

Part 1

Business Operation

1. Company Background and Business Overview

1.1. Vision, Objectives, Goals, Strategy

➤ Vision

- ✓ To Create Wealth for our Customers

➤ Mission

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

➤ Strategy

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

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

In our goal to creating wealth for our customers, AEC Securities Public Company Limited has concentrated our strategy towards providing an integrated and full service to our customers in a variety of products such as stocks, derivatives, debt instruments, mutual funds, or investment banking services for customers in both the private and public sector. To this objective, the Company has employed many qualified and experienced individuals, made business and strategic partnerships domestically and internationally, which is not only limited to our Bangkok office since our Company has planned to offer its services to all regions of Thailand. This path to expansion will be spearheaded by our securities brokerage business to key cities in Thailand.

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

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

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

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

Year 2018

- On 24 January 2018, the resignation of Mr. Sombat Narawutthichai, Director and Chairman of Executive Committee and other positions in the Company.
- On 19 February 2018, the Meeting of the Board of Directors No. 2/2018 appointed Director replacement of Director who resigns as follows:
 1. Appointment of Pro.Dr.Chaiya Yimwilai as Vice Chairman of the Board of Directors replace of Mr.Weerasak Kosurat who resigns, effective on 19 February 2018 onwards.
 2. Appointment of Pro.Dr.Chaiya Yimwilai as Acting of Chairman of Executive Committee replace of Mr. Sombat Narawutthichai who resigns, effective on 19 February 2018 onwards. This is until the recruitment of qualified candidates is considered.
- On 10 May 2018, the Meeting of the Board of Director No.4/2018 appointed Dr.Noppadol Mingchinda as Director (Authorized Director) and Executive Director, replacement of Director who resigns effective on 10 May 2018 onwards.
- On 31 May 2018, the Company would like to inform the changing of paid-up capital of the Company as the follows detail;
 1. The paid-up capital of the Company amount of Baht 1,224,249,008 (One Thousand Two Hundred Twenty Four Million Two Hundred Forty Nine Thousand and Eight Baht Only)
 2. The number of issued and paid-up share amount of 1,224,249,008 shares (One Thousand Two Hundred Twenty Four Million Two Hundred Forty Nine Thousand and Eight Shares) and which is the whole amount of ordinary share.

- On 8 June 2018, The company report on Utilization of increase Capital, according the Company to warrants to purchase ordinary shares of AEC Securities Public Company Limited No.4 (AEC W-4) in an amount of 114,501,049 units issued by AEC Securities Public Company Limited and allocated to the existing shareholders based on the shareholding ratio and the last warrants No.4 (AEC-W4) conversion right, which was exercised on 25 May 2018 in the ratio of 1 new ordinary share per 1 unit of warrant at 1 baht per share, in which two shareholder exercised conversion right accounting for a 3,550 capital increase of ordinary shares in the total amount of 3,550 baht (at a par value of 1 baht) as detailed in the referenced document and warrants to purchase the remaining ordinary shares shall be cancelled. Therefore, the Company used it as a revolving fund for the Company's business operation as per its objectives.
- On 5 October 2018, the Company closed its Park Venture branch effective as of 15 November 2018 onward.
- On 8 October 2018, the Company closed its Phahon Yothin branch effective as of 8 November 2018 onward.
- On 12 October 2018, according a resolution of the Meeting of Board of Director No.5/2108 held on 12 July 2018 has approved to enter into the memorandum of an agreement for acquisition of share of O Money Co., Ltd. ("O Money") and O Mobile Co., Ltd. ("O Mobile") Totaling baht 50 million. And assigned to the Executive Committee investigate the investment which the Executive Committee Meeting No.15/2018 held on 28 September 2018 has approved investigate the investment in accordance with the resolution of the above mentioned.
- On 31 October 2018, the Company closed its Nakhon Sri Thamarat branch effective as of 30 November 2018 onward.
- On 9 November 2018, the Company closed 9 branches as Hadyai branch (2) Silom branch (3) Saraburi branch (4) Fashion Island branch (5) Nakhon Ratchasima branch (6) Chiang mai-Mahidol branch (7) Chiangmai-Changklan branch (8) Bangna branch (9) Soi Soonvijai branch and effective on 11 December 2018 onward.
- On 12 November 2018, the Meeting of the Board of Director No.8/2018 held on 12 November 2018 has resolved to grant approval for the Company to dispose of the Company's assets in respect of securities and derivative retail brokerage business to UOB Kay Hian Securities (Thailand) Public Company Limited and Country Group Securities Public Company Limited, totally nine branches of the Company, with a total transaction value of not exceeding 244.10 million baht. In this regard, the Board of Directors' Meeting authorized the Executive Committee to have power to take actions in connection with the entry into the Asset Disposition Transaction, including the negotiation of conditions and other obligations pertaining to such transaction and to amend, agree upon, enter into and execute an asset purchase agreement with each purchaser.

