

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

## **Independent Auditor's Report**

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

I have audited the accompanying financial statements of Maybank Kim Eng Securities (Thailand) Public Company Limited, which comprise the statement of financial position as at 30 June 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maybank Kim Eng Securities (Thailand) Public Company Limited as at 30 June 2016 and its financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

### ***Report on Review of Interim Financial Information***

I have reviewed the accompanying statement of comprehensive income for the three-month period ended 30 June 2016 of Maybank Kim Eng Securities (Thailand) Public Company Limited. Management is responsible for the preparation and presentation of these interim statements of comprehensive income in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on these interim statement of comprehensive income based on my review.

### **Scope of review**

I conducted my review in accordance with 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 auditing standards 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 statement of comprehensive income 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: 9 August 2016

**Maybank Kim Eng Securities (Thailand) Public Company Limited****Statement of Financial Position****As at 30 June 2016**

		(Unit: Baht)	
	Note	30 June 2016	31 December 2015
<b>Assets</b>			
Cash and cash equivalents	6	537,344,861	384,170,909
Deposits at financial institutions	7	3,525,259	3,524,227
Receivables from Clearing House	8	1,184,775,133	693,604,022
Securities and derivatives business receivables	9	15,159,174,104	15,788,016,456
Derivatives assets	11	30,500,431	4,069,837
Investments	12	237,033,600	195,158,012
Loans to employees under welfare program	31	306,010,708	313,850,249
Equipment	13	214,052,969	251,017,621
Intangible assets	14	42,302,770	47,660,926
Property foreclosed		15,886,500	15,886,500
Deposits		48,672,529	47,473,207
Deferred tax assets	29.1	38,040,894	34,587,330
Other assets	15	399,660,085	210,138,290
<b>Total assets</b>		<b>18,216,979,843</b>	<b>17,989,157,586</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 June 2016**

(Unit: Baht)

	Note	30 June 2016	31 December 2015
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Borrowings from financial institutions	16	280,000,000	1,470,000,000
Payables to Clearing House		927,046	154,824,464
Securities and derivatives business payables	17	4,144,505,720	2,227,444,466
Derivatives liabilities	11	42,641,141	8,856,328
Debt issued and borrowings	18	8,276,156,039	8,544,734,305
Provisions	19	163,397,013	150,439,789
Income tax payable		95,621,050	100,538,558
Accrued expenses		349,895,896	434,380,605
Liabilities under financial lease agreements	21	18,164,341	20,202,466
Dividend payable		916,404	916,404
Other liabilities		37,003,168	57,904,432
<b>Total liabilities</b>		<b>13,409,227,818</b>	<b>13,170,241,817</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
572,250,000 ordinary shares of Baht 5 each		2,861,250,000	2,861,250,000
Issued and fully paid-up			
570,814,500 ordinary shares of Baht 5 each		2,854,072,500	2,854,072,500
Share premium		523,570,729	523,570,729
Premium on treasury shares		19,218,670	19,218,670
Retained earnings			
Appropriated - statutory reserve	23	286,125,000	286,125,000
Unappropriated		1,124,765,126	1,135,928,870
<b>Total shareholders' equity</b>		<b>4,807,752,025</b>	<b>4,818,915,769</b>
<b>Total liabilities and shareholders' equity</b>		<b>18,216,979,843</b>	<b>17,989,157,586</b>
		-	-

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

Directors

(Unaudited but reviewed)

**Maybank Kim Eng Securities (Thailand) Public Company Limited****Statement of comprehensive income****For the three-month period ended 30 June 2016**

