

Maybank Kim Eng Securities (Thailand) Public
Company Limited
Report and interim financial statements
30 September 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 30 September 2014, and the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014 and changes in shareholders' equity and cash flows for the nine-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

Bangkok:

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of Financial Position

As at 30 September 2014

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2014</u>	<u>31 December 2013</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	2	187,080	872,971
Deposits at financial institutions	3	3,521	3,518
Receivables from Clearing House	4	510,235	318,690
Securities and derivatives business receivables	5	20,502,923	12,643,350
Investment	8	124,330	34,777
Loans to employees under welfare program		287,781	296,776
Equipment		268,198	221,453
Intangible assets		47,425	42,150
Property foreclosed		9,887	9,887
Deposits		45,761	44,090
Deferred tax assets		34,115	27,223
Other assets	9	388,863	170,087
Total assets		<u>22,410,119</u>	<u>14,684,972</u>

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 30 September 2014

(Unit: Thousand Baht)

	Note	30 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Liabilities and shareholders' equity			
Liabilities			
Borrowings from financial institutions	10	5,501,000	2,575,000
Payables to Clearing House		44,161	161,250
Securities and derivatives business payables	11	5,640,332	2,919,519
Derivatives liabilities	7	31,322	7,716
Debt issued and borrowings	12	5,968,246	2,946,828
Provisions	13	138,940	106,493
Income tax payable		98,371	133,795
Accrued expenses		531,412	518,110
Liabilities under financial lease agreements		18,175	18,318
Dividend payable		916	916
Other liabilities		88,231	21,343
Total liabilities		18,061,106	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	15	286,125	286,125
Unappropriated		666,026	1,592,697
Total shareholders' equity		4,349,013	5,275,684
Total liabilities and shareholders' equity		22,410,119	14,684,972
		-	-

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

(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 September 2014

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

	Note	2014	2013
Profit or loss:			
Income			
Brokerage fee	16	991,760	749,565
Fee and service income		93,487	11,323
Gain (loss) on investments		7,314	(93,763)
Gain (loss) on derivatives		(2,641)	100,316
Interest and dividends		72,612	91,198
Interest on margin loans		169,263	143,810
Other income		8,793	9,757
Total income		1,340,588	1,012,206
Expenses			
Financial costs		111,875	113,795
Fee and service expenses		72,000	59,935
Operating expenses			
Personnel expenses	21	527,658	379,186
Premises and equipment expenses		91,889	85,207
Taxes and duties		8,066	7,324
Directors' remuneration	17	3,000	2,500
Information and technology		8,124	7,800
Other expenses		33,060	33,830
Total operating expenses		671,797	515,847
Bad debt and doubtful accounts (reversal)		43	(199)
Total expenses		855,715	689,378
Profit before income tax expenses		484,873	322,828
Income tax expenses	18	(99,665)	(66,761)
Profit for the periods		385,208	256,067
Other comprehensive income:			
Other comprehensive income for the periods		-	-
Total comprehensive income for the periods		385,208	256,067
Earnings per share			
Basic earnings per share			
Profit for the period	19	0.67	0.45

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

(Unaudited but reviewed)

Maybank Kim Eng Securities (Thailand) Public Company Limited**Statement of comprehensive income****For the nine-month period ended 30 September 2014**

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

	Note	2014	2013
Profit or loss:			
Income			
Brokerage fee	16	2,122,261	3,075,417
Fee and service income		171,200	58,958
Gain (loss) on investments		9,422	(155,052)
Gain (loss) on derivatives		(2,236)	163,922
Interest and dividends		232,852	244,984
Interest on margin loans		432,868	484,759
Other income		23,950	69,864
Total income		2,990,317	3,942,852
Expenses			
Financial costs		293,775	353,908
Fee and service expenses		166,244	229,121
Operating expenses			
Personnel expenses	21	1,191,148	1,502,525
Premises and equipment expenses		258,136	252,329
Taxes and duties		22,395	23,688
Directors' remuneration	17	9,000	2,300
Information and technology		24,128	21,595
Other expenses		108,963	117,226
Total operating expenses		1,613,770	1,919,663
Reversal of bad debt and doubtful accounts		(59)	(94)
Total expenses		2,073,730	2,502,598
Profit before income tax expenses		916,587	1,440,254
Income tax expenses	18	(187,582)	(294,381)
Profit for the periods		729,005	1,145,873
Other comprehensive income (loss):			
Actuarial lossess on defined benefit plans	14	(14,662)	-
Income tax relating to components of other comprehensive income (loss)		2,932	-
Other comprehensive income (loss) for the periods		(11,730)	-
Total comprehensive income for the periods		717,275	1,145,873
Earnings per share			
Basic earnings per share			
Profit for the period	19	1.28	2.01

