

Maybank Kim Eng Securities (Thailand) Public
Company Limited and its subsidiary
Report and interim financial statements
31 March 2013

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying statement of financial position of Maybank Kim Eng Securities (Thailand) Public Company Limited as at 31 March 2013, the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. I have also reviewed the consolidated statements of comprehensive income and cash flows of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai 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 Thai Standards on Auditing 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.

Conclusion

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 Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 *Income Taxes*. My conclusion is not qualified in respect of this matter.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 9 May 2013

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

Statements of Financial Position

As at 31 March 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012	
	(Audited)	(Restated)	(Unaudited but reviewed)	(Audited)	(Restated)	
	(Restated)			(Restated)		
Assets						
Cash and cash equivalents	4	301,264	436,944	939,415	271,776	373,414
Deposits at financial institutions	5	3,451	3,447	303,515	3,451	3,447
Receivables from Clearing House	6	1,245,126	178,179	1,129,304	1,245,126	178,179
Securities and derivatives business	7	11,676,878	5,870,371	18,898,273	11,676,878	5,870,371
Investment	10	74,758	35,001	53,960	74,758	35,001
Investments in subsidiary	11	-	-	-	50,693	100,000
Loans to employees under welfare program		289,117	323,157	287,862	289,117	323,157
Equipment		154,576	142,623	159,688	150,404	139,991
Intangible assets		31,629	23,792	30,823	28,506	21,698
Property foreclosed		9,887	9,887	9,887	9,887	9,887
Deposits		41,222	39,446	41,436	41,215	39,427
Deferred tax assets	3	26,365	20,870	36,165	36,226	20,870
Other assets	12	145,224	103,355	136,541	141,671	101,631
Total assets		13,999,497	7,187,072	22,026,869	14,019,708	7,217,073

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 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012	
	(Audited)	(Restated)	(Unaudited but reviewed)	(Audited)	(Restated)	
		(Restated)		(Restated)		
Liabilities and shareholders' equity						
Liabilities						
Borrowings from financial institution	13	2,170,000	594,000	3,200,000	2,170,000	594,000
Payables to Clearing House		451,885	-	719,161	451,885	-
Securities and derivatives business	14	3,956,161	1,354,730	6,999,712	3,956,161	1,354,730
Derivatives liabilities	9	24,287	5,952	9,744	24,287	5,952
Debt issued and borrowings	15	2,007,424	-	4,999,551	2,007,424	-
Provisions	16	83,729	57,765	88,893	83,026	57,429
Accrued bonus		305,800	480,784	387,965	305,099	480,259
Income tax payable		131,394	133,493	251,246	131,394	133,493
Accrued expenses		103,738	75,446	139,579	102,015	74,993
Liabilities under financial lease agreement		17,569	16,518	15,477	16,072	14,807
Dividend payable		167,230	917	514,649	167,230	917
Other liabilities		36,902	26,515	106,962	36,450	26,372
Total liabilities		9,456,119	2,746,120	17,432,939	9,451,043	2,742,952
Shareholders' equity						
Share capital						
Registered						
572,250,000 ordinary shares of Baht	£	2,861,250	2,861,250	2,861,250	2,861,250	2,861,250
Issued and fully paid-up						
570,814,500 ordinary shares of Baht	£	2,854,072	2,854,072	2,854,072	2,854,072	2,854,072
Share premium		523,571	523,571	523,571	523,571	523,571
Premium on treasury shares		19,219	5,348	19,219	19,219	5,348
Retained earnings						
Appropriated - statutory reserve	19	286,125	286,125	286,125	286,125	286,125
Appropriated - treasury shares reserve		-	11,261	-	-	11,261
Unappropriated		860,391	771,836	910,943	885,678	805,005
Less: Treasury shares		-	(11,261)	-	-	(11,261)
Equity attributable to holders of the Co		4,543,378	4,440,952	4,593,930	4,568,665	4,474,121
Non-controlling interests of the subsidiary		-	-	-	-	-
Total shareholders' equity		4,543,378	4,440,952	4,593,930	4,568,665	4,474,121
Total liabilities and shareholders' equity		13,999,497	7,187,072	22,026,869	14,019,708	7,217,073

