

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

Independent Auditor's Report

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

I have audited the accompanying consolidated financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information and have also audited the separate financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary and of Maybank Kim Eng Securities (Thailand) Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other matters

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, under her report dated 8 February 2012, expressed an unqualified opinion on those statements.

Ratana Jala
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 7 February 2013

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

Statement of Financial Position

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Cash and cash equivalents	7	301,264,070	436,944,122	271,776,475	373,414,466
Deposits at financial institutions	8	3,450,759	3,446,674	3,450,759	3,446,674
Receivables from Clearing House	9	1,245,125,890	178,179,476	1,245,125,890	178,179,476
Securities and derivatives business receiv	10	11,676,878,218	5,870,370,914	11,676,878,218	5,870,370,914
Investment	13	74,757,822	35,001,067	74,757,822	35,001,067
Investments in subsidiary	14	-	-	50,693,137	99,999,980
Loans to employees under welfare prograr	35	289,116,853	323,156,809	289,116,853	323,156,809
Equipment	15	154,576,496	142,622,806	150,404,326	139,991,453
Intangible assets	16	31,628,981	23,792,302	28,506,351	21,697,875
Property foreclosed		9,886,500	9,886,500	9,886,500	9,886,500
Deposits		41,222,123	39,446,015	41,214,739	39,426,740
Other assets	17	145,223,800	103,354,882	141,671,428	101,631,117
Total assets		13,973,131,512	7,166,201,567	13,983,482,498	7,196,203,071

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

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

Statement of Financial Position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Liabilities					
Borrowings from financial institutions	18	2,170,000,000	594,000,000	2,170,000,000	594,000,000
Payables to Clearing House		451,884,582	-	451,884,582	-
Securities and derivatives business payab	19	3,956,161,311	1,354,730,346	3,956,161,311	1,354,730,346
Derivatives liabilities	12	24,287,154	5,951,432	24,287,154	5,951,432
Debt issued and borrowings	20	2,007,423,532	-	2,007,423,532	-
Provisions	21	83,729,320	57,765,356	83,025,535	57,428,948
Accrued bonus		305,799,373	480,784,004	305,099,373	480,259,440
Income tax payable		131,393,646	133,493,250	131,393,646	133,493,250
Accrued expenses		103,738,259	75,446,194	102,015,150	74,993,205
Liabilities under financial lease agreement	23	17,569,177	16,518,166	16,072,114	14,806,825
Dividend payable		167,230,381	916,404	167,230,380	916,404
Other liabilities		36,902,005	26,514,884	36,450,451	26,371,726
Total liabilities		9,456,118,740	2,746,120,036	9,451,043,228	2,742,951,576
Shareholders' equity					
Share capital					
Registered					
572,250,000 ordinary shares of Baht 5 each		2,861,250,000	2,861,250,000	2,861,250,000	2,861,250,000
Issued and fully paid-up					
570,814,500 ordinary shares of Baht 5 each		2,854,072,500	2,854,072,500	2,854,072,500	2,854,072,500
Share premium		523,570,729	523,570,729	523,570,729	523,570,729
Premium on treasury shares	25	19,218,670	5,347,943	19,218,670	5,347,943
Retained earnings					
Appropriated - statutory reserve	26	286,125,000	286,125,000	286,125,000	286,125,000
Appropriated - treasury shares reserve	25	-	11,260,973	-	11,260,973
Unappropriated		834,025,873	750,965,359	849,452,371	784,135,323
Less: Treasury shares	25	-	(11,260,973)	-	(11,260,973)
Equity attributable to equity holders of the Comp		4,517,012,772	4,420,081,531	4,532,439,270	4,453,251,495
Non-controlling interests of the subsidiary		-	-	-	-
Total shareholders' equity		4,517,012,772	4,420,081,531	4,532,439,270	4,453,251,495
Total liabilities and shareholders' equity		13,973,131,512	7,166,201,567	13,983,482,498	7,196,203,071

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

Directors

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

Statement of comprehensive income

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Income					
Brokerage fee	28	2,521,071,118	2,624,404,256	2,521,071,118	2,624,404,256
Fee and service income	29	80,397,019	45,393,007	78,668,049	44,948,582
Loss on investments	13.2	(68,836,286)	(84,095,285)	(68,836,286)	(84,095,285)
Gain on derivatives	12.1	94,988,209	133,539,282	94,988,209	133,539,282
Interest and dividends		239,221,115	212,606,461	237,925,856	210,736,550
Interest on margin loans		343,412,557	237,397,319	343,412,557	237,397,319
Other income		25,305,392	23,696,513	26,088,277	24,884,765
Total income		3,235,559,124	3,192,941,553	3,233,317,780	3,191,815,469
Expenses					
Financial costs		209,683,038	145,128,619	209,573,748	145,110,677
Fee and service expenses		207,420,719	202,951,487	206,333,894	202,239,240
Operating expenses					
Personnel expenses	31	1,253,137,693	1,433,478,819	1,231,090,315	1,421,665,712
Premises and equipment expenses		305,022,622	288,471,862	302,125,962	287,342,915
Taxes and duties		15,011,415	9,595,374	14,974,540	9,563,506
Directors' remuneration	30	8,600,000	13,500,000	8,600,000	13,500,000
Information and technology		39,964,798	37,631,681	34,982,621	33,537,901
Other expenses		205,094,146	114,828,356	202,448,630	113,500,915
Total operating expenses		1,826,830,674	1,897,506,092	1,794,222,068	1,879,110,949
Reversal of bad debt and doubtful account	11	(405,578)	(15,075,904)	(405,578)	(15,075,904)
Loss from impairment of investment		-	-	49,306,843	-
Total expenses		2,243,528,853	2,230,510,294	2,259,030,975	2,211,384,962
Profit before income tax expenses		992,030,271	962,431,259	974,286,805	980,430,507
Income tax expenses	33	(253,626,461)	(308,250,076)	(253,626,461)	(308,250,076)
Profit for the year		738,403,810	654,181,183	720,660,344	672,180,431
Other comprehensive income:					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		738,403,810	654,181,183	720,660,344	672,180,431
Profit attributable to:					
Equity holders of the Company		738,403,810	654,181,183	720,660,344	672,180,431
Non-controlling interests of the subsidiary		-	-	-	-
		738,403,810	654,181,183		

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

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

Statement of comprehensive income (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Total comprehensive income attributable to:					
Equity holders of the Company		738,403,810	654,181,183	<u>720,660,344</u>	<u>672,180,431</u>
Non-controlling interests of the subsidiary		-	-		
		<u>738,403,810</u>	<u>654,181,183</u>		
Earnings per share of equity holders of 34					
Basic earnings per share		<u>1.29</u>	<u>1.15</u>	<u>1.26</u>	<u>1.18</u>

