

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

Independent Auditor's Report

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

I have audited the accompanying financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited, which comprise the statement of financial position as at 31 December 2013, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended, and a summary of significant accounting policies and other explanatory information and have also audited the consolidated statements of comprehensive income and cash flows of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary for the same period.

Management'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 as at 31 December 2013 and its financial performance and cash flows for the year then ended, and the financial performance and cashflows of Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 8 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 *Income Taxes*. My opinion is not qualified in respect of this matter.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 11 February 2014

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

Statement of Financial Position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements		
		31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)	(Restated)		(Restated)	(Restated)
Assets						
Cash and cash equivalents	9	301,264,070	436,944,122	872,971,184	271,776,475	373,414,466
Deposits at financial institutions	10	3,450,759	3,446,674	3,518,611	3,450,759	3,446,674
Receivables from Clearing House	11	1,245,125,890	178,179,476	318,690,445	1,245,125,890	178,179,476
Securities and derivatives business receivables	12	11,676,878,218	5,870,370,914	12,643,349,967	11,676,878,218	5,870,370,914
Investment	15	74,757,822	35,001,067	34,776,681	74,757,822	35,001,067
Investments in subsidiary	16	-	-	-	50,693,137	99,999,980
Loans to employees under welfare program	35	289,116,853	323,156,809	296,775,742	289,116,853	323,156,809
Equipment	17	154,576,496	142,622,806	221,453,351	150,404,326	139,991,453
Intangible assets	18	31,628,981	23,792,302	42,150,316	28,506,351	21,697,875
Property foreclosed		9,886,500	9,886,500	9,886,500	9,886,500	9,886,500
Deposits		41,222,123	39,446,015	44,089,918	41,214,739	39,426,740
Deferred tax assets	8, 33	26,364,853	20,869,995	27,222,737	36,226,222	20,869,995
Other assets	19	145,223,800	103,354,882	170,087,021	141,671,428	101,631,117
Total assets		13,999,496,365	7,187,071,562	14,684,972,473	14,019,708,720	7,217,073,066

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

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

Statement of Financial Position (continued)

As at 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements		
	Note	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)	(Restated)		(Restated)	(Restated)
Liabilities and shareholders' equity						
Liabilities						
Borrowings from financial institutions	20	2,170,000,000	594,000,000	2,575,000,000	2,170,000,000	594,000,000
Payables to Clearing House		451,884,582	-	161,250,191	451,884,582	-
Securities and derivatives business payables	21	3,956,161,311	1,354,730,346	2,919,518,482	3,956,161,311	1,354,730,346
Derivatives liabilities	14	24,287,154	5,951,432	7,715,904	24,287,154	5,951,432
Debt issued and borrowings	22	2,007,423,532	-	2,946,827,927	2,007,423,532	-
Provisions	23	83,729,320	57,765,356	106,493,465	83,025,535	57,428,948
Accrued bonus		305,799,373	480,784,004	384,583,145	305,099,373	480,259,440
Income tax payable		131,393,646	133,493,250	133,795,428	131,393,646	133,493,250
Accrued expenses		103,738,259	75,446,194	133,527,197	102,015,150	74,993,205
Liabilities under financial lease agreements	25	17,569,177	16,518,166	18,317,488	16,072,114	14,806,825
Dividend payable		167,230,381	916,404	916,404	167,230,380	916,404
Other liabilities		36,902,005	26,514,884	21,343,080	36,450,451	26,371,726
Total liabilities		9,456,118,740	2,746,120,036	9,409,288,711	9,451,043,228	2,742,951,576
Shareholders' equity						
Share capital						
Registered						
572,250,000 ordinary shares of Baht 5 each		2,861,250,000	2,861,250,000	2,861,250,000	2,861,250,000	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	2,854,072,500
Share premium		523,570,729	523,570,729	523,570,729	523,570,729	523,570,729
Premium on treasury shares		19,218,670	5,347,943	19,218,670	19,218,670	5,347,943
Retained earnings						
Appropriated - statutory reserve	27	286,125,000	286,125,000	286,125,000	286,125,000	286,125,000
Appropriated - treasury shares reserve		-	11,260,973	-	-	11,260,973
Unappropriated		860,390,726	771,835,354	1,592,696,863	885,678,593	805,005,318
Less: Treasury shares		-	(11,260,973)	-	-	(11,260,973)
Equity attributable to equity holders of the Company		4,543,377,625	4,440,951,526	5,275,683,762	4,568,665,492	4,474,121,490
Non-controlling interests of the subsidiary		-	-	-	-	-
Total shareholders' equity		4,543,377,625	4,440,951,526	5,275,683,762	4,568,665,492	4,474,121,490
Total liabilities and shareholders' equity		13,999,496,365	7,187,071,562	14,684,972,473	14,019,708,720	7,217,073,066
		-	-	-	-	-

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

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

Statement of comprehensive income

For the year ended 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
			(Restated)		(Restated)
Income					
Brokerage fee	29	3,618,575,673	2,521,071,118	3,618,575,673	2,521,071,118
Fee and service income	30	72,054,798	77,817,729	72,214,042	78,668,049
Loss on investments	15.2	(159,230,193)	(68,836,286)	(159,230,193)	(68,836,286)
Gain on derivatives	14.1	179,062,338	94,988,209	179,062,338	94,988,209
Interest and dividends		329,494,243	237,925,856	329,494,243	237,925,856
Interest on margin loans		636,224,634	343,412,557	636,224,634	343,412,557
Gains on sale of investment in subsidiary		18,623,876	-	10	-
Other income		80,007,911	25,233,800	80,062,285	26,088,277
Total income		4,774,813,280	3,231,612,983	4,756,403,032	3,233,317,780
Expenses					
Financial costs		459,493,497	209,573,748	459,493,497	209,573,748
Fee and service expenses		273,938,405	206,333,894	273,938,405	206,333,894
Operating expenses					
Personnel expenses	32	1,682,886,758	1,231,090,315	1,682,886,758	1,231,090,315
Premises and equipment expenses		337,553,168	302,125,962	337,632,392	302,125,962
Taxes and duties		31,148,371	14,974,540	31,148,371	14,974,540
Directors' remuneration	31	4,325,000	8,600,000	4,325,000	8,600,000
Information and technology		29,131,071	34,982,621	29,131,071	34,982,621
Other expenses		153,409,862	202,448,630	153,409,862	202,448,630
Total operating expenses		2,238,454,230	1,794,222,068	2,238,533,454	1,794,222,068
Reversal of bad debt and doubtful accounts	13	(1,732,210)	(405,578)	(1,732,210)	(405,578)
Loss from impairment of investment		-	-	-	49,306,843
Total expenses		2,970,153,922	2,209,724,132	2,970,233,146	2,259,030,975
Profit before income tax expenses		1,804,659,358	1,021,888,851	1,786,169,886	974,286,805
Income tax expenses	33	(355,772,123)	(248,131,603)	(365,633,492)	(238,270,234)
Profit from continuing operations		1,448,887,235	773,757,248	1,420,536,394	736,016,571
Discontinued operations					
Loss from discontinued operations	39	(3,062,994)	(29,858,580)	-	-
Profit for the year		1,445,824,241	743,898,668	1,420,536,394	736,016,571
Other comprehensive income:					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		1,445,824,241	743,898,668	1,420,536,394	736,016,571
Profit attributable to:					
Equity holders of the Company					
Profit from continuing operations		1,448,887,235	773,757,248	1,420,536,394	736,016,571
Loss from discontinued operations		(3,062,994)	(29,858,580)	-	-
Profit attributable to equity holders of the Company		1,445,824,241	743,898,668	1,420,536,394	736,016,571
Non-controlling interests					
Profit from continuing operations		-	-		
Loss from discontinued operations		-	-		
Profit attributable to equity holders of the non-controlling interests		-	-		
		1,445,824,241	743,898,668		

