

Maybank Kim Eng Securities (Thailand) Public  
Company Limited  
Report and interim financial statements  
30 September 2015

## **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 2015, and the related statements of comprehensive income for the three-month and nine month periods ended 30 September 2015, 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: 16 November 2015

**Maybank Kim Eng Securities (Thailand) Public Company Limited**

**Statement of Financial Position**

**As at 30 September 2015**

(Unit: Thousand Baht)

	Note	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	2	2,486,436	249,174
Deposits at financial institutions	3	3,524	3,522
Receivables from Clearing House	4	860,866	3,155,813
Securities and derivatives business receivables	5	16,096,108	15,746,287
Investments	8	145,996	405,768
Loans to employees under welfare program		319,047	312,027
Equipment		251,214	274,035
Intangible assets		49,463	53,378
Property foreclosed		15,887	9,887
Deposits		47,719	46,470
Deferred tax assets		41,948	29,874
Other assets	9	292,930	326,617
<b>Total assets</b>		<b>20,611,138</b>	<b>20,612,852</b>

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 2015**

(Unit: Thousand Baht)

	Note	30 September 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Borrowings from financial institutions	10	4,130,000	3,334,000
Payables to Clearing House		6,076	2,223
Securities and derivatives business payables	11	4,775,012	4,989,075
Derivatives liabilities	7	5,729	22,051
Debt issued and other borrowings	12	6,389,026	6,334,718
Provisions	13	168,080	143,644
Income tax payable		51,099	225,998
Accrued expenses		376,741	584,486
Liabilities under financial lease agreements		18,718	15,053
Dividend payable		916	916
Other liabilities		93,805	76,456
<b>Total liabilities</b>		<b>16,015,202</b>	<b>15,728,620</b>
<b>Shareholders' equity</b>			
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		912,949	1,201,245
<b>Total shareholders' equity</b>		<b>4,595,936</b>	<b>4,884,232</b>
<b>Total liabilities and shareholders' equity</b>		<b>20,611,138</b>	<b>20,612,852</b>
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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 30 September 2015**

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

	Note	2015	2014
<b>Profit or loss:</b>			
<b>Income</b>			
Brokerage fees	16	617,647	993,293
Fees and service income		13,125	91,954
Gain (loss) on investments		(2,349)	7,314
Gain (loss) on derivatives		15,338	(2,641)
Interest and dividends		80,959	72,612
Interest on credit balance accounts		169,816	169,263
Other income		5,116	8,793
<b>Total income</b>		<b>899,652</b>	<b>1,340,588</b>
<b>Expenses</b>			
Financial costs		115,676	111,875
Fees and service expenses		52,742	72,000
Operating expenses			
Personnel expenses	21	342,876	527,658
Premises and equipment expenses		89,318	91,889
Taxes and duties		8,362	8,066
Directors' remuneration	17	2,550	3,000
Other expenses		35,547	41,184
Total operating expenses		478,653	671,797
Bad debt and doubtful accounts		80	43
<b>Total expenses</b>		<b>647,151</b>	<b>855,715</b>
<b>Profit before income tax expenses</b>		<b>252,501</b>	<b>484,873</b>
Income tax expenses	18	(52,641)	(99,665)
<b>Profit for the period</b>		<b>199,860</b>	<b>385,208</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>199,860</b>	<b>385,208</b>
<b>Earnings per share</b>			
Basic earnings per share	19	0.35	0.67

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 2015**

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

	Note	2015	2014
<b>Profit or loss:</b>			
<b>Income</b>			
Brokerage fees	16	2,074,971	2,126,876
Fees and service income		141,144	166,585
Gain on investments		11,400	9,422
Gain (loss) on derivatives		12,843	(2,236)
Interest and dividends		262,836	232,852
Interest on credit balance accounts		526,790	432,868
Other income		42,806	23,950
<b>Total income</b>		<b>3,072,790</b>	<b>2,990,317</b>
<b>Expenses</b>			
Financial costs		380,448	293,775
Fees and service expenses		169,618	166,244
Operating expenses			
Personnel expenses	21	1,082,533	1,191,148
Premises and equipment expenses		268,704	258,136
Taxes and duties		26,467	22,395
Directors' remuneration	17	6,310	9,000
Other expenses		139,043	133,091
Total operating expenses		1,523,057	1,613,770
Reversal of bad debt and doubtful accounts		(451)	(59)
<b>Total expenses</b>		<b>2,072,672</b>	<b>2,073,730</b>
<b>Profit before income tax expenses</b>		<b>1,000,118</b>	<b>916,587</b>
Income tax expenses	18	(203,867)	(187,582)
<b>Profit for the period</b>		<b>796,251</b>	<b>729,005</b>