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

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

Cash flow statements

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before income tax	992,030,271	962,431,259	974,286,805	980,430,507
Adjustments to reconcile profit before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	71,697,625	59,430,112	70,325,608	58,637,425
Reversal of bad debt and doubtful accounts	(405,578)	(15,075,904)	(405,578)	(15,075,904)
Unrealised gains on revaluation of investments	(1,439,394)	(2,371,264)	(1,439,394)	(2,371,264)
Unrealised losses on revaluation of derivatives liab	8,798,024	6,059,709	8,798,024	6,059,709
Unrealised losses on revaluation of foreign borrow	7,423,581	-	7,423,581	-
Unrealised losses on revaluation of foreign receiv	19,397,595	-	19,397,595	-
Losses from impairment of investment	-	-	49,306,843	-
(Gains) losses on sales and written-off of premises and equipment	842,273	(1,567,414)	594,214	(1,567,414)
Retirement benefit	25,963,964	21,672,995	25,596,587	21,336,587
Financial cost	208,598,709	143,989,990	208,598,709	143,989,990
Amortised interest expense of financial lease	1,084,329	1,138,629	975,039	1,120,687
Reversal of doubtful accounts - other receivables	(100,000)	-	(100,000)	-
Interest income	(587,708,782)	(453,011,580)	(586,413,523)	(451,141,669)
Cash paid for interest	(210,201,712)	(133,503,433)	(210,092,422)	(133,485,492)
Cash paid for income tax	(255,791,346)	(420,904,738)	(255,726,065)	(420,904,738)
Profit from operating activities before changes in operating assets and liabilities	280,189,559	168,288,361	311,126,023	187,028,424
Decrease (increase) in operating assets				
Deposits at financial institutions	(4,085)	(2,097,917)	(4,085)	(2,097,917)
Receivables from Clearing House	(1,085,475,985)	(56,974,735)	(1,085,475,985)	(56,974,735)
Securities and derivatives business receivables	(5,789,275,254)	1,253,178,796	(5,789,275,254)	1,253,178,796
Investments	(38,317,361)	103,869,384	(38,317,361)	103,869,384
Loans to employees under welfare program	34,039,956	(5,361,064)	34,039,956	(5,361,064)
Deposits	(1,776,108)	520,549	(1,787,999)	537,114
Other assets	(7,908,766)	106,552	(6,058,159)	192,129
Increase (decrease) in operating liabilities				
Payables to Clearing House	451,872,298	(495,175,561)	451,872,298	(495,175,561)
Securities and derivatives business payables	2,600,575,988	(1,324,963,149)	2,600,575,988	(1,324,963,149)
Derivative liabilities	9,537,698	(44,707,737)	9,537,698	(44,707,737)
Provisions	-	(2,750,000)	-	(2,750,000)
Accrued bonus	(174,984,631)	23,565,511	(175,160,067)	23,040,947
Accrued expenses	28,344,885	2,151,820	27,074,765	2,802,502
Other liabilities	10,387,121	(13,373,293)	10,078,725	(12,977,623)
Net cash flows used in operating activities	(3,682,794,685)	(393,722,483)	(3,651,773,457)	(374,358,490)

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

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

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Cash received from interest	537,086,677	449,994,855	535,704,135	448,333,012
Proceeds from disposals of equipment	728,456	4,303,442	719,508	4,303,442
Cash paid for purchases of equipment	(75,461,752)	(79,856,362)	(72,583,706)	(79,753,985)
Cash paid for purchases of intangible assets	(11,824,099)	(7,392,682)	(10,504,100)	(7,292,682)
Net cash flows from investing activities	450,529,282	367,049,253	453,335,837	365,589,787
Cash flows from financing activities				
Cash received from borrowings	104,812,000,000	56,972,000,000	104,812,000,000	56,972,000,000
Cash paid for borrowings	(103,236,000,000)	(56,378,000,000)	(103,236,000,000)	(56,378,000,000)
Cash received from foreign borrowings	1,999,999,951	-	1,999,999,951	-
Cash received from other borrowings	-	496,288,035	-	496,288,035
Cash paid to other borrowings	-	(825,500,000)	-	(825,500,000)
Cash received from treasury shares	25,131,700	-	25,131,700	-
Cash paid on principal of long-term lease	(4,256,007)	(5,193,090)	(4,041,729)	(5,162,329)
Dividend paid	(500,290,293)	(870,829,029)	(500,290,293)	(870,829,029)
Net cash flows from (used in) financing activities	3,096,585,351	(611,234,084)	3,096,799,629	(611,203,323)
Net decrease in cash and cash equivalents	(135,680,052)	(637,907,314)	(101,637,991)	(619,972,026)
Cash and cash equivalents as at 1 January	436,944,122	1,074,851,436	373,414,466	993,386,492
Cash and cash equivalents as at 31 December	301,264,070	436,944,122	271,776,475	373,414,466

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

Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary
Notes to financial statements
For the year ended 31 December 2012

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 Floor, Rama 1 Road, Pathumwan, Bangkok. As at 31 December 2012, the Company has 45 branches in Bangkok and upcountry (31 December 2011: 44 branches).

2. Basis for the preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions. B.E. 2547 and are presented in compliance with the 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 financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

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

3. Basis for the preparation of the consolidated financial statements

- a) The consolidated financial statements include the financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
Kim Eng Asset Management (Thailand) Company Limited	Fund management	Thailand	99.99	99.99

- b) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.

4. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards 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:

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for TAS 12 Income Taxes.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The effect of the adoption to the financial statements of the Company and its subsidiary will be to increase profit for the year 2012 by Baht 5 million (0.01 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 21 million (0.04 Baht per share) (separate financial statements: increase profit for the year 2012 by Baht 15 million (0.03 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 21 million (0.04 Baht per share)).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company and its subsidiary are evaluating the first-year impact to the financial statements of the accounting treatment guidance and accounting standard interpretations and has yet to reach a conclusion.

5. Significant accounting policies

5.1 Revenue recognition

a) Brokerage fees

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

b) Fees and service income

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

c) Gain (loss) on investments and derivatives

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

d) Interest and dividend

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

(e) Interest on credit balance loans

Interest is recognised over the term of the loans based on the amount of principal outstanding. No accrual has been made for certain loans which, under Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission, are not qualified for recognition of interest on an accrual basis and consideration of other relevant factors.

5.2 Expense recognition

a) Interest on borrowings

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

b) Fees and service expenses

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

5.3 Cash and cash equivalents

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

5.4 Recognition and amortisation of customers' assets

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

5.5 Borrowing and lending of securities

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

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

5.6 Investments

- a) Investments in securities held for trading are determined at fair value. Changes in the fair value of these securities are recorded as profit or loss in the statement of comprehensive income.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recognised as gain (loss) on changes in value of investments as part of other comprehensive income in the statement of comprehensive income, and will be recognised as part of profit or loss when the securities are sold.
- c) Held to maturity debt securities are initially recognised at purchase price plus transaction costs and subsequently accounted for at amortised cost using effective interest method less allowance for impairment loss (if any).
- d) Investments in non-marketable equity securities which the Company classified as other investments, are stated at cost net of allowance for impairment loss (if any).

- e) Investments in subsidiary are accounted for in the separate financial statements using the cost net of allowance for impairment loss (if any).
- f) The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on required rate of return or the yield rates quoted by the Thai Bond Market Association.
- g) The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as part of profit or loss in the statement of comprehensive income.
- h) Impairment loss (if any) is included in part of profit or loss in the statement of comprehensive income when there is a factor indicating that such investments might be impaired.

5.7 Receivables from/payables to Clearing House

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

5.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net securities business receivables and derivatives business receivables, after deducting allowance for doubtful accounts and adding related accrued interest receivables.