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

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

Statement of comprehensive income (continued)

For the year ended 31 December 2013

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Total comprehensive income attributable to:				
Equity holders of the Company				
	1,448,887,235	773,757,248	1,420,536,394	736,016,571
	Comprehensive income from continuing operations			
39	(3,062,994)	(29,858,580)	-	-
	Comprehensive income (loss) from discontinued operations			
Total comprehensive income attributable to the Company				
	1,445,824,241	743,898,668	1,420,536,394	736,016,571
Non-controlling interests				
	-	-		
	Comprehensive income from continuing operations			
	-	-		
	Comprehensive income (loss) from discontinued operations			
Total comprehensive income attributable to the non-controlling interests				
	-	-		
	1,445,824,241	743,898,668		
Earnings per share attributable to equity holders of the Company				
Basic earnings (loss) per share				
34	2.54	1.36	2.49	1.29
	From continuing operations			
39	(0.01)	(0.05)	-	-
	From discontinued operations			
	2.53	1.31	2.49	1.29

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

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

Cash flow statements

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before income tax expenses from continuing operation	1,804,659,358	1,021,888,851	1,786,169,886	974,286,805
Loss before income tax expenses from discontinued operation	(3,062,994)	(29,858,580)	-	-
Adjustments to reconcile profit before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	86,933,402	71,697,625	86,712,535	70,325,608
Reversal of bad debt and doubtful accounts	(1,732,210)	(405,578)	(1,732,210)	(405,578)
Unrealised (gains) losses on revaluation of investments	2,490,137	(1,439,394)	2,490,137	(1,439,394)
Unrealised (gains) losses on revaluation of derivatives liabilities	(2,623,943)	8,798,024	(2,623,943)	8,798,024
Gains on sale of investment in subsidiary	(18,623,876)	-	(10)	-
Unrealised losses on revaluation of foreign borrowings	-	7,423,581	-	7,423,581
Unrealised losses on revaluation of foreign receivables and payables	1,044,724	19,397,595	1,044,724	19,397,595
Losses from impairment of investment	-	-	-	49,306,843
(Gains) losses on sales and written-off of premises and equipment	(2,626,730)	842,273	(2,454,762)	594,214
Retirement benefit	23,535,461	25,963,964	23,467,930	25,596,587
Financial cost	458,387,030	208,598,709	458,387,030	208,598,709
Amortised interest expense of financial lease	1,114,913	1,084,329	1,106,467	975,039
Reversal of doubtful accounts - other receivables	(59,960)	(100,000)	(59,960)	(100,000)
Interest income	(972,794,288)	(587,708,782)	(972,677,480)	(586,413,523)
Cash paid for interest	(409,408,258)	(210,201,712)	(409,399,812)	(210,092,422)
Cash paid for income tax	(354,239,031)	(255,791,346)	(354,228,224)	(255,726,065)
Profit from operating activities before changes in operating assets and liabilities	612,993,735	280,189,559	616,202,308	311,126,023
Decrease (increase) in operating assets				
Deposits at financial institutions	(67,852)	(4,085)	(67,852)	(4,085)
Receivables from Clearing House	925,390,721	(1,085,475,985)	925,390,721	(1,085,475,985)
Securities and derivatives business receivables	(955,303,859)	(5,789,275,254)	(955,303,859)	(5,789,275,254)
Investments	37,491,004	(38,317,361)	37,491,004	(38,317,361)
Loans to employees under welfare program	(7,658,889)	34,039,956	(7,658,889)	34,039,956
Deposits	(2,875,179)	(1,776,108)	(2,875,179)	(1,787,999)
Other assets	(26,991,024)	(7,908,766)	(26,444,149)	(6,058,159)
Increase (decrease) in operating liabilities				
Payables to Clearing House	(290,634,391)	451,872,298	(290,634,391)	451,872,298
Securities and derivatives business payables	(1,036,642,829)	2,600,575,988	(1,036,642,829)	2,600,575,988
Derivative liabilities	(13,947,307)	9,537,698	(13,947,307)	9,537,698
Accrued bonus	79,060,086	(174,984,631)	79,483,772	(175,160,067)
Accrued expenses	(5,653,626)	28,344,885	(4,329,867)	27,074,765
Other liabilities	(15,286,154)	10,387,121	(15,107,370)	10,078,725
Net cash flows used in operating activities	(700,125,564)	(3,682,794,685)	(694,443,887)	(3,651,773,457)

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

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

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from investing activities				
Cash received from interest	961,528,521	537,086,677	961,330,316	535,704,135
Cash received from sale investment in subsidiary	26,707,542	-	50,693,147	-
Proceeds from disposals of equipment	3,378,491	728,456	3,378,491	719,508
Cash paid for purchases of equipment	(114,115,098)	(75,461,752)	(114,115,098)	(72,583,706)
Cash paid for purchases of intangible assets	(20,134,529)	(11,824,099)	(20,134,529)	(10,504,100)
Net cash flows from investing activities	857,364,927	450,529,282	881,152,327	453,335,837
Cash flows from financing activities				
Cash received from borrowings	104,796,000,000	104,527,000,000	104,796,000,000	104,527,000,000
Cash paid for borrowings	(104,391,000,000)	(102,951,000,000)	(104,391,000,000)	(102,951,000,000)
Cash received from foreign borrowings	4,500,000,000	1,999,999,951	4,500,000,000	1,999,999,951
Cash paid for foreign borrowings	(6,507,423,532)	-	(6,507,423,532)	-
Cash received from other borrowings	13,402,727,642	-	13,402,727,642	-
Cash paid to other borrowings	(10,500,000,000)	-	(10,500,000,000)	-
Cash received from treasury shares	-	25,131,700	-	25,131,700
Cash paid on principal of long-term lease	(6,004,257)	(4,256,007)	(5,985,739)	(4,041,729)
Dividend paid	(879,832,102)	(500,290,293)	(879,832,102)	(500,290,293)
Net cash flows from financing activities	414,467,751	3,096,585,351	414,486,269	3,096,799,629
Net decrease in cash and cash equivalents	571,707,114	(135,680,052)	601,194,709	(101,637,991)
Cash and cash equivalents as at 1 January	301,264,070	436,944,122	271,776,475	373,414,466
Cash and cash equivalents as at 31 December	872,971,184	301,264,070	872,971,184	271,776,475
	-	-	-	-

