

Maybank Kim Eng Securities (Thailand) Public  
Company Limited and its subsidiary  
Report and interim financial statements  
31 March 2012

## **Review Report of Independent Auditor**

To the Shareholders of Maybank Kim Eng Securities (Thailand) Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary as at 31 March 2012, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Maybank Kim Eng Securities (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

I conducted my review in accordance with Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard 34 Interim Financial Reporting.

The consolidated financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary, and the separate financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited for the year ended 31 December 2011 were audited by another auditor who expressed an unqualified opinion on those statements, under her report dated 8 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements.

The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2011 of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary, and the separate financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial information which was reviewed by the aforementioned auditor who reported, under his report dated 12 May 2011, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 27 April 2012

**Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary**

**Statements of Financial Position**

**As at 31 March 2012 and 31 December 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
Cash and cash equivalents	6	451,962	436,944	397,360	373,414
Deposits at financial institutions	7	3,448	3,447	3,448	3,447
Receivables from Clearing House	8	248,673	178,179	248,673	178,179
Securities and derivatives business receivables - net	9	7,768,065	5,870,371	7,768,065	5,870,371
Investment - net	12	265,535	35,001	265,535	35,001
Investments in subsidiary	13	-	-	100,000	100,000
Loans to employees under welfare program		315,835	323,157	315,835	323,157
Equipment - net		140,975	142,623	138,548	139,991
Intangible assets - net		26,162	23,792	23,300	21,698
Property foreclosed		9,887	9,887	9,887	9,887
Deposits		40,189	39,446	40,183	39,427
Other assets	14	131,590	103,355	129,110	101,631
<b>Total assets</b>		<b>9,402,321</b>	<b>7,166,202</b>	<b>9,439,944</b>	<b>7,196,203</b>

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

Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary

Statements of Financial Position (continued)

As at 31 March 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2012	31 December 2011	31 March 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
Borrowings and debt issued	15	1,385,000	594,000	1,385,000	594,000
Payables to Clearing House		103,353	-	103,353	-
Securities and derivatives business payables	16	2,647,122	1,354,730	2,647,122	1,354,730
Derivatives liabilities	11	117,812	5,952	117,812	5,952
Provisions	17	64,256	57,765	63,828	57,429
Accrued bonus		137,917	480,784	137,055	480,259
Corporate income tax payable		191,800	133,493	191,800	133,493
Accrued expenses		70,885	75,446	70,409	74,993
Liabilities under long-term lease		17,112	16,518	15,453	14,807
Dividend payable		467,736	917	467,736	917
Other liabilities		43,685	26,515	43,466	26,372
<b>Total liabilities</b>		<b>5,246,678</b>	<b>2,746,120</b>	<b>5,243,034</b>	<b>2,742,952</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
572,250,000 ordinary shares of Baht 5 each		2,861,250	2,861,250	2,861,250	2,861,250
Issued and fully paid-up					
570,814,500 ordinary shares of Baht 5 each		2,854,072	2,854,072	2,854,072	2,854,072
Share premium		523,571	523,571	523,571	523,571
Premium on treasury shares	19	17,979	5,348	17,979	5,348
Retained earnings					
Appropriated - statutory reserve	20	286,125	286,125	286,125	286,125
Appropriated - treasury shares reserve	19	1,038	11,261	1,038	11,261
Unappropriated		473,896	750,966	515,163	784,135
Less: Treasury shares	19	(1,038)	(11,261)	(1,038)	(11,261)
<b>Equity attributable to holders of the parent</b>		<b>4,155,643</b>	<b>4,420,082</b>	<b>4,196,910</b>	<b>4,453,251</b>
Non-controlling interests		-	-	-	-
<b>Total shareholders' equity</b>		<b>4,155,643</b>	<b>4,420,082</b>	<b>4,196,910</b>	<b>4,453,251</b>
<b>Total liabilities and shareholders' equity</b>		<b>9,402,321</b>	<b>7,166,202</b>	<b>9,439,944</b>	<b>7,196,203</b>

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

Directors

(Unaudited but reviewed)

**Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary****Statements of comprehensive income****For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<b>Income</b>					
Brokerage fee	22	613,222	671,827	613,222	671,827
Fee and service income		7,780	6,788	7,590	6,731
Gain (loss) on investments		(8,460)	1,429	(8,460)	1,429
Gain on derivatives		11,354	10,573	11,354	10,573
Interest and dividends		56,839	36,010	56,410	35,642
Interest on margin loans		71,270	47,753	71,270	47,753
Other income		6,943	5,977	7,226	6,276
<b>Total income</b>		<b>758,948</b>	<b>780,357</b>	<b>758,612</b>	<b>780,231</b>
<b>Expenses</b>					
Financial costs		47,587	17,411	47,558	17,411
Fee and service expenses		52,074	43,377	51,860	43,224
Operating expenses					
Personnel expenses		299,174	319,701	293,374	316,617
Premises and equipment expenses		72,128	69,491	71,694	69,236
Taxes and duties		3,033	2,134	3,024	2,127
Directors' remuneration	23	3,400	15,800	3,400	15,800
Information and technology		11,156	9,076	9,922	8,065
Other expenses		32,409	21,662	31,695	21,296
Total operating expenses		421,300	437,864	413,109	433,141
Reversal of bad debt and doubtful accounts	10	(395)	(334)	(395)	(334)
<b>Total expenses</b>		<b>520,566</b>	<b>498,318</b>	<b>512,132</b>	<b>493,442</b>
<b>Profit before corporate income tax</b>		<b>238,382</b>	<b>282,039</b>	<b>246,480</b>	<b>286,789</b>
Corporate income tax	25	(58,856)	(88,706)	(58,856)	(88,706)
<b>Profit for the period</b>		<b>179,526</b>	<b>193,333</b>	<b>187,624</b>	<b>198,083</b>
<b>Other comprehensive income:</b>					
Other comprehensive income for the period		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>179,526</b>	<b>193,333</b>	<b>187,624</b>	<b>198,083</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		179,526	193,333	187,624	198,083
Non-controlling interests		-	-	-	-
		<u>179,526</u>	<u>193,333</u>	<u>187,624</u>	<u>198,083</u>

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

(Unaudited but reviewed)

**Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary**

**Statements of comprehensive income (continued)**

**For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		179,526	193,333	187,624	198,083
Non-controlling interests		-	-		
		<u>179,526</u>	<u>193,333</u>		

(Unit: Baht)

**Earnings per share attributable to equity holders of the parent**

Basic earnings per share	26	<u>0.32</u>	<u>0.34</u>	<u>0.33</u>	<u>0.35</u>
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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary****Cash flow statements****For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<b>Cash flows from operating activities</b>				
Profit before corporate income tax	238,382	282,039	246,480	286,789
Adjustments to reconcile profit before corporate income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	16,436	13,789	16,158	13,607
Bad debt and doubtful accounts (reversal)	(395)	(334)	(395)	(334)
Unrealised (gains) losses on revaluation of investments	11,349	(4,070)	11,349	(4,070)
Unrealised (gains) losses on revaluation of derivatives liabilities	(10,262)	5,397	(10,262)	5,397
(Gains) losses on sales and written-off of premises and equipment	647	(813)	647	(813)
Retirement benefit	6,491	6,825	6,399	6,722
Financial cost	47,305	17,092	47,305	17,092
Amortised interest expense of financial lease	282	319	253	319
Doubtful accounts - other receivables (reversal)	(100)	-	(100)	-
Interest income	(127,941)	(85,257)	(127,512)	(84,889)
Cash paid for interest	(47,774)	(15,031)	(47,745)	(15,031)
Cash paid for income tax	(549)	(918)	(549)	(918)
<b>Income from operating activities before changes in operating assets and liabilities</b>	<b>133,871</b>	<b>219,038</b>	<b>142,028</b>	<b>223,871</b>
Decrease (increase) in operating assets				
Deposits at financial institutions	(1)	(2,095)	(1)	(2,095)
Receivables from Clearing House	(70,494)	(1,452,938)	(70,494)	(1,452,938)
Securities and derivatives business receivables	(1,895,073)	115,336	(1,895,073)	115,336
Investments	(241,883)	42,462	(241,883)	42,462
Loans to employees under welfare program	7,322	(1,639)	7,322	(1,639)
Deposits	(743)	987	(756)	987
Other assets	(24,309)	(6,035)	(23,682)	(5,000)
Increase (decrease) in operating liabilities				
Payables to Clearing House	103,353	(495,175)	103,353	(495,175)
Securities and derivatives business payables	1,292,392	1,144,932	1,292,392	1,144,932
Derivative liabilities	122,122	(34,278)	122,122	(34,278)
Accrued bonus	(342,867)	(288,461)	(343,204)	(288,461)
Accrued expenses	(4,241)	(11,706)	(4,263)	(11,896)
Other liabilities	17,170	3,374	17,094	3,795
<b>Net cash flows from operating activities</b>	<b>(903,381)</b>	<b>(766,198)</b>	<b>(895,045)</b>	<b>(760,099)</b>

