

Maybank Kim Eng Securities (Thailand) Public
Company Limited
Report and interim financial statements
31 March 2016

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 2016, 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

Bangkok: 10 May 2016

Maybank Kim Eng Securities (Thailand) Public Company Limited

Statement of Financial Position

As at 31 March 2016

		(Unit: Thousand Baht)	
	Note	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	2	809,334	384,171
Deposits at financial institutions	3	3,525	3,524
Receivables from Clearing House	4	1,193,667	693,604
Securities and derivatives business receivables	5	16,301,821	15,788,017
Derivatives assets	7	31,154	4,070
Investments	8	328,142	195,158
Loans to employees under welfare program	20	303,948	313,850
Equipment		235,269	251,018
Intangible assets		44,345	47,661
Property foreclosed		15,887	15,887
Deposits		47,173	47,473
Deferred tax assets		38,104	34,587
Other assets	9	442,227	210,138
Total assets		19,794,596	17,989,158

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 2016

(Unit: Thousand Baht)

	Note	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Liabilities and shareholders' equity			
Liabilities			
Borrowings from financial institutions	10	2,008,000	1,470,000
Payables to Clearing House		156,879	154,825
Securities and derivatives business payables	11	3,283,923	2,227,444
Derivatives liabilities	7	31,152	8,856
Debt issued and other borrowings	12	8,526,351	8,544,734
Provisions	13	156,918	150,440
Income tax payable		168,516	100,539
Accrued expenses		261,714	434,381
Liabilities under financial lease agreements		19,286	20,203
Dividend payable		916	916
Other liabilities		102,382	57,904
Total liabilities		14,716,037	13,170,242
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		1,395,572	1,135,929
Total shareholders' equity		5,078,559	4,818,916
Total liabilities and shareholders' equity		19,794,596	17,989,158
		-	-

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 31 March 2016

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

	Note	2016	2015
Profit or loss:			
Income			
Brokerage fees	16	608,106	903,958
Fees and service income		13,015	93,136
Gains on investments		5,384	31,518
Losses on derivatives		(8,175)	(30,440)
Interest and dividends		55,401	92,086
Interest on margin loans		181,043	186,571
Other income		16,859	14,051
Total income		871,633	1,290,880
Expenses			
Financial costs		101,614	134,916
Fees and service expenses		57,958	66,060
Operating expenses			
Personnel expenses	20	247,836	463,333
Premises and equipment expenses		90,979	91,467
Taxes and duties		8,161	9,488
Directors' remuneration	17	2,550	1,210
Other expenses		37,087	67,440
Total operating expenses		386,613	632,938
Reversal of bad debt and doubtful accounts		-	(369)
Total expenses		546,185	833,545
Profit before income tax expenses		325,448	457,335
Income tax expenses	18	(65,805)	(92,748)
Profit for the period		259,643	364,587
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		259,643	364,587
Earnings per share			
Basic earnings per share	19	0.45	0.64

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 2016

(Unit: Thousand Baht)

	Share capital	Share premium	Premium on treasury shares	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2015	2,854,072	523,571	19,219	286,125	1,201,245	4,884,232
Profit for the period	-	-	-	-	364,587	364,587
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	364,587	364,587
Balance as at 31 March 2015	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>1,565,832</u>	<u>5,248,819</u>
Balance as at 1 January 2016	2,854,072	523,571	19,219	286,125	1,135,929	4,818,916
Profit for the period	-	-	-	-	259,643	259,643
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	259,643	259,643
Balance as at 31 March 2016	<u>2,854,072</u>	<u>523,571</u>	<u>19,219</u>	<u>286,125</u>	<u>1,395,572</u>	<u>5,078,559</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 three-month period ended 31 March 2016