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

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

Statement of changes in shareholders' equity

For the year ended 31 December 2013

(Unit: Thousand Baht)

Consolidated financial statement										
Equity attributable to holders of the Company										
	Retained earnings						Treasury shares	Total equity attributable to holders of the Company	Non-controlling interests of subsidiary	Total
	Share capital	Share premium	Premium on treasury shares	Appropriated - statutory reserve	Appropriated - treasury shares reserve	Unappropriated				
Balance as at 1 January 2012- as previously reported	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
Cumulative effect of changes in accounting policy for deferred tax (Note 3)	-	-	-	-	-	20,869,995	-	20,869,995	-	20,869,995
Balance as at 1 January 2012 - as restated	2,854,072,500	523,570,729	5,347,943	286,125,000	11,260,973	771,835,354	(11,260,973)	4,440,951,526	-	4,440,951,526
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 year (restated)	-	-	-	-	-	743,898,668	-	743,898,668	-	743,898,668
Treasury shares reserve	-	-	-	-	(11,260,973)	11,260,973	-	-	-	-
Dividend paid (Note 20)	-	-	-	-	-	(666,604,269)	-	(666,604,269)	-	(666,604,269)
Balance as at 31 December 2012 - as restated	2,854,072,500	523,570,729	19,218,670	286,125,000	-	860,390,726	-	4,543,377,625	-	4,543,377,625

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

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

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013

(Unit: Thousand Baht)

	Separate financial statements							
				Retained earnings				
				Appropriated -				
	Share capital	Share premium	Premium on treasury shares	Appropriated - statutory reserve	treasury shares reserve	Unappropriated	Treasury shares	Total
Balance as at 1 January 2012 - as previously reported	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
Cumulative effect of changes in accounting policy for deferred tax (Note 3)	-	-	-	-	-	20,869,995	-	20,869,995
Balance as at 1 January 2012 - as restated	2,854,072,500	523,570,729	5,347,943	286,125,000	11,260,973	805,005,318	(11,260,973)	4,474,121,490
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 year (restated)	-	-	-	-	-	736,016,571	-	736,016,571
Treasury shares reserve	-	-	-	-	(11,260,973)	11,260,973	-	-
Dividend paid (Note 20)	-	-	-	-	-	(666,604,269)	-	(666,604,269)
Balance as at 31 December 2012 - as restated	2,854,072,500	523,570,729	19,218,670	286,125,000	-	885,678,593	-	4,568,665,492
Balance as at 1 January 2013 - as previously reported	2,854,072,500	523,570,729	19,218,670	286,125,000	-	849,452,371	-	4,532,439,270
Cumulative effect of changes in accounting policy for deferred tax (Note 3)	-	-	-	-	-	36,226,222	-	36,226,222
Balance as at 1 January 2013 - as restated	2,854,072,500	523,570,729	19,218,670	286,125,000	-	885,678,593	-	4,568,665,492
Total comprehensive income for the year	-	-	-	-	-	1,420,536,394	-	1,420,536,394
Dividend paid (Note 20)	-	-	-	-	-	(713,518,124)	-	(713,518,124)
Balance as at 31 December 2013	2,854,072,500	523,570,729	19,218,670	286,125,000	-	1,592,696,863	-	5,275,683,762

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

Maybank Kim Eng Securities (Thailand) Public Company Limited and its subsidiary
Notes to financial statements
For the year ended 31 December 2013

1. General information

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

The Company's registered office is located on 999/9 the Offices at Central World, 20th - 21st and 24th - 25th Floor, Rama 1 Road, Pathumwan, Bangkok. As at 31 December 2013, the Company has 54 branches in Bangkok and upcountry (31 December 2012: 45 branches).

2. Basis for the preparation of financial statements

The financial statements have been prepared in accordance with Thai financial Reporting Standards enunciated under the Accounting Professions. B.E. 2547 and are presented in compliance with the requirement of the notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor. Kor. Nor. 53/2553 dated 15 December 2010.

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

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

3. Basis for the preparation of the consolidated financial statements

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2013	31 December 2012
			Percent	Percent
Maybank Asset Management (Thailand) Company Limited (Formerly known as” Kim Eng Asset Management (Thailand) Company Limited”)	Fund management	Thailand	-	99.99

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

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

4. **Accounting standards that became effective in the current accounting year**

Below is a summary of accounting standards that became effective in the current accounting year.

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

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

TAS 12 *Income Taxes*

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statements of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiary have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiary had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 8 to the financial statements.

5. Accounting standards that will become effective in the future

Below is a summary of accounting standards that will become effective in the future.

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014

		<u>Effective date</u>
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

6. Significant accounting policies

6.1 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.

6.2 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.

6.3 Cash and cash equivalents

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

6.4 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.

6.5 Borrowing and lending of securities

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

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

6.6 Investments

- a) Investments in securities held for trading are determined at fair value. Changes in the fair value of these securities are recorded as profit or loss in the statement of comprehensive income.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recognised as gain (loss) on changes in value of investments as part of other comprehensive income in the statement of comprehensive income, and will be recognised as part of profit or loss when the securities are sold.
- c) Held to maturity debt securities are initially recognised at purchase price plus transaction costs and subsequently accounted for at amortised cost using effective interest method less allowance for impairment loss (if any).
- d) Investments in non-marketable equity securities which the Company classified as other investments, are stated at cost net of allowance for impairment loss (if any).
- e) Investments in subsidiary are accounted for in the separate financial statements using the cost net of allowance for impairment loss (if any).
- f) The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on required rate of return or the yield rates quoted by the Thai Bond Market Association.

- g) The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as part of profit or loss in the statement of comprehensive income.
- h) Impairment loss (if any) is included in part of profit or loss in the statement of comprehensive income when there is a factor indicating that such investments might be impaired.

6.7 Receivables from/payables to Clearing House

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

6.8 Securities and derivatives business receivables and allowance for doubtful accounts

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

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

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

6.9 Premises and Equipment/Depreciation

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

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

No depreciation is provided on assets under installation.

Depreciation is included in determining income.

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

6.10 Intangible assets and amortisation

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

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

6.11 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.

6.12 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.

6.13 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.

6.14 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.

6.15 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.

6.16 Provisions

Provisions are recognised when the Company has 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.

6.17 Treasury stocks

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

6.18 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.

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

6.19 Foreign currencies

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

Gains and losses on exchange are included in determining income.

6.20 Impairment of assets

The Company assesses 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 realises 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 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 estimates the asset's recoverable amount and impairment loss recognised in prior periods is reversed.

6.21 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 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's contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company treats 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 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.

6.22 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

6.23 Derivatives

Forward exchange contracts

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

Futures contracts

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

Derivative warrants

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

7. Significant accounting judgments and estimates

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

7.1 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.

7.2 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.

7.3 Allowance for impairment of investments

The Company treats 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.

7.4 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.

7.5 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.

