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Ref. AECS 226/2019

November 11, 2019

Subject: Clarification of Financial Statement for the third quarter and nine month period
Ended of September 30, 2019 (Reviewed)

To: The President
The Stock Exchange of Thailand

AEC Public Company Limited ("Company") would like to announce the consolidated results of operations for the third quarter and nine month period ended of September 30, 2019 which has been reviewed and approved by an auditor. For the third quarter, the Company and subsidiaries had a net loss of 69.90 million baht, net loss increase by 57.43 million baht or 460.55 percent as compared to the same period last year, net loss by 12.47 million baht. For the nine month period of the company, a net loss of 285.39 million baht, net lost increased by 221.66 million baht or 347.81 percent as compared to the same period for the last year, net loss by 63.73 million baht.

The separate financial statements for the third quarter has a net loss by 56.96 million baht, loss increased by 44.49 million baht or 356.78 percent as compared to the same period last year net loss by 12.47 million baht. For the nine month period of the company, a net loss of 250.82 million baht, net lost increased by 187.09 million baht or 293.57 percent as compared to the same period for the last year, net loss by 63.73 million baht. The Company would like to clarify that for the major changes as follows:

1. The Company's operating result for the third quarter period ended September 30,2019 as compared to the same period for the last year as follows:
 - 1) Total revenues from consolidated financial statements, decreased from 174.77 million baht to 61.76 million baht, decreased by 113.01 million baht or 64.66 percent and total revenues from separated financial statements, decreased from 174.77 million baht to 59.85 million baht, decrease by 114.92 million baht or 65.75 percent.
 - 2) Revenues from brokerage fees from consolidated and separate financial statements, decreased 107.74 million baht to 15.72 million baht, decreased by 92.02 million baht or 85.41 percent was mainly by the decreased of brokerage fees of 71.54 million baht and brokerage fees on securities and derivatives trading of 20.48 million baht due to dispose of the Company's assets in respect of securities and derivative brokerage business in December 2018.
 - 3) Revenues from Fee and service from consolidated and separate financial statements, decreased from 35.64 million baht to 12.60 million baht, decreased 23.04 million baht or 64.65 percent was mainly by the decreased in revenues from underwriting fee.
 - 4) Interest on margin loans from consolidated and separate financial statements, decreased from 3.85 million baht to 1.25 million baht, decreased by 2.60 million baht or 67.53 percent was mainly by the decrease of margin loans business.
 - 5) Other income from separate financial statements, decreased from 2.09 million baht to 1.01 million baht, decreased by 1.08 million baht or 51.67 percent

- 6) Total expenses from consolidated financial statements, decreased from 187.56 million baht to 131.79 million baht, decrease by 55.77 million baht or 29.73 percent and total expenses from separated financial statements, decreased from 187.56 million baht to 116.94 million baht, decrease by 70.62 million baht or 37.65 percent.
- 7) Employee benefit expense from consolidated financial statements, decreased from 97.92 million baht to 43.70 million baht, decrease by 54.22 million baht or 55.37 percent and employee benefit expense from separated financial statements, decreased from 97.92 million baht to 38.09 million baht, decrease by 59.83 million baht or 61.10 percent.
- 8) Fee and service expenses from consolidated and separate financial statements, decreased from 30.61 million baht to 8.80 million baht, decreased 21.81 million baht or 71.25 percent was mainly by the decreased in variable trading volume of the securities business, derivatives business and proprietary trading.
- 9) The consolidated and separate financial statements have been impaired on investments of private debt issue as 29.31 million baht.
- 10) Finance costs from consolidated and separated financial statements, decreased from 11.32 million baht to 4.47 million baht, decrease by 6.85 million baht or 60.51 percent was mainly from decreasing of customer's deposit and debt for loans.
- 11) Other expenses from separate financial statements, decreased from 47.72 million baht to 36.27 million baht, decreased 11.45 million baht or 23.99 percent due to decreasing of premises improvements and equipment from dispose of the Company's assets in respect of securities and derivative brokerage business in December 2018.