In addition, securities business receivables comprise the net receivable balances of cash accounts, credit balance receivables for which the securities purchased are used as collateral, securities borrowing and lending receivables and guarantee deposit receivables (which comprise cash placed as guarantee for borrowers of securities) as well as other receivables such as overdue cash customers accounts and receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

The Company provides allowance for doubtful accounts based on a review of the debtor's ability to make payment, taking into consideration recovery risk and the value of the collateral. Such debt classifications and provisions are made in accordance with the guideline laid down in the Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission (SEC), and consideration of other relevant factors.

5.9 Premises and Equipment/Depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment loss (if any). Depreciation of premises and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Building improvement	5 years
Furniture, fixtures and equipment	3 and 5 years
Vehicles	5 years

No depreciation is provided on assets under installation.

Depreciation is included in determining income.

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

5.10 Intangible assets and amortisation

Expenditure on acquisitions of intangible assets is capitalised and amortised using the straight-line method over their useful lives, generally over 5 years, with the exception of TFEX member fees and fund license, which are not amortised.

Such intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

5.11 Property foreclosed

Property foreclosed consists of immovable properties, and is stated at the lower of cost or net realisable value. Loss on impairment is included in determining income. Gains or losses on disposals of such properties are recognised in the statement of comprehensive income at the date of disposal.

5.12 Loans to employees under welfare program

Loans to employees under welfare program are recognised initially at the amount granted to the employees and are subsequently stated at amortised cost, based on the contractual interest rate. Returns are recognised in the statement of comprehensive income over the term of loan.

5.13 Borrowings and debt issued

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

5.14 Long-term lease

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

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

5.15 Securities and derivatives business payables

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

5.16 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.17 Treasury stocks

The consideration paid in case where the Company purchases back ordinary share of the Company, including any attributable incremental external costs net of income taxes, is deducted from total owners' equity as treasury shares until the treasury shares are cancelled. If such shares are subsequently sold or reissued, any consideration received is included in owners' equity.

5.18 Related party transactions

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

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

5.19 Foreign currencies

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

Gains and losses on exchange are included in determining income.

5.20 Impairment of assets

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

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

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

5.21 Employee benefits

a) Short-term benefits

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

b) Post-employment benefits (Defined contribution plans)

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

c) Post-employment benefits (Defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

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

5.22 Income tax

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.

5.23 Derivatives

Forward exchange contracts

Forward exchange contracts are recorded at fair value. Unrecognised gains or losses on revaluation are included in determining income.

Futures contracts

The Company initially recognises future contracts at fair value. Obligations under derivatives business and cash collateral amounts pledged as security for derivatives trading are recorded as receivable at Thailand Clearing House. Subsequently, as at the date of the statements of financial position, the futures contracts are presented at their fair value, with the fair value of marketable future contracts being calculated with reference to the last bid/offer prices quoted on the Stock Exchange of Thailand on the last business day of the year. Unrealised gains or losses resulting from changes in the fair value of futures contracts are included in the statements of comprehensive income.

Derivative warrants

The Company initially recognises the fair value of derivative warrants as financial liabilities. Subsequently, on the statement of financial position date, derivative warrants are presented at fair value, with the fair value of marketable derivative warrants being calculated with reference to the last offer price quoted on the Stock Exchange of Thailand on the last business day of the year. Unrealised gains or losses resulting from changes in the fair values of derivative warrants are included in the statement of comprehensive income.

6. Significant accounting judgments and estimates

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

6.1 Allowances for doubtful accounts for securities and derivatives business receivables

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

6.2 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercised judgment, using valuation techniques. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and long-term volatility of financial instruments.

6.3 Allowance for impairment of investments

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

6.4 Building improvement and equipment/Depreciation

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

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

6.5 Recognition and derecognition of assets and liabilities

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

6.6 Leases

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

6.7 Employee benefit

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

6.8 Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation cases and recorded provision for contingent liabilities as at the financial statement date. In case where they believe that there will be no loss, they will not provide contingent liabilities as of the end of reporting period.

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash on hand	550,251	545,213	545,298	540,241
Current accounts and savings accounts	1,759,457,181	1,107,793,920	1,758,974,539	1,106,769,236
Fixed accounts	3,024,000,000	34,000,000	3,000,000,000	-
Promissory notes	5,000,000	7,028,500,000	-	7,000,000,000
Total cash and cash equivalents	4,789,007,432	8,170,839,133	4,759,519,837	8,107,309,477
Less: Cash deposits held for customers	(4,487,743,362)	(7,733,895,011)	(4,487,743,362)	(7,733,895,011)
Net cash and cash equivalents	301,264,070	436,944,122	271,776,475	373,414,466

8. Deposits at financial institutions

(Unit: Baht)

	Consolidated and separate financial statements	
	2012	2011
	Over 3 months - 1 year	Over 3 months - 1 year
Fixed deposits	3,100,013,668	9,583
Deposits with restriction	3,437,091	3,437,091
Total deposits at financial institutions	3,103,450,759	3,446,674
Less: Cash deposits held for customers	(3,100,000,000)	-
Net deposits at financial institutions	3,450,759	3,446,674

As at 31 December 2012 and 2011, fixed deposits of Baht 3 million are pledged as collateral to a local bank for letter of guarantees as described in Note 37.2 to the financial statements.

9. Receivables from Clearing House

(Unit: Baht)

	Consolidated and separate financial statements	
	2012	2011
	Receivables from Clearing House	1,406,135,298
Receivables from foreign securities company	1,306,085,544	-
Less: Receivables from Clearing House held for customers	(1,467,094,952)	(172,101,661)
Net receivables from Clearing House	1,245,125,890	178,179,476

10. Securities and derivatives business receivables

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2012	2011
<u>Securities business receivables</u>		
Cash accounts	2,772,635,962	1,125,242,311
Credit balance accounts	8,776,277,837	4,404,761,020
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	-	59,956,320
- Securities borrowing receivables	82,273,325	257,182,395
Other receivables		
- Overdue customers' accounts	246,858,898	247,136,388
Total securities business receivables	11,878,046,022	6,094,278,434
Add: Accrued interest receivables	54,034,972	37,207,737
Less: Allowance for doubtful accounts	(261,379,208)	(261,784,786)
Securities business receivables and accrued interest receivables - net	<u>11,670,701,786</u>	<u>5,869,701,385</u>
<u>Derivative business receivables</u>		
Derivative business receivables	6,330,142	823,239
Less: Allowance for doubtful accounts	(153,710)	(153,710)
Derivative business receivables - net	<u>6,176,432</u>	<u>669,529</u>
Total securities and derivatives business receivables - net	<u><u>11,676,878,218</u></u>	<u><u>5,870,370,914</u></u>

10.1 As at 31 December 2012, the Company had other receivables with book values (including accrued interest receivables) totaling Baht 262 million from which it has ceased recognising income (31 December 2011: Baht 262 million).