7.6 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.

7.7 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.

7.8 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.

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

During the current year, the Company and its subsidiary made the change described in Note 4 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

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

(Unit: Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	31 December	1 January	31 December	31 December	1 January
	2012	2012	2013	2012	2012
Statements of financial position					
Increase in deferred tax assets	26,364,853	20,869,995	27,222,737	36,226,222	20,869,995
Increase in unappropriated retained earnings	26,364,853	20,869,995	27,222,737	36,226,222	20,869,995

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2013	2012	2013	2012
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax	(857,884)	(5,494,858)	9,003,485	(15,356,227)
Increase (decrease) in profit attributable to equity holders of the Company	857,884	5,494,858	(9,003,485)	15,356,227
Increase (decrease) in basic earnings per share	0.002	0.010	(0.016)	0.027

9. Cash and cash equivalents

(Unit: Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	31 December 2012	31 December 2013	31 December 2012
Cash on hand	550,251	573,091	545,298
Current accounts and savings accounts	1,759,457,181	1,991,679,823	1,758,974,539
Fixed accounts/certificate of deposits	3,024,000,000	3,761,000,000	3,000,000,000
Promissory notes	5,000,000	-	-
Total cash and cash equivalents	4,789,007,432	5,753,252,914	4,759,519,837
Less: Cash deposits held for customers	(4,487,743,362)	(4,880,281,730)	(4,487,743,362)
Net cash and cash equivalents	301,264,070	872,971,184	271,776,475

10. Deposits at financial institutions

(Unit: Baht)

	Consolidated	Separate	
	financial statement	financial statements	
	31 December 2012	31 December 2013	31 December 2012
	Over 3 months - 1 year	Over 3 months - 1 year	
Fixed deposits	3,100,013,668	6,300,017,520	3,100,013,668
Deposits with restriction	3,437,091	3,501,091	3,437,091
Total deposits at financial institutions	3,103,450,759	6,303,518,611	3,103,450,759
Less: Cash deposits held for customers	(3,100,000,000)	(6,300,000,000)	(3,100,000,000)
Total deposits at financial institutions - net	3,450,759	3,518,611	3,450,759

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

11. Receivables from Clearing House

(Unit: Baht)

	Consolidated	Separate	
	financial statement	financial statements	
	31 December 2012	31 December 2013	31 December 2012
Receivables from Clearing House	1,406,135,298	743,164,691	1,406,135,298
Receivables from foreign securities company	1,306,085,544	96,932,297	1,306,085,544
Less: Receivables from Clearing House held for customers	(1,467,094,952)	(521,406,543)	(1,467,094,952)
Total receivables from Clearing House - net	1,245,125,890	318,690,445	1,245,125,890

12. Securities and derivatives business receivables

(Unit: Baht)

	Consolidated	Separate	
	financial statement	financial statements	
	2012	2013	2012
<u>Securities business receivables</u>			
Cash accounts	2,772,635,962	2,312,268,641	2,772,635,962
Credit balance accounts	8,776,277,837	10,119,921,747	8,776,277,837
Receivables under securities borrowing and lending business			
- Guarantee deposit receivables	-	-	-
- Securities borrowing receivables	82,273,325	152,221,720	82,273,325
Other receivables			
- Overdue customers' accounts	246,858,898	245,802,472	246,858,898
Total securities business receivables	11,878,046,022	12,830,214,580	11,878,046,022
Add: Accrued interest receivables	54,034,972	63,470,652	54,034,972
Less: Allowance for doubtful accounts	(261,379,208)	(259,702,297)	(261,379,208)
Securities business receivables and accrued interest receivables - net	11,670,701,786	12,633,982,935	11,670,701,786
<u>Derivatives business receivables</u>			
Derivatives business receivables	6,330,142	9,465,443	6,330,142
Less: Allowance for doubtful accounts	(153,710)	(98,411)	(153,710)
Derivatives business receivables - net	6,176,432	9,367,032	6,176,432
Total securities and derivatives business receivables - net	11,676,878,218	12,643,349,967	11,676,878,218

12.1 As at 31 December 2013, the Company had other receivables with book values totaling Baht 260 million from which it has ceased recognising income (31 December 2012: Baht 262 million).

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

(Unit: Baht)

Consolidated financial statements			
31 December 2012			
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	11,676,657,853	-	11,676,657,853
Sub-standard Debt	9,678,539	(9,458,174)	220,365
Doubtful Debt	252,074,744	(252,074,744)	-
Total	11,938,411,136	(261,532,918)	11,676,878,218

(Unit: Baht)

Separate financial statements			
31 December 2013			
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	12,643,064,587	-	12,643,064,587
Sub-standard Debt	9,124,373	(8,838,993)	285,380
Doubtful Debt	250,961,715	(250,961,715)	-
Total	12,903,150,675	(259,800,708)	12,643,349,967

(Unit: Baht)

Separate financial statements			
31 December 2012			
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	11,676,657,853	-	11,676,657,853
Sub-standard Debt	9,678,539	(9,458,174)	220,365
Doubtful Debt	252,074,744	(252,074,744)	-
Total	11,938,411,136	(261,532,918)	11,676,878,218

13. Allowance for doubtful accounts

(Unit: Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	For the year ended	For the year ended	For the year ended
	31 December 2012	31 December 2013	31 December 2012
Balance - beginning of the year	261,938,496	261,532,918	261,938,496
Add: Doubtful accounts	118,450	2,913,672	118,450
Less: Reversal of doubtful accounts	(524,028)	(4,645,882)	(524,028)
Balance - end of the year	261,532,918	259,800,708	261,532,918

14. Derivatives assets and derivatives liabilities

(Unit: Baht)

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

(Unit: Baht)

	Separate financial statements			
	31 December 2013			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
Trading derivatives				
Derivatives warrants	-	7,715,904	-	27,721,861
Total derivatives assets and derivatives liabilities	-	7,715,904	-	27,721,861

(Unit: Baht)

Separate financial statements				
31 December 2012				
Fair value		Notional amount		
Assets	Liabilities	Assets	Liabilities	
Trading derivatives				
Derivatives warrants	- 16,313,112	-	51,005,900	
Forward exchange contracts	- 7,974,042	-	1,997,062,277	
Total derivatives assets and derivatives liabilities	- 24,287,154	-	2,048,068,177	

14.1 Gain on derivatives

(Unit: Baht)

Consolidated and separate financial statements		
For the years ended 31 December		
	2013	2012
Realised gain on trading in derivatives		
Derivative warrants	176,438,395	95,812,191
Unrealised gain (loss) on revaluation of derivatives		
Derivative warrants	2,623,943	(823,982)
Total gain on derivatives	179,062,338	94,988,209

15. Investments

(Unit: Baht)

