

Maybank Kim Eng Securities (Thailand) Public
Company Limited
Report and interim financial statements
31 March 2014

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying statement of financial position of Maybank Kim Eng Securities (Thailand) Public Company Limited as at 31 March 2014, and the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 14 May 2014

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of Financial Position

As at 31 March 2014

		(Unit: Thousand Baht)	
	Note	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	2	444,431	872,971
Deposits at financial institutions	3	3,520	3,518
Receivables from Clearing House	4	1,233,201	318,690
Securities and derivatives business receivables	5	11,759,715	12,643,350
Investment	8	36,810	34,777
Loans to employees under welfare program		279,922	296,776
Equipment		227,316	221,453
Intangible assets		45,856	42,150
Property foreclosed		9,887	9,887
Deposits		44,234	44,090
Deferred tax assets		28,762	27,223
Other assets	9	360,052	170,087
Total assets		14,473,706	14,684,972

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

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of Financial Position (continued)

As at 31 March 2014

(Unit: Thousand Baht)

	Note	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Liabilities			
Borrowings from financial institutions	10	2,825,000	2,575,000
Payables to Clearing House		97,359	161,250
Securities and derivatives business payables	11	2,772,287	2,919,519
Derivatives liabilities	7	6,156	7,716
Debt issued and borrowings	12	2,675,384	2,946,828
Provisions	13	112,360	106,493
Income tax payable		166,951	133,795
Accrued expenses		313,582	518,110
Liabilities under financial lease agreements		17,123	18,318
Dividend payable		916	916
Other liabilities		83,039	21,343
Total liabilities		9,070,157	9,409,288
Shareholders' equity			
Share capital			
Registered			
572,250,000 ordinary shares of Baht 5 each		2,861,250	2,861,250
Issued and fully paid-up			
570,814,500 ordinary shares of Baht 5 each		2,854,072	2,854,072
Share premium		523,571	523,571
Premium on treasury shares		19,219	19,219
Retained earnings			
Appropriated - statutory reserve	16	286,125	286,125
Unappropriated		1,720,562	1,592,697
Total shareholders' equity		5,403,549	5,275,684
Total liabilities and shareholders' equity		14,473,706	14,684,972

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

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Directors
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(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited**Statement of comprehensive income****For the three-month period ended 31 March 2014**

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

	Note	2014	2013
Income			
Brokerage fee	17	476,181	1,324,007
Fee and service income		8,534	13,560
Gain on investments		1,050	5,075
Gain (loss) on derivatives		501	(4,025)
Interest and dividends		82,917	69,517
Interest on margin loans		131,010	165,595
Other income		6,704	47,660
Total income		706,897	1,621,389
Expenses			
Financial costs		89,553	105,821
Fee and service expenses		41,176	92,887
Operating expenses			
Personnel expenses		269,530	628,456
Premises and equipment expenses		80,335	81,238
Taxes and duties		7,345	8,034
Directors' remuneration (reversal)	18	3,000	(2,700)
Information and technology		8,074	6,599
Other expenses		47,583	40,914
Total operating expenses		415,867	762,541
Reversal of bad debt and doubtful accounts		(102)	(198)
Total expenses		546,494	961,051
Profit before income tax expenses		160,403	660,338
Income tax expenses	15	(32,538)	(121,340)
Profit for the periods		127,865	538,998
Other comprehensive income:			
Other comprehensive income for the periods		-	-
Total comprehensive income for the periods		127,865	538,998
Earnings per share			
Basic earnings per share	19	0.22	0.94