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****For the three-month period ended 31 March 2013**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
		(Restated)		(Restated)	
Continuing operations					
Income					
Brokerage fee	21	1,324,007	613,222	1,324,007	613,222
Fee and service income		13,401	7,399	13,560	7,590
Gain (loss) on investments		5,075	(8,460)	5,075	(8,460)
Gain (loss) on derivatives		(4,025)	11,354	(4,025)	11,354
Interest and dividends		69,517	56,410	69,517	56,410
Interest on margin loans		165,595	71,270	165,595	71,270
Gain on sale of investment in subsidiary		18,624	-	-	-
Other income		47,605	6,899	47,660	7,226
Total income		1,639,799	758,094	1,621,389	758,612
Expenses					
Financial costs		105,821	47,558	105,821	47,558
Fee and service expenses		92,887	51,860	92,887	51,860
Operating expenses					
Personnel expenses	24	628,456	293,374	628,456	293,374
Premises and equipment expenses		81,159	71,694	81,238	71,694
Taxes and duties		8,034	3,024	8,034	3,024
Directors' remuneration	22	(2,700)	3,400	(2,700)	3,400
Information and technology		6,599	9,922	6,599	9,922
Other expenses		40,914	31,695	40,914	31,695
Total operating expenses		762,462	413,109	762,541	413,109
Reversal of bad debt and doubtful accounts		(198)	(395)	(198)	(395)
Total expenses		960,972	512,132	961,051	512,132
Profit before income tax expenses		678,827	245,962	660,338	246,480
Income tax expenses	18	(121,340)	(56,904)	(121,340)	(56,904)
Profit from continuing operations		557,487	189,058	538,998	189,576
Discontinued operations					
Loss from discontinued operations	27	(3,063)	(7,580)	-	-
Profit for the period		554,424	181,478	538,998	189,576
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		554,424	181,478	538,998	189,576

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 period ended 31 March 2013

(Unit: Thousand Baht, except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
		(Restated)		(Restated)	
Profit attributable to:					
Equity holders of the Company					
	Profit from continuing operations	557,487	189,058	538,998	189,576
27	Loss from discontinued operations	(3,063)	(7,580)	-	-
	Profit attributable to equity holders of the Comp	554,424	181,478	538,998	189,576
Non-controlling interests					
	Profit from continuing operations	-	-		
	Loss from discontinued operations	-	-		
	Profit attributable to equity holders of the non-controlling interests	-	-		
		<u>554,424</u>	<u>181,478</u>		
Total comprehensive income attributable to:					
Equity holders of the Company					
	Comprehensive income from continuing operations	557,487	189,058	538,998	189,576
27	Comprehensive income from discontinued	(3,063)	(7,580)	-	-
	Total comprehensive income attributable to the	554,424	181,478	538,998	189,576
Non-controlling interests					
	Comprehensive income from continuing operations	-	-		
	Comprehensive income from discontinued operatio	-	-		
	Total comprehensive income attributable to the non-controlling interests	-	-		
		<u>554,424</u>	<u>181,478</u>		
Earnings per share attributable to equity holders of the Company					
	Basic earnings (loss) per share	23			
	From continuing operations	0.98	0.33	0.94	0.33
27	From discontinued operations	-0.01	-0.01		
		<u>0.97</u>	<u>0.32</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

Cash flow statements

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before income tax expenses from continuing	678,827	245,962	660,338	246,480
Loss before income tax expenses from discontinued	(3,063)	(7,580)	-	-
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	20,017	16,436	19,796	16,158
Reversal of bad debt and doubtful accounts	(198)	(395)	(198)	(395)
Unrealised losses on revaluation of investments	1,867	11,349	1,867	11,349
Unrealised gains on revaluation of derivatives liab	(1,705)	(10,262)	(1,705)	(10,262)
Unrealised losses on revaluation of foreign receiv	706	-	706	-
Gains on sale investment in subsidiary	(18,623)	-	-	-
(Gains) losses on sales and written-off of premise	(492)	647	(320)	647
Retirement benefit	5,935	6,491	5,867	6,399
Financial cost	105,568	47,305	105,568	47,305
Amortised interest expense of financial lease	261	282	253	253
Doubtful accounts - other receivables (reversal)	(60)	(100)	(60)	(100)
Interest income	(236,749)	(127,941)	(236,632)	(127,512)
Cash paid for interest	(78,759)	(47,774)	(78,750)	(47,745)
Cash paid for income tax	(1,438)	(549)	(1,427)	(549)
Profit from operating activities before changes in operating assets and liabilities	472,094	133,871	475,303	142,028
Decrease (increase) in operating assets				
Deposits at financial institutions	(300,064)	(1)	(300,064)	(1)
Receivables from Clearing House	115,116	(70,494)	115,116	(70,494)
Securities and derivatives business receivables	(7,197,459)	(1,895,073)	(7,197,459)	(1,895,073)
Investments	18,931	(241,883)	18,931	(241,883)
Loans to employees under welfare program	1,255	7,322	1,255	7,322
Deposits	(221)	(743)	(221)	(756)
Other assets	(15,215)	(24,309)	(14,668)	(23,682)
Increase (decrease) in operating liabilities				
Payables to Clearing House	267,276	103,353	267,276	103,353
Securities and derivatives business payables	3,043,551	1,292,392	3,043,551	1,292,392
Derivative liabilities	(12,838)	122,122	(12,838)	122,122
Accrued bonus	82,442	(342,867)	82,866	(343,204)
Accrued expenses	12,364	(4,241)	13,688	(4,263)
Other liabilities	70,333	17,170	70,512	17,094
Net cash flows used in operating activities	(3,442,435)	(903,381)	(3,436,752)	(895,045)