- On 20 December 2018, the Company establishment of new subsidiary as ACE Incorporation Co., Ltd. has a register capital 1,000,000 baht divide into amount of 100,000 ordinary shares. Par value 10 baht per share. Objective are Investment in a limited company and a public company limited and being shareholders or partnerships including investment with person and juristic person for operating all types of lawful business both domestic and international.
- On 21 December 2018, the Board of Director No.6/2018 held on 28 August 2018 and the Executive Committee No.17/2018 held on 9 November 2018 has approved to investment in Zipmex Co., Ltd. ("Zipmex") and Zipmex Asia Pte. Ltd. ("Zipmex Asia") amount baht 15 million and baht 17.69 million and The Board of Directors No.5/2018 held on 12 July, 2018 has approved to investment in ACE Incorporation Co., Ltd. amount baht 0.99 million. Totaling baht 33.68 million.

Year 2017

- On January 31, 2017, the resignation of Mr. Thada Chanprasit, Executive director and Co-Chief Executive Officer
- On 31 March 2017, the Company sold its shareholding in AAMC in the amount of 299,996 shares at 61.25 THB per share, totaling at 18,374,755 THB. The sale was in accordance with the resolution of the meeting the Board of Directors No. 1/2016, held on 26 February 2016, to sell the ordinary shares in AAMC, and as a result, the Company has to reserve for non-performing assets, impacting the balance sheet of the Company. The proceeds from the sale will be used as cash flow for the Company, to be determined by the Executive Committee of the Company.
- On 10 April 2017, the Warrant of the Company No. AEC-W2 had its last exercise date in the amount of 165,660,189 units, which was allocated to existing shareholders at the ratio of 1:1 with the exercise price of 2 THB per share. There was 1 shareholder who exercised their right at 700 shares, totaling 14,000 THB (Par value at 1 THB), the proceed of which will be used as cash flow for the Company. The remaining warrants shall be cancelled.
- On 24 April 2017, the Company changed its registered capital of the Company to 1,224,245,458 THB and changed its paid-up capital of the Company to 1,224,245,458 shares.
- On 11 May 2017, the Board of Directors of the Company appointed Mr. Sombat Narawuttichai as Authorized Director and Member of the Executive Committee in replacement of Mr. Praphol Milindachinla. The Board of Directors of the Company also appointed Dr. Vichaya Krea-Ngam as Independent Director.

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

Year 2016

- On 21 March 2016, the resignation of Mrs. Amporn Chiammunchit from the position of Acting Chief Executive Officer
- On 21 March 2016, the Board of Directors Meeting No. 2/2016 resolved to appoint Mr. Chanachai Joonjiraporn as a Director (Authorized Director) and Executive Director in replacement of Dr. Chaipant Pongtanakorn who resigns.

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

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

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

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

Year 2015

- On 26 January 2015, the Board of Director Meeting No.1/2015 approved the issuance and allotment of newly issued ordinary shares to specific person under private placement, with the condition that any subscription of 2 new ordinary shares and a type 1 Warrant (AEC-W3) amount to 50,000,000 shares and that the price of any sale of ordinary shares through PP must not be less than 90 percent of the average price of such ordinary shares 15 days before establishing the price. Together with warrant (AEC-W3) in the amount of 0 Baht per warrant, a share conversion ratio of 1:1 and a conversion price of 3 Baht, convertible on the last business day of March and September of every year.
- On 12 March 2015, the Board of Director Meeting No.3/2015 acknowledge to Mr. Praphol Milindachinla is resigned from Acting of Chief Executive Officer will be effective on 1 April 2015 onward and the meeting resolved to appointment as follows;
 1. Appointment Mr. Thada Chanprasit as Director (authorized) Executive Director and Co-Chief Executive Officer replace to Mr. Kobkiat Boontherawara.
 2. Appointment Mr. Pisit Patumban as Executive Director and Co-Chief Executive Officer and has been approved by Securities and Exchange Commission on 22 April 2015.
- On 30 April 2015, The Annual General Meeting of Shareholder for the year 2015 has approve as follows;
 1. The reduction of the registered capital of the Company and amendment of Clause 4. Of Memorandum of Association of the Company from Baht 1,331,716,928 to Baht 1,325,403,898
 2. The increase of the registered capital of the Company and amendment of Clause 4. Of Memorandum of Association of the Company from Baht 1,325,403,898 to Baht 2,414,615,498.
And has registered capital reduction and increase Department of Business Development on 14 May 2015
 3. The issuance and offering of the newly issued ordinary shares of the Company in the amount not exceeding 300,000,000 shares at the par value of Baht 1 each to the existing shareholders of the Company in proportion to their respective shareholding ("Right Offering: RO") in combination with the Warrant to purchase the ordinary shares of the Company –Type 4 (AEC-W4) ("AEC-W4" or "Warrants-Type 4") in the amount not exceeding 300,000,000 units.