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

(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited

Cash flow statement

For the three-month period ended 31 March 2014

	(Unit: Thousand Baht)	
	2014	2013
Cash flows from operating activities		
Profit before income tax expenses	160,403	660,338
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	18,792	19,796
Amortisation of prepaid personal expenses	26,942	-
Reversal of bad debt and doubtful accounts	(102)	(198)
Unrealised (gains) losses on revaluation of investments	(1,479)	1,867
Unrealised (gains) losses on revaluation of derivatives liabilities	1,810	(1,705)
Unrealised (gains) losses on revaluation of foreign receivables and payables	(297)	706
(Gains) losses on sales and written-off of premises and equipment	(121)	(320)
Retirement benefit	5,867	5,867
Financial cost	89,298	105,568
Amortised interest expense of financial lease	255	253
Doubtful accounts - other receivables (reversal)	(30)	(60)
Interest income	(215,720)	(236,632)
Cash paid for interest	(70,770)	(78,750)
Cash paid for income tax	(921)	(1,427)
Profit from operating activities before changes in operating assets and liabilities	13,927	475,303
changes in operating assets and liabilities	13,927	475,303
Decrease (increase) in operating assets		
Deposits at financial institutions	(2)	(300,064)
Receivables from Clearing House	(914,214)	115,116
Securities and derivatives business receivables	879,718	(7,197,459)
Investments	(554)	18,931
Loans to employees under welfare program	16,854	1,255
Deposits	(144)	(221)
Other assets	(114,746)	(14,668)
Increase (decrease) in operating liabilities		
Payables to Clearing House	(63,891)	267,276
Securities and derivatives business payables	(147,232)	3,043,551
Derivative liabilities	(3,370)	(12,838)
Accrued expenses	(275,541)	96,554
Other liabilities	61,695	70,512
Net cash flows used in operating activities	(547,500)	(3,436,752)

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

(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited

Cash flow statement (continued)

For the three-month period ended 31 March 2014

	(Unit: Thousand Baht)	
	2014	2013
Cash flows from investing activities		
Cash received from interest	218,625	232,752
Cash received from sale investment in subsidiary	-	50,693
Proceeds from disposals of equipment	126	504
Cash paid for purchases of equipment	(44,776)	(25,936)
Cash paid for purchases of intangible assets	(12,327)	(7,347)
Net cash flows from investing activities	161,648	250,666
Cash flows from financing activities		
Cash received from borrowings from financial institutions	16,635,000	24,597,500
Cash paid for borrowings form financial institutions	(16,385,000)	(23,567,500)
Cash received from foreign borrowings	-	4,999,551
Cash paid for foreign borrowings	-	(2,007,424)
Cash received from other borrowings	4,566,507	-
Cash paid for other borrowings	(4,858,000)	-
Cash paid on principal of long-term lease	(1,195)	(2,088)
Dividend paid	-	(166,314)
Net cash flows from financing activities	(42,688)	3,853,725
Net increase in cash and cash equivalents	(428,540)	667,639
Cash and cash equivalents as at 1 January	872,971	271,776
Cash and cash equivalents as at 31 March	444,431	939,415
	-	-

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

(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Share capital	Share premium	Premium on treasury shares	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2013	2,854,072	523,571	19,219	286,125	885,678	4,568,665
Total comprehensive income for the period	-	-	-	-	538,998	538,998
Dividend paid	-	-	-	-	(513,733)	(513,733)
Balance as at 31 March 2013	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>910,943</u>	<u>4,593,930</u>
Balance as at 1 January 2014	2,854,072	523,571	19,219	286,125	1,592,697	5,275,684
Total comprehensive income for the period	-	-	-	-	127,865	127,865
Balance as at 31 March 2014	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>1,720,562</u>	<u>5,403,549</u>
	-	-	-	-	-	-

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

Maybank Kim Eng Securities (Thailand) Public Company Limited

Notes to interim financial statements

For the three-month period ended 31 March 2014

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 25th Floor, Rama 1 Road, Pathumwan, Bangkok. As at 31 March 2014, the Company has 54 branches in Bangkok and upcountry (31 December 2013: 54 branches).

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2012) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements and the presentation of the financial statements has been made in compliance with requirement of the notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor. Kor. Nor. 53/2553 dated 15 December 2010.