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 period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from investing activities				
Cash received from interest	232,950	121,889	232,752	121,588
Cash received from sale investment in subsidiary	26,708	-	50,693	-
Proceeds from disposals of equipment	504	95	504	95
Cash paid for purchases of equipment	(25,936)	(14,328)	(25,936)	(14,327)
Cash paid for purchases of intangible assets	(7,347)	(2,116)	(7,347)	(1,276)
Net cash flows from investing activities	226,879	105,540	250,666	106,080
Cash flows from financing activities				
Cash received from borrowings	24,597,500	15,405,000	24,597,500	15,405,000
Cash paid for borrowings	(23,567,500)	(14,614,000)	(23,567,500)	(14,614,000)
Cash received from foreign borrowings	4,999,551	-	4,999,551	-
Cash paid from foreign borrowings	(2,007,424)	-	(2,007,424)	-
Cash received from treasury shares	-	22,854	-	22,854
Cash paid on principal of long-term lease	(2,106)	(995)	(2,088)	(943)
Dividend paid	(166,314)	-	(166,314)	-
Net cash flows from financing activities	3,853,707	812,859	3,853,725	812,911
Net increase in cash and cash equivalents	638,151	15,018	667,639	23,946
Cash and cash equivalents as at 1 January	301,264	436,944	271,776	373,414
Cash and cash equivalents as at 31 March	939,415	451,962	939,415	397,360
	-	-	-	-

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 period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements										
	Equity attributable to holders of the Company										
	Share capital	Share premium	Premium on treasury shares	Retained earnings				Treasury shares	Total equity of the Company	Non-controlling subsidiary	Total
				Appropriated - statutory reserve	Appropriated - reserve	Unappropriated	attributable to holders of interests of				
Balance as at 1 January 2012- as previous	2,854,072	523,571	5,348	286,125	11,261	750,966	(11,261)	4,420,082	-	4,420,082	
Cumulative effect of changes in accounting policy for deferred tax (Note 3)	-	-	-	-	-	20,870	-	20,870	-	20,870	
Balance as at 1 January 2012 - as restated	2,854,072	523,571	5,348	286,125	11,261	771,836	(11,261)	4,440,952	-	4,440,952	
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	-	-	-	-	-	181,478	-	181,478	-	181,478	
Treasury shares reserve	-	-	-	-	(10,223)	10,223	-	-	-	-	
Dividend paid (Note 20)	-	-	-	-	-	(466,819)	-	(466,819)	-	(466,819)	
Balance as at 31 March 2012 - as restated	<u>2,854,072</u>	<u>523,571</u>	<u>17,979</u>	<u>286,125</u>	<u>1,038</u>	<u>496,718</u>	<u>(1,038)</u>	<u>4,178,465</u>	<u>-</u>	<u>4,178,465</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 period ended 31 March 2013

(Unit: Thousand Baht)

	Separate financial statements								
	Share capital	Share premium	Premium on treasury shares	Retained earnings				Treasury shares	Total
				Appropriated - statutory reserve	Appropriated - reserve	Unappropriated			
Balance as at 1 January 2012 - as previously	2,854,072	523,571	5,348	286,125	11,261	784,135	(11,261)	4,453,251	
Cumulative effect of changes in accounting policy for deferred tax (Note 3)	-	-	-	-	-	20,870	-	20,870	
Balance as at 1 January 2012 - as restated	2,854,072	523,571	5,348	286,125	11,261	805,005	(11,261)	4,474,121	
Premium on treasury shares	-	-	12,631	-	-	-	-	12,631	
Decrease in treasury shares	-	-	-	-	-	-	10,223	10,223	
Total comprehensive income for the period (rest)	-	-	-	-	-	189,576	-	189,576	
Treasury shares reserve	-	-	-	-	(10,223)	10,223	-	-	
Dividend paid (Note 20)	-	-	-	-	-	(466,819)	-	(466,819)	
Balance as at 31 March 2012 - as restated	<u>2,854,072</u>	<u>523,571</u>	<u>17,979</u>	<u>286,125</u>	<u>1,038</u>	<u>537,985</u>	<u>(1,038)</u>	<u>4,219,732</u>	
Balance as at 1 January 2013 - as previously	2,854,072	523,571	19,219	286,125	-	849,452	-	4,532,439	
Cumulative effect of changes in accounting policy for deferred tax (Note 3)	-	-	-	-	-	36,226	-	36,226	
Balance as at 1 January 2013 - as restated	2,854,072	523,571	19,219	286,125	-	885,678	-	4,568,665	
Total comprehensive income for the period	-	-	-	-	-	538,998	-	538,998	
Dividend paid (Note 20)	-	-	-	-	-	(513,733)	-	(513,733)	
Balance as at 31 March 2013	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>-</u>	<u>910,943</u>	<u>-</u>	<u>4,593,930</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 2013

1. General information

Maybank Kim Eng Securities (Thailand) Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. Its parent company is Maybank Kim Eng Holdings Limited, which is incorporated in Singapore. The parent company of the Group is Mayban IB Holdings Sdn Bhd, which is incorporated in Malaysia. The Company has licenses for securities business, which are brokering, trading underwriting, investment advisory, corporate finance advisory, securities registrant, TFEX and securities borrowing and lending.