	Note	2016	2015
(Unit: Baht)			
<b>Profit or loss:</b>			
<b>Income</b>			
Brokerage fee	25	539,954,755	553,366,441
Fee and service income	26	18,222,301	34,883,025
Losses on investments	12.2	(9,053,778)	(17,768,191)
Gains on derivatives	11.1	31,128,681	27,943,908
Interest and dividends		53,220,918	89,790,771
Interest on margin loans		172,532,259	170,402,778
Other income		11,367,266	23,639,296
<b>Total income</b>		<b>817,372,402</b>	<b>882,258,028</b>
<b>Expenses</b>			
Financial costs		94,331,082	129,856,444
Fee and service expenses		49,915,906	50,815,793
Operating expenses			
Personnel expenses	31	319,426,257	276,324,177
Premises and equipment expenses		89,343,777	87,918,766
Taxes and duties		7,488,438	8,616,914
Directors' remuneration	27	1,245,153	2,550,000
Other expenses		30,554,349	36,056,414
Total operating expenses		448,057,974	411,466,271
Reversal of bad debt and doubtful accounts		(124)	(162,282)
<b>Total expenses</b>		<b>592,304,838</b>	<b>591,976,226</b>
<b>Profit before income tax expenses</b>		<b>225,067,564</b>	<b>290,281,802</b>
Income tax expenses	29.2	(44,931,413)	(58,477,268)
<b>Profit for the periods</b>		<b>180,136,151</b>	<b>231,804,534</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the periods		-	-
<b>Total comprehensive income for the periods</b>		<b>180,136,151</b>	<b>231,804,534</b>
<b>Earnings per share</b>	30		
Basic earnings per share		0.32	0.41

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

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

**Statement of comprehensive income**

**For the six-month period ended 30 June 2016**

		(Unit: Baht)	
	Note	2016	2015
<b>Profit or loss:</b>			
<b>Income</b>			
Brokerage fee	25	1,148,060,270	1,457,324,132
Fee and service income	26	31,237,281	128,018,817
Gain (loss) on investments	12.2	(3,669,837)	13,749,231
Gain (loss) on derivatives	11.1	22,953,328	(2,495,781)
Interest and dividends		108,622,208	181,876,891
Interest on margin loans		353,575,500	356,973,899
Other income		28,226,808	37,690,304
<b>Total income</b>		<b>1,689,005,558</b>	<b>2,173,137,493</b>
<b>Expenses</b>			
Financial costs		195,944,679	264,771,979
Fee and service expenses		107,874,112	116,875,946
Operating expenses			
Personnel expenses	31	567,261,824	739,656,701
Premises and equipment expenses		180,322,674	179,386,431
Taxes and duties		15,649,008	18,105,107
Directors' remuneration	27	3,795,153	3,759,677
Other expenses		67,642,199	103,496,717
Total operating expenses		834,670,858	1,044,404,633
Bad debt and doubtful accounts (Reversal)		7	(531,473)
<b>Total expenses</b>		<b>1,138,489,656</b>	<b>1,425,521,085</b>
<b>Profit before income tax expenses</b>		<b>550,515,902</b>	<b>747,616,408</b>
Income tax expenses	29.2	(110,736,191)	(151,225,386)
<b>Profit for the periods</b>		<b>439,779,711</b>	<b>596,391,022</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the periods		-	-
<b>Total comprehensive income for the periods</b>		<b>439,779,711</b>	<b>596,391,022</b>
<b>Earnings per share</b>			
Basic earnings per share	30	0.77	1.04

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

**Maybank Kim Eng Securities (Thailand) Public Company Limited****Cash flow statements****For the six-month period ended 30 June 2016**

