

Maybank Kim Eng Securities (Thailand) Public Company
Limited and its subsidiary
Report and interim financial statements
For the three-month and six-month periods ended
30 June 2012

Independent Auditor's Report

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

Report on Audit of Financial Statements

I have audited the accompanying consolidated financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary, which comprise the consolidated statements of financial position as at 30 June 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period 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 30 June 2012, and their financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

Other matters

Statements of financial position as at 31 December 2011 for comparative purposes

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 in accordance with generally accepted auditing standards by another auditor who expressed an unqualified opinion on those statements, under her report dated 8 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of the financial statements.

The interim financial statements for the six-month period ended 30 June 2011 for comparative purposes

The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2011 of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary, and the separate statements of Maybank Kim Eng Securities (Thailand) Public Company Limited for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were audited by the aforementioned auditor who, under her report dated 11 August 2011, expressed an unqualified opinion on those statements.

Report on Review of Interim Financial Information

I have reviewed the accompanying consolidated statement of comprehensive income for the three-month period ended 30 June 2012 of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary, and the separate statement of Maybank Kim Eng Securities (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of these interim statements of comprehensive income in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on these interim statements of comprehensive income based on my review.

Scope of review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim statements of comprehensive income are not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Other matter**The interim financial information for the three-month period ended 30 June 2011 for comparative purposes**

The consolidated statement of comprehensive income for the three-month period ended 30 June 2011 of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary, and the separate statement of Maybank Kim Eng Securities (Thailand) Public Company Limited for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial information which was reviewed by the aforementioned auditor who reported, under her report dated 11 August 2011, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 8 August 2012

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

Statements of Financial Position

As at 30 June 2012 and 31 December 2011

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2012	31 December 2011	30 June 2012	31 December 2011
Assets					
Cash and cash equivalents	7	767,326,837	436,944,122	721,151,548	373,414,466
Deposits at financial institutions	8	3,448,683	3,446,674	3,448,683	3,446,674
Receivables from Clearing House	9	8,382,300	178,179,476	8,382,300	178,179,476
Securities and derivatives business receive	10	7,734,836,276	5,870,370,914	7,734,836,276	5,870,370,914
Investment - net	13	38,937,903	35,001,067	38,937,903	35,001,067
Investments in subsidiary	14	-	-	99,999,980	99,999,980
Loans to employees under welfare prograrr	33	308,568,754	323,156,809	308,568,754	323,156,809
Equipment - net	15	143,569,051	142,622,806	139,702,314	139,991,453
Intangible assets - net	16	26,307,415	23,792,302	23,038,090	21,697,875
Property foreclosed		9,886,500	9,886,500	9,886,500	9,886,500
Deposits		40,242,247	39,446,015	40,235,705	39,426,740
Other assets	17	118,481,805	103,354,882	116,107,690	101,631,117
Total assets		9,199,987,771	7,166,201,567	9,244,295,743	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

Statements of Financial Position (continued)

As at 30 June 2012 and 31 December 2011

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2012	31 December 2011	30 June 2012	31 December 2011
Liabilities and shareholders' equity					
Liabilities					
Borrowings from financial institutions	18	595,000,000	594,000,000	595,000,000	594,000,000
Payables to Clearing House		679,832,291	-	679,832,291	-
Securities and derivatives business payable	19	3,039,663,088	1,354,730,346	3,039,663,088	1,354,730,346
Derivatives liabilities	12	38,406,702	5,951,432	38,406,702	5,951,432
Provisions	20	70,747,339	57,765,356	70,227,242	57,428,948
Accrued bonus		203,639,930	480,784,004	202,059,340	480,259,440
Income tax payable		115,667,812	133,493,250	115,667,812	133,493,250
Accrued expenses		76,519,705	75,446,194	75,514,597	74,993,205
Liabilities under long-term lease		16,092,921	16,518,166	14,486,911	14,806,825
Dividend payable		916,404	916,404	916,404	916,404
Other liabilities		31,604,970	26,514,884	31,317,894	26,371,726
Total liabilities		4,868,091,162	2,746,120,036	4,863,092,281	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	23	19,218,670	5,347,943	19,218,670	5,347,943
Retained earnings					
Appropriated - statutory reserve	24	286,125,000	286,125,000	286,125,000	286,125,000
Appropriated - treasury shares reserve	23	-	11,260,973	-	11,260,973
Unappropriated		648,909,710	750,965,359	698,216,563	784,135,323
Less: Treasury shares	23	-	(11,260,973)	-	(11,260,973)
Equity attributable to equity holders of the Compar		4,331,896,609	4,420,081,531	4,381,203,462	4,453,251,495
Non-controlling interests of the subsidiary		-	-	-	-
Total shareholders' equity		4,331,896,609	4,420,081,531	4,381,203,462	4,453,251,495
Total liabilities and shareholders' equity		9,199,987,771	7,166,201,567	9,244,295,743	7,196,203,071
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary**Statements of comprehensive income****For the three-month periods ended 30 June 2012 and 2011**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Income					
Brokerage fee	26	558,294,724	619,197,166	558,294,724	619,197,166
Fee and service income	27	14,126,582	11,637,528	13,830,456	11,537,811
Loss on investments	13.2	(62,209,111)	(12,383,352)	(62,209,111)	(12,383,352)
Gain on derivatives	12.1	81,254,230	21,715,319	81,254,230	21,715,319
Interest and dividends		67,191,867	46,723,081	66,844,534	46,280,888
Interest on margin loans		70,888,356	61,548,180	70,888,356	61,548,180
Other income		7,562,672	7,379,117	7,867,361	7,670,274
Total income		737,109,320	755,817,039	736,770,550	755,566,286
Expenses					
Financial costs		52,130,800	33,056,108	52,103,018	33,056,108
Fee and service expenses		50,058,225	43,335,326	49,847,326	43,174,116
Operating expenses					
Personnel expenses	29	274,011,528	293,294,536	268,314,737	291,052,472
Premises and equipment expenses		74,618,659	70,129,945	74,091,580	69,872,638
Taxes and duties		2,819,602	2,404,909	2,811,071	2,398,112
Directors' remuneration	28	(1,600,000)	14,900,000	(1,600,000)	14,900,000
Information and technology		10,170,463	9,450,935	8,939,200	8,444,048
Other expenses		39,926,418	22,942,188	39,250,456	22,714,995
Total operating expenses		399,946,670	413,122,513	391,807,044	409,382,265
Bad debt and doubtful accounts (reversal)		299,467	(326,560)	299,467	(326,560)
Total expenses		502,435,162	489,187,387	494,056,855	485,285,929
Profit before income tax		234,674,158	266,629,652	242,713,695	270,280,357
Income tax	31	(60,697,537)	(84,768,308)	(60,697,537)	(84,768,308)
Profit for the periods		173,976,621	181,861,344	182,016,158	185,512,049
Other comprehensive income:					
Other comprehensive income for the periods		-	-	-	-
Total comprehensive income for the periods		173,976,621	181,861,344	182,016,158	185,512,049
Profit for the period attributable to:					
Equity holders of the Company		173,976,621	181,861,344	182,016,158	185,512,049
Non-controlling interests of the subsidiary		-	-	-	-
		173,976,621	181,861,344	182,016,158	185,512,049