The Company's registered office is located on 999/9 the Offices at Central World, 20th - 21st and 24th - 25th Floor, Rama 1 Road, Pathumwan, Bangkok. As at 31 March 2013, the Company has 48 branches in Bangkok and upcountry (31 December 2012: 45 branches).

1.1. 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' equity 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.

1.2 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 2012, except for the sale of investment in subsidiary. There has been change in the composition of the group during the current period, with the Company selling ordinary shares of Kim Eng Asset Management (Thailand) Company Limited (“subsidiary company”) to Maybank Asset Management Group Berhad, which is a related company. The consolidated financial statements therefore include the financial statements of the subsidiary up to the date on which the Company disposed of its investment.

1.3 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 *Income Taxes*

This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the accounting records and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3 to the financial statements.

1.4 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 2012, except for the change in the accounting policies due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

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

Current tax

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

Deferred tax

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

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

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

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

2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which are published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

	<u>Effective date</u>
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under <i>TAS 29 Financial Reporting in Hyperinflationary Economics</i>	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TFRIC 1 and TFRIC 13, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

3. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiary made the change described in Note 1.4 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Separate financial statements		
	As at	As at	As at
	31 March 2013	31 December 2012	1 January 2012
Statements of financial position			
Increase in deferred tax assets	36,165	36,226	20,870
Increase in unappropriated retained earnings	36,165	36,226	20,870

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the three-month period ended	For the three-month period ended
	31 March 2013	31 March 2012
Statements of comprehensive income		
Profit or loss:		
Increase (decrease) in income tax	61	(1,952)
Increase (decrease) in profit attributable to equity holders of the Company	(61)	1,952
Decrease in basic earnings per share (Baht)	-	(0.003)

(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		
	financial statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
Cash on hand	550	555	545
Current deposits and savings deposits	1,759,457	4,977,240	1,758,974
Fixed deposits	3,024,000	6,700,000	3,000,000
Promissory notes	5,000	-	-
Total cash and cash equivalents	4,789,007	11,677,795	4,759,519
Less: Cash deposits held for customers	(4,487,743)	(10,738,380)	(4,487,743)
Total cash and cash equivalents - net	301,264	939,415	271,776

5. Deposits at financial institutions

(Unit: Thousand Baht)

	Consolidated		
	financial statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
	Over 3 months -	Over 3 months -	Over 3 months -
	1 year	1 year	1 year
Fixed deposits	3,100,014	300,015	3,100,014
Deposits with restriction	3,437	3,500	3,437
Total deposits at financial institutions	3,103,451	303,515	3,103,451
Less: Cash deposits held for customers	(3,100,000)	-	(3,100,000)
Total deposits at financial institutions - net	3,451	303,515	3,451

As at 31 March 2013, fixed deposits of Baht 4 million (31 December 2012: Baht 3 million) are pledged as collateral to local banks for letter of guarantees.

(Unaudited but reviewed)

6. Receivables from Clearing House

(Unit: Thousand Baht)

	Consolidated		
	financial statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
Receivables from Clearing House	1,406,135	1,403,749	1,406,135
Receivables from foreign securities company	1,306,086	75,026	1,306,086
Less: Receivables from Clearing House held for customers	(1,467,095)	(349,471)	(1,467,095)
Total receivables from Clearing House - net	<u>1,245,126</u>	<u>1,129,304</u>	<u>1,245,126</u>

7. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated		
	financial statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
<u>Securities business receivables</u>			
Cash accounts	2,772,636	5,525,495	2,772,636
Credit balance accounts	8,776,278	13,021,430	8,776,278
Receivables under securities borrowing and lending business			
- Securities borrowing receivables	82,273	287,813	82,273
Other receivables			
- Overdue customers' accounts	246,859	246,854	246,859
Total securities business receivables	11,878,046	19,081,592	11,878,046
Add: Accrued interest receivables	54,035	77,773	54,035
Less: Allowance for doubtful accounts	(261,379)	(261,181)	(261,379)
Securities business receivables and accrued interest receivables - net	<u>11,670,702</u>	<u>18,898,184</u>	<u>11,670,702</u>
<u>Derivatives business receivables</u>			
Derivatives business receivables	6,330	243	6,330
Less: Allowance for doubtful accounts	(154)	(154)	(154)
Derivatives business receivables - net	<u>6,176</u>	<u>89</u>	<u>6,176</u>
Total securities and derivatives business receivables - net	<u>11,676,878</u>	<u>18,898,273</u>	<u>11,676,878</u>

(Unaudited but reviewed)

7.1 As at 31 March 2013, the Company had other receivables with book values totaling Baht 261 million from which it has ceased recognising income (31 December 2012: Baht 262 million).