	(Unit: Thousand Baht)	
	2016	2015
Cashes flows from operating activities		
Profits before income tax expenses	325,448	457,335
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	26,080	24,781
Amortisation of prepaid personal expenses	29,067	26,798
Reversal of bad debt and doubtful accounts	-	(369)
Unrealised gains on revaluation of investments	(1,427)	(13,813)
Unrealised gains on revaluation of derivatives assets and liabilities	(18,877)	(28,051)
Unrealised loss on revaluation of exchange rate	22,622	-
(Gain) loss on sales and written-off of premises and equipment	(76)	16
Retirement benefit	6,478	8,686
Financial costs	101,349	134,607
Amortised interest expense of financial lease	265	308
Doubtful accounts - other receivables	-	25,000
Interest income	(236,812)	(277,170)
Cash paid for interest	(75,796)	(108,517)
Cash paid for income tax	(1,345)	(1,491)
Profit from operating activities before changes in operating assets and liabilities	176,976	248,120
(Increase) decrease in operating assets		
Deposits at financial institutions	(1)	(1)
Receivables from Clearing House	(505,703)	2,259,943
Securities and derivatives business receivables	(515,481)	260,554
Investments	(131,717)	337,110
Loans to employees under welfare program	9,902	1,926
Deposits	300	(1,743)
Other assets	(141,194)	(84,235)
Increase (decrease) in operating liabilities		
Payables to Clearing House	2,054	2,785
Securities and derivatives business payables	1,056,638	(1,670,903)
Derivative liabilities	19,796	20,504
Accrued expenses	(255,480)	(249,131)
Other liabilities	61,177	43,366
Net cash flows from (used in) operating activities	(222,733)	1,168,295

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 2016

	(Unit: Thousand Baht)	
	2016	2015
Cash flows from investing activities		
Cash received from interest	202,866	250,474
Proceeds from disposals of equipment	78	30
Cash paid for purchases of equipment	(15,249)	(11,532)
Cash paid for purchases of intangible assets	(8,275)	(1,601)
Net cash flows from investing activities	179,420	237,371
Cash flows from financing activities		
Cash received from borrowings from financial institutions	18,031,000	21,859,000
Cash paid for borrowings from financial institutions	(17,493,000)	(24,323,000)
Cash received from other borrowings	5,111,583	4,541,564
Cash paid for other borrowings	(5,180,000)	(3,510,000)
Cash paid on principal of long-term lease	(1,107)	(1,271)
Net cash flows from (used in) financing activities	468,476	(1,433,707)
Net increase (decrease) in cash and cash equivalents	425,163	(28,041)
Cash and cash equivalents as at 1 January	384,171	249,174
Cash and cash equivalents as at 31 March	809,334	221,133

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 periods ended 31 March 2016

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 ultimate parent company of the Group is Malayan Banking Berhad, 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 31 March 2016, the Company has 59 branches in Bangkok and upcountry (31 December 2015: 58 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 2015) "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

During the period, The Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become 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, 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.

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 2015, 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 interim financial statements.

2. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 March 2016	31 December 2015
Cash on hand	623	618
Current deposits and savings deposits	945,956	1,456,741
Total cash and cash equivalents	946,579	1,457,359
Less: Cash deposits held for customers	(137,245)	(1,073,188)
Total cash and cash equivalents - net	809,334	384,171

3. Deposits at financial institutions

	(Unit: Thousand Baht)	
	31 March 2016	31 December 2015
	Over 3 months - 1 year	
Fixed deposits	11,710,004	11,910,003
Deposits with restriction	3,521	3,521
Total deposits at financial institutions	11,713,525	11,913,524
Less: Cash deposits held for customers	(11,710,000)	(11,910,000)
Total deposits at financial institutions - net	3,525	3,524

As at 31 March 2016, fixed deposits of Baht 4 million (31 December 2015: 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 2016	31 December 2015
Receivables from Clearing House	2,100,820	997,228
Receivables from foreign securities company	145,895	244,239
Less: Receivables from Clearing House held for customers	(1,053,048)	(547,863)
Total receivables from Clearing House - net	<u>1,193,667</u>	<u>693,604</u>