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

(Unaudited but reviewed)

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

Statements of comprehensive income (continued)

For the three-month periods ended 30 June 2012 and 2011

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Total comprehensive income attributable to:					
Equity holders of the Company		173,976,621	181,861,344	182,016,158	185,512,049
Non-controlling interests of the subsidiary		-	-		
		<u>173,976,621</u>	<u>181,861,344</u>		
Earnings per share of equity holders of : 32					
Basic earnings per share		<u>0.30</u>	<u>0.32</u>	<u>0.32</u>	<u>0.33</u>

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

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

Statements of comprehensive income

For the six-month periods ended 30 June 2012 and 2011

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Income					
Brokerage fee	26	1,171,516,524	1,291,023,803	1,171,516,524	1,291,023,803
Fee and service income	27	21,906,673	18,426,381	21,420,358	18,269,103
Loss on investments	13.2	(70,669,509)	(10,954,513)	(70,669,509)	(10,954,513)
Gain on derivatives	12.1	92,607,765	32,288,323	92,607,765	32,288,323
Interest and dividends		124,031,410	82,732,970	123,254,510	81,923,226
Interest on margin loans		142,158,646	109,300,968	142,158,646	109,300,968
Other income		14,505,524	13,356,238	15,093,797	13,946,069
Total income		1,496,057,033	1,536,174,170	1,495,382,091	1,535,796,979
Expenses					
Financial costs		99,717,615	50,467,642	99,661,162	50,467,642
Fee and service expenses		102,132,551	86,712,359	101,707,749	86,397,645
Operating expenses					
Personnel expenses	29	573,185,292	612,995,782	561,688,606	607,669,769
Premises and equipment expenses		146,746,935	139,620,952	145,786,005	139,108,758
Taxes and duties		5,852,185	4,538,814	5,834,885	4,525,330
Directors' remuneration	28	1,800,000	30,700,000	1,800,000	30,700,000
Information and technology		21,325,733	18,526,908	18,860,626	16,508,927
Other expenses		72,335,661	44,603,929	70,945,108	44,010,443
Total operating expenses		821,245,806	850,986,385	804,915,230	842,523,227
Reversal of bad debt and doubtful accounts	11	(94,838)	(660,954)	(94,838)	(660,954)
Total expenses		1,023,001,134	987,505,432	1,006,189,303	978,727,560
Profit before income tax		473,055,899	548,668,738	489,192,788	557,069,419
Income tax	31	(119,553,328)	(173,474,682)	(119,553,328)	(173,474,682)
Profit for the periods		353,502,571	375,194,056	369,639,460	383,594,737
Other comprehensive income:					
Other comprehensive income for the periods		-	-	-	-
Total comprehensive income for the periods		353,502,571	375,194,056	369,639,460	383,594,737
Profit for the periods attributable to:					
Equity holders of the Company		353,502,571	375,194,056	369,639,460	383,594,737
Non-controlling interests of the subsidiary		-	-	-	-
		353,502,571	375,194,056	369,639,460	383,594,737

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

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

Statements of comprehensive income (continued)

For the six-month periods ended 30 June 2012 and 2011

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Total comprehensive income attributable to:					
Equity holders of the Company		353,502,571	375,194,056	369,639,460	383,594,737
Non-controlling interests of the subsidiary		-	-		
		<u>353,502,571</u>	<u>375,194,056</u>		
Earnings per share of equity holders of :	32				
Basic earnings per share		<u>0.62</u>	<u>0.66</u>	<u>0.65</u>	<u>0.67</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 six-month periods ended 30 June 2012 and 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before income tax	473,055,899	548,668,738	489,192,788	557,069,419
Adjustments to reconcile profit before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	34,021,360	28,093,430	33,454,463	27,730,961
Reversal of bad debt and doubtful accounts	(94,838)	(660,954)	(94,838)	(660,954)
Unrealised (gains) losses on revaluation of investm	(60,676)	197,769	(60,676)	197,769
Unrealised losses on revaluation of derivatives liabi	10,698,148	3,438,093	10,698,148	3,438,093
(Gains) losses on sales and written-off of premises and equipment	1,106,970	(2,270,917)	1,106,970	(2,270,917)
Retirement benefit	12,981,982	10,836,498	12,798,294	10,668,294
Financial cost	99,169,993	49,851,272	99,169,993	49,851,272
Amortised interest expense of financial lease	547,622	616,370	491,169	616,370
Reversal of doubtful accounts - other receivables	(100,000)	-	(100,000)	-
Interest income	(267,397,342)	(192,327,236)	(266,620,442)	(191,517,492)
Cash paid for interest	(99,198,068)	(43,062,173)	(99,141,616)	(43,062,173)
Cash paid for income tax	(137,406,523)	(248,349,516)	(137,378,766)	(248,349,516)
Profit from operating activities before changes in operating assets and liabilities	127,324,527	155,031,374	143,515,487	163,711,126
Decrease (increase) in operating assets				
Deposits at financial institutions	(2,009)	(2,096,111)	(2,009)	(2,096,111)
Receivables from Clearing House	169,797,176	(1,166,781,425)	169,797,176	(1,166,781,425)
Securities and derivatives business receivables	(1,864,365,159)	1,174,526,778	(1,864,365,159)	1,174,526,778
Investments	(3,876,160)	22,142,348	(3,876,160)	22,142,348
Loans to employees under welfare program	14,588,055	(1,722,120)	14,588,055	(1,722,120)
Deposits	(796,232)	(108,233)	(808,965)	(107,953)
Other assets	(13,239,459)	(4,220,338)	(12,724,085)	(4,125,938)
Increase (decrease) in operating liabilities				
Payables to Clearing House	679,832,291	(477,418,905)	679,832,291	(477,418,905)
Securities and derivatives business payables	1,684,932,742	424,552,809	1,684,932,742	424,552,809
Derivative liabilities	21,757,122	(25,773,891)	21,757,122	(25,773,891)
Accrued bonus	(277,144,074)	(167,561,533)	(278,200,100)	(168,091,533)
Accrued expenses	6,075,681	(12,545,202)	5,523,561	(11,876,953)
Other liabilities	5,090,086	(14,090,351)	4,946,168	(13,659,193)
Net cash flows from (used in) operating activities	549,974,587	(96,064,800)	564,916,124	(86,720,961)