7.2 As at 31 March 2013 and 31 December 2012, the Company has classified securities business receivables and derivatives business receivables, in accordance with the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Thousand Baht)

	Separate financial statements		
	31 March 2013		
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	18,897,859	-	18,897,859
Sub-standard Debt	9,872	(9,458)	414
Doubtful Debt	251,877	(251,877)	-
Total	19,159,608	(261,335)	18,898,273

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	31 December 2012		
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	11,676,658	-	11,676,658
Sub-standard Debt	9,678	(9,458)	220
Doubtful Debt	252,075	(252,075)	-
Total	11,938,411	(261,533)	11,676,878

(Unaudited but reviewed)

8. Allowance for doubtful accounts

	(Unit: Thousand Baht)	
	Separate financial statements	Consolidated and Separate financial statements
	For the three-month period ended 31 March 2013	For the year ended 31 December 2012
Balance - beginning of the period/year	261,533	261,939
Add: Doubtful accounts	-	118
Less: Reversal of doubtful accounts	(198)	(524)
Balance - end of the period/year	<u>261,335</u>	<u>261,533</u>

9. Derivatives assets and derivatives liabilities

	(Unit: Thousand Baht)			
	Separate financial statements			
	31 March 2013			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
<u>Trading derivatives</u>				
Derivatives warrants	-	9,744	-	37,654
Total derivatives assets and derivatives liabilities	<u>-</u>	<u>9,744</u>	<u>-</u>	<u>37,654</u>

	(Unit: Thousand Baht)			
	Consolidated and Separate financial statements			
	31 December 2012			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
<u>Trading derivatives</u>				
Derivatives warrants	-	16,313	-	51,006
Forward exchange contracts	-	7,974	-	1,997,062
Total derivatives assets and derivatives liabilities	<u>-</u>	<u>24,287</u>	<u>-</u>	<u>2,048,068</u>

(Unaudited but reviewed)

10. Investments

(Unit: Thousand Baht)

	Consolidated		Separate financial statements			
	financial statement		31 March 2013		31 December 2012	
	31 December 2012		31 March 2013		31 December 2012	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities						
Equity securities						
Listed securities	56,606	57,629	37,675	36,831	56,606	57,629
Total	56,606	57,629	37,675	36,831	56,606	57,629
Add (less): Allowance for revaluation	1,023		(844)		1,023	
Trading securities - net	<u>57,629</u>		<u>36,831</u>		<u>57,629</u>	
Other investments						
Other securities - ordinary shares	31,791		31,791		31,791	
Less: allowance for impairment	(14,662)		(14,662)		(14,662)	
Net other investments	<u>17,129</u>		<u>17,129</u>		<u>17,129</u>	
Total investments - net	<u>74,758</u>		<u>53,960</u>		<u>74,758</u>	

10.1 Investments subject to restrictions

(Unit: Thousand Baht)

	Separate		Consolidated and Separate	
	financial statements		financial statements	
	31 March 2013		31 December 2012	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Securities placed with court for stay execution	7,622	17,809	7,622	15,509
Total	<u>7,622</u>	<u>17,809</u>	<u>7,622</u>	<u>15,509</u>

11. Investments in subsidiary company

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		Allowance for impairment loss		Dividend		
			31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	
												For the three-month periods ended	
												31 March	
												2013	2012
												Million Baht	Million Baht
												Million Baht	Million Baht
												Million Baht	Million Baht
												Million Baht	Million Baht
<u>Subsidiary company</u>													
<u>included in</u>													
<u>consolidated</u>													
<u>financial statements</u>													
Kim Eng Asset Management (Thailand) Company Limited	Mutual fund management	Shareholding	-	100	-	99.99	-	100	-	(49)	-	-	

On 21 March 2013, the Company sold its 99.99 percent interest in a subsidiary to Maybank Asset Management Group Berhad, which is a subsidiary in the Maybank Group, major shareholder, for Baht 51 million. There is no gain on the sale of investment in subsidiary in the separate financial statements (consolidated financial statement: Baht 19 million).

12. Other assets

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012	31 March 2013
Clearing fund	74,416	77,673	74,416	77,673
Accrued income	39,093	18,877	38,926	18,877
Prepaid expenses	13,911	23,829	12,656	23,829
Others	17,804	16,162	15,673	16,162
Total	145,224	136,541	141,671	136,541

(Unaudited but reviewed)

13. Borrowings from financial institutions

As at 31 March 2013 and 31 December 2012, borrowings from financial institutions comprising only domestic borrowing in Baht currency are classified as follows:

(Unit: Thousand Baht)

	Separate financial statement			
	31 March 2013			
	Interest rate per annum	Remaining period to maturity		
	(percent)	At call	Within 1 year	Total
<u>Financial institutions</u>				
Promissory notes	2.90 - 3.45	3,000,000	200,000	3,200,000
Total borrowings from financial institutions		<u>3,000,000</u>	<u>200,000</u>	<u>3,200,000</u>

(Unit: Thousand Baht)

	Consolidated and Separate financial statement			
	31 December 2012			
	Interest rate per annum	Remaining period to maturity		
	(percent)	At call	Within 1 year	Total
<u>Financial institutions</u>				
Promissory notes	2.86 - 3.00	1,995,000	175,000	2,170,000
Total borrowings from financial institutions		<u>1,995,000</u>	<u>175,000</u>	<u>2,170,000</u>