	(Unit: Baht)	
	2016	2015
<b>Cash flows from operating activities</b>		
Profit before income tax expenses	550,515,902	747,616,408
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	51,952,400	50,200,931
Amortisation of prepaid personnel expenses	53,206,590	53,569,437
Bad debt and doubtful accounts (reversal)	7	(531,474)
Unrealised (gain) loss on revaluation of investments	7,867,270	(16,677,829)
Unrealised gains on revaluation of derivatives assets and liabilities	(36,320,998)	(29,793,480)
Unrealised (gain) loss on revaluation of exchange rate	22,230,029	(675,812)
Gains on sales and written-off of premises and equipment	(117,630)	(32,592)
Retirement benefit	12,957,224	17,372,917
Financial cost	195,944,679	264,771,978
Doubtful accounts - other receivables	-	23,629,863
Interest income	(462,302,404)	(537,631,673)
Cash paid for interest	(135,906,013)	(198,512,749)
Cash paid for income tax	(119,107,264)	(239,284,952)
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>140,919,792</b>	<b>134,020,973</b>
(Increase) decrease in operating assets		
Deposits at financial institutions	(1,032)	(1,316)
Receivables from Clearing House	(487,916,357)	2,597,814,589
Securities and derivatives business receivables	618,215,709	(749,585,912)
Investments	(50,056,758)	341,594,647
Loans to employees under welfare program	7,839,542	(2,933,574)
Property foreclosed	-	(6,000,000)
Deposits	(1,199,322)	(2,564,435)
Other assets	(140,537,830)	(55,353,811)
Increase (decrease) in operating liabilities		
Payables to Clearing House	(153,897,418)	742,013,198
Securities and derivatives business payables	1,917,375,154	(954,406,058)
Derivatives liabilities	40,620,435	12,143,494
Provision	-	(1,622,620)
Accrued expenses	(174,494,421)	(214,418,139)
Other liabilities	2,940,014	(33,910,399)
<b>Net cash flows from operating activities</b>	<b>1,719,807,508</b>	<b>1,806,790,637</b>

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



**Maybank Kim Eng Securities (Thailand) Public Company Limited****Cash flow statement (continued)**

For the six-month period ended 30 June 2016

	(Unit: Baht)	
	2016	2015
<b>Cash flows from investing activities</b>		
Cash received from interest	454,865,201	515,705,028
Proceeds from disposals of equipment	161,361	81,379
Cash paid for purchases of equipment	(23,824,822)	(22,749,905)
Cash paid for purchases of intangible assets	(9,499,065)	(4,707,027)
<b>Net cash flows from investing activities</b>	<b>421,702,675</b>	<b>488,329,475</b>
<b>Cash flows from financing activities</b>		
Cash received from borrowings from financial institutions	31,396,000,000	38,474,000,000
Cash paid for borrowings from financial institutions	(32,586,000,000)	(39,448,000,000)
Cash received from other borrowings	7,484,836,064	6,853,928,180
Cash paid to other borrowings	(7,830,000,000)	(6,850,000,000)
Cash paid on principal of long-term leases	(2,228,840)	(2,537,726)
Dividend paid	(450,943,455)	(513,733,049)
<b>Net cash flows used in financing activities</b>	<b>(1,988,336,231)</b>	<b>(1,486,342,595)</b>
<b>Net increase in cash and cash equivalents</b>	<b>153,173,952</b>	<b>808,777,517</b>
Cash and cash equivalents as at 1 January	384,170,909	249,173,510
<b>Cash and cash equivalents as at 30 June</b>	<b>537,344,861</b>	<b>1,057,951,027</b>

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

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

**Statement of changes in shareholders' equity**

**For the six-month period ended 30 June 2016**

(Unit: Baht)

	Share capital	Share premium	Premium on treasury shares	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2015</b>	2,854,072,500	523,570,729	19,218,670	286,125,000	1,201,245,505	4,884,232,404
Profit for the period	-	-	-	-	596,391,022	596,391,022
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	596,391,022	596,391,022
Dividend paid (Note 24)	-	-	-	-	(513,733,050)	(513,733,050)
<b>Balance as at 30 June 2015</b>	<u>2,854,072,500</u>	<u>523,570,729</u>	<u>19,218,670</u>	<u>286,125,000</u>	<u>1,283,903,477</u>	<u>4,966,890,376</u>
<b>Balance as at 1 January 2016</b>	2,854,072,500	523,570,729	19,218,670	286,125,000	1,135,928,870	4,818,915,769
Profit for the period	-	-	-	-	439,779,711	439,779,711
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	439,779,711	439,779,711
Dividend paid (Note 24)	-	-	-	-	(450,943,455)	(450,943,455)
<b>Balance as at 30 June 2016</b>	<u>2,854,072,500</u>	<u>523,570,729</u>	<u>19,218,670</u>	<u>286,125,000</u>	<u>1,124,765,126</u>	<u>4,807,752,025</u>
	-	-	-	-	-	-

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

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

### **Notes to interim financial statements**

**For the six-month period ended 30 June 2016**

#### **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 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 at 999/9 the Offices at Central World, 20th - 21st Floor, Rama 1 Road, Pathumwan, Bangkok. As at 30 June 2016, the Company has 59 branches in Bangkok and upcountry (31 December 2015: 58 branches).