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

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

1.2 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effects of these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company or do not have a significant impact on the financial statements

(b) Accounting standards that will become effective in the future

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company.

1.3 Change in accounting estimation

In the year 2014, the Company changed the estimated useful lives of computer systems and computer related equipment from 3 years to 5 years, in order to accord with the Group's estimated useful lives policy and the Company's estimated useful lives of these assets. The Company has applied the changes in estimated useful lives of assets prospectively.

The amounts affecting the statements of comprehensive income are summarised below.

	Profit after tax increase (decrease)	Earnings per share increase (decrease)
	(Thousand Baht)	(Baht per share)
For the three-month period ended 31 March 2014	5,836	0.01
Year 2014	18,797	0.03
Year 2015	7,659	0.01
Year 2016	(4,702)	(0.01)
Year 2017	(14,352)	(0.03)
Year 2018	(7,402)	(0.01)

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

2. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 March 2014	31 December 2013
Cash on hand	583	573
Current deposits and savings deposits	1,669,079	1,991,680
Fixed deposits	-	3,761,000
Promissory notes	-	-
Total cash and cash equivalents	1,669,662	5,753,253
Less: Cash deposits held for customers	(1,225,231)	(4,880,282)
Total cash and cash equivalents - net	<u>444,431</u>	<u>872,971</u>

3. Deposits at financial institutions

	(Unit: Thousand Baht)	
	31 March 2014	31 December 2013
	<u>Over 3 months - 1 year</u>	
Fixed deposits	9,561,019	6,300,017
Deposits with restriction	3,501	3,501
Total deposits at financial institutions	9,564,520	6,303,518
Less: Cash deposits held for customers	(9,561,000)	(6,300,000)
Total deposits at financial institutions - net	<u>3,520</u>	<u>3,518</u>

As at 31 March 2014, fixed deposits of Baht 4 million (31 December 2013: Baht 4 million) are pledged as collateral to local banks for letter of guarantees.

(Unaudited but reviewed)

4. Receivables from Clearing House

	(Unit: Thousand Baht)	
	31 March 2014	31 December 2013
Receivables from Clearing House	1,623,196	743,165
Receivables from foreign securities company	93,950	96,932
Less: Receivables from Clearing House held for customers	(483,945)	(521,407)
Total receivables from Clearing House - net	<u>1,233,201</u>	<u>318,690</u>

5. Securities and derivatives business receivables

	(Unit: Thousand Baht)	
	31 March 2014	31 December 2013
<u>Securities business receivables</u>		
Cash accounts	1,943,666	2,312,269
Credit balance accounts	9,513,714	10,119,922
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	-	-
- Securities borrowing receivables	256,645	152,222
Other receivables		
- Overdue customers' accounts	245,786	245,802
Total securities business receivables	<u>11,959,811</u>	<u>12,830,215</u>
Add: Accrued interest receivables	59,452	63,470
Less: Allowance for doubtful accounts	(259,670)	(259,702)
Securities business receivables and accrued interest receivables - net	<u>11,759,593</u>	<u>12,633,983</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	150	9,466
Less: Allowance for doubtful accounts	(28)	(99)
Derivatives business receivables - net	<u>122</u>	<u>9,367</u>
Total securities and derivatives business receivables - net	<u>11,759,715</u>	<u>12,643,350</u>

5.1 As at 31 March 2014, the Company had other receivables with book values totaling Baht 260 million from which it has ceased recognising income (31 December 2013: Baht 260 million).