14. Securities and derivatives business payables

(Unit: Thousand Baht)

	Consolidated		
	financial		
	statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
Securities business payables - cash accounts	3,581,246	6,711,879	3,581,246
Payables under securities borrowing and lending business	82,449	287,833	82,449
Guarantee deposit payables	292,466	-	292,466
Total securities and derivatives business payables	<u>3,956,161</u>	<u>6,999,712</u>	<u>3,956,161</u>

15. Debt issued and borrowings

As at 31 March 2013 and 31 December 2012, debt issued and borrowings are classified as follows:

(Unit: Thousand Baht)

	Separate financial statement			
	31 March 2013			
	Interest rate per annum (percent)	Remaining period to maturity		
	At call	Within 1 year	Total	
<u>Debt issued and borrowings</u>				
Borrowings from other - borrowing				
from Maybank Kim Eng Holdings				
Limited in THB	3.10, 3.40	-	4,500,000	4,500,000
Debt issued - bill of exchange	3.00	-	499,551	499,551
Total debt issued and borrowings		-	4,999,551	4,999,551

(Unit: Thousand Baht)

	Consolidated and Separate financial statement			
	31 December 2012			
	Interest rate per annum (percent)	Remaining period to maturity		
	At call	Within 1 year	Total	
<u>Debt issued and borrowings</u>				
Borrowings from other - borrowing				
from Maybank Kim Eng Holdings				
Limited 79,396,584 SGD	0.90	-	2,007,424	2,007,424
Total debt issued and borrowings		-	2,007,424	2,007,424

Borrowings from Maybank Kim Eng Holdings Limited are short-term borrowings which will mature in April 2013 and May 2013.

16. Provisions

(Unit: Thousand Baht)

	Consolidated		
	financial statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
Balance - beginning of the period/year	57,765	83,026	57,429
Increase during the period/year	25,964	5,867	25,597
Balance - end of the period/year	<u>83,729</u>	<u>88,893</u>	<u>83,026</u>

As at 31 March 2013 and 31 December 2012, 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.

In addition, as at 31 March 2013, the Company has post employment benefits, payable to employees under the Thai labor law in the separate financial statements amounting to Baht 58 million (note to financial statement 17).

17. 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 2013, the Company recognised Baht 25 million of such long-term employee benefit liabilities and Baht 31 million remains unrecognised as a result of gradual recognition of liability in the transition period over the five-year period as mentioned above.

(Unaudited but reviewed)

Provision for long-term employee benefits as at 31 March 2013 and 31 December 2012, was as follows:

(Unit: Thousand Baht)

	Consolidated financial		
	statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
Defined benefit obligation at beginning of year/period			
year/period	72,361	86,120	71,793
Current service cost	14,636	3,049	14,327
Benefits paid during the year/period	-	-	-
Defined benefit obligation at end of year/period	86,997	89,169	86,120
Unrecognised transitional provisions	(33,984)	(30,992)	(33,810)
Provisions for long-term employee benefits at end of year/period	53,013	58,177	52,310

Long-term employee benefit expenses included in the profit or loss for the three-month periods ended 31 March 2013 and 2012 was as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 March 2013	31 March 2012
	Current service cost	3,049
Transitional liability recognised during the periods	2,818	2,817
Total	5,867	6,399

The Company and its subsidiary recognised these expenses in operating expenses.

The principal actuarial assumptions used to calculate the defined benefit obligations as at actuarial date are summarised below.

	(% per annum)
Discount rate	4
Average future salary increase	4
Average turnover rate	7

18. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	121,279	58,856	121,279	58,856
Deferred tax:				
Relating to origination and reversal of temporary differences	61	(1,952)	61	(1,952)
Income tax expense reported in the statements of comprehensive income	121,340	56,904	121,340	56,904

19. 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.

20. Dividends

During the three-month periods ended 31 March 2013 and 2012, the Annual General Meeting of the Company's shareholders and Board of Directors approved the payment of dividend as follows:

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends for the year 2012	Annual General Meeting of the shareholders on 26 March 2013	514	0.90
Dividends for the year 2011	Annual General Meeting of the shareholders on 30 March 2012	467	0.82

21. Brokerage fee

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Brokerage fee from securities business	1,249,059	548,309
Brokerage fee from derivatives business	74,948	64,913
Total brokerage fee	1,324,007	613,222

22. 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.

Directors' remuneration of the current period included adjustments made by reversing remuneration of directors for the year 2012. As at 31 December 2012, the Company estimated and recorded directors' remuneration based on the amounts approved for the year 2011 and subsequently adjusted it when the amounts approved by the Annual General Meeting of shareholders were known.