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 nine-month period ended 30 September 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	-	-	-	-	1,145,873	1,145,873
Dividend paid (Note 20)	-	-	-	-	(713,518)	(713,518)
Balance as at 30 September 2013	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>1,318,033</u>	<u>5,001,020</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	-	-	-	-	717,275	717,275
Dividend paid (Note 20)	-	-	-	-	(1,643,946)	(1,643,946)
Balance as at 30 September 2014	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>666,026</u>	<u>4,349,013</u>
	-	-	-	-	-	-

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 nine-month period ended 30 September 2014

	(Unit: Thousand Baht)	
	2014	2013
Cash flows from operating activities		
Profit before income tax expenses	916,587	1,440,254
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	64,453	62,854
Amortisation of prepaid personal expenses	80,701	-
Reversal of bad debt and doubtful accounts	(59)	(94)
Unrealised losses on revaluation of investments	469	2,219
Unrealised (gains) losses on revaluation of derivatives liabilities	497	(1,349)
Unrealised (gains) losses on revaluation of foreign receivables and payables	(540)	2,532
Gains on sales and written-off of premises and equipment	(262)	(1,667)
Retirement benefit	19,870	17,600
Financial cost	293,051	353,082
Amortised interest expense of financial lease	724	826
Reversal of doubtful accounts - other receivables	(30)	(60)
Interest income	(668,918)	(734,752)
Cash paid for interest	(221,220)	(325,638)
Cash paid for income tax	(226,965)	(353,245)
Profit from operating activities before changes in operating assets and liabilities	258,358	462,562
Decrease (increase) in operating assets		
Deposits at financial institutions	(3)	(67)
Receivables from Clearing House	(191,005)	1,002,793
Securities and derivatives business receivables	(7,846,993)	(2,452,200)
Investments	(90,022)	27,036
Loans to employees under welfare program	8,995	(4,123)
Deposits	(1,671)	(3,002)
Other assets	(295,426)	(25,121)
Increase (decrease) in operating liabilities		
Payables to Clearing House	(117,089)	775,134
Securities and derivatives business payables	2,720,813	(1,408,776)
Derivative liabilities	23,109	(13,257)
Accrued expenses	44,895	129,040
Other liabilities	66,888	21,121
Net cash flows used in operating activities	(5,419,151)	(1,488,860)

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 nine-month period ended 30 September 2014

	(Unit: Thousand Baht)	
	2014	2013
Cash flows from investing activities		
Cash received from interest	654,060	736,688
Cash received from sale investment in subsidiary	-	50,693
Proceeds from disposals of equipment	374	2,372
Cash paid for purchases of equipment	(127,547)	(83,601)
Proceeds from disposals of intangible assets	3	-
Cash paid for purchases of intangible assets	(20,734)	(11,207)
Net cash flows from investing activities	506,156	694,945
Cash flows from financing activities		
Cash received from borrowings from financial institutions	57,868,000	83,741,000
Cash paid for borrowings form financial institutions	(54,942,000)	(81,896,000)
Cash received from foreign borrowings	-	11,971,302
Cash paid for foreign borrowings	-	(12,007,424)
Cash received from other borrowings	14,731,717	-
Cash paid for other borrowings	(11,783,000)	-
Cash paid on principal of long-term lease	(3,667)	(4,432)
Dividend paid	(1,643,946)	(879,832)
Net cash flows from financing activities	4,227,104	924,614
Net increase (decrease) in cash and cash equivalents	(685,891)	130,699
Cash and cash equivalents as at 1 January	872,971	271,776
Cash and cash equivalents as at 30 September	187,080	402,475
	-	

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 nine-month period ended 30 September 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 30 September 2014, the Company has 55 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. SorThor/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 30 September 2014	4,292	0.01
For the nine-month period ended 30 September 2014	15,302	0.03
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)	
	<u>30 September 2014</u>	<u>31 December 2013</u>
Cash on hand	588	573
Current deposits and savings deposits	2,389,540	1,991,680
Fixed deposits - certificate of deposit	-	3,761,000
Promissory notes	-	-
Total cash and cash equivalents	<u>2,390,128</u>	<u>5,753,253</u>
Less: Cash deposits held for customers	<u>(2,203,048)</u>	<u>(4,880,282)</u>
Total cash and cash equivalents - net	<u>187,080</u>	<u>872,971</u>