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 (continued)**

**For the nine-month period ended 30 September 2015**

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

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss	14	-	(14,662)
Less: Income tax effect		-	2,932
Net other comprehensive income not to be reclassified to profit or loss in subsequent period		-	(11,730)
<b>Other comprehensive income for the period</b>		-	(11,730)
<b>Total comprehensive income for the period</b>		<u>796,251</u>	<u>717,275</u>
<b>Earnings per share</b>			
Basic earnings per share	19	<u>1.39</u>	<u>1.28</u>

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 2015**

(Unit: Thousand Baht)

	Share capital	Share premium	Premium on treasury shares	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2014</b>	2,854,072	523,571	19,219	286,125	1,592,697	5,275,684
Profit for the period	-	-	-	-	729,005	729,005
Other comprehensive income for the period	-	-	-	-	(11,730)	(11,730)
Total comprehensive income for the period	-	-	-	-	717,275	717,275
Dividend paid (Note 20)	-	-	-	-	(1,643,946)	(1,643,946)
<b>Balance as at 30 September 2014</b>	<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>
<b>Balance as at 1 January 2015</b>	2,854,072	523,571	19,219	286,125	1,201,245	4,884,232
Profit for the period	-	-	-	-	796,251	796,251
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	796,251	796,251
Dividend paid (Note 20)	-	-	-	-	(1,084,547)	(1,084,547)
<b>Balance as at 30 September 2015</b>	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>912,949</u>	<u>4,595,936</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 2015**

(Unit: Thousand Baht)

	2015	2014
<b>Cash flows from operating activities</b>		
Profit before income tax expenses	1,000,118	916,587
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	76,251	64,453
Amortisation of prepaid personal expenses	80,261	80,701
Reversal of bad debt and doubtful accounts	(451)	(59)
(Gain) loss on revaluation of investments	(32,693)	469
Unrealised (gain) loss on revaluation of derivatives liabilities	(42,351)	497
Unrealised gain on revaluation of foreign receivables and payables	(397)	(540)
(Gain) loss on sales and written-off of premises and equipment	138	(262)
Retirement benefit	26,059	19,870
Financial costs	379,595	293,051
Amortised interest expense of financial lease	853	724
Doubtful accounts - other receivables (reversal)	23,630	(30)
Interest income	(789,865)	(668,918)
Cash paid for interest	(309,481)	(221,220)
Cash paid for income tax	(390,840)	(226,965)
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>20,827</b>	<b>258,358</b>
(Increase) decrease in operating assets		
Deposits at financial institutions	(2)	(3)
Receivables from Clearing House	2,331,452	(191,005)
Securities and derivatives business receivables	(354,374)	(7,846,993)
Investments	276,067	(90,022)
Loans to employees under welfare program	(7,020)	8,995
Property foreclosed	(6,000)	-
Deposits	(1,249)	(1,671)
Other assets	(4,948)	(295,426)
Increase (decrease) in operating liabilities		
Payables to Clearing House	3,853	(117,089)
Securities and derivatives business payables	(197,665)	2,720,813
Derivative liabilities	(10,079)	23,109
Provisions	(1,623)	(2,085)
Accrued expenses	(204,349)	46,980
Other liabilities	17,349	66,888
<b>Net cash flows from (used in) operating activities</b>	<b>1,862,239</b>	<b>(5,419,151)</b>