23. 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	
	2013	2012	2013	2012
Beginning balance of the period - weighted average number of ordinary shares (Thousand shares)	570,504	569,169	570,504	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)	570,504	569,585	570,504	569,585
Profit for the period - from continuing operations (Thousand Baht)	557,487	189,058	538,998	189,576
Earnings per share - from continuing operations (Baht/share)	0.98	0.33	0.94	0.33

24. Related party transactions

During the three-month periods ended 31 March 2013 and 2012, 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
Mayban IB Holdings Sdn Bhd	Shareholder of parent company
Maybank Kim Eng Securities Pte. Ltd.	Fellow subsidiary
Kim Eng Securities (Hong Kong) Limited	Fellow subsidiary
Maybank Kim Eng Investment Limited	Fellow subsidiary
Maybank Asset Management Group Berhad	Fellow subsidiary

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		For the three-month periods		
	ended 31 March		ended 31 March		
	2013	2012	2013	2012	
<u>Transactions with subsidiary company</u>					
(Eliminated from the consolidated financial statements)					
<u>Rental and service income</u>					
Kim Eng Asset Management (Thailand) Co., Ltd.	-	-	0.2	0.5	In accordance with service agreements
<u>Transactions with related parties</u>					
<u>Brokerage fee income</u>					
Maybank Kim Eng Securities Pte. Ltd.	16	6	16	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	
<u>Information technology service expenses</u>					
Maybank Kim Eng Holdings Limited	-	1	-	1	At the price agreed upon by both parties referencing the market price.

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial		Separate financial		Pricing policies
	statements		statements		
	For the three-month periods		For the three-month periods		
	ended 31 March		ended 31 March		
	2013	2012	2013	2012	
Brokerage expenses					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	4	-	4	-	
Interest expenses on borrowings					In accordance with borrowings agreement
Maybank Kim Eng Holdings Limited	24	-	24	-	
Consulting service fee					In accordance with service agreements
Maybank Kim Eng Securities Pte. Ltd.	1	1	1	1	
Dividend paid					As declared
Maybank Kim Eng Holdings Limited	428	390	428	390	
Maybank Kim Eng Investment Limited	1	1	1	1	
Gain on sale of investment in subsidiary					Sale price Baht 51 million, refer to net assets values as at 30 June 2012
Maybank Asset Management Group Berhad	19	-	-	-	

As at 31 March 2013 and 31 December 2012, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

(Unit: Million Baht)

	Consolidated financial	Separate financial statements		Pricing Policies
	statement	31 March 2013	31 December 2012	
	31 December 2012			
Subsidiary company				
(Eliminated from the consolidated financial statements)				
Other receivables				No interest charged
Kim Eng Asset Management (Thailand) Co., Ltd.	-	0.2	0.4	
Related company				
Securities business receivables				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	59	368	59	
Kim Eng Securities (Hong Kong) Limited	1	42	1	

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statement			Pricing Policies
	31 December 2012	Separate financial statements		
		31 March 2013	31 December 2012	
<u>Foreign securities company receivables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	58	1	58	
<u>Foreign deposits receivables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1,248	74	1,248	
<u>Prepaid consulting fee</u>				In accordance with service agreement
Maybank Kim Eng Securities Pte. Ltd.	4	3	4	
<u>Borrowings</u>				
Maybank Kim Eng Holdings Limited	2,007	4,500	2,007	Differential between the local cost of borrowing and the SGD/THB swap cost
<u>Accrued interest payable</u>				Differential between the local cost of borrowing and the SGD/THB swap cost
Maybank Kim Eng Holdings Limited	-	23	-	
<u>Securities business payables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	134	562	134	
Kim Eng Securities (Hong Kong) Limited	4	28	4	
<u>Foreign securities company payables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1	1	1	
<u>Dividend payable</u>				As declared
Maybank Kim Eng Holdings Limited	166	427	166	

Loans from related parties

As at 31 March 2013 and 31 December 2012, the balance of loans between the Company and the related company and the movement are as follows:

(Unit: Million Baht)

Loans from related parties	Related by	Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December 2012	during the period	during the period	31 March 2013
Maybank Kim Eng Holdings Limited	Parent company	2,007	4,500	(2,007)	4,500
Total		2,007	4,500	(2,007)	4,500

(Unaudited but reviewed)

(Unit: Million Baht)

		Consolidated and separate financial statements			
<u>Loans from related parties</u>	<u>Related by</u>	<u>Balance as at</u> <u>31 December 2011</u>	<u>Increase</u> <u>during the year</u>	<u>Decrease</u> <u>during the year</u>	<u>Balance as at</u> <u>31 December 2012</u>
Maybank Kim Eng Holdings Limited	Parent company	-	2,007	-	2,007
Total		-	2,007	-	2,007

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 2013, Maybank Kim Eng Holdings Ltd. guaranteed the overdraft facilities amounting to Baht 330 million (31 December 2012: Baht 330 million). There is no overdraft outstanding balance as at 31 March 2013.

As at 31 March 2013, the Company had loans to employees under welfare program amounting to Baht 288 million. The loans charged interest at rate of 2.48, 3.30 percent per annum (31 December 2012: Baht 289 million, interest at rate 2.50, 3.30 percent per annum).