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



(Unaudited but reviewed)

**Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary**

**Cash flow statements (continued)**

**For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<b>Cash flows from investing activities</b>				
Cash received from interest	121,889	84,351	121,588	84,007
Proceeds from disposals of equipment	95	1,258	95	1,258
Purchases of equipment	(14,328)	(11,807)	(14,327)	(11,807)
Purchases of intangible assets	(2,116)	(2,069)	(1,276)	(2,009)
<b>Net cash flows from investing activities</b>	<b>105,540</b>	<b>71,733</b>	<b>106,080</b>	<b>71,449</b>
<b>Cash flows from financing activities</b>				
Cash received from borrowings	15,405,000	7,344,000	15,405,000	7,344,000
Cash paid for borrowings	(14,614,000)	(7,314,500)	(14,614,000)	(7,314,500)
Cash received from treasury shares	22,854	-	22,854	-
Cash paid on principal of long-term lease	(995)	(1,004)	(943)	(1,004)
<b>Net cash flows used in financing activities</b>	<b>812,859</b>	<b>28,496</b>	<b>812,911</b>	<b>28,496</b>
<b>Net increase in cash and cash equivalents</b>	<b>15,018</b>	<b>(665,969)</b>	<b>23,946</b>	<b>(660,154)</b>
Cash and cash equivalents as at 1 January	436,944	1,074,852	373,414	993,387
<b>Cash and cash equivalents as at 31 March</b>	<b>451,962</b>	<b>408,883</b>	<b>397,360</b>	<b>333,233</b>

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

(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to holders of the parent									
	Retained earnings					Total equity				
	Share capital		Premium on treasury shares		Statutory reserve	Appropriated -		Unappropriated -		Treasury shares
<b>Balance as at 31 December 2010</b>	2,854,072	523,571	5,348	284,170	11,261	969,568	(11,261)	4,636,729	-	4,636,729
Total comprehensive income for the period	-	-	-	-	-	193,333	-	193,333	-	193,333
Statutory reserve	-	-	-	1,955	-	(1,955)	-	-	-	-
Dividend paid (Note 21)	-	-	-	-	-	(671,620)	-	(671,620)	-	(671,620)
<b>Balance as at 31 March 2011</b>	<u>2,854,072</u>	<u>523,571</u>	<u>5,348</u>	<u>286,125</u>	<u>11,261</u>	<u>489,326</u>	<u>(11,261)</u>	<u>4,158,442</u>	<u>-</u>	<u>4,158,442</u>
<b>Balance as at 31 December 2011</b>	2,854,072	523,571	5,348	286,125	11,261	750,966	(11,261)	4,420,082	-	4,420,082
Premium on treasury shares	-	-	12,631	-	-	-	-	12,631	-	12,631
Decrease in treasury shares	-	-	-	-	-	-	10,223	10,223	-	10,223
Total comprehensive income for the period	-	-	-	-	-	179,526	-	179,526	-	179,526
Treasury shares reserve	-	-	-	-	(10,223)	10,223	-	-	-	-
Dividend paid (Note 21)	-	-	-	-	-	(466,819)	-	(466,819)	-	(466,819)
<b>Balance as at 31 March 2012</b>	<u>2,854,072</u>	<u>523,571</u>	<u>17,979</u>	<u>286,125</u>	<u>1,038</u>	<u>473,896</u>	<u>(1,038)</u>	<u>4,155,643</u>	<u>-</u>	<u>4,155,643</u>

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

(Unaudited but reviewed)

**Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary**

**Statements of changes in shareholders' equity (continued)**

**For the three-month periods ended 31 March 2012 and 2011**

(Unit: Thousand Baht)

Separate financial statements

	Retained earnings							
	Appropriated -							
	Premium on Appropriated treasury shares							
	Share capital	Share premium	treasury shares	statutory reserve	reserve	Unappropriated treasury shares	Total	
<b>Balance as at 31 December 2010</b>	2,854,072	523,571	5,348	284,170	11,261	984,739	(11,261)	4,651,900
Total comprehensive income for the period	-	-	-	-	-	198,083	-	198,083
Statutory reserve	-	-	-	1,955	-	(1,955)	-	-
Dividend paid (Note 21)	-	-	-	-	-	(671,620)	-	(671,620)
<b>Balance as at 31 March 2011</b>	<u>2,854,072</u>	<u>523,571</u>	<u>5,348</u>	<u>286,125</u>	<u>11,261</u>	<u>509,247</u>	<u>(11,261)</u>	<u>4,178,363</u>
<b>Balance as at 31 December 2011</b>	2,854,072	523,571	5,348	286,125	11,261	784,135	(11,261)	4,453,251
Premium on treasury shares	-	-	12,631	-	-	-	-	12,631
Decrease in treasury shares	-	-	-	-	-	-	10,223	10,223
Total comprehensive income for the period	-	-	-	-	-	187,624	-	187,624
Treasury shares reserve	-	-	-	-	(10,223)	10,223	-	-
Dividend paid (Note 21)	-	-	-	-	-	(466,819)	-	(466,819)
<b>Balance as at 31 March 2012</b>	<u>2,854,072</u>	<u>523,571</u>	<u>17,979</u>	<u>286,125</u>	<u>1,038</u>	<u>515,163</u>	<u>(1,038)</u>	<u>4,196,910</u>

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

**Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary**  
**Notes to interim financial statements**  
**For the three-month period ended 31 March 2012**

**1. General information**

Maybank Kim Eng Securities (Thailand) Public Company Limited (“the Company”) was incorporated as a public limited company under the Public Limited Companies Act. The Company operates its business in Thailand with 5 securities licenses, securities brokerage, securities dealing, investment advisory, securities underwriting and securities borrowing and lending services. In addition, the Office of the Securities and Exchange Commission (SEC) has granted the Company licenses to operate securities registrar business and derivatives broker business and approval to operate financial advisory business as specified by SEC.

The Company's registered office is located on 999/9 the Offices at Central World, 20th - 21st and 24th Floor, Rama 1 Road, Pathumwan, Bangkok. As at 31 March 2012, the Company has 46 branches in Bangkok and upcountry (31 December 2011: 45 branches).

**2. Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders, and cash flows in the same format as that used for the annual financial statements and the presentation of the financial statements has been made in compliance with requirement of the notification of the office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor. Kor. Nor. 53/2553 dated 15 December 2010.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**3. Basis for the preparation of the consolidated financial statements**

The basis of consolidation adopted for these interim financial statements is the same as that for the consolidated financial statements for the year ended 31 December 2011. There have been no significant changes in the composition of the group during the current period.

**4. New accounting standards issued during the period not yet effective**

During the current period, the Federation of Accounting Professions issued the financial reporting standard TFRS 8: Operating Segments, which is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

**5. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011.

**6. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
Cash on hand	545	545	540	540
Current deposits and savings deposits	3,134,026	1,107,794	3,132,429	1,106,769
Fixed deposits	34,000	34,000	-	-
Promissory notes	19,000	7,028,500	-	7,000,000
Total cash and cash equivalents	3,187,571	8,170,839	3,132,969	8,107,309
Less: Cash deposits held for customers	(2,735,609)	(7,733,895)	(2,735,609)	(7,733,895)
Total cash and cash equivalents - net	451,962	436,944	397,360	373,414

(Unaudited but reviewed)

## 7. Deposits at financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2012	31 December 2011
	Over 3 months - 1 year	Over 3 months - 1 year
Fixed deposits	11	10
Deposits with restriction	3,437	3,437
Total deposits at financial institutions	<u>3,448</u>	<u>3,447</u>

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2012	31 December 2011
	Over 3 months - 1 year	Over 3 months - 1 year
Fixed deposits	11	10
Deposits with restriction	3,437	3,437
Total deposits at financial institutions	<u>3,448</u>	<u>3,447</u>

As at 31 March 2012, fixed deposits of Baht 3 million (31 December 2011: Baht 3 million) are pledged as collateral to local banks for letter of guarantees.