3. Deposits at financial institutions

	(Unit: Thousand Baht)	
	<u>30 September 2014</u>	<u>31 December 2013</u>
	<u>Over 3 months - 1 year</u>	
Fixed deposits	9,566,858	6,300,017
Deposits with restriction	<u>1,663</u>	<u>3,501</u>
Total deposits at financial institutions	9,568,521	6,303,518
Less: Cash deposits held for customers	<u>(9,565,000)</u>	<u>(6,300,000)</u>
Total deposits at financial institutions - net	<u>3,521</u>	<u>3,518</u>

As at 30 September 2014, fixed deposits of Baht 1.66 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)	
	30 September 2014	31 December 2013
Receivables from Clearing House	995,170	743,165
Receivables from foreign securities company	267,905	96,932
Less: Receivables from Clearing House held for customers	(752,840)	(521,407)
Total receivables from Clearing House - net	<u>510,235</u>	<u>318,690</u>

5. Securities and derivatives business receivables

	(Unit: Thousand Baht)	
	30 September 2014	31 December 2013
<u>Securities business receivables</u>		
Cash accounts	5,739,395	2,312,269
Credit balance accounts	14,469,857	10,119,922
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	19,780	-
- Securities borrowing receivables	209,100	152,222
Other receivables		
- Overdue customers' accounts	245,789	245,802
Total securities business receivables	20,683,921	12,830,215
Add: Accrued interest receivables	75,992	63,470
Less: Allowance for doubtful accounts	(259,632)	(259,702)
Securities business receivables and accrued interest receivables - net	<u>20,500,281</u>	<u>12,633,983</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	2,752	9,466
Less: Allowance for doubtful accounts	(110)	(99)
Derivatives business receivables - net	<u>2,642</u>	<u>9,367</u>
Total securities and derivatives business receivables - net	<u>20,502,923</u>	<u>12,643,350</u>

5.1 As at 30 September 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 30 September 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)

	30 September 2014		
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	20,502,581	-	20,502,581
Sub-standard Debt	9,181	(8,839)	342
Doubtful Debt	250,903	(250,903)	-
Total	<u>20,762,665</u>	<u>(259,742)</u>	<u>20,502,923</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 nine-month period ended 30 September 2014	For the year ended 31 December 2013
Balance - beginning of the period/year	259,801	261,533
Add: Doubtful accounts	97	2,914
Less: Reversal of doubtful accounts	(156)	(4,646)
Balance - end of the period/year	<u>259,742</u>	<u>259,801</u>

(Unaudited but reviewed)

7. Derivatives assets and derivatives liabilities

(Unit: Thousand Baht)

	30 September 2014			
	Fair value		Notional amount	
	Assets	Liabilities	Assets	Liabilities
<u>Trading derivatives</u>				
Derivatives warrants	-	31,322	-	171,673
Total derivatives assets and derivatives liabilities	-	31,322	-	171,673

(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)

	30 September 2014		31 December 2013	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	108,125	106,189	19,115	17,648
Total	108,125		19,115	
Less: Allowance for revaluation	(1,936)		(1,467)	
Trading securities - net	106,189		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	32,804		31,791	
Less: allowance for impairment	(14,663)		(14,662)	
Net other investments	18,141		17,129	
Total investments - net	124,330		34,777	

(Unaudited but reviewed)

8.1 Investments subject to restrictions

(Unit: Thousand Baht)

	30 September 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	16,958	7,622
Total	7,622	16,958	7,622	13,569

9. Other assets

(Unit: Thousand Baht)

	30 September 2014	31 December 2013
Clearing fund	96,247	88,619
Accrued income	121,099	49,786
Prepaid expenses	155,554	12,324
Others	15,963	19,358
Total	388,863	170,087

10. Borrowings from financial institutions

As at 30 September 2014 and 31 December 2013, borrowings from financial institutions comprising only domestic borrowing in Baht currency are classified as follows:

(Unit: Thousand Baht)

	30 September 2014			
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Within 1 year	Total
Financial institutions				
Promissory notes	2.30 - 3.98	5,201,000	300,000	5,501,000
Total borrowings from financial institutions		5,201,000	300,000	5,501,000

(Unit: Thousand Baht)

	31 December 2013			
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Within 1 year	Total
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)

	30 September 2014	31 December 2013
Securities business payables - cash accounts	5,408,300	2,728,828
Payables under securities borrowing and lending business	215,132	153,600
Guarantee deposit payables	16,900	37,091
Total securities and derivatives business payables	<u>5,640,332</u>	<u>2,919,519</u>

12. Debt issued and borrowings

As at 30 September 2014 and 31 December 2013, debt issued and borrowings are classified as follows:

(Unit: Thousand Baht)