10.2 As at 31 December 2012 and 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: 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	11,676,657,853	-	11,676,657,853
Sub-standard Debt	9,678,539	(9,458,174)	220,365
Doubtful Debt	252,074,744	(252,074,744)	-
Total	11,938,411,136	(261,532,918)	11,676,878,218

(Unit: 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	5,870,278,637	-	5,870,278,637
Sub-standard Debt	9,470,138	(9,377,861)	92,277
Doubtful Debt	252,560,635	(252,560,635)	-
Total	6,132,309,410	(261,938,496)	5,870,370,914

11. Allowance for doubtful accounts

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2012	2011
Balance - beginning of the year	261,938,496	277,014,400
Add: Doubtful accounts	118,450	175,986
Less: Repayment	(524,028)	(15,172,220)
Reversal of doubtful accounts	-	(79,670)
Balance - end of the year	261,532,918	261,938,496

12. Derivatives assets and derivatives liabilities

(Unit: Baht)

	Consolidated and separate financial statements			
	2012			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
<u>Trading derivatives</u>				
Derivatives warrants	-	16,313,112	-	51,005,900
Forward exchange contract	-	7,974,042	-	1,997,062,277
Total derivatives assets and derivatives liabilities	-	24,287,154	-	2,048,068,177

(Unit: Baht)

	Consolidated and separate financial statements			
	2011			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
<u>Trading derivatives</u>				
Derivatives warrants	-	5,951,432	-	13,439,550
Total derivatives assets and derivatives liabilities	-	5,951,432	-	13,439,550

12.1 Gain on derivatives

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2012	2011
Realised gain on trading in derivatives		
Derivative warrants	95,812,191	139,598,991
Unrealised loss on revaluation of derivatives		
Derivative warrants	(823,982)	(6,059,709)
Total gain on derivatives	<u>94,988,209</u>	<u>133,539,282</u>

13. Investments

(Unit: Baht)

	Consolidated and separate financial statements			
	2012		2011	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	56,606,139	57,629,162	18,288,779	17,872,407
Total	56,606,139	57,629,162	18,288,779	17,872,407
Add (less): allowance for revaluation	1,023,023		(416,372)	
Net trading securities	<u>57,629,162</u>		<u>17,872,407</u>	
Other investments				
Other securities - ordinary shares	31,791,160		31,791,160	
Less: allowance for impairment	(14,662,500)		(14,662,500)	
Net other investments	<u>17,128,660</u>		<u>17,128,660</u>	
Total investments - net	<u>74,757,822</u>		<u>35,001,067</u>	

13.1 Investments subject to restrictions

(Unit: Baht)

	Consolidated and separate financial statements			
	2012		2011	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Securities placed with court to stay execution	7,622,000	15,509,541	7,622,000	11,563,060
Total	<u>7,622,000</u>	<u>15,509,541</u>	<u>7,622,000</u>	<u>11,563,060</u>

13.2 Gain (loss) on investments

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2012	2011
Realised loss on trading securities	(70,275,191)	(86,466,549)
Unrealised gain on revaluation of trading securities	1,438,905	2,371,264
Total loss on investments	(68,836,286)	(84,095,285)

14. Investments in subsidiary

As at 31 December 2012 and 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		Allowance for impairment loss		Dividend received during the year	
			2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
			Million Baht	Million Baht	Percent	Percent	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht

Subsidiary company included in consolidated financial statements

Kim Eng Asset Management (Thailand) Company Limited	Fund management	Shareholding	100	100	99.99	99.99	100	100	(49)	-	-	-
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15. Equipment

(Unit: Baht)

	Consolidated financial statements				
	2012				
	Building improvement	Furniture Fixtures and equipment	Asset under financial lease	Construction in process	Total
Cost					
31 December 2011	173,459,949	493,763,391	26,224,116	828,671	694,276,127
Additions	15,194,112	47,573,312	5,307,018	10,255,668	78,330,110
Transfer in (out)	9,711,785	1,133,275	-	(10,845,060)	-
Disposals/written-off	(7,708,913)	(69,614,268)	-	-	(77,323,181)
31 December 2012	190,656,933	472,855,710	31,531,134	239,279	695,283,056
Accumulated depreciation					
31 December 2011	132,735,798	406,842,500	12,075,023	-	551,653,321
Depreciation for the year	13,357,057	46,111,483	5,337,556	-	64,806,096
Disposals/written-off	(6,191,855)	(69,561,002)	-	-	(75,752,857)
31 December 2012	139,901,000	383,392,981	17,412,579	-	540,706,560
Net book value					
31 December 2011	40,724,151	86,920,891	14,149,093	828,671	142,622,806
31 December 2012	50,755,933	89,462,729	14,118,555	239,279	154,576,496
Depreciation charge for the years ended 31 December					
2011					53,235,522
2012					64,806,096

(Unit: Baht)

Consolidated financial statements

	2011					Total
	Building improvement	Furniture Fixtures and equipment	Motor Vehicles	Asset under financial lease	Construction in process	
Cost						
31 December 2010	163,044,307	460,647,486	288,205	30,798,972	1,639,812	656,418,782
Additions	21,881,238	60,935,780	-	1,742,101	10,530,480	95,089,599
Transfer in (out)	10,309,889	1,031,732	-	-	(11,341,621)	-
Disposals/written-off	(21,775,485)	(28,851,607)	(288,205)	(6,316,957)	-	(57,232,254)
31 December 2011	173,459,949	493,763,391	-	26,224,116	828,671	694,276,127
Accumulated depreciation						
31 December 2010	141,263,522	398,248,152	236,909	13,166,058	-	552,914,641
Depreciation for the year	11,256,227	37,211,542	31,882	4,735,871	-	53,235,522
Disposals/written-off	(19,783,951)	(28,617,194)	(268,791)	(5,826,906)	-	(54,496,842)
31 December 2011	132,735,798	406,842,500	-	12,075,023	-	551,653,321
Net book value						
31 December 2010	21,780,785	62,399,334	51,296	17,632,914	1,639,812	103,504,141
31 December 2011	40,724,151	86,920,891	-	14,149,093	828,671	142,622,806

(Unit: Baht)

Separate financial statements

	2012				Total
	Building improvement	Furniture Fixtures and equipment	Asset under financial lease	Construction in process	
Cost					
31 December 2011	172,890,022	492,645,521	24,482,014	828,671	690,846,228
Additions	13,450,280	46,439,098	5,307,018	10,255,668	75,452,064
Transfer in (out)	9,711,785	1,133,275	-	(10,845,060)	-
Disposals/written-off	(7,138,986)	(69,590,529)	-	-	(76,729,515)
31 December 2012	188,913,101	470,627,365	29,789,032	239,279	689,568,777
Accumulated depreciation					
31 December 2011	132,479,823	406,358,000	12,016,952	-	550,854,775
Depreciation for the year	13,102,801	45,633,939	4,989,136	-	63,725,876
Disposals/written-off	(5,869,362)	(69,546,838)	-	-	(75,416,200)
31 December 2012	139,713,262	382,445,101	17,006,088	-	539,164,451
Net book value					
31 December 2011	40,410,199	86,287,521	12,465,062	828,671	139,991,453
31 December 2012	49,199,839	88,182,264	12,782,944	239,279	150,404,326
Depreciation charge for the years ended 31 December					
2011					52,731,446
2012					63,725,876

(Unit: Baht)

Separate financial statements

	2011					Total
	Building improvement	Furniture fixtures and equipment	Motor Vehicles	Asset under financial lease	Construction in process	
Cost						
31 December 2010	162,474,380	459,631,994	288,205	30,798,972	1,639,812	654,833,363
Additions	21,881,238	60,833,403	-	-	10,530,480	93,245,121
Transfer in (out)	10,309,889	1,031,732	-	-	(11,341,621)	-
Disposals/written-off	(21,775,485)	(28,851,608)	(288,205)	(6,316,958)	-	(57,232,256)
31 December 2011	172,890,022	492,645,521	-	24,482,014	828,671	690,846,228
Accumulated depreciation						
31 December 2010	141,121,532	398,095,674	236,909	13,166,058	-	552,620,173
Depreciation for the year	11,142,242	36,879,521	31,882	4,677,801	-	52,731,446
Disposals/written-off	(19,783,951)	(28,617,195)	(268,791)	(5,826,907)	-	(54,496,844)
31 December 2011	132,479,823	406,358,000	-	12,016,952	-	550,854,775
Net book value						
31 December 2010	21,352,848	61,536,320	51,296	17,632,914	1,639,812	102,213,190
31 December 2011	40,410,199	86,287,521	-	12,465,062	828,671	139,991,453

As at 31 December 2012 and 2011, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 423 million and Baht 466 million, respectively (separate financial statements: Baht 423 million and Baht 466 million, respectively).