	Consolidated		Separate			
	financial statement		financial statements			
	31 December 2012		31 December 2013		31 December 2012	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities						
Equity securities						
Listed securities	56,606,139	57,629,162	19,115,135	17,648,021	56,606,139	57,629,162
Total trading securities	56,606,139	57,629,162	19,115,135		56,606,139	57,629,162
Add: Allowance for revaluation	1,023,023		(1,467,114)		1,023,023	
Trading securities - net	57,629,162		17,648,021		57,629,162	
Held-to-maturity debt securities						
Government and state enterprise securities	-		300,412,498		-	
Less: investment on behalf of customer	-		(300,412,498)		-	
Net held-to maturity debt securities	-		-		-	
Other investments						
Other securities - ordinary shares	31,791,160		31,791,160		31,791,160	
Less: allowance for impairment	(14,662,500)		(14,662,500)		(14,662,500)	
Net other investments	17,128,660		17,128,660		17,128,660	
Total investments - net	74,757,822		34,776,681		74,757,822	

15.1 Investments subject to restrictions

(Unit: Baht)

	Consolidated		Separate			
	financial statements		financial statements			
	31 December 2012		31 December 2013		31 December 2012	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Securities placed with court for stay execution	7,622,000	15,509,541	7,622,000	13,568,950	7,622,000	15,509,541
Total	7,622,000	15,509,541	7,622,000	13,568,950	7,622,000	15,509,541

15.2 Gain (loss) on investments

(Unit: Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2013	2012
Realised loss on trading securities	(156,738,572)	(70,275,191)
Unrealised gain (loss) on revaluation of trading securities	(2,491,621)	1,438,905
Total loss on investments	(159,230,193)	(68,836,286)

16. Investments in subsidiary

Investments in subsidiary as presented in separate financial statements are as follows:

Company's name	Business	Type of Relations	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Dividend	
											For the	
			31	31	31	31	31	31	31	31	years ended	
			December	December	December	December	December	December	December	December	31 December	
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
			Million	Million	Percent	Percent	Million	Million	Million Baht	Million Baht	Million	Million
			Baht	Baht			Baht	Baht			Baht	Baht
<u>Subsidiary company</u>												
<u>included in</u>												
<u>consolidated financial</u>												
<u>statements</u>												
Maybank Asset Management (Thailand) Company Limited (Formerly known as "Kim Eng Asset Management (Thailand) Company Limited")	Mutual fund management	Shareholding	-	100	-	99.99	-	100	-	(49)	-	-

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

17. Equipment

(Unit: Baht)

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

(Unit: Baht)

Separate financial statements					
For the year ended 31 December 2013					
	Building improvement	Furniture Fixtures and equipment	Asset under financial lease	Construction in process	Total
Cost					
31 December 2012	188,913,101	470,627,365	29,789,032	239,279	689,568,777
Additions	20,293,554	98,501,317	8,231,113	22,126,451	149,152,435
Transfer in (out)	12,617,007	9,432,863	-	(22,049,870)	-
Disposals/written-off	(8,020,126)	(26,546,191)	(4,785,316)	-	(39,351,633)
31 December 2013	213,803,536	552,015,354	33,234,829	315,860	799,369,579
Accumulated depreciation					
31 December 2012	139,713,262	382,445,101	17,006,088	-	539,164,451
Depreciation for the year	16,355,179	54,965,710	5,858,792	-	77,179,681
Disposals/written-off	(7,489,556)	(26,153,032)	(4,785,316)	-	(38,427,904)
31 December 2013	148,578,885	411,257,779	18,079,564	-	577,916,228
Net book value					
31 December 2012	49,199,839	88,182,264	12,782,944	239,279	150,404,326
31 December 2013	65,224,651	140,757,575	15,155,265	315,860	221,453,351
Depreciation charge for the years ended 31 December					
2012					63,725,876
2013					77,179,681

(Unit: Baht)

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

As at 31 December 2013 and 2012, 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 441 million and Baht 423 million, respectively (consolidated financial statements as at 31 December 2012: Baht 423 million).

18. Intangible assets

(Unit: Baht)

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

(Unit: Baht)

	Separate financial statements											
	For the year ended 31 December 2013											
		Cost					Accumulated amortisation					
	Useful	1 January		Transfer in		31	1 January			31	Net	
	lives	2013	Increase	(transfer	Written-off	December	2013	2013	Increase	Written-off	December	intangible
				out)		2013					2013	assets
Computer software	5 years	87,949,580	21,329,546	1,321,314	(3,289)	110,597,151	63,738,006	9,532,854	(3,288)	73,267,572	37,329,579	
Software under installation	-	974,229	1,847,274	(1,321,314)	-	1,500,189	-	-	-	-	1,500,189	
Deferred expenses of membership fee - Thailand Futures Exchanges	-	5,000,000	-	-	-	5,000,000	1,679,452	-	-	1,679,452	3,320,548	
Total		93,923,809	23,176,820	-	(3,289)	117,097,340	65,417,458	9,532,854	(3,288)	74,947,024	42,150,316	

(Unit: Baht)

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

As at 31 December 2013 and 2012, 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 50 million and Baht 48 million, respectively (consolidated financial statements as at 31 December 2012: Baht 48 million).

19. Other assets

(Unit: Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	31 December 2012	31 December 2013	31 December 2012
Clearing fund	74,415,694	88,619,513	74,415,694
Accrued income	39,093,090	49,785,793	38,926,404
Prepaid expenses	13,911,268	12,323,798	12,655,659
Others	17,803,748	19,357,917	15,673,671
Total	145,223,800	170,087,021	141,671,428

20. Borrowings from financial institutions

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

(Unit: Baht)

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

(Unit: Baht)

Separate financial statements			
31 December 2013			
Interest rate per annum (percent)	Remaining period to maturity		Total
	At call	Within 1 year	
Financial institutions			
Promissory notes	2.40 - 2.95	2,575,000,000	-
Total borrowings from financial institutions		<u>2,575,000,000</u>	<u>-</u>

(Unit: Baht)

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

21. Securities and derivatives business payables

(Unit: Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	31 December 2012	31 December 2013	31 December 2012
Cash accounts	3,581,245,998	2,728,827,793	3,581,245,998
Payables under securities borrowing and lending business	82,449,545	153,599,520	82,449,545
Guarantee deposit payables	292,465,768	37,091,169	292,465,768
Total securities and derivatives business payables	<u>3,956,161,311</u>	<u>2,919,518,482</u>	<u>3,956,161,311</u>

22. Debt issued and borrowings

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

(Unit: Baht)

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

(Unit: Baht)

Separate financial statement			
31 December 2013			
Interest rate per annum	Remaining period to maturity		
(percent)	At call	Within 1 year	Total
<u>Other borrowings and debt issued</u>			
Debt issued - bill of exchange	2.95 - 3.23	- 2,946,827,927	2,946,827,927
Total other borrowings and debt issued		- 2,946,827,927	2,946,827,927

(Unit: Baht)

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

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

23. Provisions

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	31 December 2012	31 December 2013	31 December 2012
Balance - beginning of the year	57,765,356	83,025,535	57,428,948
Increase during the year	25,963,964	23,467,930	25,596,587
Balance - end of the year	83,729,320	106,493,465	83,025,535

As at 31 December 2013 and 2012, the provision comprised the obligations of the Company to Nithipat Capital Public Co., Ltd., (“Nithipat”), the former parent company, of approximately Baht 11 million in 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.