	Interest rate per annum (percent)	30 September 2014		
		Remaining period to maturity		
		At call	Within 1 year	Total
<u>Debt issued and borrowings</u>				
Debt issued - bill of exchange	2.55 - 2.92	-	5,968,246	5,968,246
Total debt issued and borrowings		-	<u>5,968,246</u>	<u>5,968,246</u>

(Unit: Thousand Baht)

	Interest rate per annum (percent)	31 December 2013		
		Remaining period to maturity		
		At call	Within 1 year	Total
<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		-	<u>2,946,828</u>	<u>2,946,828</u>

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	-	32,447	-	32,447
Balance as at 30 September 2014	26,327	108,224	4,389	138,940

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 30 September 2014 and 31 December 2013, was as follows:

(Unit: Thousand Baht)

	30 September 2014	31 December 2013
Defined benefit obligation at beginning of period/year	98,317	86,119
Current service cost	8,385	12,198
Interest cost	3,032	-
Benefits paid during the period/year	(2,085)	-
Actuarial losses	14,662	-
Defined benefit obligation at end of period/year	122,311	98,317
Unrecognised transitional provisions	(14,087)	(22,540)
Provisions for long-term employee benefits at end of period/year	108,224	75,777

As at 30 September 2014, the Company recognised Baht 42 million of such long-term employee benefit liabilities and Baht 14 million remains recognised 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 and nine-month periods ended 30 September 2014 and 2013 was as follows:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Current service cost	2,795	3,049	8,385	9,148
Interest cost	1,011	-	3,032	-
Transitional liability recognised during the periods	2,817	2,818	8,453	8,453
Total	6,623	5,867	19,870	17,601

The Company recognised these expenses in operating expenses.

The cumulative amount of actuarial losses recognised in other comprehensive income and taken as part of retained earnings of the Company as at 30 September 2014 amounted to Baht 15 million.

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

	30 September 2014	31 December 2013
	(% per annum)	(% per annum)
Discount rate	4	4
Average future salary increase	5	4
Average turnover rate	0 - 15	0 - 15

15. 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.

(Unaudited but reviewed)

16. Brokerage fee

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
	Brokerage fee from securities business	953,754	685,108	1,993,992
Brokerage fee from derivatives business	38,006	64,457	128,269	218,382
Total brokerage fee	<u>991,760</u>	<u>749,565</u>	<u>2,122,261</u>	<u>3,075,417</u>

17. 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.

18. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
	Current income tax:			
Interim corporate income tax charge	100,671	68,792	186,395	286,189
Adjustment of income tax expense of previous year	-	-	5,146	2,506
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,006)	(2,031)	(3,959)	5,686
Income tax expense reported in profit or loss	<u>99,665</u>	<u>66,761</u>	<u>187,582</u>	<u>294,381</u>

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. Dividends

During the nine-month periods ended 30 September 2014 and 2013, the payment of dividend is as follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for the operating result as from 1 January 2014 to 30 June 2014	Board of Directors' Meeting on 13 August 2014	428	0.75
Dividends for the operating result as from 1 July 2013 to 31 December 2013	Annual General Meeting of the shareholders on 2 April 2014	1,216	2.13
Dividend paid for the nine-month period ended 30 September 2014		1,644	2.88
Interim dividends for the operating result as from 1 January 2013 to 30 June 2013	Board of Directors' Meeting on 14 August 2013	200	0.35
Dividends for the operating result as from 1 July 2012 to 31 December 2012	Annual General Meeting of the shareholders on 26 March 2013	514	0.90
Dividend paid for the nine-month period ended 30 September 2013		714	1.25

21. Related party transactions

During the three-month and nine-month periods ended 30 September 2014 and 2013, the Company had significant business transactions with the following related parties.

<u>Company's name and related person</u>	<u>Relationship</u>
Maybank Kim Eng Holdings Limited	Parent company
Maybank 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 Kim Eng Securities Limited	Fellow subsidiary

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

(Unit: Million Baht)