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 (continued)

For the six-month periods ended 30 June 2012 and 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Cash received from interest	265,632,270	191,405,386	264,962,589	190,656,102
Proceeds from disposals of equipment	173,574	3,216,300	173,574	3,216,300
Cash paid for purchases of equipment	(37,306,094)	(30,426,414)	(35,648,915)	(30,426,414)
Cash paid for purchases of intangible assets	(5,389,883)	(3,692,780)	(4,069,882)	(3,692,780)
Net cash flows from investing activities	223,109,867	160,502,492	225,417,366	159,753,208
Cash flows from financing activities				
Cash received from borrowings	36,202,000,000	27,268,000,000	36,202,000,000	27,268,000,000
Cash paid for borrowings	(36,201,000,000)	(27,268,000,000)	(36,201,000,000)	(27,268,000,000)
Cash received from other borrowings	-	496,288,035	-	496,288,035
Cash paid to other borrowings	-	(325,500,000)	-	(325,500,000)
Cash received from treasury shares	25,131,700	-	25,131,700	-
Cash paid on principal of long-term lease	(2,014,246)	(3,401,549)	(1,908,915)	(3,401,549)
Dividend paid	(466,819,193)	(671,619,774)	(466,819,193)	(671,619,774)
Net cash flows used in financing activities	(442,701,739)	(504,233,288)	(442,596,408)	(504,233,288)
Net increase (decrease) in cash and cash equivalents	330,382,715	(439,795,596)	347,737,082	(431,201,041)
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 30 June	767,326,837	635,055,840	721,151,548	562,185,451
	-	-	-	-

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

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

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2012 and 2011

(Unit: Baht)

Consolidated financial statements										
Equity attributable to equity holders of the Company										
	Share capital	Share premium	Premium on treasury shares	Retained earnings			Treasury shares	Total equity		Total
				Appropriated - statutory reserve	Appropriated - treasury shares reserve	Unappropriated		of the Company	Non-controlling interests of the subsidiary	
Balance as at 31 December 2011	2,854,072,500	523,570,729	5,347,943	284,170,171	11,260,973	969,568,034	(11,260,973)	4,636,729,377	-	4,636,729,377
Total comprehensive income for the period	-	-	-	-	-	375,194,056	-	375,194,056	-	375,194,056
Statutory reserve	-	-	-	1,954,829	-	(1,954,829)	-	-	-	-
Dividend paid (Note 25)	-	-	-	-	-	(671,619,774)	-	(671,619,774)	-	(671,619,774)
Balance as at 30 June 2011	<u>2,854,072,500</u>	<u>523,570,729</u>	<u>5,347,943</u>	<u>286,125,000</u>	<u>11,260,973</u>	<u>671,187,487</u>	<u>(11,260,973)</u>	<u>4,340,303,659</u>	<u>-</u>	<u>4,340,303,659</u>
Balance as at 31 December 2011	2,854,072,500	523,570,729	5,347,943	286,125,000	11,260,973	750,965,359	(11,260,973)	4,420,081,531	-	4,420,081,531
Premium on treasury shares	-	-	13,870,727	-	-	-	-	13,870,727	-	13,870,727
Decrease in treasury shares	-	-	-	-	-	-	11,260,973	11,260,973	-	11,260,973
Total comprehensive income for the period	-	-	-	-	-	353,502,571	-	353,502,571	-	353,502,571
Treasury shares reserve	-	-	-	-	(11,260,973)	11,260,973	-	-	-	-
Dividend paid (Note 25)	-	-	-	-	-	(466,819,193)	-	(466,819,193)	-	(466,819,193)
Balance as at 30 June 2012	<u>2,854,072,500</u>	<u>523,570,729</u>	<u>19,218,670</u>	<u>286,125,000</u>	<u>-</u>	<u>648,909,710</u>	<u>-</u>	<u>4,331,896,609</u>	<u>-</u>	<u>4,331,896,609</u>

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

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

Statements of changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2012 and 2011

(Unit: Baht)