16. Intangible assets

(Unit: Baht)

Consolidated financial statements

	Useful lives	Cost					Accumulated amortisation				Net intangible assets
		1 January 2012	Increase	Transfer in (transfer out)	Written-off	31 December 2012	1 January 2012	Increase	Written-off	31 December 2012	
Computer software	5 years	75,801,352	11,689,185	2,015,543	(101,500)	89,404,580	57,599,940	6,891,529	(101,093)	64,390,376	25,014,204
Software under installation	-	1,270,342	2,539,430	(2,015,543)	-	1,794,229	-	-	-	-	1,794,229
Deferred expenses of membership fee - Thailand Futures											
Exchanges	-	5,000,000	-	-	-	5,000,000	1,679,452	-	-	1,679,452	3,320,548
Deferred expenses of fund license	-	1,000,000	500,000	-	-	1,500,000	-	-	-	-	1,500,000
Total		83,071,694	14,728,615	-	(101,500)	97,698,809	59,279,392	6,891,529	(101,093)	66,069,828	31,628,981

(Unit: Baht)

Separate financial statements											
	Useful lives	Cost					Accumulated amortisation				Net intangible assets
		1 January 2012	Increase	Transfer in (transfer out)	Written-off	31 December 2012	1 January 2012	Increase	Written-off	31 December 2012	
Computer software	5 years	74,346,352	11,689,185	2,015,543	(101,500)	87,949,580	57,239,367	6,599,732	(101,093)	63,738,006	24,211,574
Software under installation	-	1,270,342	1,719,430	(2,015,543)	-	974,229	-	-	-	-	974,229
Deferred expenses of membership fee - Thailand Futures Exchanges	-	5,000,000	-	-	-	5,000,000	1,679,452	-	-	1,679,452	3,320,548
Total		80,616,694	13,408,615	-	(101,500)	93,923,809	58,918,819	6,599,732	(101,093)	65,417,458	28,506,351

As at 31 December 2012 and 2011, certain computer software items have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those intangible assets amounted to approximately Baht 48 million and Baht 46 million, respectively (separate financial statements: Baht 48 million and Baht 46 million, respectively).

17. Other assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	Clearing fund	74,415,694	64,522,254	74,415,694
Accrued income	39,093,090	7,981,466	38,926,404	7,845,194
Prepaid expenses	13,911,268	14,920,626	12,655,659	14,573,102
Others	17,803,748	15,930,536	15,673,671	14,690,567
Total	145,223,800	103,354,882	141,671,428	101,631,117

18. Borrowings from financial institutions

As at 31 December 2012 and 2011, borrowings from financial institutions comprising only domestic borrowings in Baht currency are classified as follows:

(Unit: Baht)

	Consolidated and separate financial statements			
	2012			
	Interest rate per annum (percent)	Remaining period to maturity		Total
		At call	Within 1 year	
Financial institutions				
Promissory notes	2.86 - 3.00	1,995,000,000	175,000,000	2,170,000,000
Total borrowings from financial institutions		1,995,000,000	175,000,000	2,170,000,000

(Unit: Baht)

Consolidated and separate financial statements				
2011				
	Interest rate per annum (percent)	Remaining period to maturity		Total
		At call	Within 1 year	
Financial institutions				
Promissory notes	3.3, 3.4	-	594,000,000	594,000,000
Total borrowings from financial institutions		-	594,000,000	594,000,000

19. Securities and derivatives business payables

(Unit: Baht)

	Consolidated and separate financial statements	
	2012	2011
Cash accounts	3,581,245,998	1,097,547,951
Payables under securities borrowing and lending business	82,449,545	257,182,395
Guarantee deposit payables	292,465,768	-
Total securities and derivatives business payables	3,956,161,311	1,354,730,346

20. Debt issued and borrowings

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

(Unit: Baht)

Consolidated and Separate financial statement				
31 December 2012				
	Interest rate per annum (percent)	Remaining period to maturity		Total
		At call	Within 1 year	
<u>Other borrowings and debt issued</u>				
Borrowings from related company				
- borrowing from Maybank Kim Eng Holdings Limited 79,396,584 SGD	0.90	-	2,007,423,532	2,007,423,532
Total other borrowings and debt issued		-	2,007,423,532	2,007,423,532

Borrowings from Maybank Kim Eng Holdings Limited are short-term borrowings which will mature in January 2013

21. Provisions

(Unit: Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Balance - beginning of the year	57,765,356	34,453,333	57,428,948	34,453,333
Increase during the year	25,963,964	23,312,023	25,596,587	22,975,615
Balance - end of the year	83,729,320	57,765,356	83,025,535	57,428,948

As at 31 December 2012 and 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 the event that Nithipat is unable to collect securities debts that have not been transferred as mentioned in the Asset Transfer Letter dated 14 August 1996. Additional provision is set up for the anticipated liability in respect of the notice that the group received from a securities trading customer of Yuanta Securities (Thailand) Limited, demanding the Company pay damages of approximately Baht 16 million for an infringement that occurred before the customer was transferred to the Company.

As at 31 December 2012, the Company and its subsidiary recorded post employment benefits, payable to employees under the Thai labor law in the consolidated financial statements amounting to Baht 53 million (separate financial statements: Baht 52 million), as described in Note 22 to the financial statements. In addition, the Company and its subsidiary have set aside provisions for dismantling costs amounting to Baht 4 million (separate financial statements: Baht 4 million).

22. 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 December 2012, the Company and its subsidiary recognised Baht 23 million of such long-term employee benefit liabilities (separate financial statements: Baht 23 million) and Baht 34 million remains unrecognised (separate financial statements: Baht 34 million) as a result of gradual recognition of liability in the transition period over the five-year period as mentioned above.