The newly issued ordinary shares as aforementioned shall be offered to the existing shareholders at the ratio of 4 existing ordinary shares to 1 newly issued ordinary share in combination with 1 unit of the Warrants to purchase the ordinary shares of the Company –Type 4 (i.e. 1 newly issued ordinary share to 1 unit of the Warrants). The offering price for newly issued ordinary shares shall be Baht 1 per share and for the Warrants–Type 4 shall be Baht 0 per unit. The exercise price for the Warrants-Type 4 shall be Baht 1 per share (except in case of rights adjustment), provided that any fraction of shares or Warrants derived from the calculations shall be disregarded and the existing shareholders who exercise their right to subscribe the

newly issued shares are required to subscribe all Warrants-Type 4 at the same time and in line with their proportion.

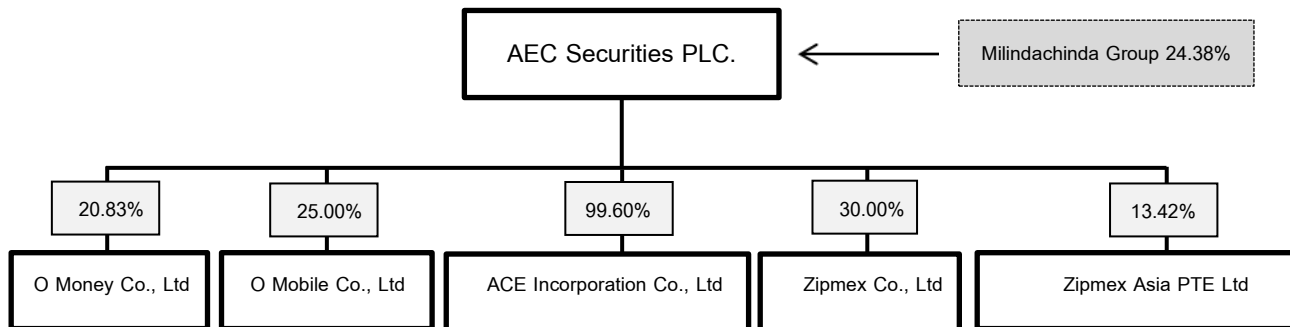
4. The issuance and offering of the newly issued ordinary shares of the Company in the amount not exceeding 200,000,000 shares at the par value of Baht 1 each to the Private Placement subscriber(s) (Private Placement : PP) pursuant to the Notification of the Capital Market Advisory Board TorChor. 28/2551 re: the Application for Approval of Offer for Sale of Newly Issued Shares (as amended) in combination with the Warrants to purchase the ordinary shares of the Company-Type 5 (AEC-W5) (“AEC-W5” or “Warrants-Type 5”) in the amount not exceeding 200,000,000 units.

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

5. The allocation of the newly issued ordinary shares in the amount of 89,211,600 shares in order to be reserved for the rights adjustment of Warrants – Type 2 (AEC-W2) and Warrants – Type 3 (AEC-W3). The Company must adjust the rights of Warrants-Type 2 (AEC-W2) and Warrants-Type 3 (AEC-W3) once the Company has issued and offering the newly issued ordinary shares. Warrants-Type 4 (AEC-W4) and Warrants-Type 5 (AEC-W5) in order to be in line with the conditions concerning the rights adjustment as stipulated in Item 4.2.1) (b) and (c) of the indicative terms and conditions of Warrants-Type 2 (AEC-W2) and Warrants-Type3 (AEC-W3).