## 8. Receivables from Clearing House

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	31 March 2012	31 December 2011
Receivables from Clearing House	457,436	350,281
Less: Receivables from Clearing House held for customers	<u>(208,763)</u>	<u>(172,102)</u>
Total receivables from Clearing House	<u>248,673</u>	<u>178,179</u>

(Unaudited but reviewed)

## 9. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	31 March 2012	31 December 2011
<u>Securities business receivables</u>		
Cash accounts	2,474,196	1,125,242
Credit balance accounts	5,037,856	4,404,761
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	-	59,956
- Securities borrowing receivables	231,077	257,182
Other receivables		
- Overdue customers' accounts	246,740	247,137
Total securities business receivables	7,989,869	6,094,278
Add: Accrued interest receivables	39,434	37,208
Less: Allowance for doubtful accounts	(261,390)	(261,785)
Securities business receivables and accrued interest receivables - net	7,767,913	5,869,701
<u>Derivative business receivables</u>		
Derivative business receivables	306	824
Less: Allowance for doubtful accounts	(154)	(154)
Derivative business receivables - net	152	670
Total securities and derivatives business receivables - net	7,768,065	5,870,371

- 9.1 As at 31 March 2012, the Company had other receivables with book values totaling Baht 261 million from which it has ceased recognizing income (31 December 2011: Baht 262 million).

(Unaudited but reviewed)

- 9.2** As at 31 March 2012 and 31 December 2011, the Company has classified securities business receivables and derivative business receivables, in accordance with the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements		
	31 March 2012		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	7,768	-	7,768
Sub-standard Debt	9	(9)	-
Doubtful Debt	252	(252)	-
Total	8,029	(261)	7,768

(Unit: Million Baht)

	Consolidated and Separate financial statements		
	31 December 2011		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	5,870	-	5,870
Sub-standard Debt	9	(9)	-
Doubtful Debt	253	(253)	-
Total	6,132	(262)	5,870

## 10. Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	For the three-month	
	period ended 31 March 2012	For the year ended 31 December 2011
Balance - beginning of the period/year	261,939	277,015
Add: Doubtful accounts	1	176
Less: Reversal of doubtful accounts	(396)	(15,172)
Bad debt written-off	-	(80)
Balance - end of the period/year	261,544	261,939



(Unaudited but reviewed)

**11. Derivatives assets and derivatives liabilities**

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	31 March 2012			
	Fair value		National amount	
	Assets	Liabilities	Assets	Liabilities
<b>Trading derivatives</b>				
Derivatives warrants	-	117,812	-	257,572
	-	117,812	-	257,572

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	31 December 2011			
	Fair value		National amount	
	Assets	Liabilities	Assets	Liabilities
<b>Trading derivatives</b>				
Derivatives warrants	-	5,952	-	13,440
	-	5,952	-	13,440

**12. Investments**

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	31 March 2012		31 December 2011	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
<b>Trading securities</b>				
Equity securities				
Listed securities	260,171	248,406	18,288	17,872
Total	260,171		18,288	17,872
Less: allowance for revaluation	(11,765)		(416)	
<b>Net trading securities</b>	248,406		17,872	
<b>Held-to-maturity debt securities</b>				
Government and state enterprise securities	5,492,538		-	
Less: investment on behalf of customers	(5,492,538)		-	
<b>Net held-to-maturity debt securities</b>	-		-	
<b>Other investments</b>				
Other securities - ordinary shares	31,791		32,791	
Less: allowance for impairment	(14,662)		(14,662)	
<b>Net other investments</b>	17,129		17,129	
<b>Total investments - net</b>	265,535		35,001	

(Unaudited but reviewed)

**12.1 Investments subject to restrictions**

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	31 March 2012		31 December 2011	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Securities placed with court for stay execution	7,622	14,054	7,622	11,563
Total	7,622	14,054	7,622	11,563