	Separate financial statements							
	Share capital	Share premium	Premium on treasury shares	Retained earnings				Total
				Appropriated - statutory reserve	Appropriated - treasury shares reserve	Unappropriated	Treasury shares	
Balance as at 31 December 2010	2,854,072,500	523,570,729	5,347,943	284,170,171	11,260,973	984,738,750	(11,260,973)	4,651,900,093
Total comprehensive income for the period	-	-	-	-	-	383,594,737	-	383,594,737
Statutory reserve	-	-	-	1,954,829	-	(1,954,829)	-	-
Dividend paid (Note 25)	-	-	-	-	-	(671,619,774)	-	(671,619,774)
Balance as at 30 June 2011	<u>2,854,072,500</u>	<u>523,570,729</u>	<u>5,347,943</u>	<u>286,125,000</u>	<u>11,260,973</u>	<u>694,758,884</u>	<u>(11,260,973)</u>	<u>4,363,875,056</u>
Balance as at 31 December 2011	2,854,072,500	523,570,729	5,347,943	286,125,000	11,260,973	784,135,323	(11,260,973)	4,453,251,495
Premium on treasury shares	-	-	13,870,727	-	-	-	-	13,870,727
Decrease in treasury shares	-	-	-	-	-	-	11,260,973	11,260,973
Total comprehensive income for the period	-	-	-	-	-	369,639,460	-	369,639,460
Treasury shares reserve	-	-	-	-	(11,260,973)	11,260,973	-	-
Dividend paid (Note 25)	-	-	-	-	-	(466,819,193)	-	(466,819,193)
Balance as at 30 June 2012	<u>2,854,072,500</u>	<u>523,570,729</u>	<u>19,218,670</u>	<u>286,125,000</u>	<u>-</u>	<u>698,216,563</u>	<u>-</u>	<u>4,381,203,462</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 six-month period ended 30 June 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 8 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 30 June 2012, the Company has 45 branches in Bangkok and upcountry (31 December 2011: 44 branches).

2. Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting”, with the Company choosing to present complete interim financial statements as presented in the annual financial statements.

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 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 such financial statements in Thai language.

The interim 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

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

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

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

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

5. Significant accounting policies

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 call notes receivable and term notes receivable 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 period, 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 period. Gains or losses arising from such adjustment are included in part of profit or loss in the statements 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) The fair value of marketable securities is based on the latest bid price of the last working day of the period 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.
- f) 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.
- g) 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 receivable from/payables to Thailand Clearing House in respect of securities trades settled and derivative business. These also include amounts pledged with Thailand Clearing House as security for derivatives trading.

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, 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 property, plant and equipment is derecognized 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 amortization

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 mutual 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 or its subsidiaries purchase 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 financial position 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

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 period. 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 statements of comprehensive income.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
Cash on hand	555,194	545,213	550,241	540,241
Current deposits and savings deposits	1,038,087,940	1,107,793,920	1,037,417,604	1,106,769,236
Fixed deposits	34,000,000	34,000,000	-	-
Promissory notes	11,500,000	7,028,500,000	-	7,000,000,000
Total cash and cash equivalents	1,084,143,134	8,170,839,133	1,037,967,845	8,107,309,477
Less: Cash deposits held for customers	(316,816,297)	(7,733,895,011)	(316,816,297)	(7,733,895,011)
Net cash and cash equivalents	<u>767,326,837</u>	<u>436,944,122</u>	<u>721,151,548</u>	<u>373,414,466</u>

8. Deposits at financial institutions

(Unit: Baht)

	Consolidated and	
	separate financial statements	
	30 June 2012	31 December 2011
	Over 3 months -	Over 3 months -
	1 year	1 year
Fixed deposits	3,190	9,583
Deposits with restriction	3,445,493	3,437,091
Total deposits at financial institutions	<u>3,448,683</u>	<u>3,446,674</u>

As at 30 June 2012 and 31 December 2011, fixed deposits of Baht 3 million are pledged as collateral to a local bank for letter of guarantees as described in Note 35.2 to the financial statements.

9. Receivables from Clearing House

(Unit: Baht)

	Consolidated and	
	separate financial statements	
	30 June 2012	31 December 2011
Receivables from Clearing House	168,392,584	350,281,137
Less: Receivables from Clearing House held for customers	(160,010,284)	(172,101,661)
Net receivables from Clearing House	<u>8,382,300</u>	<u>178,179,476</u>

10. Securities and derivatives business receivables

	(Unit: Baht)	
	Consolidated and separate financial statements	
	30 June 2012	31 December 2011
<u>Securities business receivables</u>		
Cash accounts	2,563,363,910	1,125,242,311
Credit balance accounts	4,870,259,487	4,404,761,020
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	18,962,250	59,956,320
- Securities borrowing receivables	259,650,435	257,182,395
Other receivables		
- Overdue customers' accounts	246,872,100	247,136,388
- Foreign securities company receivables	13,423	-
Less: Cash deposits held for customers	(13,203)	-
Total securities business receivables	7,959,108,402	6,094,278,434
Add: Accrued interest receivables	37,213,102	37,207,737
Less: Allowance for doubtful accounts	(261,689,948)	(261,784,786)
Securities business receivables and accrued interest receivables - net	7,734,631,556	5,869,701,385
<u>Derivative business receivables</u>		
Derivative business receivables	358,430	823,239
Less: Allowance for doubtful accounts	(153,710)	(153,710)
Derivative business receivables - net	204,720	669,529
Total securities and derivatives business receivables - net	7,734,836,276	5,870,370,914

10.1 As at 30 June 2012, the Company had other receivables with book values (including accrued interest receivables) totaling Baht 262 million from which it has ceased recognizing income (31 December 2011: Baht 262 million).

10.2 As at 30 June 2012 and 31 December 2011, the Company has classified securities business receivables and derivative business receivables, in accordance with the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

	(Unit: Baht)		
	Consolidated and separate financial statements		
	30 June 2012		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	7,734,740,592	-	7,734,740,592
Sub-standard Debt	9,571,171	(9,475,487)	95,684
Doubtful Debt	252,368,171	(252,368,171)	-
Total	7,996,679,934	(261,843,658)	7,734,836,276

	(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 six-month period ended 30 June 2012	For the year ended 31 December 2011
Balance - beginning of the period/year	261,938,496	277,014,400
Add: Doubtful accounts	301,102	175,986
Less: Repayment	(395,940)	(15,172,220)
Reversal of doubtful accounts	-	(79,670)
Balance - end of the period/year	261,843,658	261,938,496

12. Derivatives assets and derivatives liabilities

(Unit: Baht)

	Consolidated and separate financial statements			
	30 June 2012			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives				
Derivatives warrants	-	38,406,702	-	126,862,615
	-	38,406,702	-	126,862,615