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 2015**

	(Unit: Thousand Baht)	
	2015	2014
<b>Cash flows from investing activities</b>		
Cash received from interest	729,613	654,060
Proceeds from disposals of equipment	97	374
Cash paid for purchases of equipment	(32,812)	(127,547)
Proceeds from disposals of intangible assets	-	3
Cash paid for purchases of intangible assets	(6,818)	(20,734)
<b>Net cash flows from investing activities</b>	<b>690,080</b>	<b>506,156</b>
<b>Cash flows from financing activities</b>		
Cash received from borrowings from financial institutions	62,113,000	57,868,000
Cash paid for borrowings from financial institutions	(61,317,000)	(54,942,000)
Cash received from other borrowings	10,008,284	14,731,717
Cash paid for other borrowings	(10,030,000)	(11,783,000)
Cash paid on principal of long-term lease	(4,794)	(3,667)
Dividend paid	(1,084,547)	(1,643,946)
<b>Net cash flows from (used in) financing activities</b>	<b>(315,057)</b>	<b>4,227,104</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,237,262</b>	<b>(685,891)</b>
Cash and cash equivalents as at 1 January	249,174	872,971
<b>Cash and cash equivalents as at 30 September</b>	<b>2,486,436</b>	<b>187,080</b>

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 and nine-month periods ended 30 September 2015**

**1. General information**

**1.1 Corporate 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 Maybank IB Holdings Sdn Bhd, which is incorporated in Malaysia. The Company has licenses for securities business, which are securities brokerage, securities trading, underwriting, investment advisory, corporate finance advisory, securities registrar, derivatives brokerage and securities borrowing and lending.

The Company's registered office is located on 999/9 The Offices at Central World Building, 20th - 21st Floor, Rama 1 Road, Pathumwan, Bangkok. As at 30 September 2015, the Company has 58 branches in Bangkok and upcountry (31 December 2014: 57 branches).

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2014) "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 additional information 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 interim financial statements in Thai language.

### **1.3 New financial reporting standards**

#### **a. Financial reporting standards that became effective in the current period**

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

##### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognises actuarial gain and loss immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognised actuarial gain and loss immediately in other comprehensive income.

##### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

#### **b. Financial reporting standards issued during the period and not yet effective**

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

#### 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 2014, except for the changes in accounting policies as a result of adoption of revised and new standards, as discussed in Note 1.3 to the financial statements.

#### 2. Cash and cash equivalents

	(Unit: Thousand Baht)	
	30 September 2015	31 December 2014
Cash on hand	618	608
Current deposits and savings deposits	3,376,200	6,272,081
Total cash and cash equivalents	3,376,818	6,272,689
Less: Cash deposits held for customers	(890,382)	(6,023,515)
Total cash and cash equivalents - net	<u>2,486,436</u>	<u>249,174</u>

#### 3. Deposits at financial institutions

	(Unit: Thousand Baht)	
	30 September 2015	31 December 2014
	Over 3 months - 1 year	
Fixed deposits	13,110,003	9,226,003
Deposits with restriction	3,521	3,519
Total deposits at financial institutions	13,113,524	9,229,522
Less: Cash deposits held for customers	(13,110,000)	(9,226,000)
Total deposits at financial institutions - net	<u>3,524</u>	<u>3,522</u>

As at 30 September 2015, fixed deposits of Baht 4 million (31 December 2014: 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 2015	31 December 2014
Receivables from Clearing House	1,187,057	3,496,189
Receivables from foreign securities company	229,360	497,961
Less: Receivables from Clearing House held for customers	(555,551)	(838,337)
Total receivables from Clearing House - net	<u>860,866</u>	<u>3,155,813</u>

#### 5. Securities and derivatives business receivables

	(Unit: Thousand Baht)	
	30 September 2015	31 December 2014
<u>Securities business receivables</u>		
Cash accounts	3,222,619	2,551,023
Credit balance accounts	12,461,032	12,946,271
Receivables under securities borrowing and lending business		
- Guaranteed deposit receivables	110,638	15,755
- Securities borrowing receivables	246,179	168,413
Other receivables		
- Overdue customers' accounts	245,866	245,785
Total securities business receivables	<u>16,286,334</u>	<u>15,927,247</u>
Add: Accrued interest receivables	69,337	74,341
Less: Allowance for doubtful accounts	(259,631)	(259,640)
Securities business receivables and accrued interest receivables - net	<u>16,096,040</u>	<u>15,741,948</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	85	4,798
Less: Allowance for doubtful accounts	(17)	(459)
Derivatives business receivables - net	<u>68</u>	<u>4,339</u>
Total securities and derivatives business receivables - net	<u>16,096,108</u>	<u>15,746,287</u>

5.1 As at 30 September 2015, the Company had other receivables with book values totaling Baht 260 million from which it has ceased recognising income (31 December 2014: Baht 260 million).