**13. Investments in subsidiary company**

As at 31 March 2012 and 31 December 2011, investments in subsidiary as presented in separate financial statements are as follows:

Company's name	Business	Type of Relations	Paid-up capital		Shareholding percentage		Cost		Dividend	
			31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	For the three-month period ended 31 March	
			Million Baht	Million Baht	Percent	Percent	Million Baht	Million Baht	Million Baht	Million Baht
<u>Subsidiary company included in consolidated financial statements</u>										
Kim Eng Asset Management Company Limited	Mutual fund management	Shareholding	100	100	99.99	99.99	100	100	-	-

**14. Other assets**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	Clearing fund	67,231	64,522	67,231
Others	64,359	38,833	61,879	37,109
Total	131,590	103,355	129,110	101,631

(Unaudited but reviewed)

## 15. Borrowings and debt issued

As at 31 March 2012 and 31 December 2011, borrowings and debt issued comprising only domestic borrowings in Baht currency are classified as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statement			
	31 March 2012			
	Interest rate per annum (percent)	Remaining period to maturity		
	At call	Within 1 year	Total	
<b>Financial institutions</b>				
Promissory notes	3.15, 3.25	1,095,000	290,000	1,385,000
<b>Total borrowings from financial institutions</b>		<u>1,095,000</u>	<u>290,000</u>	<u>1,385,000</u>

(Unit: Thousand Baht)

	Consolidated and Separate financial statement			
	31 December 2011			
	Interest rate per annum (percent)	Remaining period to maturity		
	At call	Within 1 year	Total	
<b>Financial institutions</b>				
Promissory notes	3.3, 3.4	-	594,000	594,000
<b>Total borrowings from financial institutions</b>		<u>-</u>	<u>594,000</u>	<u>594,000</u>

## 16. Securities and derivatives business payables

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	31 March 2012	31 December 2011
Cash accounts		
- Equity securities	2,299,637	1,097,548
Payables under securities borrowing and lending business		
- Securities borrowing payables	280,303	257,182
- Guarantee deposit payables	67,182	-
<b>Total securities and derivatives business payables</b>	<u>2,647,122</u>	<u>1,354,730</u>

**17. Provisions**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Balance - beginning of the period/year	57,765	34,453	57,429	34,453
Increase during the period/year	6,491	23,312	6,399	22,976
Balance - end of the period/year	64,256	57,765	63,828	57,429

As at 31 March 2012 and 31 December 2011, the provision comprised the obligations of the Company to Nithipat Capital Public Co., Ltd., (“Nithipat”), the former parent company, of approximately Baht 11 million in case that Nithipat cannot collect their securities debts which have not been transferred as mentioned in the Asset Transfer Letter dated 14 August 1996. Additional provision is set up for the notification of approximately Baht 16 million from a customers’ account of Yuanta Securities (Thailand) Limited demanding the Company to pay for damage claims from the event occurred before the customer was transferred to the Company.

As at 31 March 2012, the Company and its subsidiary have post employment benefits, payable to employees under the Thai labor law in the consolidated financial statements amounting to Baht 34 million (separate financial statements: Baht 33 million) (note to financial statement 18).

**18. Provisions for long-term employee benefits**

As at 1 January 2011, the Company and its subsidiary have changed their accounting policies to bring them in line with TAS 19 Employee Benefits. This accounting standard requires employee benefits to be recognised as an expense in the period in which service is performed by the employee. In particular, an entity has to evaluate and make provision for post-employment benefits using actuarial techniques.

The Company and its subsidiary have changed this accounting policy in the year 2011 and recognise the liability in the transition period as an expense on a straight-line basis over up to five years from the date of adoption.

As at 31 March 2012, the Company and its subsidiary recognised Baht 14 million of such long-term employee benefit liabilities (separate financial statements: Baht 14 million) and Baht 43 million remains unrecognized (separate financial statements: Baht 42 million).