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	72,361,106	64,766,043	71,793,225	64,476,702
Current service cost	14,636,032	10,345,063	14,326,523	10,066,523
Benefits paid during the year	-	(2,750,000)	-	(2,750,000)
Defined benefit obligation at end of year	86,997,138	72,361,106	86,119,748	71,793,225
Unrecognised transitional provisions	(33,983,797)	(45,311,729)	(33,810,192)	(45,080,256)
Provisions for long-term employee benefits at end of year	<u>53,013,341</u>	<u>27,049,377</u>	<u>52,309,556</u>	<u>26,712,969</u>

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2012 and 2011 was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	14,636,032	10,345,063	14,326,523	10,066,523
Transitional liability recognised during the year	11,327,932	11,327,932	11,270,064	11,270,064
Total	<u>25,963,964</u>	<u>21,672,995</u>	<u>25,596,587</u>	<u>21,336,587</u>

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

Amount of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2012	86,997,138	86,119,748
Year 2011	72,361,106	71,793,225
Year 2010	64,766,043	64,476,702

23. Liabilities under finance lease agreements

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Liabilities under finance lease agreements	19,565,181	18,682,709	17,797,024	16,590,984
Less : Deferred interest expenses	(1,996,004)	(2,164,543)	(1,724,910)	(1,784,159)
Total	17,569,177	16,518,166	16,072,114	14,806,825
Less : Portion due within one year	(5,437,686)	(3,934,969)	(5,208,444)	(3,720,691)
Liabilities under finance lease agreements				
- net of current portion	<u>12,131,491</u>	<u>12,583,197</u>	<u>10,863,670</u>	<u>11,086,134</u>

The Company and its subsidiary have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Baht)			
	Consolidated financial statements			
	As at 31 December 2012			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	6,339,970	13,225,211	-	19,565,181
Deferred interest expenses	(902,284)	(1,093,720)	-	(1,996,004)
Present value of future minimum lease payments	<u>5,437,686</u>	<u>12,131,491</u>	-	<u>17,569,177</u>

	(Unit: Baht)			
	Consolidated financial statements			
	As at 31 December 2011			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	4,883,561	13,799,147	-	18,682,708
Deferred interest expenses	(948,592)	(1,215,950)	-	(2,164,542)
Present value of future minimum lease payments	<u>3,934,969</u>	<u>12,583,197</u>	-	<u>16,518,166</u>

(Unit: Baht)

	Separate financial statements			
	As at 31 December 2012			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	6,016,403	11,780,621	-	17,797,024
Deferred interest expenses	(807,959)	(916,951)	-	(1,724,910)
Present value of future minimum lease payments	<u>5,208,444</u>	<u>10,863,670</u>	<u>-</u>	<u>16,072,114</u>

(Unit: Baht)

	Separate financial statements			
	As at 31 December 2011			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	4,559,993	12,030,991	-	16,590,984
Deferred interest expenses	(839,302)	(944,857)	-	(1,784,159)
Present value of future minimum lease payments	<u>3,720,691</u>	<u>11,086,134</u>	<u>-</u>	<u>14,806,825</u>

24. Capital management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

25. Treasury shares

During the year ended 31 December 2012, the Company sold 1,645,200 treasury shares with a cost value of Baht 11.26 million. The accounts relating to the purchase/sale of treasury shares are presented below:

	Consolidated and separate financial statements			
	For the year ended 31 December 2012			
	Number of shares	Premium on treasury shares	Appropriated retained earnings - treasury shares reserve	Treasury shares
(Shares)	(Baht)	(Baht)	(Baht)	
Balance at the beginning of year	1,645,200	5,347,943	11,260,973	(11,260,973)
Sold treasury shares	(1,645,200)	13,870,727	(11,260,973)	11,260,973
Balance at end of year	<u>-</u>	<u>19,218,670</u>	<u>-</u>	<u>-</u>

The Baht 11.26 million decrease in appropriated retained earnings - treasury shares reserve during the year represents the value of treasury shares sold during the year.

26. 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.

27. Dividends

During the years ended 31 December 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)
Dividends for earnings from 1 January 2012 to 30 June 2012	Board of Directors' meeting on 8 August 2012	200	0.35
Dividends for the year 2011	Annual General Meeting of the shareholders on 30 March 2012	467	0.82
Dividends for earnings from 1 January 2011 to 30 June 2011	Board of Directors' meeting on 11 August 2011	199	0.35
Dividends for the year 2010	Annual General Meeting of the shareholders on 30 March 2011	672	1.18

28. Brokerage fee

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2012	2011
Brokerage fee from securities business	2,256,096,462	2,286,929,444
Brokerage fee from derivatives business	264,974,656	337,474,812
Total brokerage fee	2,521,071,118	2,624,404,256

29. Fees and service income

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Underwriting fee	34,931,463	164,793	34,931,463	164,793
Financial advisory	22,718,734	21,580,006	22,718,734	21,580,006
Securities borrowing and lending	13,765,303	10,841,589	13,765,303	10,841,589
Fund management	2,579,290	444,425	-	-
Others	6,402,229	12,362,194	7,252,549	12,362,194
Total fees and service income	80,397,019	45,393,007	78,668,049	44,948,582

30. 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 Limited Companies Act.

Directors' remuneration of the current year included adjustments made by reversing remuneration of directors for the year 2011. As at 31 December 2011, the Company estimated and recorded directors' remuneration based on the amounts approved for the year 2010 and subsequently adjusted it when the amounts approved by the Annual General Meeting of shareholders were known.

31. Management's remuneration

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Management's remuneration				
Short-term employee benefits	220,484,665	234,543,545	204,684,435	230,189,600
Post-employment benefits	4,549,868	4,293,986	4,279,552	4,044,295
	225,034,533	238,837,531	208,963,987	234,233,895

32. Provident fund

The Company, its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 3 percent of basic salary and the Company and its subsidiary contributed to the fund monthly at the rate of 2-8 percent. The funds of the Company and its subsidiary are managed by Krung Thai Asset Management Public Company Limited. The funds will be paid to employees upon termination in accordance with the rules of the fund. During the years ended 31 December 2012 and 2011, Baht 26 million and Baht 25 million, respectively were contributed to the fund by the Company and its subsidiary (separate financial statements: Baht 26 million and Baht 25 million, respectively).

33. Income tax

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

34. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2012	2011	2012	2011
Beginning balance of the year - weighted average number of ordinary shares (shares)	569,169,300	569,169,300	569,169,300	569,169,300
Weighted average number of treasury shares sold during the year (shares)	1,355,084	-	1,355,084	-
Ending balance of the year - weighted average number of ordinary shares (shares)	570,504,384	569,169,300	570,504,384	569,169,300
Profit for the year (Baht)	738,403,810	654,181,183	720,660,344	672,180,431
Earnings per share (Baht/share)	1.29	1.15	1.26	1.18

35. Related party transactions

During the years ended 31 December 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
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

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

(Unit: Million Baht)

Consolidated financial statements		Separate financial statements		Pricing policies
For the years ended 31 December		For the years ended 31 December		
2012	2011	2012	2011	

Transactions with subsidiary company

(Eliminated from the consolidated financial statements)

<u>Rental and service income</u>					In accordance with service agreements
Kim Eng Asset Management (Thailand) Co., Ltd.	-	-	2	2	

Transactions with related parties

<u>Brokerage fee income</u>					At normal rate charged to other clients, in accordance with SET's and SEC's notification
Maybank Kim Eng Securities Pte. Ltd.	29	23	29	23	
Kim Eng Securities (Hong Kong) Limited	3	4	3	4	

<u>Fee and service income</u>					In accordance with service agreements
Mayban IB Holdings Sdn Bhd	-	4	-	4	

(Unit: Million Baht)

	Consolidated financial		Separate financial		Pricing policies
	statements		statements		
	For the years ended		For the years ended		
	31 December		31 December		
	2012	2011	2012	2011	
<u>Transactions with related parties</u>					
<u>(continued)</u>					
<u>Information technology service</u>					
<u>expenses</u>					At the price agreed upon by both parties referencing the market price.
Maybank Kim Eng Holdings Limited	3	3	3	3	
<u>Brokerage expenses</u>					
Maybank Kim Eng Securities Pte. Ltd.	2	-	2	-	In accordance with agreement
<u>Interest expenses on borrowings</u>					
Maybank Kim Eng Holdings Limited	4	-	4	-	In accordance with borrowings agreement
<u>Consulting service fee</u>					
Maybank Kim Eng Securities Pte. Ltd.	3	3	3	3	In accordance with service agreements
<u>Dividend paid</u>					
Maybank Kim Eng Holdings Limited	556	483	556	483	As declared
Maybank Kim Eng Investment Limited	2	2	2	2	
Mayban IB Holdings Sdn Bhd	-	56	-	56	