- On 16 July 2015, Mr. Apichai Taechaubol, Directors/Non-Authorized Director resigned from Board of Directors of the company.
- On 24 July 2015, Mr. Chaipant Pongtanakorn, Executive Director and Director resigned from Executive Director and Directors.
- On 27 July 2015, the Board of Directors Meeting No. 6/2015 resolved to appoint Mr. Angoon Phimpkhorn as Executive Director and Director (Authorized Director), replacing Mr. Apichai Taechaubol and received approval from the Securities and Exchange Commission on 21 August 2015.
- On 27 August, 2015, Mr. Chaiwat Utaiwan, Advisor to the Board of Directors resigned from Advisor to the Board of Director.
- On 24 December, 2015, the Company appointed Mrs. Amporn Chiammunchit, Chief Operating Officer as Acting Chief Executive Officer and received approval from the Securities and Exchange Commission on 25 January, 2016.

1.3. Shareholding Structure of Corporate Group



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

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

2. Nature of Business

2.1 Revenue and Expense Structure of the Company

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

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

Note:

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

(Unit : Thousand Baht)

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

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

2.2 Business Lines

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

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

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

➤ **Securities Brokerage**

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

Types of Securities Trading Account

- **Cash Account**

A cash account is a type of securities trading account that the customer can trade under a trading limit that is considered and evaluated from the amount of cash that the customer provided according to the rules and regulations of the Company. The cash or security that the customer provides must have a value of 20% of the trading limit (according to the regulation of SET effective on 2 May 2013). All cash provided by the customer and held by the Company will receive interest (as stipulated under the rules and regulations of the Company), and any payments for the purchase or sale of securities must be provided within 3 (three) days commencing from the date of purchase or sale (T+3). The deduction of such payments will be through the Account Automatic Transfer Service (ATS), and in the case of receiving payments from the sale of securities, the customer will receive such payments within 3 (three) business days commencing from the date of sale through the ATS system.

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

- **Cash Balance Account**

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

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

- **Credit Balance Account**

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

➤ **Derivatives Brokerage**

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

➤ **Electronic Trading**

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

➤ **Investment Banking**

- **Financial Advisory (FA)**

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

- **Mergers and Acquisitions**

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

- **Initial Public Offerings (IPO)**

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

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

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

- **Debt Restructuring**

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

- **Corporate Structuring**

The Company provides advice on corporate structuring such as shareholding structure, exchange of

shares and corporate restructuring. This includes advice and recommendation on the various choices and procedure involved, issues on law and tax, and any relevant procedure related to government agencies.

- **Capital Restructuring**

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

➤ **Mutual Funds**

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

The Company represents the following asset management companies:

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

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

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

➤ **Private Fund**

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

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

➤ **AIPRO Trading System**

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

2.3 Market Overview and Competition

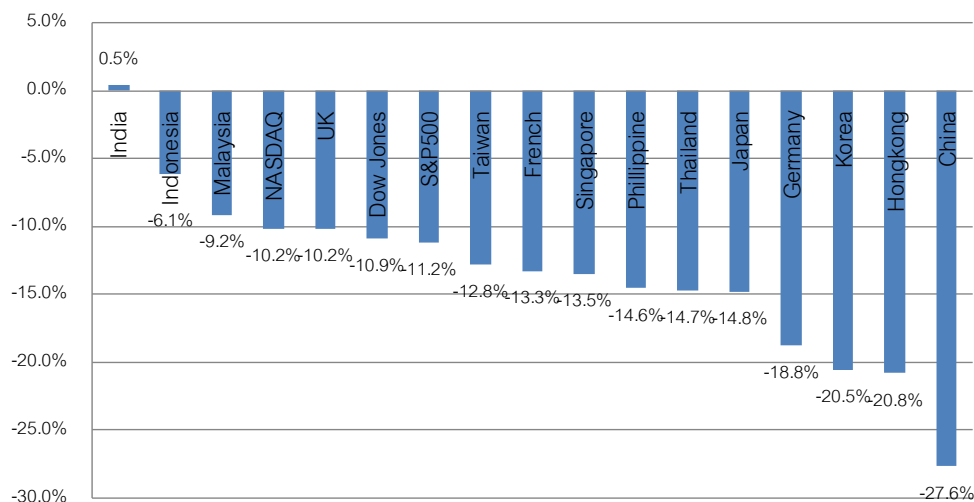
2018 Stock Market Overview:

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

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

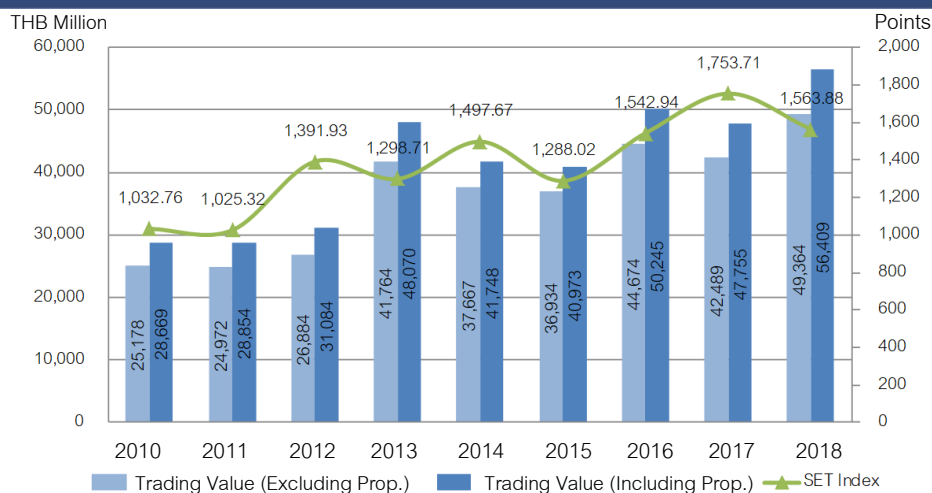
In the overall picture, however, in 2018, the SET Index rose to its highest point of the year at 1,838.96 points on 24 January 2018 (SET Index made its lowest point of the year at 1548.37 points on 27 December 2018). Before the end of 2018, SET Index closed at the level of 1,563.88 points with the Thai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

Worldwide Stock Market Index



Source: Bloomberg

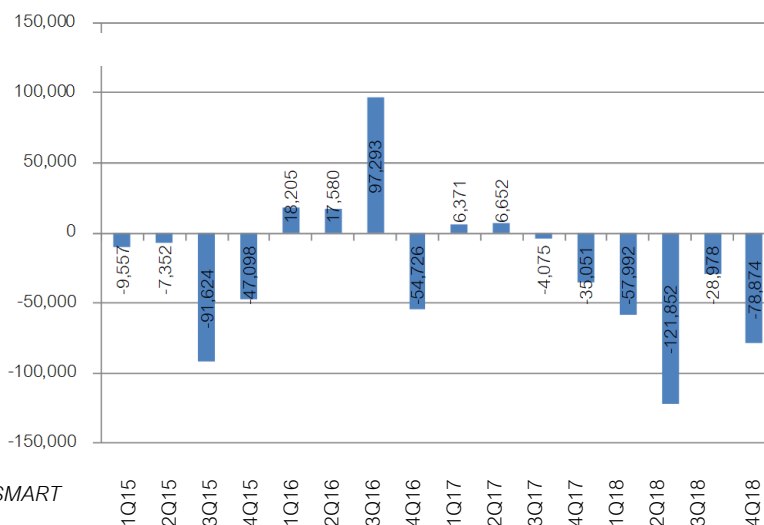
Trading Value and SET Index



Source: SETSMART

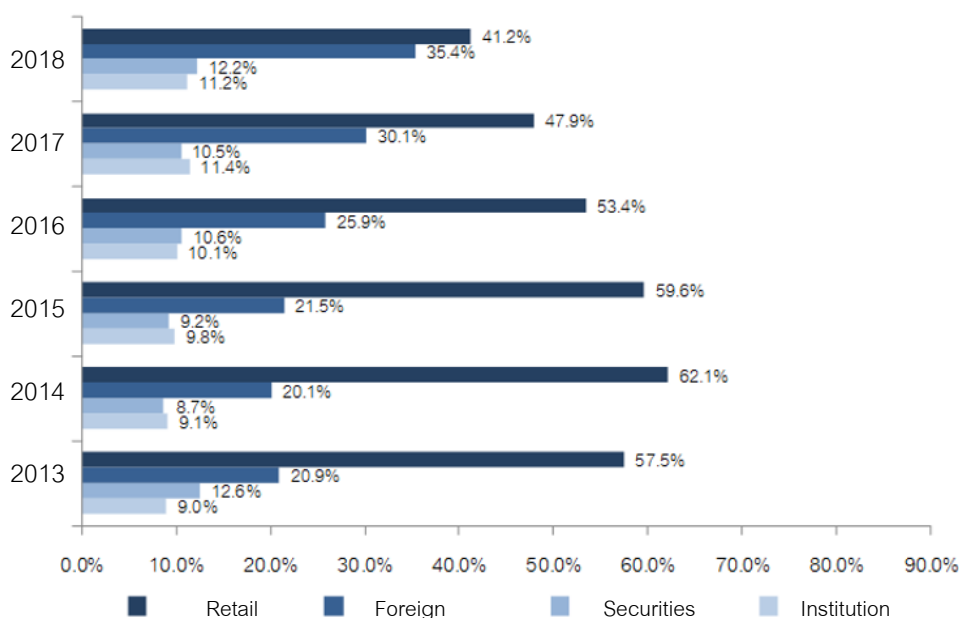
In 2018, institutional investors played a very important role in driving SET Index with net purchase (both in the SET and MAI) of around THB 181 billion, which was a net purchase in its sixth year consecutively and had trading value proportion of 11.2% of the total trading value, while retail investors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