5. Securities and derivatives business receivables

	(Unit: Thousand Baht)	
	31 March 2016	31 December 2015
<u>Securities business receivables</u>		
Cash accounts	2,404,331	1,742,747
Credit balance accounts	13,514,393	13,777,484
Receivables under securities borrowing and lending business		
- Guaranteed deposit receivables	75,570	-
- Securities borrowing receivables	224,935	192,178
Other receivables		
- Overdue customers' accounts	245,873	245,873
Total securities business receivables	<u>16,465,102</u>	<u>15,958,282</u>
Add: Accrued interest receivables	75,902	77,580
Less: Allowance for doubtful accounts	(248,021)	(248,021)
Securities business receivables and accrued interest receivables - net	<u>16,292,983</u>	<u>15,787,841</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	9,098	436
Less: Allowance for doubtful accounts	(260)	(260)
Derivatives business receivables - net	<u>8,838</u>	<u>176</u>
Total securities and derivatives business receivables - net	<u>16,301,821</u>	<u>15,788,017</u>

5.1 As at 31 March 2016, the Company had other receivables with book values totaling Baht 260 million from which it has ceased recognising income (31 December 2015: Baht 260 million).

(Unaudited but reviewed)

5.2 As at 31 March 2016 and 31 December 2015, 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 2016		
	Debt balance	Allowance for doubtful Accounts	Net debt balance after allowance for doubtful accounts
Normal Debt	16,289,785	-	16,289,785
Sub-standard Debt	16,050	(4,014)	12,036
Doubtful Debt	244,267	(244,267)	-
Total	<u>16,550,102</u>	<u>(248,281)</u>	<u>16,301,821</u>

(Unit: Thousand Baht)

	31 December 2015		
	Debt balance	Allowance for doubtful Accounts	Net debt balance after allowance for doubtful accounts
Normal Debt	15,775,981	-	15,775,981
Sub-standard Debt	16,050	(4,014)	12,036
Doubtful Debt	244,267	(244,267)	-
Total	<u>16,036,298</u>	<u>(248,281)</u>	<u>15,788,017</u>

As at 31 March 2016, receivables classified as sub-standard debt and doubtful debt approximately Baht 255 million is the Company's receivables before Kim Eng Holdings Limited (currently, Maybank Kim Eng Holdings Limited) became a shareholders and management of the Company in 1998 (31 December 2015: Baht 255 million).

6. Allowance for doubtful accounts

(Unit: Thousand Baht)

	For the three-month	For the year ended
	period ended	31 December 2015
	31 March 2016	
Balance - beginning of the period/year	248,281	260,099
Add: Doubtful accounts	-	347
Less: Reversal of doubtful accounts	-	(12,165)
Balance - end of the period/year	<u>248,281</u>	<u>248,281</u>

(Unaudited but reviewed)

7. Derivatives assets and derivatives liabilities

(Unit: Thousand Baht)

	31 March 2016		
	Fair value		Notional amount
	Assets	Liabilities	
<u>Trading derivatives</u>			
Forward contract	31,154	-	1,014,000
Future contracts ⁽¹⁾	-	-	259,369
Derivatives warrants	-	31,152	277,616
Total derivatives assets and derivatives liabilities	31,154	31,152	1,550,985

(Unit: Thousand Baht)

	31 December 2015		
	Fair value		Notional amount
	Assets	Liabilities	
<u>Trading derivatives</u>			
Forward contract	4,070	-	1,014,000
Future contracts ⁽¹⁾	-	-	185,050
Derivatives warrants	-	8,856	328,978
Total derivatives assets and derivatives liabilities	4,070	8,856	1,528,028

⁽¹⁾ 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 31 March 2016, fair value of derivative liabilities - future contracts is Baht 7 million (31 December 2015: fair value of derivative liabilities - future contracts is Baht 1 million).