(Unaudited but reviewed)

5.2 As at 31 March 2014 and 31 December 2013, the Company has classified securities business receivables and derivatives business receivables, in accordance with the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Thousand Baht)

	31 March 2014		
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	11,759,414	-	11,759,414
Sub-standard Debt	9,140	(8,839)	301
Doubtful Debt	250,859	(250,859)	-
Total	<u>12,019,413</u>	<u>(259,698)</u>	<u>11,759,715</u>

(Unit: Thousand Baht)

	31 December 2013		
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	12,643,065	-	12,643,065
Sub-standard Debt	9,124	(8,839)	285
Doubtful Debt	250,962	(250,962)	-
Total	<u>12,903,151</u>	<u>(259,801)</u>	<u>12,643,350</u>

6. Allowance for doubtful accounts

(Unit: Thousand Baht)

	For the three-month period ended 31 March 2014	For the year ended 31 December 2013
Balance - beginning of the period/year	259,801	261,533
Add: Doubtful accounts	-	2,914
Less: Reversal of doubtful accounts	(103)	(4,646)
Balance - end of the period/year	<u>259,698</u>	<u>259,801</u>

(Unaudited but reviewed)

7. Derivatives assets and derivatives liabilities

(Unit: Thousand Baht)

	31 March 2014			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
<u>Trading derivatives</u>				
Derivatives warrants	-	6,156	-	42,108
Total derivatives assets and derivatives liabilities	-	6,156	-	42,108

(Unit: Thousand Baht)

	31 December 2013			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
<u>Trading derivatives</u>				
Derivatives warrants	-	7,716	-	27,722
Total derivatives assets and derivatives liabilities	-	7,716	-	27,722

8. Investments

(Unit: Thousand Baht)

	31 March 2014		31 December 2013	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	19,669	19,681	19,115	17,648
Total	19,669		19,115	
Add (less): Allowance for revaluation	12		(1,467)	
Trading securities - net	19,681		17,648	
Held-to-maturity debt securities				
Government and state enterprise securities	-		300,412	
Less: investment on behalf of customer	-		(300,412)	
Net held-to maturity debt securities	-		-	
Other investments				
Other securities - ordinary shares	31,791		31,791	
Less: allowance for impairment	(14,662)		(14,662)	
Net other investments	17,129		17,129	
Total investments - net	36,810		34,777	

(Unaudited but reviewed)

8.1 Investments subject to restrictions

(Unit: Thousand Baht)

	31 March 2014		31 December 2013	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Securities placed with court for stay execution	7,622	14,385	7,622	13,569
Total	7,622	14,385	7,622	13,569

9. Other assets

(Unit: Thousand Baht)

	31 March 2014	31 December 2013
Clearing fund	90,555	88,619
Accrued income	41,276	49,786
Prepaid expenses	214,346	12,324
Others	13,875	19,358
Total	360,052	170,087

10. Borrowings from financial institutions

As at 31 March 2014 and 31 December 2013, borrowings from financial institutions comprising only domestic borrowing in Baht currency are classified as follows:

(Unit: Thousand Baht)

	Interest rate per annum (percent)	31 March 2014		
		Remaining period to maturity		Total
		At call	Within 1 year	
Financial institutions				
Promissory notes	2.25-2.70	2,825,000	-	2,825,000
Total borrowings from financial institutions		2,825,000	-	2,825,000

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

11. Securities and derivatives business payables

(Unit: Thousand Baht)

	31 March 2014	31 December 2013
Securities business payables - cash accounts	2,512,501	2,728,828
Payables under securities borrowing and lending business	259,786	153,600
Guarantee deposit payables	-	37,091
Total securities and derivatives business payables	2,772,287	2,919,519

12. Debt issued and borrowings

As at 31 March 2014 and 31 December 2013, debt issued and borrowings are classified as follows:

(Unit: Thousand Baht)

	31 March 2014			
	Interest rate per annum (percent)	Remaining period to maturity		Total
		At call	Within 1 year	
<u>Debt issued and borrowings</u>				
Debt issued - bill of exchange	2.75-3.25	-	2,675,384	2,675,384
Total debt issued and borrowings		-	2,675,384	2,675,384

(Unit: Thousand Baht)

	31 December 2013			
	Interest rate per annum (percent)	Remaining period to maturity		Total
		At call	Within 1 year	
<u>Debt issued and borrowings</u>				
Debt issued - bill of exchange	2.95-3.23	-	2,946,828	2,946,828
Total debt issued and borrowings		-	2,946,828	2,946,828