(Unaudited but reviewed)

**5.2** As at 30 September 2015 and 31 December 2014, the Company 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 2015		
	Debt balance	Allowance for doubtful Accounts	Net debt balance after allowance for doubtful accounts
Normal Debt	16,095,681	-	16,095,681
Sub-standard Debt	9,240	(8,813)	427
Doubtful Debt	250,835	(250,835)	-
Total	<u>16,355,756</u>	<u>(259,648)</u>	<u>16,096,108</u>

(Unit: Thousand Baht)

	31 December 2014		
	Debt balance	Allowance for doubtful Accounts	Net debt balance after allowance for doubtful accounts
Normal Debt	15,745,957	-	15,745,957
Sub-standard Debt	9,169	(8,839)	330
Doubtful Debt	251,260	(251,260)	-
Total	<u>16,006,386</u>	<u>(260,099)</u>	<u>15,746,287</u>

## **6. Allowance for doubtful accounts**

(Unit: Thousand Baht)

	For the nine-month period ended 30 September 2015	For the year ended 31 December 2014
Balance - beginning of the period/year	260,099	259,801
Add: Doubtful accounts	104	442
Less: Reversal of doubtful accounts	(555)	(144)
Balance - end of the period/year	<u>259,648</u>	<u>260,099</u>

(Unaudited but reviewed)

**7. Derivatives assets and derivatives liabilities**

(Unit: Thousand Baht)

30 September 2015

	Fair value		Notional amount
	Assets	Liabilities	
<b>Trading derivatives</b>			
Future contracts	-	- <sup>(1)</sup>	2,649,086
Derivatives warrants	-	5,729	40,661
<b>Total derivatives assets and derivatives liabilities</b>	-	5,729	2,689,747

(Unit: Thousand Baht)

31 December 2014

	Fair value		Notional amount
	Assets	Liabilities	
<b>Trading derivatives</b>			
Future contracts	- <sup>(1)</sup>	-	344,267
Derivatives warrants	-	22,051	383,310
<b>Total derivatives assets and derivatives liabilities</b>	-	22,051	727,577

<sup>(1)</sup> The future contracts are cash settlement. Real exposure is a difference between cost of such contracts and underlying assets level on settlement date, fair value of outstanding future contracts at the end of period included in "Receivables from Clearing House". As at 30 September 2015, fair value of derivative liabilities - future contracts is Baht 8 million (31 December 2014: fair value of derivative assets - future contracts is Baht 27 million).

**8. Investments**

(Unit: Thousand Baht)

	30 September 2015		31 December 2014	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
<b>Trading securities</b>				
Equity securities				
Listed securities	130,464	128,867	406,531	388,639
Total trading securities	130,464		406,531	
Less: Allowance for revaluation	(1,597)		(17,892)	
<b>Trading securities - net</b>	128,867		388,639	
<b>Other investments</b>				
Other securities - ordinary shares	31,791		31,791	
Less: allowance for impairment	(14,662)		(14,662)	
<b>Other investments - net</b>	17,129		17,129	
<b>Total investments - net</b>	145,996		405,768	



(Unaudited but reviewed)

## 8.1 Investments subject to restrictions

(Unit: Thousand Baht)

	30 September 2015		31 December 2014	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Securities pledged with court	7,622	13,217	7,622	16,009
Total	7,622	13,217	7,622	16,009

## 9. Other assets

(Unit: Thousand Baht)

	30 September 2015	31 December 2014
Clearing fund	109,620	99,717
Accrued income	98,593	37,771
Prepaid expenses	50,390	123,758
Others	34,327	65,371
Total	292,930	326,617