Net Trading Value of Foreign Investors by Quarter



Source: SETSMART

Trading Value Proportion of Each Group of Investor



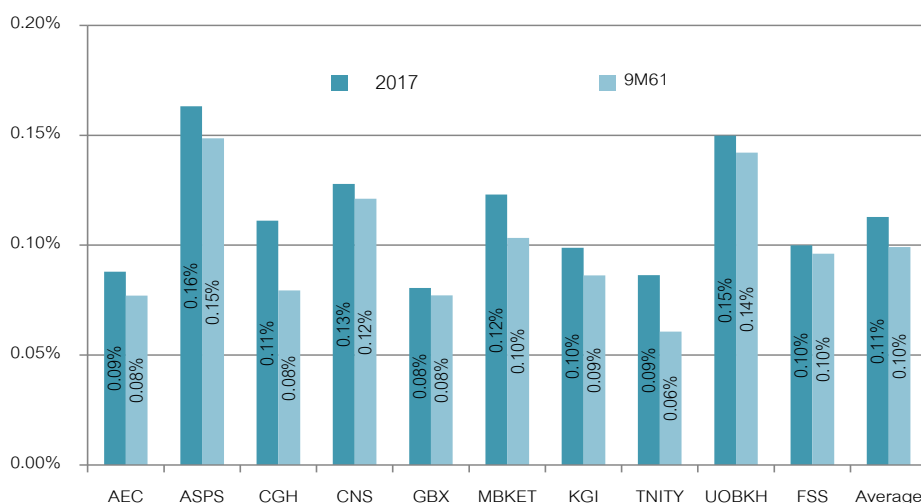
Source: SETSMART

2018 Securities Business Overview:

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

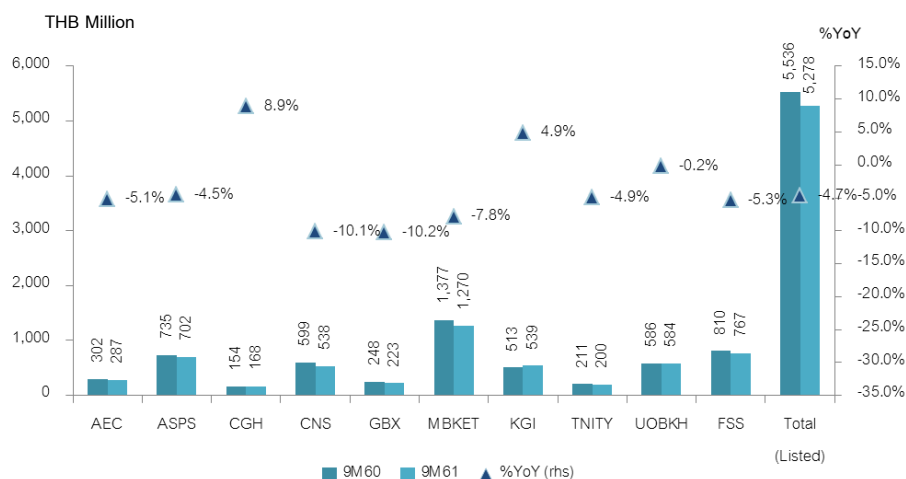
of making the SET Index at yearend closed at 1,563.88 points, with the Thai stock market yielding at -10.8%, consequently resulting in the profit from portfolio investment of securities companies to decrease from the preceded year, plus a substantial declination in revenue from investment banking business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