13. Provisions

(Unit: Thousand Baht)

	Obligations	Long-term employee benefits	Decommissio- ning	Total
Balance as at 1 January 2013	26,327	52,309	4,389	83,025
Increase during the year	-	23,468	-	23,468
Balance as at 31 December 2013	26,327	75,777	4,389	106,493
Increase during the period	-	5,867	-	5,867
Balance as at 31 March 2014	26,327	81,644	4,389	112,360

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

14. Provisions for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees’ retirement, as at 31 March 2014 and 31 December 2013, was as follows:

(Unit: Thousand Baht)

	31 March 2014	31 December 2013
Defined benefit obligation at beginning of period/year	98,317	86,119
Current service cost	3,049	12,198
Benefits paid during the period/year	-	-
Defined benefit obligation at end of period/year	101,366	98,317
Unrecognised transitional provisions	(19,722)	(22,540)
Provisions for long-term employee benefits at end of period/year	81,644	75,777

As at 31 March 2014, the Company recognised Baht 36 million of such long-term employee benefit liabilities and Baht 20 million remains unrecognised as a result of gradual recognition of liability in the transition period over the five-year period.

(Unaudited but reviewed)

Long-term employee benefit expenses included in the profit or loss for the three-month periods ended 31 March 2014 and 2013 was as follows:

	(Unit: Thousand Baht)	
	For the three -month periods ended	
	31 March	
	2014	2013
Current service cost	3,049	3,049
Transitional liability recognised during the periods	2,818	2,818
Total	5,867	5,867

The Company 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

15. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended	
	31 March	
	2014	2013
Current income tax:		
Interim corporate income tax charge	34,077	121,279
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,539)	61
Income tax expense reported in the statements of comprehensive income	32,538	121,340

16. 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. At present, the statutory reserve has fully been set aside.

17. Brokerage fee

(Unit: Thousand Baht)

For the three-month periods ended
31 March

	2014	2013
Brokerage fee from securities business	425,974	1,249,059
Brokerage fee from derivatives business	50,207	74,948
Total brokerage fee	<u>476,181</u>	<u>1,324,007</u>

18. Directors' remuneration

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

19. Earnings per share

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

20. Related party transactions

During the three-month periods ended 31 March 2014 and 2013, 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
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

(Unaudited but reviewed)

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

(Unit: Million Baht)

	For the three-month periods		Pricing policies
	ended 31 March		
	2014	2013	
<u>Transactions with related parties</u>			
<u>Rental and service income</u>			
			In accordance with service agreements
Maybank Asset Management (Thailand) Co., Ltd.	0.2	0.2	
<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.	9	16	
Maybank Kim Eng Securities (Hong Kong) Limited	0.4	1	
<u>Fee and service expenses</u>			
			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	0.1	-	
<u>Brokerage expenses</u>			
			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	0.4	4	
<u>Rental expenses</u>			
			In accordance with agreement
Maybank Asset Management (Thailand) Co., Ltd.	0.2	-	
<u>Interest expenses on borrowings</u>			
			In accordance with borrowings agreement
Maybank Kim Eng Holdings Limited	-	24	
<u>Consulting service fee</u>			
			In accordance with service agreements
Maybank Kim Eng Securities Pte. Ltd.	1	1	
<u>Dividend paid</u>			
			As declared
Maybank Kim Eng Holdings Limited	-	428	
Maybank Kim Eng Investment Limited	-	1	

(Unaudited but reviewed)

As at 31 March 2014 and 31 December 2013, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

(Unit: Million Baht)