In addition, as at 31 December 2013, the Company has post employment benefits, payable to employees under the Thai labor law in the separate financial statements amounting to Baht 76 million (note to financial statement 24). In addition, the Company has set aside provision for dismantling cost amounting to Baht 4 million.

24. Provisions for long-term employee benefits

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

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

As at 31 December 2013, the Company recognised Baht 34 million of such long-term employee benefit liabilities and Baht 22 million remains unrecognised as a result of gradual recognition of liability in the transition period over the five-year period as mentioned above.

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

(Unit: Baht)

	Consolidated financial statement	Separate financial statements	
	31 December 2012	31 December 2013	31 December 2012
Defined benefit obligation at beginning of year	72,361,106	86,119,748	71,793,225
Current service cost	14,636,032	12,197,866	14,326,523
Benefits paid during the year	-	-	-
Defined benefit obligation at end of year	86,997,138	98,317,614	86,119,748
Unrecognised transitional provisions	(33,983,797)	(22,540,128)	(33,810,192)
Provisions for long-term employee benefits at end of year	<u>53,013,341</u>	<u>75,777,486</u>	<u>52,309,556</u>

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2013 and 2012 was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012	2013	2012
Current service cost	12,255,752	14,636,032	12,197,866	14,326,523
Transitional liability recognised during the year	11,279,709	11,327,932	11,270,064	11,270,064
Total	<u>23,535,461</u>	<u>25,963,964</u>	<u>23,467,930</u>	<u>25,596,587</u>

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

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

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

25. Liabilities under finance lease agreements

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	31 December 2012	31 December 2013	31 December 2012
Liabilities under finance lease			
agreements	19,565,181	20,341,047	17,797,024
Less : Deferred interest expenses	(1,996,004)	(2,023,559)	(1,724,910)
Total	17,569,177	18,317,488	16,072,114
Less : Portion due within one year	(5,437,686)	(6,657,810)	(5,208,444)
Liabilities under finance lease			
agreements - net of current			
portion	12,131,491	11,659,678	10,863,670

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

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

(Unit: Baht)

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

(Unit: Baht)

	Separate financial statements			
	31 December 2013			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	7,576,066	12,764,981	-	20,341,047
Deferred interest expenses	(918,256)	(1,105,303)	-	(2,023,559)
Present value of future minimum lease payments	6,657,810	11,659,678	-	18,317,488

(Unit: Baht)

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

26. 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.

27. 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.

28. Dividends

During the years ended 31 December 2013 and 2012, the Annual General Meeting of the Company's shareholders approved the payment of dividend as follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends for earnings from 1 January 2013 to 30 June 2013	Board of Directors' Meeting on 14 August 2013	200	0.35
Dividends for the year 2012	Annual General Meeting of the shareholders on 26 March 2013	514	0.90
Dividends for earnings from 1 January 2012 to 30 June 2012	Board of Directors' meeting on 8 August 2012	200	0.35
Dividends for the year 2011	Annual General Meeting of the shareholders on 30 March 2012	467	0.82

29. Brokerage fee

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2013	2012
Brokerage fee from securities business	3,349,584,375	2,256,096,462
Brokerage fee from derivatives business	268,991,298	264,974,656
Total brokerage fee	3,618,575,673	2,521,071,118

30. Fees and service income

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2013	2012	2013	2012
Underwriting fee	16,513,350	34,931,463	16,513,350	34,931,463
Financial advisory	32,696,532	22,718,734	32,696,532	22,718,734
Securities borrowing and lending	14,901,535	13,765,303	14,901,535	13,765,303
Others	7,943,381	6,402,229	8,102,625	7,252,549
Total fees and service income	72,054,798	77,817,729	72,214,042	78,668,049

31. Directors' remuneration

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

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

32. Provident fund

The Company, its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 3 percent of basic salary and the Company and its subsidiary contributed to the fund monthly at the rate of 2-8 percent. The funds of the Company and its subsidiary are managed by TMB Asset Management Company Limited. The funds will be paid to employees upon termination in accordance with the rules of the fund. During the years ended 31 December 2013 and 2012, Baht 29 million and Baht 26 million, respectively were contributed to the fund by the Company and its subsidiary (separate financial statements: Baht 29 million and Baht 26 million, respectively).

33. Deferred tax assets/liabilities and income tax expenses

33.1 Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities consisted of tax effects on each type of transactions as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	31 December 2012	1 January 2012
	(Restated)	(Restated)
Deferred tax assets		
Allowance for doubtful accounts - others	2,692,619	3,119,512
Accrued expenses	8,742,891	6,462,874
Provisions for long-term employee benefits	10,461,911	6,143,983
Others	4,467,432	5,143,626
Total deferred tax assets	26,364,853	20,869,995

	(Unit: Baht)		
	Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012
		(Restated)	(Restated)
Deferred tax assets			
Allowance for doubtful accounts - others	2,680,627	2,692,619	3,119,512
Allowance for impairment loss on investment in subsidiaries	-	9,861,369	-
Accrued expenses	5,278,890	8,742,891	6,462,874
Provisions for long-term employee benefits	15,155,497	10,461,911	6,143,983
Others	4,107,723	4,467,432	5,143,626
Total deferred tax assets	27,222,737	36,226,222	20,869,995

Reconciliation between income tax expenses and the product of accounting profits and the applicable tax rates for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profits before income tax expenses				
from continuing operations	1,804,659,358	1,021,888,851	1,786,169,886	974,286,805
Applicable corporate income tax rate	20%	23%	20%	23%
Amounts of income taxes at the applicable tax rate	360,931,872	235,034,436	357,233,978	224,085,965
Adjustment of income tax expenses of previous years	32,782	1,122,956	32,782	1,122,956
Tax effect of non-deductible expenses	8,366,732	7,768,812	8,366,732	7,768,812
Effect of net - temporary differences	(13,559,263)	4,205,399	-	5,292,501
Income tax expenses reported in the statement of comprehensive income	355,772,123	248,131,603	365,633,492	238,270,234

33.2 Income tax expenses

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Current corporate income tax charge	356,630,007	253,626,461	356,630,007	253,626,461
Deferred tax:				
Relating to origination and reversal of temporary differences	(857,884)	(5,494,858)	9,003,485	(15,356,227)
Income tax expense reported in the statements of comprehensive income	355,772,123	248,131,603	365,633,492	238,270,234

34. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2013	2012	2013	2012
	(Restated)		(Restated)	
Beginning balance of the year - weighted average number of ordinary shares (shares)	570,814,500	569,169,300	570,814,500	569,169,300
Weighted average number of treasury shares sold during the year (shares)	-	1,335,084	-	1,335,084
Ending balance of the year - weighted average number of ordinary shares (shares)	570,814,500	570,504,384	570,814,500	570,504,384
Profit for the year - from continuing operations (Baht)	1,448,887,235	773,757,249	1,420,536,394	736,016,571
Earnings per share - from continuing operations (Baht/share)	2.54	1.36	2.49	1.29

35. Related party transactions

During the years ended 31 December 2013 and 2012, the Company had significant business transactions with the following related parties.