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



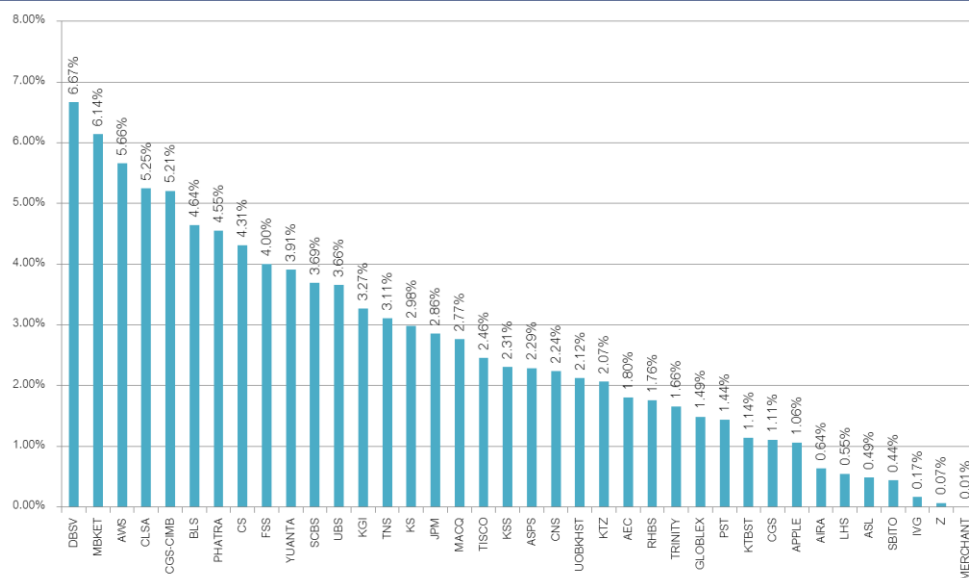
Source: AECS Research

Revenues from Commission from Securities Trades in 2018 (Listed)



Source: SETSMART

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



Source: SETSMART

Thai Stock Market Trends and Securities Business in 2019:

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

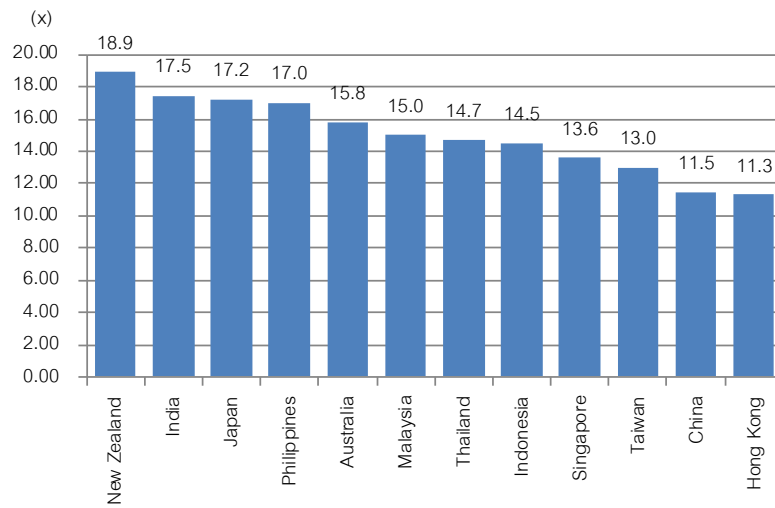
(GDP) at 3.9% YoY. Nevertheless, the Thai economic direction has a trend of growing at a decelerated rate from 2018 from foreign indicators, both on the aspects of the exports and tourism which may be faced with the risks from the US and Chinese economic slowdown as well as the impacts from the ongoing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

Net Profit Growth Rate per Share of Thai Stock Market



Source: Bloomberg (14 January 2019)

Forward PER 2018



Source: Bloomberg

3. Risk Factors

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

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

3.1 Strategic Risk

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

The Company has organized the business structure in accordance with market fluctuations and rapidly technological changes by adhering to the distribution of revenue structure in various businesses more than the securities and derivatives brokerage business. Such as securities underwriting business, Bond dealer other than the Company has focally aimed to develop the business with the innovation on Artificial Intelligence (AI) as a tool for customer service.

- **Risks associated with underwriting**

The company carries out the investment banking business by taking the jobs as the underwriter. The risk which could possibly occur is a loss from taking the securities remaining left from the underwriting service for putting into the investment account of the company. Because of the reason that the underwriting service which is in an inappropriate quantity and price or affected from the securities trade condition fluctuation in the Stock Exchange of Thailand, the interest rates and foreign currency exchange rates have consequently resulted in the investors to not subscribe or subscribe the securities which the company is the underwriter not in fully complete account which may affect the company's liquidity. To reduce such risk, the company then conducted comprehensive analysis together with the tests on market demands, Net Capital Rule (NCR) level of the company in the case for which the company has provided any underwriting service and that not all the securities could be distributed. Prior to submitting to the Investment Banking Committee, the company Executive Board of Directors

and Board of Directors have made a consideration first before agreeing to enter into such Underwriting Service Contract (in accordance with the approval power level and the transaction volume). Provided, however, that the company has maintained NCR at the rate higher than the criteria prescribed by Office of Securities Exchange Commission (SEC) the whole time which as at 31 December 2018, the company accounted for the NCR of 36.74% or in monetary amount of 164.70 million Baht.