Management's remuneration

During the three-month periods ended 31 March 2013 and 2012, benefits paid to management of the Company and its subsidiary both monetary and non-monetary, which presented as part of "Personnel expenses", are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Management's remuneration		
Short-term employee benefits	141,737	59,136
Post-employment benefits	1,122	1,070
	<u>142,859</u>	<u>60,206</u>

25. Segment information

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

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

- Securities business segment, which provide service according to brokering and derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory, securities borrowing and lending and corporate finance advisory.

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue and profit information regarding the Company's operating segments for the three-month periods ended 31 March 2013 and 2012, respectively.

(Unaudited but reviewed)

	(Unit: Thousand Baht)				
	Securities business segment	Investment banking segment	Total segments	Adjustment and eliminations	Consolidated
For the three-month period ended 31 March 2013					
Income					
External customers					
Brokerage fee	1,319,790	4,217	1,324,007	-	1,324,007
Fee and service income	6,305	7,255	13,560	(159)	13,401
Interest on deposit and margin loans	235,110	2	235,112	-	235,112
Other income	47,814	896	48,710	(55)	48,655
Total income	1,609,019	12,370	1,621,389	(214)	1,621,175
Expenses					
Financial cost	105,757	64	105,821	-	105,821
Fee and service expenses	92,443	444	92,887	-	92,887
Personnel expenses	621,106	7,350	628,456	-	628,456
Other expenses	131,756	2,131	133,887	(79)	133,808
Total expenses	951,062	9,989	961,051	(79)	960,972
Segment profit	657,957	2,381	660,338	(135)	660,203
Gain on sale investment in subsidiary					18,624
Profit before income tax expense					678,827
Income tax expense					(121,340)
Profit from continuing operations					557,487
Loss from discontinued operations					(3,063)
Profit for the period					554,424

	(Unit: Thousand Baht)				
	Securities business segment	Investment banking segment	Total segments	Adjustment and eliminations	Consolidated
For the three-month period ended 31 March 2012					
Income					
External customers					
Brokerage fee	613,222	-	613,222	-	613,222
Fee and service income	6,002	1,588	7,590	(191)	7,399
Interest on deposit and margin loans	127,680	-	127,680	-	127,680
Other income	9,843	277	10,120	(327)	9,793
Total income	756,747	1,865	758,612	(518)	758,094
Expenses					
Financial cost	47,493	65	47,558	-	47,558
Fee and service expenses	51,652	208	51,860	-	51,860
Personnel expenses	287,917	5,457	293,374	-	293,374
Other expenses	117,221	2,119	119,340	-	119,340
Total expenses	504,283	7,849	512,132	-	512,132
Segment profit	252,464	(5,984)	246,480	(518)	245,962
Income tax expense					(56,904)
Profit from continuing operations					189,058
Loss from discontinued operations					(7,580)
Profit for the period					181,478

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiary' operating segments as at 31 March 2013 and 31 December 2012:

(Unit: Thousand Baht)

Segment assets	Securities business segment	Investment banking segment	Total Segments	Unallocated assets	Consolidated
At 31 March 2013	<u>20,132,943</u>	<u>3,301</u>	<u>20,136,244</u>	<u>1,890,625</u>	<u>22,026,869</u>
At 31 December 2012	<u>13,022,647</u>	<u>2,149</u>	<u>13,024,796</u>	<u>974,701</u>	<u>13,999,497</u>

26. Commitments and contingent liabilities

Significant contingent liabilities are as follows:

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

(Unit: Million Baht)

	Consolidated financial		
	statement	Separate financial statements	
	31 December 2012	31 March 2013	31 December 2012
Payable:			
In up to 1 year	83	72	82
In over 1 and up to 5 years	41	35	39

- 2) As at 31 March 2013 and 31 December 2012, future minimum lease payments required under the finance lease agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statement		
	As at 31 December 2012		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	7	13	20
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	<u>6</u>	<u>12</u>	<u>18</u>

(Unit: Million Baht)

	Separate financial statement		
	As at 31 March 2013		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	5	12	17
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	<u>4</u>	<u>11</u>	<u>15</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statement		
	As at 31 December 2012		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	6	12	18
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	5	11	16

27. Discontinued operations

On 21 March 2013, the Company sold its investment in Kim Eng Asset Management (Thailand) Company Limited, which was a subsidiary company, and has already received payment.

The operating results of subsidiary company, presented under the caption of “Net loss from discontinued operations” in the consolidated statements of comprehensive income of the Company for the three-month periods ended 31 March 2013 and 2012, are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2013	2012
Fee and service incomes	793	381
Interest and dividend income	117	430
Other income	12	43
Total income	922	854
Finance cost	9	29
Fee and service expenses	271	214
Operating expenses	3,705	8,191
Total expenses	3,985	8,434
Net loss from discontinued operations	(3,063)	(7,580)

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2013	2012
Earnings per share		
Basic earnings (loss) per share		
Loss from discontinued operations	(0.01)	(0.01)

28. Approval of interim financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 9 May 2013.