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2011			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives				
Derivatives warrants	-	5,951,432	-	13,439,550
	-	5,951,432	-	13,439,550

12.1 Gain on derivatives

(Unit: Baht)

	Consolidated and separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2012	2011	2012	2011
Realised gain on trading in derivatives				
Derivative warrants	102,214,265	19,756,132	103,305,913	35,726,416
Unrealised gain (loss) on revaluation of derivatives				
Derivative warrants	(20,960,035)	1,959,187	(10,698,148)	(3,438,093)
Total gain on derivatives	81,254,230	21,715,319	92,607,765	32,288,323

13. Investments

(Unit: Baht)

	Consolidated and separate financial statements			
	30 June 2012		31 December 2011	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	22,164,939	21,809,243	18,288,779	17,872,407
Total	22,164,939	21,809,243	18,288,779	17,872,407
Less: allowance for revaluation	(355,696)		(416,372)	
Net trading securities	21,809,243		17,872,407	
Held-to-maturity debt securities				
Government and state enterprise securities	7,763,126,589		-	
Less: investment on behalf of customers	(7,763,126,589)		-	
Net held-to-maturity debt securities	-		-	
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	17,128,660		17,128,660	
Total investments - net	38,937,903		35,001,067	

13.1 Investments subject to restrictions

(Unit: Baht)

	Consolidated and separate financial statements			
	30 June 2012		31 December 2011	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Securities placed with court to stay execution	7,622,000	14,013,126	7,622,000	11,563,060
Total	7,622,000	14,013,126	7,622,000	11,563,060

13.2 Gain (loss) on investments

(Unit: Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
	Realised loss on trading securities	(88,887,402)	(8,110,151)	(87,221,754)
Unrealised gain (loss) on revaluation of trading securities	26,678,291	(4,273,201)	16,552,245	(203,769)
Total loss on investments	(62,209,111)	(12,383,352)	(70,669,509)	(10,954,513)

14. Investments in subsidiary

As at 30 June 2012 and 31 December 2011, investments in subsidiary as presented in separate financial statements are as follows:

Company's name	Business	Type of Relations	Paid-up capital		Shareholding percentage		Cost		Dividend	
			30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	For the six-month period ended 30 June	
			Million Baht	Million Baht	Percent	Percent	Million Baht	Million Baht	Million Baht	Million Baht
<u>Subsidiary company included in consolidated financial statements</u>										
Kim Eng Asset Management (Thailand) Company Limited	Mutual fund management	Shareholding	100	100	99.99	99.99	100	100	-	-

15. Equipment

(Unit: Baht)

	Consolidated financial statements				
	For the six-month period ended 30 June 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	8,620,744	20,838,776	1,589,001	2,001,602	33,050,123
Transfer in (out)	1,211,965	275,003	-	(1,486,968)	-
Disposals/written-off	(3,798,202)	(6,003,335)	-	-	(9,801,537)
30 June 2012	179,494,456	508,873,835	27,813,117	1,343,305	717,524,713
Accumulated depreciation					
31 December 2011	132,735,798	406,842,500	12,075,023	-	551,653,321
Depreciation for the period	6,251,469	22,014,870	2,556,995	-	30,823,334
Disposals/written-off	(2,541,758)	(5,979,235)	-	-	(8,520,993)
30 June 2012	136,445,509	422,878,135	14,632,018	-	573,955,662
Net book value					
31 December 2011	40,724,151	86,920,891	14,149,093	828,671	142,622,806
30 June 2012	43,048,947	85,995,700	13,181,099	1,343,305	143,569,051
Depreciation charge for the six-month periods ended 30 June					
2011					24,984,210
2012					30,823,334

(Unit: Baht)

Consolidated financial statements

For the year ended 31 December 2011

	Furniture		Motor Vehicles	Asset under financial lease		Construction in process	Total
	Building improvement	Fixtures and equipment					
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

For the six-month period ended 30 June 2012

	Furniture		Asset under financial lease		Construction in process	Total
	Building improvement	Fixtures and equipment				
Cost						
31 December 2011	172,890,022	492,645,521	24,482,014	828,671	690,846,228	
Additions	7,142,377	20,659,964	1,589,001	2,001,602	31,392,944	
Transfer in (out)	1,211,965	275,003	-	(1,486,968)	-	
Disposals/written-off	(3,798,202)	(6,003,335)	-	-	(9,801,537)	
30 June 2012	177,446,162	507,577,153	26,071,015	1,343,305	712,437,635	
Accumulated depreciation						
31 December 2011	132,479,823	406,358,000	12,016,952	-	550,854,775	
Depreciation for the period	6,184,215	21,834,538	2,382,786	-	30,401,539	
Disposals/written-off	(2,541,758)	(5,979,235)	-	-	(8,520,993)	
30 June 2012	136,122,280	422,213,303	14,399,738	-	572,735,321	
Net book value						
31 December 2011	40,410,199	86,287,521	12,465,062	828,671	139,991,453	
30 June 2012	41,323,882	85,363,850	11,671,277	1,343,305	139,702,314	
Depreciation charge for the six-month periods ended 30 June						
2011					24,764,050	
2012					30,401,539	

(Unit: Baht)

Separate financial statements						
For the year ended 31 December 2011						
	Building improvement	Furniture Fixtures and equipment	Motor Vehicles	Asset under financial lease	Construction in process	Total
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	<u>(21,775,485)</u>	<u>(28,851,608)</u>	<u>(288,205)</u>	<u>(6,316,958)</u>	<u>-</u>	<u>(57,232,256)</u>
31 December 2011	<u>172,890,022</u>	<u>492,645,521</u>	<u>-</u>	<u>24,482,014</u>	<u>828,671</u>	<u>690,846,228</u>
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	<u>(19,783,951)</u>	<u>(28,617,195)</u>	<u>(268,791)</u>	<u>(5,826,907)</u>	<u>-</u>	<u>(54,496,844)</u>
31 December 2011	<u>132,479,823</u>	<u>406,358,000</u>	<u>-</u>	<u>12,016,952</u>	<u>-</u>	<u>550,854,775</u>
Net book value						
31 December 2010	<u>21,352,848</u>	<u>61,536,320</u>	<u>51,296</u>	<u>17,632,914</u>	<u>1,639,812</u>	<u>102,213,190</u>
31 December 2011	<u>40,410,199</u>	<u>86,287,521</u>	<u>-</u>	<u>12,465,062</u>	<u>828,671</u>	<u>139,991,453</u>