## 10. Borrowings from financial institutions

As at 30 September 2015 and 31 December 2014, borrowings from financial institutions comprising only domestic borrowing in Baht currency are classified as follows:

(Unit: Thousand Baht)

	Interest rate per annum (percent)	30 September 2015		
		Remaining period to maturity		Total
		At call	Within 1 year	
<b>Financial institutions</b>				
Promissory notes	1.80 - 2.20	4,130,000	-	4,130,000
<b>Total borrowings from financial institutions</b>		4,130,000	-	4,130,000

(Unit: Thousand Baht)

	Interest rate per annum (percent)	31 December 2014		
		Remaining period to maturity		Total
		At call	Within 1 year	
<b>Financial institutions</b>				
Promissory notes	2.30 - 2.70	3,334,000	-	3,334,000
<b>Total borrowings from financial institutions</b>		3,334,000	-	3,334,000

(Unaudited but reviewed)

**11. Securities and derivatives business payables**

(Unit: Thousand Baht)

	30 September 2015	31 December 2014
Cash accounts	2,246,059	4,782,034
Payables under securities borrowing and lending business	2,499,069	194,249
Guaranteed deposit payables	29,884	12,792
<b>Total securities and derivatives business payables</b>	<b>4,775,012</b>	<b>4,989,075</b>

**12. Debt issued and other borrowings**

As at 30 September 2015 and 31 December 2014, debt issued and borrowings are classified as follows:

(Unit: Thousand Baht)

	30 September 2015				Total
	Interest rate per annum (percent)	Remaining period to maturity			
		At call	Within 1 year	More than 1 year	
<b><u>Debt issued and other borrowings</u></b>					
Bills of exchange	1.70 - 2.40	-	3,989,026	-	3,989,026
Bond	3.14	-	-	1,400,000	1,400,000
Subordinated loan	1% above cost of funds	-	-	1,000,000	1,000,000
<b>Total debt issued and other borrowings</b>		-	3,989,026	2,400,000	6,389,026

(Unit: Thousand Baht)

	31 December 2014				Total
	Interest rate per annum (percent)	Remaining period to maturity			
		At call	Within 1 year	More than 1 year	
<b><u>Debt issued and other borrowings</u></b>					
Bills of exchange	2.45 - 2.92	-	3,934,718	-	3,934,718
Bond	3.14	-	-	1,400,000	1,400,000
Subordinated loan	1% above cost of funds	-	-	1,000,000	1,000,000
<b>Total debt issued and other borrowings</b>		-	3,934,718	2,400,000	6,334,718

**13. Provisions**

(Unit: Thousand Baht)

	Obligations	Long-term employee benefits	Decommissioning	Total
Balance as at 1 January 2014	26,327	75,778	4,389	106,494
Increase during the year	-	37,150	-	37,150
Balance as at 31 December 2014	26,327	112,928	4,389	143,644
Increase during the period	-	24,436	-	24,436
Balance as at 30 September 2015	26,327	137,364	4,389	168,080

Obligations comprise 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**

As at 30 September 2015 and 31 December 2014, provision for long-term employee benefits, which is compensations on employees’ retirement are as follows:

(Unit: Thousand Baht)

	30 September 2015	31 December 2014
<b>Defined benefit obligation at beginning of period/year</b>	124,198	98,318
Current service cost	13,488	11,180
Interest cost	4,118	4,043
Benefits paid during the period/year	(1,623)	(4,005)
Actuarial loss	-	14,662
Defined benefit obligation at end of period/year	140,181	124,198
Unrecognised transitional provisions	(2,817)	(11,270)
<b>Provisions for long-term employee benefits at end of period/year</b>	<b>137,364</b>	<b>112,928</b>

As at 30 September 2015, the Company recognised Baht 53 million of such long-term employee benefit liabilities and Baht 3 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 and nine-month periods ended 30 September 2015 and 2014 was as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Current service cost	4,496	2,795	13,488	8,385
Interest cost	1,373	1,011	4,118	3,032
Transitional liability recognised during the period	2,817	2,817	8,453	8,453
Total	8,686	6,623	26,059	19,870

The Company recognised these expenses in operating expenses.