8. Investments

(Unit: Thousand Baht)

	31 March 2016		31 December 2015	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
<u>Trading securities</u>				
Equity securities - Listed securities	309,619	318,636	177,902	185,652
Add: Allowance for revaluation	9,017		7,750	
Trading securities - net	318,636		185,652	
<u>Other investments</u>				
Other securities - ordinary shares	24,169		24,169	
Less: Allowance for impairment	(14,663)		(14,663)	
Other investments - net	9,506		9,506	
Total investments - net	328,142		195,158	

(Unaudited but reviewed)

9. Other assets

	(Unit: Thousand Baht)	
	31 March 2016	31 December 2015
Clearing fund	115,356	112,106
Accrued income	87,195	52,708
Prepaid expenses	210,830	24,738
Others	28,846	20,586
Total	442,227	210,138

10. Borrowings from financial institutions

As at 31 March 2016 and 31 December 2015, borrowings from financial institutions comprise only domestic borrowings in Baht currency are classified as follows:

	(Unit: Thousand Baht)		
	31 March 2016		
	Interest rate per annum	Remaining period to maturity	
	(percent)	At call	Within 1 year
		Total	
<u>Financial institutions</u>			
Promissory notes	1.80 - 2.20	2,008,000	-
Total borrowings from financial institutions		2,008,000	-

	(Unit: Thousand Baht)		
	31 December 2015		
	Interest rate per annum	Remaining period to maturity	
	(percent)	At call	Within 1 year
		Total	
<u>Financial institutions</u>			
Promissory notes	1.80 - 1.85	1,470,000	-
Total borrowings from financial institutions		1,470,000	-

11. Securities and derivatives business payables

	(Unit: Thousand Baht)	
	31 March 2016	31 December 2015
Cash accounts	3,040,259	2,001,098
Payables under securities borrowing and lending business	241,962	216,215
Guaranteed deposit payables	1,702	10,131
Total securities and derivatives business payables	3,283,923	2,227,444

(Unaudited but reviewed)

12. Debt issued and other borrowings

As at 31 March 2016 and 31 December 2015, debt issued and borrowings are classified as follows:

(Unit: Thousand Baht)

	31 March 2016				
	Interest rate per annum (percent)	Remaining period to maturity			Total
		At call	Within 1 year	More than 1 year	
<u>Debt issued and other borrowings</u>					
Bills of exchange	1.70 - 1.80	-	6,082,883	-	6,082,883
Bond	3.14	-	1,400,000	-	1,400,000
Subordinated loan	1% above cost of funds	-	-	1,043,468	1,043,468
Total debt issued and other borrowings		-	7,482,883	1,043,468	8,526,351

(Unit: Thousand Baht)

	31 December 2015				
	Interest rate per annum (percent)	Remaining period to maturity			Total
		At call	Within 1 year	More than 1 year	
<u>Debt issued and other borrowings</u>					
Bills of exchange	1.70 - 1.85	-	6,123,956	-	6,123,956
Bond	3.14	-	1,400,000	-	1,400,000
Subordinated loan	1% above cost of funds	-	-	1,020,778	1,020,778
Total debt issued and other borrowings		-	7,523,956	1,020,778	8,544,734

13. Provisions

(Unit: Thousand Baht)

	Long-term employee			Total
	Obligations	benefits	Decommissioning	
Balance as at 1 January 2015	26,327	112,928	4,389	143,644
Increase (decrease) during the year	(26,327)	33,123	-	6,796
Balance as at 31 December 2015	-	146,051	4,389	150,440
Increase during the period	-	6,478	-	6,478
Balance as at 31 March 2016	-	152,529	4,389	156,918

14. Provisions for long-term employee benefits

As at 31 March 2016 and 31 December 2015, provision for long-term employee benefits are as follows:

	(Unit: Thousand Baht)	
	31 March 2016	31 December 2015
Defined benefit obligation at beginning of period/year	146,051	124,198
Current service cost	4,868	17,985
Interest cost	1,610	5,491
Benefits paid during the period/year	-	(1,623)
Defined benefit obligation at end of period/year	<u>152,529</u>	<u>146,051</u>

Long-term employee benefit expenses included in the profit or loss for the three-month periods ended 31 March 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2016	2015
Current service cost	4,868	4,496
Interest cost	1,610	1,373
Transitional liability recognised during the period	-	2,817
Total	<u>6,478</u>	<u>8,686</u>

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.