Provision for long-term employee benefits as at 31 March 2012 and 31 December 2011, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
<b>Defined benefit obligation at beginning of year/period</b>	27,049	8,126	26,713	8,126
Current service cost	3,659	10,345	3,582	10,067
Benefits paid during the year/period	-	(2,750)	-	(2,750)
Past service cost	2,832	11,328	2,817	11,270
<b>Provisions for long-term employee benefits at end of year/period</b>	<b>33,540</b>	<b>27,049</b>	<b>33,112</b>	<b>26,713</b>

Long-term employee benefit expenses included in the profit or loss for the three-month period ended 31 March 2012 and 2011 was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Current service cost	3,659	3,654	3,582	3,570
Past service cost	2,832	3,170	2,817	3,151
<b>Total</b>	<b>6,491</b>	<b>6,824</b>	<b>6,399</b>	<b>6,721</b>

**19. Treasury shares**

During the period ended 31 March 2012, the Company sold repurchased shares of 1,493,600 shares. The remaining outstanding shares were 151,600 shares with cost value Baht 1.04 million. The transaction of purchase/sold of treasury shares was as follows:

	Consolidated and separate financial statements			
	Number of shares	Premium on treasury shares	Appropriated - treasury shares reserve	Treasury shares
	(Shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Balance at the beginning of period	1,645,200	5,348	11,261	(11,261)
Sold treasury shares	(1,493,600)	12,631	(10,223)	10,223
Balance at end of period	151,600	17,979	1,038	(1,038)

The Baht 10.2 million decrease in appropriated retained earnings - treasury shares reserve during the period represents the value of treasury shares sold during the period. The Company will request approval of this disposal from its shareholders in the future.

**20. 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% of its net income, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered capital. The statutory reserve is not available for dividend distribution.

**21. Dividends**

During the three-month periods ended 31 March 2012 and 2011, the Annual General Meeting of the Company's shareholders approved the payment of dividend as follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend for the year 2011	Annual General Meeting of the shareholders on 30 March 2012	467	0.82
Dividend for the year 2010	Annual General Meeting of the shareholders on 30 March 2011	672	1.18

(Unaudited but reviewed)

## 22. Brokerage fee

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	For the three-month periods ended 31 March	
	2012	2011
Brokerage fee from securities business	548,309	612,217
Brokerage fee from derivatives business	64,913	59,610
Total brokerage fee	<u>613,222</u>	<u>671,827</u>

## 23. Directors' remuneration

Directors' remuneration represents the benefits (exclusive of salaries, bonus, and related benefits payable to executive directors) paid to directors of the Company and its subsidiary in accordance with section 90 of the Public Company Limited Companies Act.

## 24. Management's remuneration

Benefits paid to management of the Company and its subsidiary both monetary and non-monetary, which presented as part of "Personnel expenses", were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2012	2011	2012	2011
Management's remuneration				
Short-term employee benefits	63,002	51,671	59,136	51,671
Post-employment benefits	1,137	1,011	1,070	1,011
	<u>64,139</u>	<u>52,682</u>	<u>60,206</u>	<u>52,682</u>

## 25. Corporate income tax

Corporate income tax was calculated on profit before income tax for the current period, after adding back expenses and deducting income which are disallowable for tax computation purposes.

**26. Earnings per share**

Basic earnings per share is calculated by dividing the net earnings for the period by the weighted average number of ordinary shares held by outside shareholders in issue during the period by net from the treasury shares held by the Company.

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2012	2011	2012	2011
Beginning balance of the period - weighted average number of ordinary shares (Thousand shares)	569,159	569,169	569,159	569,169
Weighted average number of treasury shares sold during the period (Thousand shares)	416	-	416	-
Ending balance of the period - weighted average number of ordinary shares (Thousand shares)	569,585	569,169	569,585	569,169
Profit for the period (Baht)	179,526	193,333	187,624	198,083
Earnings per share (Baht/share)	0.32	0.34	0.33	0.35

**27. Related party transactions**

During the three-month periods ended 31 March 2012 and 2011, the Company and its subsidiary had significant business transactions with the following related parties.