The cumulative amount of actuarial loss recognised in other comprehensive income and taken as part of retained earnings of the Company as at 30 September 2015 amounted to Baht 15 million (31 December 2014: Baht 15 million).

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

	30 September 2015	31 December 2014
	(% per annum)	(% per annum)
Discount rate	4.25	4.25
Average future salary increase	5.00	5.00
Average turnover rate	0.00 - 15.00	0.00 - 15.00

## 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 fees

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Brokerage fees from securities business	566,971	953,754	1,938,104	1,993,992
Brokerage fees from derivatives business	49,149	38,006	131,712	128,268
Other brokerage fees	1,527	1,533	5,155	4,616
Total brokerage fees	<u>617,647</u>	<u>993,293</u>	<u>2,074,971</u>	<u>2,126,876</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 expenses

Interim corporate income tax was calculated on profit before income tax expenses 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 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax	53,792	100,671	207,173	186,395
Adjustment of income tax expense of previous year	-	-	8,767	5,146
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(1,151)</u>	<u>(1,006)</u>	<u>(12,073)</u>	<u>(3,959)</u>
<b>Income tax expense reported in statement of comprehensive income</b>	<u>52,641</u>	<u>99,665</u>	<u>203,867</u>	<u>187,582</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 2015 and 2014, 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 2015 to 30 June 2015	Board of Directors' Meeting on 13 August 2015	571	1.00
Dividends for the operating result as from 1 July 2014 to 31 December 2014	Annual General Meeting of the shareholders on 2 April 2015	514	0.90
Dividend paid for the nine-month period ended 30 September 2015		1,085	1.90
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

**21. Related party transactions**

During the three-month and nine-month periods ended 30 September 2015 and 2014, 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.	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 Research Pte. Ltd.	Fellow subsidiary

(Unaudited but reviewed)

Such related parties transactions have been concluded on commercial terms agreed upon 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		
	2015	2014	2015	2014	
<b><u>Transactions with related parties</u></b>					
<u>Service income</u>					In accordance with agreement
Maybank Asset Management (Thailand) Co., Ltd.	-	-	1	1	
Maybank Kim Eng Securities Pte. Ltd.	2	-	2	-	
<u>Brokerage fees income</u>					At normal rate charged to other clients, in accordance with SET's and SEC's notification
Maybank Kim Eng Securities Pte. Ltd.	7	24	31	46	
Kim Eng Securities (Hong Kong) Limited	1	-	3	2	
<u>Research and advisory service income</u>					In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	(1)	-	18	-	
<u>Fees and service expenses</u>					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	1	-	3	1	
<u>Brokerage expenses</u>					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	-	1	2	2	
<u>Rental expenses</u>					In accordance with agreement
Maybank Asset Management (Thailand) Co., Ltd.	-	-	1	1	
<u>Interest expenses on foreign borrowings</u>					In accordance with borrowings agreement
Maybank Kim Eng Holdings Limited	12	-	35	-	
<u>Research and advisory service fees</u>					In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	1	-	10	-	
<u>Consulting service fees</u>					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	-	-	-	1	
<u>Dividend paid</u>					As declared
Maybank Kim Eng Holdings Limited	475	356	903	1,369	
Maybank Kim Eng Investment Limited	-	1	-	4	
Maybank Kim Eng Securities Pte. Ltd.	1	-	2	-	

(Unaudited but reviewed)

As at 30 September 2015 and 31 December 2014, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

(Unit: Million Baht)

	30 September 2015	31 December 2014	Pricing Policies
<u>Other receivables</u>			No interest charged
Maybank Asset Management (Thailand) Co., Ltd.	-	1	
Maybank Kim Eng Research Pte. Ltd.	17	-	
Maybank Kim Eng Securities Pte. Ltd.	2	-	
<u>Securities business receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	13	44	
<u>Foreign securities company receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	14	11	
<u>Foreign deposits receivables</u>			As determined by Maybank
Maybank Kim Eng Securities Pte. Ltd.	216	487	Kim Eng Securities Pte. Ltd.
<u>Subordinated loan</u>			In accordance with agreement
Maybank Kim Eng Holdings Limited	1,000	1,000	
<u>Securities business payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	138	3	
Kim Eng Securities (Hong Kong) Limited	6	206	
<u>Foreign securities company payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	6	2	
<u>Accrued expenses</u>			No interest charged
Maybank Kim Eng Research Pte. Ltd.	11	-	
Maybank Kim Eng Securities Pte. Ltd.	1	-	

As at 30 September 2015, Maybank Kim Eng Holdings Ltd. guaranteed the overdraft facilities amounting to Baht 30 million (31 December 2014: Baht 30 million). There is no overdraft outstanding balance as 30 September 2015.