	31 March 2016	31 December 2015
	(% per annum)	(% per annum)
Discount rate	4.25	4.25
Future salary increase rate	5.00	5.00
Average turnover rate	0.00 - 15.00	0.00 - 15.00

(Unaudited but reviewed)

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 profit 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.

16. Brokerage fees

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2016	2015
Brokerage fees from securities business	559,005	856,577
Brokerage fees from derivatives business	47,420	45,414
Other brokerage fees	1,681	1,967
Total brokerage fees	608,106	903,958

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 periods ended 31 March 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2016	2015
Current income tax:		
Interim corporate income tax	69,322	102,464
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,517)	(9,716)
Income tax expense reported in profit or loss	65,805	92,748

19. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

20. Related party transactions

During the three-month periods ended 31 March 2016 and 2015, 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 Research Pte. Ltd.	Fellow subsidiary
Maybank Kim Eng Securities Limited	Fellow subsidiary

Such related parties transactions have been concluded on commercial terms and base 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 periods ended 31 March		Pricing policies
	2016	2015	
<u>Transactions with related parties</u>			
<u>Service income</u>			
			In accordance with agreement
Maybank Asset Management (Thailand) Co., Ltd.	1	-	
<u>Brokerage fees income</u>			
			At normal rate charged to other clients
Maybank Kim Eng Securities Pte. Ltd.	11	13	
Kim Eng Securities (Hong Kong) Limited	2	1	
<u>Research and advisory service income</u>			
			In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	6	4	
<u>Fees and service expenses</u>			
			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	-	1	
<u>Brokerage expenses</u>			
			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	-	1	
<u>Interest expenses on foreign borrowings</u>			
			In accordance with borrowings agreement
Maybank Kim Eng Holdings Limited	8	12	
<u>Research and advisory service expenses</u>			
			In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	4	3	

(Unaudited but reviewed)

As at 31 March 2016 and 31 December 2015, the outstanding balances of the above transactions, as presented in the statements of financial position are as follows:

(Unit: Million Baht)

	31 March 2016	31 December 2015	Pricing Policies
<u>Securities business receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	-	87	
Kim Eng Securities (Hong Kong) Limited	85	4	
<u>Foreign securities company receivables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	2	4	
Maybank Kim Eng Securities Limited	4	-	
<u>Foreign deposits receivables</u>			As determined by Maybank
Maybank Kim Eng Securities Pte. Ltd.	140	240	Kim Eng Securities Pte. Ltd.
<u>Other receivables</u>			No interest charged
Maybank Kim Eng Research Pte. Ltd.	6	-	
<u>Subordinated loan</u>			In accordance with agreement
Maybank Kim Eng Holdings Limited	1,043	1,021	
<u>Securities business payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	245	36	
Kim Eng Securities (Hong Kong) Limited	9	-	
<u>Foreign securities company payables</u>			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1	1	
<u>Accrued expenses</u>			No interest charged
Maybank Kim Eng Research Pte. Ltd.	4	-	

As at 31 March 2016, Maybank Kim Eng Holdings Ltd. guaranteed the overdraft facilities of the Company amounting to Baht 30 million (31 December 2015: Baht 30 million). There is no overdraft outstanding balance as at 31 March 2016.

As at 31 March 2016, the Company has loans to employees under welfare program amounting to Baht 304 million. The loans charged interest at rate of 1.40 and 2.10 percent per annum (31 December 2015: Baht 314 million, interest at rate 1.40 and 2.10 percent per annum).