Company's name and related person	Relationship
Maybank Kim Eng Holdings Limited	Parent company
Mayban IB Holdings Sdn Bhd	Shareholder of parent company
Maybank Asset Management (Thailand) Co., Ltd. (formerly known as "Kim Eng Asset Management (Thailand) Co., Ltd.")	Fellow subsidiary of the Group
Maybank Kim Eng Securities Pte. Ltd.	Fellow subsidiary
Kim Eng Securities (Hong Kong) Limited	Fellow subsidiary
Maybank Kim Eng Investment Limited	Fellow subsidiary
Maybank Asset Management Group Berhad	Fellow subsidiary

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policies
	For the years ended 31 December		For the years ended 31 December		
	2013	2012	2013	2012	
<u>Transactions with related parties</u>					
<u>Rental and service income</u>					In accordance with service agreements
Maybank Asset Management (Thailand) Co., Ltd.	1	-	1	2	
<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.	55	29	55	29	
Kim Eng Securities (Hong Kong) Limited	5	3	5	3	
<u>Fee and service expenses</u>					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	2	-	2	-	
<u>Brokerage expenses</u>					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	2	2	2	2	
<u>Rental expenses</u>					In accordance with agreement
Maybank Asset Management (Thailand) Co., Ltd.	0.8	-	0.9	-	
<u>Interest expenses on borrowings</u>					In accordance with borrowings agreement
Maybank Kim Eng Holdings Limited	54	4	54	4	
<u>Information technology service expenses</u>					At the price agreed upon by both parties referencing the market price.
Maybank Kim Eng Holdings Limited	-	3	-	3	
<u>Consulting service fee</u>					In accordance with service agreements
Maybank Kim Eng Securities Pte. Ltd.	3	3	3	3	
Kim Eng Securities (Hong Kong) Limited	5	-	5	-	
<u>Dividend paid</u>					As declared
Maybank Kim Eng Holdings Limited	594	556	594	556	
Maybank Kim Eng Investment Limited	2	2	2	2	
<u>Gain on sale of investment in subsidiary</u>					Sale price Baht 51 million, refer to net assets values as at 30 June 2012
Maybank Asset Management Group Berhad	19	-	-	-	

As at 31 December 2013 and 2012, 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
	31 December 2012	31 December 2013	31 December 2012	
<u>Related companies</u>				
<u>Other receivables</u>				No interest charged
Maybank Asset Management (Thailand) Co., Ltd.	-	0.30	0.4	
<u>Securities business receivables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	59	65	59	
Kim Eng Securities (Hong Kong) Limited	1	3	1	
<u>Foreign securities company receivables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	58	10	58	
<u>Foreign deposits receivables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1,248	87	1,248	
<u>Prepaid consulting fee</u>				In accordance with service agreement
Maybank Kim Eng Securities Pte. Ltd.	4	1	4	
<u>Borrowings</u>				Differential between the local cost of borrowing and the SGD/THB swap cost
Maybank Kim Eng Holdings Limited	2,007	-	2,007	
<u>Securities business payables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	134	394	134	
Kim Eng Securities (Hong Kong) Limited	4	27	4	
<u>Foreign securities company payables</u>				No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1	12	1	
<u>Accrued consulting fee</u>				In accordance with service agreement
Kim Eng Securities (Hong Kong) Limited	-	5	-	
<u>Dividend payable</u>				As declared
Maybank Kim Eng Holdings Limited	166	-	166	

Loans from related parties

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

(Unit: Million Baht)

Loans from related parties	Related by	Separate financial statements			
		Balance as at 31 December 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2013
Maybank Kim Eng Holdings Limited	Parent company	2,007	4,500	6,507	-
Total		2,007	4,500	6,507	-

(Unit: Million Baht)

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

On 1 July 2013, 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. On 1 January 2013, the Company terminated this service agreement.

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

As at 31 December 2013, the Company had loans to employees under welfare program amounting to Baht 297 million. The loans charged interest at rate of 2.52, 2.90 percent per annum (31 December 2012: Baht 289 million, interest at rate of 2.50, 3.30 percent per annum).

Management's remuneration

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

(Unit: Baht)

	Consolidated and separate financial statements		Consolidated and separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2013	2012	2013	2012
Management's remuneration				
Short-term employee benefits	272,741,596	220,484,665	272,741,596	204,684,435
Post-employment benefits	4,488,849	4,549,868	4,488,849	4,279,552
	<u>277,230,445</u>	<u>225,034,533</u>	<u>277,230,445</u>	<u>208,963,987</u>

36. Segment information

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

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

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

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

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

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue and profit information regarding the Company's operating segments for the years ended 31 December 2013 and 2012, respectively.

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments	Adjustment and eliminations	Consolidated
For the year ended 31 December 2013					
Income					
External customers					
Brokerage fee	3,615	4	3,619	-	3,619
Fee and service income	21	51	72	-	72
Interest on deposit and credit balance accounts	966	-	966	-	966
Other income	98	1	99	-	99
Total income	<u>4,700</u>	<u>56</u>	<u>4,756</u>	<u>-</u>	<u>4,756</u>
Expenses					
Financial cost			459	-	459
Fee and service expenses			274	-	274
Personnel expenses			1,683	-	1,683
Other expenses			554	-	554
Total expenses			<u>2,970</u>	<u>-</u>	<u>2,970</u>
Segment profit			<u>1,786</u>	<u>-</u>	<u>1,786</u>
Gain on sale investment in subsidiary			-	19	19
Profit before income tax expenses			<u>1,786</u>	<u>19</u>	<u>1,805</u>
Income tax expenses			(366)	10	(356)
Profit from continuing operations			<u>1,420</u>	<u>29</u>	<u>1,449</u>
Loss from discontinued operations			-	(3)	(3)
Profit for the year			<u>1,420</u>	<u>26</u>	<u>1,446</u>

(Unit: Million Baht)

For the year ended 31 December 2012	Securities business segment	Investment banking segment	Total segments	Adjustment and eliminations	Consolidated
Income					
External customers					
Brokerage fee	2,521	-	2,521	-	2,521
Fee and service income	21	58	79	(1)	78
Interest on deposit and credit balance accounts	581	-	581	-	581
Other income	52	1	53	(1)	52
Total income	3,175	59	3,234	(2)	3,232
Expenses					
Financial cost			210	-	210
Fee and service expenses			206	-	206
Personnel expenses			1,240	-	1,240
Other expenses			554	-	554
Total expenses			2,210	-	2,210
Segment profit			1,024	(2)	1,022
Gain on sale investment in subsidiary			(49)	49	-
Profit before income tax expenses			975	47	1,022
Income tax expenses			(238)	(10)	(248)
Profit from continuing operations			737	37	774
Loss from discontinued operations			-	(30)	(30)
Profit for the year			737	7	744

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

(Unit: Million Baht)