As at 30 June 2012 and 31 December 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 465 million and Baht 466 million, respectively (separate financial statements: Baht 465 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)	30 June 2012	1 January 2012	Increase	30 June 2012	
		5 years							
Computer software	5 years	75,801,352	3,534,665	194,804	79,530,821	57,599,940	3,198,027	60,797,967	18,732,854
Software under installation	-	1,270,342	1,678,475	(194,804)	2,754,013	-	-	-	2,754,013
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 mutual fund license	-	1,000,000	500,000	-	1,500,000	-	-	-	1,500,000
Total		83,071,694	5,713,140	-	88,784,834	59,279,392	3,198,027	62,477,419	26,307,415

(Unit: Baht)

Separate financial statements									
	Useful lives	Cost				Accumulated amortisation			Net intangible assets
		1 January 2012	Increase	Transfer in (transfer out)	30 June 2012	1 January 2012	Increase	30 June 2012	
		5 years							
Computer software	5 years	74,346,352	3,534,665	194,804	78,075,821	57,239,367	3,052,925	60,292,292	17,783,529
Software under installation	-	1,270,342	858,475	(194,804)	1,934,013	-	-	-	1,934,013
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	4,393,140	-	85,009,834	58,918,819	3,052,925	61,971,744	23,038,090

As at 30 June 2012 and 31 December 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 46 Million and Baht 46 million, respectively (separate financial statements: Baht 46 million and Baht 46 million, respectively).

17. Other assets

(Unit: Baht)

	Consolidated		Separate financial	
	financial statements		statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Clearing fund	70,300,359	64,522,254	70,300,359	64,522,254
Accrued income	8,368,773	7,981,466	8,231,253	7,845,194
Prepaid expenses	22,622,641	14,920,626	22,127,749	14,573,102
Others	17,190,032	15,930,536	15,448,329	14,690,567
Total	118,481,805	103,354,882	116,107,690	101,631,117

18. Borrowings from financial institutions

As at 30 June 2012 and 31 December 2011, borrowings from financial institutions comprising only domestic borrowings in Baht currency are classified as follows:

(Unit: Baht)

	Consolidated and separate financial statements			
	30 June 2012			
	Interest rate per annum (percent)	Remaining period to maturity		Total
	At call	Within 1 year		
Financial institutions				
Promissory notes	3.08 - 3.15	-	595,000,000	595,000,000
Total borrowings from financial institutions		-	595,000,000	595,000,000

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 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	
	30 June 2012	31 December 2011
Cash accounts		
- Equity securities	2,695,658,250	1,097,547,951
Payables under securities borrowing and lending business		
- Securities borrowing payables	307,703,345	257,182,395
- Guarantee deposit payables	36,301,493	-
Total securities and derivatives business payables	<u>3,039,663,088</u>	<u>1,354,730,346</u>

20. Provisions

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Balance - beginning of the period/year	57,765,356	34,453,333	57,428,948	34,453,333
Increase during the period/year	12,981,983	23,312,023	12,798,294	22,975,615
Balance - end of the period/year	<u>70,747,339</u>	<u>57,765,356</u>	<u>70,227,242</u>	<u>57,428,948</u>

As at 30 June 2012 and 31 December 2011, the provision comprised the obligations of the Company to Nithipat Capital Public Co., Ltd., ("Nithipat"), the former parent company, of approximately Baht 11 million in 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 30 June 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 40 million (separate financial statements: Baht 40 million), as described in Note 21 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).

21. 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 30 June 2012, the Company and its subsidiary recognised Baht 17 million of such long-term employee benefit liabilities (separate financial statements: Baht 17 million) and Baht 40 million remains unrecognized (separate financial statements: Baht 39 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 30 June 2012 and 31 December 2011, was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Defined benefit obligation at beginning				
of year/period	27,049,377	8,126,382	26,712,969	8,126,382
Current service cost	7,318,016	10,345,063	7,163,262	10,066,523
Benefits paid during the year/period	-	(2,750,000)	-	(2,750,000)
Past service cost	5,663,966	11,327,932	5,635,032	11,270,064
Provisions for long-term employee				
benefits at end of year/period	<u>40,031,359</u>	<u>27,049,377</u>	<u>39,511,263</u>	<u>26,712,969</u>

Long-term employee benefit expenses included in the profit or loss for the six-month periods ended 30 June 2012 and 2011 was as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
Current service cost	7,318,016	5,172,532	7,163,262	5,033,262
Past service cost	5,663,966	5,663,966	5,635,032	5,635,032
Total	<u>12,981,982</u>	<u>10,836,498</u>	<u>12,798,294</u>	<u>10,668,294</u>

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

22. 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.

23. Treasury shares

During the period ended 30 June 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 six-month period ended 30 June 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 period	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 period	-	19,218,670	-	-

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

24. 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.

25. Dividends

During the six-month periods ended 30 June 2012 and 2011, the Annual General Meeting of the Company's shareholders approved the payment of dividend as follows:

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

26. Brokerage fee

	(Unit: Baht)			
	Consolidated and separate financial statements		Consolidated and separate financial statements	
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
Brokerage fee from securities business	472,736,353	558,046,442	1,021,045,424	1,170,263,070
Brokerage fee from derivatives business	85,558,371	61,150,724	150,471,100	120,760,733
Total brokerage fee	558,294,724	619,197,166	1,171,516,524	1,291,023,803

27. Fees and service income

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2012	2011	2012	2011
Underwriting fee	4,991,100	140,000	4,991,100	140,000
Financial advisory	4,066,780	9,044,436	4,066,780	9,044,436
Securities borrowing and lending	3,497,229	1,450,209	3,497,229	1,450,209
Mutual fund management	296,126	99,717	-	-
Others	1,275,347	903,166	1,275,347	903,166
Total fees and service income	14,126,582	11,637,528	13,830,456	11,537,811

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
Underwriting fee	4,991,100	164,793	4,991,100	164,793
Financial advisory	5,466,780	12,494,436	5,466,780	12,494,436
Securities borrowing and lending	8,917,481	4,325,578	8,917,481	4,325,578
Mutual fund management	486,315	157,278	-	-
Others	2,044,997	1,284,296	2,044,997	1,284,296
Total fees and service income	<u>21,906,673</u>	<u>18,426,381</u>	<u>21,420,358</u>	<u>18,269,103</u>

28. 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 period 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.