- **Bond Issue Business Risk**

A risk associated with bond trader business may be arisen from the counterparty who cannot comply with the obligations prescribed under the bond or as agreed upon including the bond issuer's credit risk ranking which has been reduced that may affect the returning income from the bond to be lessened, as well. The company has the Bond Committee to scrutinize the bond that the company will go in for transactions in order to ensure that it is the quality bond without any opportunity for a risk to happen from the counterparty's non-compliance with the contract. So that in 2018, Office of Securities Exchange Commission (SEC) by The Capital Market Supervisory Board has regulations regarding for license to be permit and authorized to new offering bond. Which makes the securities company and issuers customer have more details on the process for offering bond and the bond are reliable. Meanwhile, the amount of bond to be offered in 2019 is decreased. So that, the Company would be develop relevant personnel to have knowledge and perception for rule and situation that have changed. In order to be adjust to increase the potential of working to achieve the set goals.

3.2 Operational Risk

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

- **Risk associated with personnel.**

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

Nevertheless, the Company recognizes the importance of human resources to carry out its business steadily and consistently. So, the company has continually developing personnel with training, including provides effective ongoing as well as increase awareness of ethical awareness to the personnel of the Company and clear

and appropriate remuneration. In addition, the company also has a policy of personnel aimed at creating a new generation of effective and ethical behavior.

- **Corruption Risk**

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

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

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

3.3 Financial Risk

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

- **Credit Risk**

- **Risk from Credit Balance Accounts**

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

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

- **Risk from Derivatives Trading**

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

- **Market Risk**

- **Risks associated with Market Fluctuations**

The economic situation is still uncertain; the market fluctuations are still going on which, all these, may have an effect on the movements of the capitals and investors' confidences in the Stock Exchange of Thailand and may result in the securities trade value to decrease which will eventually affect the securities trade commission which is the company's important income. Nevertheless, the company still has the goal to maintain the market share not to be lower than the existing one and is trying to compete in order to increase the market share to be higher. In addition, the company will increase the income proportion by expanding its other businesses rather than being the underwriter such as the investment banking and bond trader.

- **Risks associated with the investment impairment**

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

3.4 Compliance Risk

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

To protect against such risks, the Company has appointed the audit and compliance department, which is independent from management, to monitor and follow the operations of the Company under the relevant regulations and policies of the Company, as well as informing the Company of any changes in the rules and regulations of SEC and SET. Such as the criteria for offer for sale of Convertible Debentures permission change by

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

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

4. Operating Assets

4.1 Land, Building, Machinery and Equipment

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

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

4.2 Intangible Assets

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

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

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

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

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

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

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

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

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

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

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

5. Legal Disputes

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

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

Parties : APF Holdings Company Limited, Plaintiff, and AEC Securities Public Company Limited, 3rd Defendant.

Court of Jurisdiction : Bangkok South Civil Court

Case Commencement Date : 17 June 2013

Claims

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

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

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

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

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

Facts

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

Case Status

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

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

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

6. General Information and Other Important Information

6.1 General Information

Name of Company	:	AEC Securities Public Company Limited
Nature of Business	:	Securities Business ■ Securities Brokerage - Internet Trading - AIPRO Trading System ■ Derivatives Brokerage ■ Securities Trading ■ Investment Banking ■ Underwriting ■ Lending and borrowing ■ Selling Agent ■ Wealth Management
Head Office Address	:	63 Athenee Tower, 15 th , 17 th Fl., Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Company Registration No.	:	0107536001575 (formerly Bor.Mor.Jor. 231)
Company Website	:	www.aecs.com
Telephone	:	0-2659-3456
Facsimile	:	0-2659-3457
Registered Capital	:	THB 2,414,615,498 (As of 31 December 2018)
Paid-up Capital	:	THB 1,244,249,008 (As of 31 December 2018)
Number of Share	:	1,244,224,758 Shares
Par Value	:	1 Baht
Type of Share	:	Ordinary shares
External Auditors	:	Ms. Wanawat Hemachayart Certified Public Accountant Registration No.7049 and/or Mr. Sompop Pholprasarn Certified Public Accountant Registration No.6941 and/or Mazars Company Limited Empire Tower, Tower 2 , 12 th Floor, South Sathorn Road, Bangkok 10120

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

6.2 Other Important Information

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