As at 31 December 2012 and 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		(Unit: Million Baht)
	2012	2011	2012	2011	Pricing Policies
Subsidiary company					
(Eliminated from the consolidated financial statements)					
<u>Other receivables</u>					
					No interest charged
Kim Eng Asset Management (Thailand) Co., Ltd.	-	-	0.4	0.2	
<u>Related company</u>					
<u>Securities business receivables</u>					
					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	59	-	59	-	
Kim Eng Securities (Hong Kong) Limited	1	-	1	-	
<u>Foreign securities company receivables</u>					
					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	58	-	58	-	
<u>Foreign deposits receivables</u>					
					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1,248	-	1,248	-	
<u>Prepaid consulting fee</u>					
					In accordance with service agreement
Maybank Kim Eng Securities Pte. Ltd.	4	7	4	7	
<u>Borrowings</u>					
					Differential between the local cost of borrowing and the SGD/THB swap cost
Maybank Kim Eng Holdings Limited	2,007	-	2,007	-	
<u>Securities business payables</u>					
					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	134	106	134	106	
Kim Eng Securities (Hong Kong) Limited	4	-	4	-	
<u>Foreign securities company payables</u>					
					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1	-	1	-	
<u>Dividend payable</u>					
					As declared
Maybank Kim Eng Holdings Limited	166	-	166	-	

Loans from related parties

As at 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	Consolidated and separate financial statements			
		Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
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.

The Company and its subsidiary entered into a rental agreement for office and services since 31 December 2010. The contract expiration is on 30 June 2012.

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

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

36. Segment information

The Company's operation mainly involves securities and derivatives brokering and carried on in Thailand. Accordingly, no business/ geographical area segment information is presented.

37. Commitments and contingent liabilities

37.1 Significant contingent liabilities as at 31 December 2012 and 2011 are as follows:

- 1) As at 31 December 2012 and 2011, the Company and its subsidiary have significant outstanding commitments under office space, office equipment, and other service agreements as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	As at 31 December	
	2012	2011
Payable:		
In up to 1 year	83	74
In over 1 and up to 5 years	41	75

	(Unit: Million Baht)	
	Separate financial statements	
	As at 31 December	
	2012	2011
Payable:		
In up to 1 year	82	73
In over 1 and up to 5 years	39	74

- 2) As at 31 December 2012 and 2011, future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)		
	Consolidated financial statements		
	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	6	12	18

	(Unit: Million Baht)		
	Consolidated financial statements		
	As at 31 December 2011		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	5	14	19
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	4	13	17

(Unit: Million Baht)

	Separate financial statements		
	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

(Unit: Million Baht)

	Separate financial statements		
	As at 31 December 2011		
	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	4	11	15

37.2 As at 31 December 2012 and 2011, there were outstanding bank guarantees of approximately Baht 3 million issued by a bank on behalf of the Company in respect of certain performance bonds as required in normal course of business. The bank guarantees were secured by the pledge of the Company's bank deposits, as described in Note 8 to the financial statements.

38. Financial instruments

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

38.1 Financial risk management

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

38.2 Credit risk

The Company is exposed to credit risk primarily with respect to securities and futures business receivables. The Company manages the risk by establishing trading credit approval limit for client, performing credit review and increasing credit limit at both of committee and individual level subject to credit level. In addition, the Company assigns Credit Committee to control and monitor the credit risk. Therefore, the Company does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the book value of securities and derivatives business receivables, derivative assets and receivables from foreign securities company as stated in the statement of financial position.

38.3 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's position and investment status. As such, market risk consists of interest rate risk, foreign exchange risk and equity/commodities position risk.

a) Interest rate risk

Interest rate risk is the risk that the value of financial assets and liabilities will fluctuate due to changes in market interest rates. However, since most of the Company's financial assets and liabilities will mature in 1 year or has floating interest rate, the Company's interest rate risk is expected to be low.

As at 31 December 2012 and 2011, significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

Consolidated financial statements									
Outstanding balance of financial instruments as at 31 December 2012									
Fixed interest rates									
Remaining period to the contractual repricing date or maturity date									
Interest rate (% p.a.)									
Non-performing debts									
Floating interest rate	Within 1 year	1 - 5 years	Over 5 years	Without interest	Non-performing debts	Total	Floating interest rate	Fixed interest rate	
Financial assets									
Cash and cash equivalents	76	24	-	-	201	-	301	0.25 - 2.50	3.05
Deposits at financial institutions	-	3	-	-	-	-	3	-	1.70 - 2.10
Receivable from Clearing House	-	-	-	-	1,245	-	1,245	-	-
Securities and derivatives business receivables	8,776	82	-	-	2,779	247	11,884	5.42 - 5.50	5.50, 8.50
Loans to employees under welfare program	289	-	-	-	-	-	289	2.50, 3.30	-
Financial liabilities									
Borrowings from financial institutions	2,170	-	-	-	-	-	2,170	2.86 - 3.00	-
Payable to Clearing House	-	-	-	-	452	-	452	-	-
Securities and derivatives business payables	293	82	-	-	3,581	-	3,956	1.90	3.00, 5.50
Derivative liabilities	-	-	-	-	24	-	24	-	-
Debt issued and borrowings	-	2,007	-	-	-	-	2,007	-	0.90
Liabilities under financial lease agreements	-	6	12	-	-	-	18	5.20 - 11.25	-

(Unit: Million Baht)

Consolidated financial statements									
Outstanding balance of financial instruments as at 31 December 2011									
	Fixed interest rates						Total	Interest rate	
	Floating interest rate	Remaining period to the contractual repricing date or maturity date			Without interest	Non-performing debts		(% p.a.)	
		Within 1 year	1 - 5 years	Over 5 years				Floating interest rate	Fixed interest rate
Financial assets									
Cash and cash equivalents	257	34	-	-	146	-	437	0.25 - 3.00	3.20
Deposits at financial institutions	-	3	-	-	-	-	3	-	1.75 - 2.12
Receivable from Clearing House	-	-	-	-	178	-	178	-	-
Securities and derivatives business receivables	4,405	257	-	-	1,186	247	6,095	5.54 - 5.60	5.50, 8.50
Loans to employees under welfare program	323	-	-	-	-	-	323	3.00, 3.65	-
Financial liabilities									
Borrowings from financial institutions	594	-	-	-	-	-	594	3.30 - 3.40	-
Securities and derivatives business payables	-	257	-	-	1,098	-	1,355	-	3.00, 5.50
Derivative liabilities	-	-	-	-	6	-	6	-	-
Liabilities under financial lease agreements	-	4	13	-	-	-	17	-	5.95 - 11.25

(Unit: Million Baht)