Company's name and related person	Relationship
Kim Eng Asset Management (Thailand) Co., Ltd.	The Company's subsidiary which is 99.99% held by the Company
Maybank Kim Eng Holdings Limited	Parent company
Maybank IB Holdings Sdn Bhd	Shareholder of parent company
Maybank Kim Eng Securities Pte. Ltd.	Fellow subsidiary
Maybank Kim Eng Securities (Hong Kong) Limited	Fellow subsidiary
Maybank Kim Eng Investment Limited	Fellow subsidiary
Maybank Kim Eng Corporate Finance Pte. Ltd.	Fellow subsidiary
Maybank Kim Eng Securities USA, Inc.	Fellow subsidiary



(Unaudited but reviewed)

Such related parties transactions have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those related parties. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated financial		Separate financial		Pricing policies
	statements		statements		
	For the three-month periods ended 31 March		For the three-month periods ended 31 March		
	2012	2011	2012	2011	
<b><u>Transactions with subsidiary company</u></b>					
(Eliminated from the consolidated financial statements)					
<b><u>Rental and service income</u></b>					
Kim Eng Asset Management (Thailand) Co., Ltd.	-	-	0.5	0.4	In accordance with service agreements
<b><u>Transactions with related parties</u></b>					
<b><u>Brokerage fee income</u></b>					
Maybank Kim Eng Securities Pte. Ltd.	6	6	6	6	At normal rate charged to other clients, in accordance with SET's and SEC's notification
Maybank Kim Eng Securities (Hong Kong) Limited	1	1	1	1	
<b><u>Information technology service expenses</u></b>					
Maybank Kim Eng Holdings Limited	1	1	1	1	At the price agreed upon by both parties referencing the market price.
<b><u>Consulting service fee</u></b>					
Maybank Kim Eng Securities Pte. Ltd.	1	1	1	1	In accordance with service agreements
<b><u>Dividend paid</u></b>					
Maybank Kim Eng Holdings Limited	390	373	390	373	As declared
Maybank Kim Eng Investment Limited	1	2	1	2	

(Unaudited but reviewed)

As at 31 March 2012 and 31 December 2011, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

	Consolidated financial statements		Separate financial statements		Pricing Policies
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	
<b><u>Subsidiary company</u></b>					
(Eliminated from the consolidated financial statements)					
<b><u>Other receivables</u></b>					No interest charged
Kim Eng Asset Management (Thailand) Co., Ltd.	-	-	-	0.2	
<b><u>Related company</u></b>					
<b><u>Securities business receivables</u></b>					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	117	-	117	-	
Maybank Kim Eng Securities (Hong Kong) Limited	26	-	26	-	
<b><u>Prepaid consulting fee</u></b>					
Maybank Kim Eng Securities Pte. Ltd.	6	7	6	7	
<b><u>Securities business payables</u></b>					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	113	106	113	106	
Maybank Kim Eng Securities (Hong Kong) Limited	60	-	60	-	
<b><u>Dividend payables</u></b>					
Maybank Kim Eng Holdings Limited	390	373	390	373	
Maybank Kim Eng Investment Limited	1	2	1	2	

On 1 July 2003, the Company signed the information technology service agreement with the parent company in Singapore for a period of 1.5 years and has been committed to pay fee at the rate specified in the agreement. If no termination is made by either party when due, the agreement is automatically renewed for another year.

As at 31 March 2012, Maybank Kim Eng Holdings Ltd. guaranteed the overdraft facilities amounting to Baht 330 million (31 December 2011: Baht 330 million). There is no outstanding balance as at 31 March 2012.

The Company and its subsidiary entered into a rental agreement for office and services since 31 December 2010. The contract expiration is on 23 December 2013.

**28. Segment information**

The Company's operation involves mainly in securities and derivatives brokering and service provision and is operated only in Thailand, accordingly, no business/geographical area segment information is presented.

**29. Commitments and contingent liabilities**

Significant contingent liabilities as at 31 March 2012 are as follows:

- 1) The Company and its subsidiary have the significant outstanding commitments under office space, office equipment, and other service agreements as follows:

(Unit: Million Baht)

Year	The Company	The Subsidiary	Total
Payable:			
in up to 1 year	76	1	77
In over 1 and up to 5 years	70	1	71
In over 5 years	-	-	-

- 2) As at 31 March 2012, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Less than			
	1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	6	13	-	19
Deferred interest expenses	(1)	(1)	-	(2)
Present value of future minimum lease payments	5	12	-	17

(Unit: Million Baht)

	Separate financial statements			
	Less than			
	1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	5	12	-	17
Deferred interest expenses	(1)	(1)	-	(2)
Present value of future minimum lease payments	4	11	-	15

**30. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 27 April 2012.