29. Management's remuneration

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2012	2011	2012	2011
Management's remuneration				
Short-term employee benefits	58,312,198	51,670,680	54,452,895	51,670,680
Post-employment benefits	1,137,467	1,011,074	1,069,813	1,011,074
	<u>59,449,665</u>	<u>52,681,754</u>	<u>55,522,708</u>	<u>52,681,754</u>

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2012	2011	2012	2011
Management's remuneration				
Short-term employee benefits	121,314,605	104,105,655	113,588,785	104,105,655
Post-employment benefits	2,274,934	2,022,147	2,139,626	2,022,147
	<u>123,589,539</u>	<u>106,127,802</u>	<u>115,728,411</u>	<u>106,127,802</u>

30. 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 periods ended 30 June 2012 and 2011, Baht 13 million and Baht 13 million, respectively were contributed to the fund by the Company and its subsidiary (separate financial statements: Baht 13 million and Baht 13 million, respectively).

31. Corporate income tax

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

32. 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 30 June		For the three-month periods ended 30 June	
	2012	2011	2012	2011
Beginning balance of the period - weighted average number of ordinary shares (shares)	570,662,900	569,169,300	570,662,900	569,169,300
Weighted average number of treasury shares sold during the period (shares)	140,149	-	140,149	-
Ending balance of the period - weighted average number of ordinary shares (shares)	<u>570,803,049</u>	<u>569,169,300</u>	<u>570,803,049</u>	<u>569,169,300</u>
Profit for the period (Baht)	173,976,621	181,861,344	182,016,158	185,512,049
Earnings per share (Baht/share)	0.30	0.32	0.32	0.33

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
Beginning balance of the period - 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 period (shares)	1,024,583	-	1,024,583	-
Ending balance of the period - weighted average number of ordinary shares (shares)	<u>570,193,883</u>	<u>569,169,300</u>	<u>570,193,883</u>	<u>569,169,300</u>
Profit for the period (Baht)	353,502,571	375,194,056	369,639,460	383,594,737
Earnings per share (Baht/share)	0.62	0.66	0.65	0.67

33. Related party transactions

During the three-month and six-month periods ended 30 June 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
Maybank Kim Eng Corporate Finance Pte. Ltd.	Fellow subsidiary
Maybank Kim Eng Securities USA, Inc.	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		Separate financial		Pricing policies
	statements		statements		
	For the three-month periods		For the three-month periods		
	ended 30 June		ended 30 June		
	2012	2011	2012	2011	
<u>Transactions with subsidiary company</u>					
(Eliminated from the consolidated financial statements)					
<u>Rental and service income</u>					
					In accordance with service agreements
Kim Eng Asset Management (Thailand) Co., Ltd.	-	-	0.5	0.4	
<u>Transactions with related parties</u>					
<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.	7	5	7	5	
Kim Eng Securities (Hong Kong) Limited	-	2	-	2	
<u>Information technology service expenses</u>					
					At the price agreed upon by both parties referencing the market price.
Maybank Kim Eng Holdings Limited	1	1	1	1	

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policies
	For the six-month periods ended 30 June		For the six-month periods ended 30 June		
	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.	-	-	1	1	
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.	13	11	13	11	
Kim Eng Securities (Hong Kong) Limited	1	3	1	3	
<u>Information technology service expenses</u>					
					At the price agreed upon by both parties referencing the market price.
Maybank Kim Eng Holdings Limited	2	2	2	2	
<u>Consulting service fee</u>					
					In accordance with service agreements
Maybank Kim Eng Securities Pte. Ltd.	1	1	1	1	
<u>Dividend paid</u>					
					As declared
Maybank Kim Eng Holdings Limited	390	373	390	373	
Maybank Kim Eng Investment Limited	1	2	1	2	

As at 30 June 2012 and 31 December 2011, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

	(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements		Pricing Policies
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	
<u>Subsidiary company</u>					
(Eliminated from the consolidated financial statements)					
<u>Other receivables</u>					
					No interest charged
Kim Eng Asset Management (Thailand) Co., Ltd.	-	-	-	0.2	
<u>Related company</u>					
<u>Securities business receivables</u>					
					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	551	-	551	-	
Kim Eng Securities (Hong Kong) Limited	6	-	6	-	
<u>Prepaid consulting fee</u>					
Maybank Kim Eng Securities Pte. Ltd.	5	7	5	7	
<u>Securities business payables</u>					
					No interest charged
Maybank Kim Eng Securities Pte. Ltd.	3	106	3	106	

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 30 June 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 30 June 2012.

As at 30 June 2012, the Company had loans to employees under welfare program amounting to Baht 309 million. The loans charged interest at rate of 2.98, 3.15 percent per annum.

34. 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.

35. Commitments and contingent liabilities

35.1 Significant contingent liabilities as at 30 June 2012 are as follows:

- 1) As at 30 June 2012, the Company and its subsidiary have significant outstanding commitments under office space, office equipment, and other service agreements as follows:

(Unit: Million Baht)

Year	The Company	The Subsidiary	Total
Payable:			
In up to 1 year	77	2	79
In over 1 and up to 5 years	57	3	60

- 2) As at 30 June 2012, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	Less than		
	1 year	1-5 years	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		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	6	10	16
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	5	9	14

35.2 As at 30 June 2012, 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.

35.3 As at 30 June 2012, the Company has the outstanding balance of securities borrowing from financial institutions amounted to Baht 13 million. These are stocks that were borrowed from the financial institutions, lent to customers and have been returned to the Company by the customers, but are still in the process of being returned to the financial institutions.