	For the three-month		For the nine-month		Pricing policies
	periods ended		periods ended		
	30 September		30 September		
	2014	2013	2014	2013	
<u>Transactions with related parties</u>					
<u>Rental and service income</u>					
Maybank Asset Management (Thailand) Co., Ltd.	0.2	0.8	0.7	1	In accordance with service agreements
<u>Brokerage fee income</u>					
Maybank Kim Eng Securities Pte. Ltd.	24	14	46	45	At normal rate charged to other clients, in accordance with SET's and SEC's notification
Kim Eng Securities (Hong Kong) Limited	0.4	1	2	4	
<u>Fee and service expenses</u>					
Maybank Kim Eng Securities Pte. Ltd.	0.4	-	1	2	In accordance with agreement
<u>Brokerage expenses</u>					
Maybank Kim Eng Securities Pte. Ltd.	0.7	1	2	2	In accordance with agreement
Maybank Kim Eng Securities Limited	0.3	-	0.3	-	
<u>Rental expenses</u>					
Maybank Asset Management (Thailand) Co., Ltd.	0.2	0.2	0.7	0.6	In accordance with agreement
<u>Interest expenses on borrowings</u>					
Maybank Kim Eng Holdings Limited	-	2	-	54	In accordance with borrowings agreement
<u>Consulting service fee</u>					
Maybank Kim Eng Securities Pte. Ltd.	-	1	1	2	In accordance with service agreements
<u>Dividend paid</u>					
Maybank Kim Eng Holdings Limited	356	166	1,369	594	As declared
Maybank Kim Eng Investment Limited	1	1	4	2	

(Unaudited but reviewed)

As at 30 September 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)

	30 September 2014	31 December 2013	Pricing Policies
<u>Related company</u>			
<u>Other receivables</u>			No interest charged
Maybank Asset Management (Thailand) Co., Ltd.	0.2	0.3	
<u>Securities business receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	49	65	
Kim Eng Securities (Hong Kong) Limited	52	3	
<u>Foreign securities company receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	6	10	
<u>Foreign deposits receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	262	87	
<u>Prepaid consulting fee</u>			
Maybank Kim Eng Securities Pte. Ltd.	-	1	In accordance with service agreement
<u>Securities business payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	317	394	
Kim Eng Securities (Hong Kong) Limited	4	27	
<u>Foreign securities company payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	33	12	
<u>Accrued consulting fee</u>			In accordance with service agreement
Kim Eng Securities (Hong Kong) Limited	-	5	

As at 30 September 2014, Maybank Kim Eng Holdings Ltd. guaranteed the overdraft facilities amounting to Baht 30 million (31 December 2013: Baht 30 million). There is no overdraft outstanding balance as at 30 September 2014.

As at 30 September 2014, the Company had loans to employees under welfare program amounting to Baht 288 million. The loans charged interest at rate of 1.72, 2.65 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 and nine-month periods ended 30 September 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		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Management's remuneration				
Short-term employee benefits	59,758	(21,867)	178,303	225,781
Post-employment benefits	1,455	1,122	4,366	3,365
	<u>61,213</u>	<u>(20,745)</u>	<u>182,669</u>	<u>229,146</u>

22. 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 nine-month periods ended 30 September 2014 and 2013, respectively.

(Unit: Million Baht)

	Securities		Total segments
	business segment	Investment banking segment	
For the nine-month period ended 30 September 2014			
Income			
External customers			
Brokerage fee	2,120	2	2,122
Fee and service income	17	154	171
Interest on deposit and margin loans	666	-	666
Other income	31	-	31
Total income	<u>2,834</u>	<u>156</u>	<u>2,990</u>
Expenses			
Financial cost			294
Fee and service expenses			166
Personnel expenses			1,191
Other expenses			422
Total expenses			<u>2,073</u>
Profit before income tax expenses			917
Income tax expenses			(188)
Profit for the period			<u>729</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Securities		Total segments
	business segment	Investment banking segment	
For the nine-month period ended 30 September 2013			
Income			
External customers			
Brokerage fee	3,072	4	3,076
Fee and service income	16	43	59
Interest on deposit and margin loans	730	-	730
Other income	77	1	78
Total income	3,895	48	3,943
Expenses			
Financial cost			354
Fee and service expenses			229
Personnel expenses			1,503
Other expenses			417
Total expenses			2,503
Profit before income tax expenses			1,440
Income tax expenses			(294)
Profit for the period			1,146

The following table presents segment assets of the Company's operating segments as at 30 September 2014 and 31 December 2013:

(Unit: Million Baht)

Segment assets	Securities	Investment	Total Segments	Unallocated assets	Total
	business segment	banking segment			
At 30 September 2014	21,196	3	21,199	1,211	22,410
At 31 December 2013	13,114	4	13,118	1,567	14,685

23. 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)

	30 September 2014	31 December 2013
Payable:		
In up to 1 year	85	91
In over 1 and up to 5 years	84	115

(Unaudited but reviewed)

- 2) As at 30 September 2014 and 31 December 2013, future minimum lease payments required under the finance lease agreements are as follows:

(Unit: Million Baht)

	30 September 2014		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	8	12	20
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	<u>7</u>	<u>11</u>	<u>18</u>

(Unit: Million Baht)

	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	<u>6</u>	<u>12</u>	<u>18</u>

24. Approval of interim financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 12 November 2014