

(Unit: Million Baht)

	Separate financial statement								
	2014								
	Outstanding balance of financial Instrument								
	Remaining period to the contractual reprising								
	date or maturity date							Interest Rate (% p.a.)	
Floating					Non-	Without		Floating	Floating
interest	Within	1 - 5	Over 5	performing	debts	interest		Interest	Interest
rate	1 year	years	years				Total	rate	rate
Financial assets									
Cash and cash equivalents	288	-	-	-	-	-	288	0.13 - 2.60	-
Deposits at financial institutions	-	46	-	-	-	-	46	-	1.25 - 2.50
Receivables from clearing House	-	-	-	-	-	203	203	-	-
Securities and derivatives business									
receivables - net	-	1,068	3	-	9	491	1,571	5.425 - 12.00	15.00
Investments - net	-	-	-	-	-	831	831	-	-
Financial liabilities									
Payables to clearing House	-	-	-	-	-	137	137	-	-
Securities and derivatives business									
payables	-	-	-	-	-	560	560	-	-
Financial lease liabilities	-	1	1	-	-	-	2	-	6.1237
Debt issued and borrowings	-	909	455	-	-	-	1,364	-	4.80 - 6.00

37.1.3 Credit Risk

Credit risk related to investment in debt securities, account receivable and securities and derivatives business receivables is the risk that the party to a financial instrument will fail to discharge an obligation and consequently causes the Company to incur a financial loss. The maximum credit risk exposure is the carrying amount of such assets as stated in the statement of financial position.

37.1.4 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in change in the value of financial instruments.

There is no foreign exchange risk due to the company has no foreign transactions and there are no foreign financial instruments as at financial statement date.

37.1.5 Fair value of financial instruments

Fair value represents the amount for which an asset could be exchange or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Summarised comparison between fair value and book value are as follows:

(Unit: Million Baht)

	Consolidates financial statements				Separate financial statements			
	2015		2014		2015		2014	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets								
Cash and cash equivalents	140	140	348	348	136	136	288	288
Deposits at financial institutions	77	77	46	46	77	77	46	46
Receivables from Clearing House	14	14	203	203	14	14	203	203
Securities and derivatives								
business receivables - net	1,083	1,083	1,571	1,571	1,083	1,083	1,571	1,571
Investment in domestic								
marketable equity securities	517	517	831	831	477	477	831	831
Investment in domestic non-								
marketable equity securities	50	50	-	-	50	50	-	-
Financial liabilities								
Payables from Clearing House	111	111	137	137	111	111	137	137
Securities and derivatives								
business payables	284	284	560	560	284	284	560	560
Finance lease liabilities	2	2	2	2	2	2	2	2
Debt issued and borrowings	576	579	1,364	1,364	576	579	1,364	1,364

The methods and assumptions used by the Company and its subsidiary in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, deposits at financial institutions, accounts receivable and short-term loans, accounts payable and short-term investments, their carrying amounts in the statement of financial position approximate their fair value.

- b) For debts securities, their fair value is generally derived from quoted market prices.
- c) For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models using discount rate at weighted average cost of investment when no market price is available.
- d) For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- e) For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

38. Significant events during the year

On 12 March 2015, the Company's Board of Directors meeting No. 3/2015, proposed the business restructuring plan of the Company, as well as assess the impact upon the shareholders of the Company in order to propose further to the shareholders for their consideration and approval.

According to such restructuring plan, the Company will establish a holding company which will be a public limited company, in order to engage in the business of investment and to hold the shares of the Company. The holding company will make a tender offer for all the securities of the Company, which will include ordinary shares and warrants where the holding Company will issue ordinary shares. After the tender offer is successful, the holding Company will be the major shareholder of the Company (holding more than 51% of the shares) and the ordinary shares of the holding company will be the securities listed on the Stock Exchange of Thailand ("SET") in place of the ordinary shares of the Company which will be simultaneously delisted from being the securities listed on the SET. In the meantime, warrants issued by the holding company to be exchanged with the warrants of the Company listed on the SET, will be listed on the SET in place of the warrants of the Company, which will be simultaneously delisted from being the securities listed on the SET.

Furtherance, the holding company will cancel the tender offer and cancel the actions under the restructuring plan, in the case that at the end of the tender offer period, the proportion of the ordinary shares of the Company which are acquired from the tender offer is less than 51% of all the securities sold.