(Unaudited but reviewed)

Loan from related parties

As at 31 March 2016, the loan from related parties between the Company and the related company and the movement of loans is as follow:

(Unit: Million Baht)

Loan from related parties	Relationship	Balance as at 1 January 2016	Increase during the period	Decrease during the period	Unrealised loss on exchange rate	Balance as at 31 March 2016
Maybank Kim Eng Holdings Limited	Parent company	1,021	-	-	22	1,043
Total		1,021	-	-	22	1,043

Management's remuneration

During the three-month periods ended 31 March 2016 and 2015, 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 ended 31 March	
	2016	2015
Management's remuneration		
Short-term employee benefits	48,001	59,172
Post-employment benefits	2,622	2,839
	50,623	62,011

21. 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 is organized 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.

(Unaudited but reviewed)

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.

The following tables present revenue and profit information regarding the Company's operating segments for the three-month periods ended 31 March 2016 and 2015, respectively.

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
For the three-month period ended 31 March 2016			
Income			
External customers			
Brokerage fees	608	-	608
Fees and service income	4	9	13
Interest on deposit and margin loans	237	-	237
Other income	14	-	14
Total income	863	9	872
Expenses			
Financial costs			102
Fees and service expenses			58
Personnel expenses			248
Other expenses			138
Total expenses			546
Profit before income tax expenses			326
Income tax expenses			(66)
Profit for the period			260

(Unaudited but reviewed)

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
For the three-month period ended 31 March 2015			
Income			
External customers			
Brokerage fees	902	2	904
Fees and service income	2	91	93
Interest on deposit and margin loans	279	-	279
Other income	15	-	15
Total income	1,198	93	1,291
Expenses			
Financial costs			135
Fees and service expenses			66
Personnel expenses			463
Other expenses			169
Total expenses			833
Profit before income tax expenses			458
Income tax expenses			(93)
Profit for the period			365

The following table presents segment assets of the Company's operating segments as at 31 March 2016 and 31 December 2015:

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total Segments	Unallocated assets	Total
As at 31 March 2016	17,644	5	17,649	2,146	19,795
As at 31 December 2015	16,639	6	16,645	1,344	17,989

Geographic information

The Company operates only in Thailand. As a result, all the revenues and assets as reflected in these financial statements pertain exclusive to this geographical reportable segment.

Major customers

For the three-month periods ended 31 March 2016 and 2015, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

(Unaudited but reviewed)

22. Commitments and contingent liabilities

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

(Unit: Million Baht)

	31 March 2016	31 December 2015
Payable:		
In up to 1 year	87	99
In over 1 and up to 5 years	47	54

23. Fair value of financial instruments

As of 31 March 2016 and 31 December 2015, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	31 March 2016			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Held for trade investments				
Equity securities	319	-	-	319
Derivatives assets				
Forward contract	-	31	-	31
Financial liabilities measured at fair value				
Derivatives liabilities ⁽¹⁾				
Derivative warrants	31	-	-	31

(1) Fair value of derivatives liabilities - Future contracts as at 31 March 2016 amounting to Baht 7 million, included in "Receivables from Clearing House", were measured at fair value by using Level 1 of input.

(Unit: Million Baht)

	31 December 2015			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Held for trade investments				
Equity securities	186	-	-	186
Derivatives assets				
Forward contract	-	4	-	4
Financial liabilities measured at fair value				
Derivatives liabilities ⁽¹⁾				
Derivative warrants	9	-	-	9

(1) Fair value of derivatives liabilities - Future contracts as at 31 December 2015 amounting to Baht 1 million, included in "Receivables from Clearing House", were measured at fair value by using Level 1 of input.

Valuation techniques and inputs used for Level 2 fair value measurement

- A) The fair value of non-marketable derivatives has been determined by using valuation model technique. Most of the inputs used for the valuation are observable in relevant market such as foreign exchange rate.

During the current period, there was no transfer within the fair value hierarchy.

24. Event after the reporting period

The Annual General Meeting of Shareholders held on 4 April 2016 passed a resolution approving a dividend payment of Baht 0.79 per share, or a total of Baht 451 million. The dividend has been paid on 18 April 2016. Dividend payment will be recorded in the 2nd quarter 2016.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2016