2. The Company's operating result for the nine month period ended September 30,2019 as compared to the same period for the last year as follows;

- 1) Total revenues from consolidated financial statements, decreased from 512.81 million baht to 213.53 million baht, decreased by 299.28 million baht or 58.36 percent and total revenues from separated financial statements, decreased from 512.81 million baht to 205.98 million baht, decrease by 306.83 million baht or 59.83 percent.
- 2) Revenues from brokerage fees from consolidated and separate financial statements, decreased from 360.62 million baht to 40.73 million baht, decreased by 319.89 million baht or 88.71 percent was mainly by the decreased of brokerage fees as 253.64 million baht and brokerage fees on securities and derivatives trading of 66.25 million baht due to dispose of the Company's assets in respect of securities and derivative brokerage business in December 2018.
- 3) Revenues from Fee and service from consolidated and separate financial statements, decreased from 90.50 million baht to 70.51 million baht, decreased 19.99 million baht or 22.09 percent was mainly by the decreased in revenues from underwriting fee.
- 4) Interest on margin loans from consolidated and separate financial statements, decreased from 16.55 million baht to 3.66 million baht, decreased by 12.89 million baht or 77.89 percent was mainly by the decrease of margin loans business.
- 5) Gain and return on financial instruments from consolidated financial statements, increased from 40.83 million baht to 88.79 million baht, increase by 47.96 million baht or 117.46 percent and Gain and return on financial instruments from separated financial statements, increased from 40.83 million baht to 85.80 million baht, increase by 44.97 million baht or 110.14 percent as a result of increasing of profit from investments.

- 6) Other income from consolidated financial statements, increased from 4.31 million baht to 9.84 million baht, increased by 5.53 million baht or 128.31 percent, was mainly by increasing of subsidiary's income and other income from separated financial statements, increased from 4.31 million baht to 5.28 million baht, increased by 0.97 million baht or 22.51 percent.
- 7) Total expenses from consolidated financial statements, decreased from 577.34 million baht to 498.92 million baht, decrease by 78.42 million baht or 13.58 percent and total expenses from separated financial statements, decreased from 577.34 million baht to 456.80 million baht, decrease by 120.54 million baht or 20.88 percent.
- 8) Employee benefit expense from consolidated financial statements, decreased from 304.19 million baht to 138.68 million baht, decrease by 165.51 million baht or 54.41 percent and employee benefit expense from separated financial statements, decreased from 304.19 million baht to 124.14 million baht, decrease by 180.05 million baht or 59.19 percent.
- 9) Fee and service expenses from consolidated financial statements, decreased from 88.01 million baht to 29.87 million baht, decreased by 58.14 million baht or 66.06 percent and fee and service expenses from separated financial statements, decreased from 88.01 million baht to 29.67 million baht, decreased by 58.34 million baht or 66.29 percent was mainly by the decreased in variable trading volume of the securities business, derivatives business and proprietary trading.
- 10) The consolidated and separate financial statements have impairment loss on investments of private debt issue as 188.74 million baht.
- 11) Finance costs from consolidated and separated financial statements, decreased from 34.67 million baht to 14.83 million baht, decrease by 19.84 million baht or 57.23 percent was mainly by decreasing of customer's deposits and debt for loans.
- 12) Other expenses from consolidated financial statements, decreased from 150.47 million baht to 124.48 million baht, decreased by 25.99 million baht or 17.27 percent and other expenses from separated financial statements, decreased from 150.47 million baht to 99.43 million baht, decreased by 51.04 million baht or 33.92 percent due to decreasing of premises improvements and equipment from dispose of the Company's assets in respect of securities and derivative brokerage business in December 2018.

Please be inform accordingly

Sincerely Yours,

- Mr. Waiwit Udayachalerm -

(Mr. Waiwit Udayachalerm)
Director and Chief Executive Officer
Authorized to sign on behalf of the company