Separate financial statements									
Outstanding balance of financial instruments as at 31 December 2012									
	Fixed interest rates						Total	Interest rate	
	Floating interest rate	Remaining period to the contractual repricing date or maturity date			Without interest	Non-performing debts		(% p.a.)	
		Within 1 year	1 - 5 years	Over 5 years				Floating interest rate	Fixed interest rate
Financial assets									
Cash and cash equivalents	71	-	-	-	201	-	272	0.25 - 2.50	-
Deposits at financial institutions	-	3	-	-	-	-	3	-	1.70 - 2.10
Receivable from Clearing House	-	-	-	-	1,245	-	1,245	-	-
Securities and derivatives business receivables	8,776	82	-	-	2,779	247	11,884	5.42 - 5.50	5.50, 8.50
Loans to employees under welfare program	289	-	-	-	-	-	289	2.50, 3.30	-
Financial liabilities									
Borrowings from financial institutions	2,170	-	-	-	-	-	2,170	2.86 - 3.00	-
Payable to Clearing House	-	-	-	-	452	-	452	-	-
Securities and derivatives business payables	293	82	-	-	3,581	-	3,956	1.90	3.00, 5.50
Derivative liabilities	-	-	-	-	24	-	24	-	-
Debt issued and borrowings	-	2,007	-	-	-	-	2,007	-	0.90
Liabilities under financial lease agreements	-	5	11	-	-	-	16	5.95 - 11.25	-

(Unit: Million Baht)

Separate financial statements									
Outstanding balance of financial instruments as at 31 December 2011									
	Fixed interest rates						Interest rate		
	Floating interest rate	Remaining period to the contractual repricing date or maturity date			Without interest	Non-performing debts	Total	(% p.a.)	
		Within 1 year	1 - 5 years	Over 5 years				Floating interest rate	Fixed interest rate
<u>Financial assets</u>									
Cash and cash equivalents	228	-	-	-	145	-	373	0.25 - 2.40	-
Deposits at financial institutions	-	3	-	-	-	-	3	-	1.75 - 2.12
Receivable from Clearing House	-	-	-	-	178	-	178	-	-
Securities and derivatives business receivables	4,405	257	-	-	1,186	247	6,095	5.54 - 5.60	5.50, 8.50
Loans to employees under welfare program	323	-	-	-	-	-	323	3.00, 3.65	-
<u>Financial liabilities</u>									
Borrowings from financial institutions	594	-	-	-	-	-	594	3.30 - 3.40	-
Securities and derivatives business payables	-	257	-	-	1,098	-	1,355	-	3.00, 5.50
Derivative liabilities	-	-	-	-	6	-	6	-	-
Liabilities under financial lease agreements	-	4	11	-	-	-	15	-	5.95 - 11.25

b) Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

The balance of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Exchange rate	
	as at 31 December		as at 31 December		as at 31 December 2012	
	2012	2011	2012	2011	Buying	Selling
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Hong Kong dollar	270	-	270	-	3.9207	3.9813
Singapore dollar	8	-	87	-	24.7844	25.2835
US dollar	1	-	1	-	30.4857	30.7775

Forward exchange contracts outstanding at 31 December 2012 are summarised below.

Foreign currency	Bought amount	Contractual exchange rate		Contractual maturity date
		Bought		
		(Baht per 1 foreign currency unit)		
Singapore dollar	79,396,584	25.1530		11 January 2013

38.4 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The maturity dates of financial instruments held as of 31 December 2012 and 2011, counting from the financial position date, are as follows.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2012						
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing debts	Total
<u>Financial assets</u>						
Cash and cash equivalents	277	24	-	-	-	301
Deposits at financial institutions	-	3	-	-	-	3
Receivable from Clearing House	-	1,245	-	-	-	1,245
Securities and derivatives business receivables	82	2,779	-	-	8,776	247
Loans to employees under welfare program	-	43	122	124	-	-
<u>Financial liabilities</u>						
Borrowings from financial institutions	1,995	175	-	-	-	2,170
Payable to Clearing House	-	452	-	-	-	452
Securities and Derivatives business payables	375	3,581	-	-	-	3,956
Derivative liabilities	-	24	-	-	-	24
Debt issued and borrowings	-	2,007	-	-	-	2,007
Liabilities under financial lease agreements	-	6	12	-	-	18

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2011						
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing debts	Total
<u>Financial assets</u>						
Cash and cash equivalents	403	34	-	-	-	437
Deposits at financial institutions	-	3	-	-	-	3
Receivable from Clearing House	-	178	-	-	-	178
Securities and derivatives business receivables	317	1,126	-	-	4,405	247
Loans to employees under welfare program	-	31	116	176	-	-
<u>Financial liabilities</u>						
Borrowings from financial institutions	594	-	-	-	-	594
Securities and derivatives business payables	-	1,355	-	-	-	1,355
Derivative liabilities	-	6	-	-	-	6
Liabilities under financial lease agreements	-	4	13	-	-	17

(Unit: Million Baht)

Separate financial statements

As at 31 December 2012

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing debts	Total
Financial assets							
Cash and cash equivalents	272	-	-	-	-	-	272
Deposits at financial institutions	-	3	-	-	-	-	3
Receivable from Clearing House	-	1,245	-	-	-	-	1,245
Securities and derivatives business							
receivables	82	2,779	-	-	8,776	247	11,884
Loans to employees under welfare program	-	43	122	124	-	-	289
Financial liabilities							
Borrowings from financial institutions	1,995	175	-	-	-	-	2,170
Payable to Clearing House	-	452	-	-	-	-	452
Securities and derivatives business payables	375	3,581	-	-	-	-	3,956
Derivative liabilities	-	24	-	-	-	-	24
Debt issued and borrowings	-	2,007	-	-	-	-	2,007
Liabilities under financial lease agreements	-	5	11	-	-	-	16

(Unit: Million Baht)

Separate financial statements

As at 31 December 2011

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing debts	Total
Financial assets							
Cash and cash equivalents	373	-	-	-	-	-	373
Deposits at financial institutions	-	3	-	-	-	-	3
Receivable from Clearing House	-	178	-	-	-	-	178
Securities and derivatives business							
receivables	317	1,126	-	-	4,405	247	6,095
Loans to employees under welfare program	-	31	116	176	-	-	323
Financial liabilities							
Borrowings from financial institutions	594	-	-	-	-	-	594
Securities and derivatives business payables	-	1,355	-	-	-	-	1,355
Derivative liabilities	-	6	-	-	-	-	6
Liabilities under financial lease agreements	-	4	11	-	-	-	15

38.5 Fair value of financial instruments

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Company and its subsidiary have estimated the fair value of financial instruments as follows:

a) Financial assets

The method used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets including cash and cash equivalents, receivables from Clearing House and securities and derivatives business receivable are considered to approximate their respective carrying values since the financial instruments are predominantly subject to market interest rates or will be due in a short period. The fair values of financial instruments that have standard terms and conditions and are traded on an active and liquid market, such as investments, are determined based on the quoted market price.

b) Financial liabilities

Borrowings from financial institutions, payables to Clearing House and securities and derivatives business payables are presented at their book value since they mature in the short-term.

As of 31 December 2012, there are no material differences between the book value of financial instruments and their fair value.

39. Event after the reporting period

On 21 January 2013, the Company's Board of Directors approved the disposal of shares of Kim Eng Asset Management (Thailand) Company Limited ("the subsidiary") to a subsidiary of the parent company of the Group. The Company is in the process of requesting approval of the transaction from the Securities and Exchange Commission.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 7 February 2013.