Segment assets	Securities business segment	Investment banking segment	Total Segments	Unallocated assets	Consolidated
At 31 December 2013	13,114	4	13,118	1,567	14,685
At 31 December 2012	13,035	2	13,037	963	14,000

37. Commitments and contingent liabilities

37.1 Significant contingent liabilities are as follows:

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

(Unit: Million Baht)

	Consolidated financial statement	Separate financial statements	
	31 December 2012	31 December 2013	31 December 2012
Payable:			
In up to 1 year	83	91	82
In over 1 and up to 5 years	41	115	39

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

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements		
	31 December 2013		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	7	13	20
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	6	12	18

(Unit: Million Baht)

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

38. Financial instruments

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

38.1 Financial risk management

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

38.2 Credit risk

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

38.3 Market risk

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

a) Interest rate risk

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

As at 31 December 2013 and 2012, significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

Consolidated financial statements									
Outstanding balance of financial instruments as at 31 December 2012									
	Fixed interest rates						Interest rate		
	Remaining period to the contractual repricing date or maturity date						(% 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
<u>Financial assets</u>									
Cash and cash equivalents	76	24	-	-	201	-	301	0.25 - 2.50	3.05
Deposits at financial institutions	-	3	-	-	-	-	3	-	1.70 - 2.10
Receivable from Clearing House	-	-	-	-	1,245	-	1,245	-	-
Securities and derivatives business									
receivables	8,776	82	-	-	2,779	247	11,884	5.42 - 5.50	5.50, 8.50
Loans to employees under welfare program	289	-	-	-	-	-	289	2.50, 3.30	-
<u>Financial liabilities</u>									
Borrowings from financial institutions	2,170	-	-	-	-	-	2,170	2.86 - 3.00	-
Payable to Clearing House	-	-	-	-	452	-	452	-	-
Securities and derivatives business payables	293	82	-	-	3,581	-	3,956	1.90	3.00 , 5.50
Derivative liabilities	-	-	-	-	24	-	24	-	-
Debt issued and borrowings	-	2,007	-	-	-	-	2,007	-	0.90
Liabilities under financial lease agreements	-	6	12	-	-	-	18	-	5.20 - 11.25

(Unit: Million Baht)

Separate financial statements									
Outstanding balance of financial instruments as at 31 December 2013									
	Fixed interest rates						Interest rate		
	Remaining period to the contractual repricing date or maturity date						(% 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
<u>Financial assets</u>									
Cash and cash equivalents	605	-	-	-	268	-	873	0.25 - 1.80	-
Deposits at financial institutions	-	4	-	-	-	-	4	-	1.45 - 2.00
Receivable from Clearing House	-	-	-	-	319	-	319	-	-
Securities and derivatives business									
receivables	10,120	152	-	-	2,312	246	12,830	5.39 - 6.50	5.50 - 8.50
Loans to employees under welfare program	297	-	-	-	-	-	297	2.52, 2.90	-
<u>Financial liabilities</u>									
Borrowings from financial institutions	2,575	-	-	-	-	-	2,575	2.40 - 2.95	-
Payable to Clearing House	-	-	-	-	161	-	161	-	-
Securities and derivatives business payables	37	154	-	-	2,729	-	2,920	1.90	3.00 - 5.50
Derivative liabilities	-	-	-	-	8	-	8	-	-
Debt issued and borrowings	-	2,947	-	-	-	-	2,947	-	2.95 - 3.23
Liabilities under financial lease agreements	-	6	12	-	-	-	18	-	5.95 - 11.25

(Unit: Million Baht)

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

b) Foreign exchange risk

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

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

Foreign currency	Financial assets		Financial liabilities		Exchange rate		Exchange rate	
	as at		as at		as at 31 December 2013		as at 31 December 2012	
	31 December	31 December	31 December	31 December				
	2013	2012	2013	2012	Buying	Selling	Buying	Selling
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 foreign currency unit)		(Baht per 1 foreign currency unit)	
Hong Kong dollar	4	270	4	270	4.2044	4.2587	3.9207	3.9813
Singapore dollar	8	8	8	87	25.6485	26.1167	24.7844	25.2835
US dollar	85	1	84	1	32.6778	32.9494	30.4857	30.7775

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

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

38.4 Liquidity risk

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

The maturity dates of financial instruments held as of 31 December 2013 and 2012, counting from the financial position date, are as follows.

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2013						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing debts	Total
<u>Financial assets</u>							
Cash and cash equivalents	873	-	-	-	-	-	873
Deposits at financial institutions	-	4	-	-	-	-	4
Receivable from Clearing House	-	319	-	-	-	-	319
Securities and derivatives business receivables	2,312	152	-	-	10,120	246	12,830
Loans to employees under welfare program	-	43	123	131	-	-	297
<u>Financial liabilities</u>							
Borrowings from financial institutions	2,295	280	-	-	-	-	2,575
Payable to Clearing House	-	161	-	-	-	-	161
Securities and Derivatives business payables	191	2,729	-	-	-	-	2,920
Derivative liabilities	-	8	-	-	-	-	8
Debt issued and borrowings	-	2,947	-	-	-	-	2,947
Liabilities under financial lease agreements	-	6	12	-	-	-	18

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2012						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing debts	Total
<u>Financial assets</u>							
Cash and cash equivalents	272	-	-	-	-	-	272
Deposits at financial institutions	-	3	-	-	-	-	3
Receivable from Clearing House	-	1,245	-	-	-	-	1,245
Securities and derivatives business receivables	82	2,779	-	-	8,776	247	11,884
Loans to employees under welfare program	-	43	122	124	-	-	289
<u>Financial liabilities</u>							
Borrowings from financial institutions	1,995	175	-	-	-	-	2,170
Payable to Clearing House	-	452	-	-	-	-	452
Securities and derivatives business payables	375	3,581	-	-	-	-	3,956
Derivative liabilities	-	24	-	-	-	-	24
Debt issued and borrowings	-	2,007	-	-	-	-	2,007
Liabilities under financial lease agreements	-	5	11	-	-	-	16

38.5 Fair value of financial instruments

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

a) Financial assets

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

b) Financial liabilities

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

As of 31 December 2013, there are no material differences between the book value of financial instruments and their fair value.

39. Discontinued operations

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

The operating results of subsidiary company, presented under the caption of "Loss from discontinued operations" in the consolidated statements of comprehensive income of the Company for the years ended 31 December 2013 and 2012, are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2013	2012
Fee and service incomes	793,100	2,579,290
Interest and dividend income	116,809	1,295,259
Other income	11,625	71,591
Total income	921,534	3,946,140
Finance cost	8,446	109,290
Fee and service expenses	271,271	1,086,825
Operating expenses	3,704,811	32,608,605
Total expenses	3,984,528	33,804,720
Loss from discontinued operations	(3,062,994)	(29,858,580)

	(Unit: Baht)	
	For the year ended 31 December	
	2013	2012
Earnings per share		
Basic earnings (loss) per share		
Loss from discontinued operations	(0.01)	(0.05)

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 February 2014.