As at 30 September 2015, the Company has loans to employees under welfare program amounting to Baht 319 million. The loans charged interest at rate of 1.50 and 2.20 percent per annum (31 December 2014: Baht 312 million, interest at rate 1.72 and 2.70 percent per annum).



Management's remuneration

During the three-month and nine-month periods ended 30 September 2015 and 2014, benefits paid to management of the Company, 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	
	2015	2014	2015	2014
Management's remuneration				
Short-term employee benefits	45,802	59,758	152,824	178,303
Post-employment benefits	1,374	1,455	4,122	4,366
	<u>47,176</u>	<u>61,213</u>	<u>156,946</u>	<u>182,669</u>

**22. 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 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 securities brokering and derivative brokering, securities trading of the Company and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory 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.

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

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Company's operating segments for the nine-month periods ended 30 September 2015 and 2014, respectively.

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
<b>For the nine-month period ended 30 September 2015</b>			
<b>Income</b>			
External customers			
Brokerage fees	2,073	2	2,075
Fees and service income	8	133	141
Interest on deposit and credit balance accounts	790	-	790
Other income	67	-	67
<b>Total income</b>	<b>2,938</b>	<b>135</b>	<b>3,073</b>
<b>Expenses</b>			
Financial costs			380
Fees and service expenses			170
Personnel expenses			1,083
Other expenses			440
<b>Total expenses</b>			<b>2,073</b>
<b>Profit before income tax expenses</b>			<b>1,000</b>
Income tax expenses			(204)
<b>Profit for the period</b>			<b>796</b>

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
<b>For the nine-month period ended 30 September 2014</b>			
<b>Income</b>			
External customers			
Brokerage fees	2,125	2	2,127
Fees and service income	12	154	166
Interest on deposit and credit balance accounts	666	-	666
Other income	31	-	31
<b>Total income</b>	<b>2,834</b>	<b>156</b>	<b>2,990</b>
<b>Expenses</b>			
Financial costs			294
Fees and service expenses			166
Personnel expenses			1,191
Other expenses			422
<b>Total expenses</b>			<b>2,073</b>
<b>Profit before income tax expenses</b>			<b>917</b>
Income tax expenses			(188)
<b>Profit for the period</b>			<b>729</b>

(Unaudited but reviewed)

The following table presents segment assets of the Company's operating segments as at 30 September 2015 and 31 December 2014:

(Unit: Million Baht)

Segment assets	Securities	Investment	Total	Unallocated	Total
	business segment	banking segment	Segments	assets	
At 30 September 2015	17,148	10	17,158	3,453	20,611
At 31 December 2014	19,083	2	19,085	1,528	20,613

## 23. Commitments and contingent liabilities

### 23.1 Significant contingent liabilities are as follows:

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

(Unit: Million Baht)

	30 September 2015	31 December 2014
Payable:		
In up to 1 year	101	92
In over 1 and up to 5 years	65	84

- 2) As at 30 September 2015 and 31 December 2014, future minimum lease payments required under the finance lease agreements are as follows:

(Unit: Million Baht)

	30 September 2015		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	5	16	21
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	4	15	19

(Unit: Million Baht)

	31 December 2014		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	6	11	17
Deferred interest expenses	(1)	(1)	(2)
Present value of future minimum lease payments	5	10	15

## 24. Fair value of financial instruments

The Company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into 3 levels as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

As of 30 September 2015, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in trading securities				
Equity instruments	128,867	-	-	128,867
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Derivative warrants	5,729	-	-	5,729

During the current period, there were no transfers within the fair value hierarchy.

## 25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 16 November 2015.