36. 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.

36.1 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 and derivative liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

36.2 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 as stated in the statement of financial position.

36.3 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, the Company's interest rate risk is expected to be low.

As at 30 June 2012 and 31 December 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 30 June 2012									
Fixed interest rates									
Remaining period to the contractual repricing date or maturity date									
Interest rate (% p.a.)									
	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	557	34	-	-	176	-	767	0.125-2.50	2.50-2.80
Deposits at financial institutions	-	3	-	-	-	-	3	-	1.75-2.12
Receivable from Clearing House	-	-	-	-	8	-	8	-	-
Securities and derivatives business receivables - net	4,870	260	-	-	2,582	247	7,959	5.50-5.60	5.50, 8.50
Loans to employees under welfare program	309	-	-	-	-	-	309	2.98, 3.15	-
Financial liabilities									
Borrowings from financial institutions	595	-	-	-	-	-	595	3.08 - 3.15	-
Payable to Clearing House	-	-	-	-	680	-	680	-	-
Securities and derivatives business payables	-	308	-	-	2,732	-	3,040	-	3.00, 5.50
Derivative liabilities	-	-	-	-	38	-	38	-	-
Liabilities under long-term lease	-	5	11	-	-	-	16	-	5.95-11.25

(Unit: Million Baht)

Consolidated financial statements									
Outstanding balance of financial instruments as at 31 December 2011									
Fixed interest rates									
Remaining period to the contractual repricing date or maturity date									
Interest rate (% p.a.)									
	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	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 - net	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 long-term lease	-	4	13	-	-	-	17	-	5.95-11.25

(Unit: Million Baht)

Separate financial statements									
Outstanding balance of financial instruments as at 30 June 2012									
	Fixed interest rates					Non-performing debts	Total	Interest rate	
	Floating interest rate	Remaining period to the contractual repricing date or maturity date			Without interest			Floating interest rate	Fixed interest rate
		Within 1 year	1 - 5 years	Over 5 years					
Financial assets									
Cash and cash equivalents	545	-	-	-	176	-	721	0.125-2.50	-
Deposits at financial institutions	-	3	-	-	-	-	3	-	1.75-2.12
Receivable from Clearing House	-	-	-	-	8	-	8	-	-
Securities and derivatives business									
receivables - net	4,870	260	-	-	2,582	247	7,959	5.50-5.60	5.50, 8.50
Loans to employees under welfare program	309	-	-	-	-	-	309	2.98, 3.15	-
Financial liabilities									
Borrowings from financial institutions	595	-	-	-	-	-	595	3.08 - 3.15	-
Payable to Clearing House	-	-	-	-	680	-	680	-	-
Securities and derivatives business									
payables	-	308	-	-	2,732	-	3,040	-	3.00, 5.50
Derivative liabilities	-	-	-	-	38	-	38	-	-
Liabilities under long-term lease	-	5	9	-	-	-	14	-	5.95-11.25

(Unit: Million Baht)

Separate financial statements									
Outstanding balance of financial instruments as at 31 December 2011									
	Fixed interest rates					Non-performing debts	Total	Interest rate	
	Floating interest rate	Remaining period to the contractual repricing date or maturity date			Without interest			Floating interest rate	Fixed interest rate
		Within 1 year	1 - 5 years	Over 5 years					
Financial assets									
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 - net	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 long-term lease	-	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.

As at 30 June 2012, the Company had no significant foreign exchange risk.

36.4 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 30 June 2012 and 31 December 2011, counting from the financial position date, are as follows.

(Unit: Million Baht)

	Consolidated financial statements					Total
	As at 30 June 2012					
	At call	Within 1 year	1 - 5 years	Over 5 years	Non- performing debts	
<u>Financial assets</u>						
Cash and cash equivalents	733	34	-	-	-	767
Deposits at financial institutions	-	3	-	-	-	3
Receivable from Clearing House	-	8	-	-	-	8
Securities and derivatives business receivables - net	5,149	2,563	-	-	247	7,959
Loans to employees under welfare program	-	42	131	136	-	309
<u>Financial liabilities</u>						
Borrowings from financial institutions	595	-	-	-	-	595
Payable to Clearing House	-	680	-	-	-	680
Securities and Derivatives business payables	-	3,040	-	-	-	3,040
Derivative liabilities	-	38	-	-	-	38
Liabilities under long-term lease	-	5	11	-	-	16

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2011

	At call	Within 1 year	1 - 5 years	Over 5 years	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 - net	4,722	1,126	-	-	247	6,095
Loans to employees under welfare program	-	31	116	176	-	323
<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 long-term lease	-	4	13	-	-	17

(Unit: Million Baht)

Separate financial statements

As at 30 June 2012

	At call	Within 1 year	1 - 5 years	Over 5 years	Non- performing debts	Total
<u>Financial assets</u>						
Cash and cash equivalents	721	-	-	-	-	721
Deposits at financial institutions	-	3	-	-	-	3
Receivable from Clearing House	-	8	-	-	-	8
Securities and derivatives business						
receivables - net	5,149	2,563	-	-	247	7,959
Loans to employees under welfare program	-	42	131	136	-	309
<u>Financial liabilities</u>						
Borrowings from financial institutions	595	-	-	-	-	595
Payable to Clearing House	-	680	-	-	-	680
Securities and derivatives business payables	-	3,040	-	-	-	3,040
Derivative liabilities	-	38	-	-	-	38
Liabilities under long-term lease	-	5	9	-	-	14

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2011						
	At call	Within 1 year	1 - 5 years	Over 5 years	Non- performing debts	Total
<u>Financial assets</u>						
Cash and cash equivalents	373	-	-	-	-	373
Deposits at financial institutions	-	3	-	-	-	3
Receivable from Clearing House	-	178	-	-	-	178
Securities and derivatives business						
receivables - net	4,722	1,126	-	-	247	6,095
Loans to employees under welfare program	-	31	116	176	-	323
<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 long-term lease	-	4	11	-	-	15

36.5 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 30 June 2012, there are no material differences between the book value of financial instruments and their fair value.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 8 August 2012.