	31 March 2014	31 December 2013	Pricing Policies
<u>Related company</u>			
<u>Other receivables</u>			No interest charged
Maybank Asset Management (Thailand) Co., Ltd.	0.1	0.3	
<u>Securities business receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	257	65	
Kim Eng Securities (Hong Kong) Limited	9	3	
<u>Foreign securities company receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	4	10	
<u>Foreign deposits receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	90	87	
<u>Securities business payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	178	394	
Kim Eng Securities (Hong Kong) Limited	2	27	
<u>Foreign securities company payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	7	12	
<u>Accrued consulting fee</u>			In accordance with service agreement
Kim Eng Securities (Hong Kong) Limited	-	5	

As at 31 March 2014, Maybank Kim Eng Holdings Ltd. guaranteed the overdraft facilities amounting to Baht 330 million (31 December 2013: Baht 330 million). There is no overdraft outstanding balance as at 31 March 2014.

As at 31 March 2014, the Company had loans to employees under welfare program amounting to Baht 280 million. The loans charged interest at rate of 2.12, 2.80 percent per annum (31 December 2013: Baht 297 million, interest at rate 2.52, 2.90 percent per annum).

Management's remuneration

During the three-month periods ended 31 March 2014 and 2013, benefits paid to management of the Company both monetary and non-monetary, which presented as part of "Personnel expenses", are as follows:

(Unit: Thousand Baht)

For the three-month periods ended
31 March

	2014	2013
Management's remuneration		
Short-term employee benefits	41,188	141,737
Post-employment benefits	1,122	1,122
	<u>42,310</u>	<u>142,859</u>

21. Segment information

The Company is organised into business units based on its products and services. During the current period, the Company has not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company's operating segments for the three-month periods ended 31 March 2014 and 2013, respectively.

(Unit: Million Baht)

	Securities		Total segments
	business segment	Investment banking segment	
For the three-month period ended 31 March 2014			
Income			
External customers			
Brokerage fee	476	-	476
Fee and service income	7	2	9
Interest on deposit and margin loans	214	-	214
Other income	8	-	8
Total income	705	2	707
Expenses			
Financial cost			89
Fee and service expenses			41
Personnel expenses			270
Other expenses			146
Total expenses			546
Profit before income tax expenses			161
Income tax expenses			(33)
Profit for the period			128

(Unaudited but reviewed)

(Unit: Million Baht)

	Securities		Total segments
	business segment	Investment banking segment	
For the three-month period ended 31 March 2013			
Income			
External customers			
Brokerage fee	1,320	4	1,324
Fee and service income	6	7	13
Interest on deposit and margin loans	235	-	235
Other income	48	1	49
Total income	1,609	12	1,621
Expenses			
Financial cost			106
Fee and service expenses			93
Personnel expenses			628
Other expenses			134
Total expenses			961
Profit before income tax expenses			660
Income tax expenses			(121)
Profit for the period			539

The following table presents segment assets of the Company's operating segments as at 31 March 2014 and 31 December 2013:

(Unit: Million Baht)

Segment assets	Securities	Investment	Total Segments	Unallocated assets	Consolidated
	business segment	banking segment			
At 31 March 2014	13,148	4	13,152	1,322	14,474
At 31 December 2013	13,114	4	13,118	1,567	14,685

22. Commitments and contingent liabilities

Significant contingent liabilities are as follows:

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

(Unit: Million Baht)

	31 March 2014	31 December 2013
Payable:		
In up to 1 year	89	91
In over 1 and up to 5 years	100	115

(Unaudited but reviewed)

- 2) As at 31 March 2014 and 31 December 2013, future minimum lease payments required under the finance lease agreements are as follows:

(Unit: Million Baht)

	31 March 2014		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	7	12	19
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	<u>6</u>	<u>11</u>	<u>17</u>

(Unit: Million Baht)

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

23. Event after the reporting period

The Annual General Meeting of the shareholders held on 2 April 2014 passed a resolution approving a dividend payment of Baht 2.13 per share, or a total of Baht 1,216 million. The dividend has been paid on 18 April 2014. Dividend payment will be recorded in the 2nd quarter 2014.

24. Approval of interim financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 May 2014.