However, on 30 April 2015, the 2015 Annual General Meeting of the Company's shareholders passed resolutions to approve the business restructuring plan of the Company as mentioned above, but not approve for the delisting of the Company's shares from the SET.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2016.

AEC Securities Public Company Limited.

Head office

63 Athenee Tower 15th, 17th Floor, Wireless Rd.,
Lumpini, Pathumwan, Bangkok, 10330
Tel : 02-659 3456
Fax : 02-659 3457

Mahatun Plaza Branch

888/200 Mahatun Plaza Building, 3rd FL.,
Ploenchit Road, Lumpini, Pathumwan,
Bangkok, 10330
Tel : 02-651 5764
Fax : 02-254 2011

Silom Branch

323 United Center Building, 15th FL.,
Silom Road, Bangrak, Bangkok 10500
Tel : 02-836 0001, 02-836 0301, 02-836 0315
Fax : 02-236 8190-91

Central Ladphrao Branch

1693 Central LatPhrao Office Building,
Unit No. 1101, 11st FL., Phahonyothin Road,
Chatuchak, Bangkok 10900
Tel : 02-792 4700
Fax : 02-541 1656

Soi Soonvijai Branch

499/5 Soi Soonvijai, New Phetchaburi Road,
Bang Kapi, HuaiKhwang, Bangkok 10320
Tel : 02-836 0331-45
Fax : 02-319 0219

Prachachuen Branch

105/1 Room No. B404 Thetsaban Songkhro Road.,
Lad Yao, Chatuchak, Bangkok 10900
Tel : 02-591 7858
Fax : 02-591 7857

Phahonyothin Branch

412/44, 412/45 Ban Phahonyothin Place Buliding,
Plaza Zone, 3rd FL., Phahonyothin Road,
SamsenNai, Phaya Thai, Bangkok 10400
Tel : 02-619 0600-2
Fax : 02-619 0599

The Nine Rama 9 Branch

33/4 The Nine Tower Grand Building Rama 9, 2rd FL.,
Rama 9 Road, HuaiKhwang, Bangkok 10310
Tel : 02-836 0245
Fax : 02-168 1358

Bangna Branch

58, BIZZO Building Unit No. B201,B202, 2rd FL.,
Bangnatrad 23 Road, Bangna, Bangkok 10260
Tel : 02-001 3313
Fax : 02-001 3327

Fashion Island Branch

589/7-9 Fashion Island B FL., Unit No.B001
Ram Intra Road, Khannayaw,
Khannayaw, Bangkok 10230
Tel : 02-130 4290-1
Fax : 02-130 4289

Saraburi Branch

1/11 Soi 13 Sut Banthat Road, Pak Phrieo,
Muang Saraburi, Saraburi 18000
Tel : 036-232 098-9
Fax : 036-232 102

Nakhonsawan Branch

47/9-11 Atthakawee Road, Tambol Paknampho,
Amphur Muangnakhonsawan, Nakhonsawan 60000
Tel : 056-212 647-50, 056-213 685-89
Fax : 056-213 689

Chiangmai - Mahidol Road Branch

288/61-62 Mahidol Road, TambolChangklan,
Amphur Muangchiangmai, Chaingmai 50100
Tel : 053-908 200
Fax : 053-285 222

Chiangmai – Changklan Road Branch

215/2 Unit no.B202, Changklan Road,
Tambol Changklan, Ampur Muangchiangmai 50100
Tel : 053-908 700
Fax : 053-908 799

Nakhon Si Thammarat Branch

202,204 Wandeekositkulporn Road,
Tambol Naimuang, Amphur Muangnakhon
Si Thammarat, Nakhon Si Thammarat 80000
Tel : 075-432 175
Fax : 075-432 332

Had yai Branch

59/10, 59/12 Juti - Anusorn Road,
Tambol Hadyai, Amphur Hadyai, Songkhla 90110
Tel : 074-222 700
Fax : 074-222 799



AEC Securities PLC.

63 Athenee Tower 15th, 17th Floor,

Wireless Rd., Lumpini, Pathumwan, Bangkok, 10330

Hotline : 02-659 3456

Website : www.aecs.com