#### **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”. The Company chooses to present in full format of interim financial statements as presented in the annual financial statements.

The interim financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. SorThor/Kor/Nor. 53/2553 dated 15 December 2010.

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 financial statements.

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

### **3. New financial reporting standards**

During the period, The Company has adopted the revised (revised 2015) 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.

### **4. Significant accounting policies**

#### **4.1 Revenue recognition**

a) Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction date.

b) Fees and service income

Fees and service income are recognised when services have been rendered, taken into account the stage of completion.

c) Gains (losses) on investments and derivatives

Gains (losses) on investments and derivatives are recognised as income/expense on the transaction date.

d) Interest and dividend

Interest is recognised on an accrual basis based on an effective rate. Dividend is recognised when the right to receive the dividend is established.

e) Interest on credit balance loans

Interest is recognised over the term of the loans based on the amount of principal outstanding. No accrual has been made for certain loans which, under Notification No. KorThor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission, are not qualified for recognition of interest on an accrual basis and consideration of other relevant factors.

## **4.2 Expense recognition**

### a) Interest on borrowings

Interest on borrowings is charged to expenses on an accrual basis.

### b) Fees and service expenses

Fees and service expenses are charged to expenses on an accrual basis.

## **4.3 Cash and cash equivalents**

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

## **4.4 Deposits at financial institutions**

Deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with an original maturity of longer than 3 months or with an original maturity of 3 months or less, but the Company intends to roll-over them, or deposits subject to withdrawal restrictions.

## **4.5 Recognition and amortisation of customers' assets**

Assets which customers have placed with the Company for securities trading, in term of cash accounts and credit balance accounts, including amounts which customers have placed as securities for derivative trading, are recorded as assets and liabilities of the Company for internal control purpose. At the financial position date, the Company writes off those amounts of which there are no guarantee obligations from both assets and liabilities and presents only those assets which belong to the Company.

## **4.6 Receivables from/payables to Clearing House**

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

#### **4.7 Securities and derivatives business receivables and allowance for doubtful accounts**

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

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

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

#### **4.8 Borrowing and lending of securities**

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

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

#### **4.9 Investments**

- a) Investments in securities held for trading are determined at fair value. Changes in the fair value of these securities are recorded as profit or loss in the statement of comprehensive income.
- b) Investments in held-to-maturities debt securities are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investments in non-marketable equity securities which the Company classified as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand.
- e) The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as part of profit or loss in the statement of comprehensive income.
- f) Impairment loss (if any) is included in part of profit or loss in the statement of comprehensive income when there is a factor indicating that such investments might be impaired.

#### **4.10 Loans to employees under welfare program**

Loans to employees under welfare program are recognised initially at the amount granted to the employees and are subsequently stated at amortised cost, based on the effective interest rate. Returns are recognised in the statement of comprehensive income over the term of loan.

#### **4.11 Equipment and Depreciation**

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

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

No depreciation is provided on assets under installation.

Depreciation is included in determining income.

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

#### **4.12 Intangible assets and amortisation**

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

Such intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment wherever there is an indication that the intangible assets may be impaired.

#### **4.13 Property foreclosed**

Property foreclosed consists of immovable properties, and is stated at the lower of cost or net realisable value. Loss on impairment is included in determining income. Gains or losses on disposals of such properties are recognised in the statement of comprehensive income at the date of disposal.

#### **4.14 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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



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

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

#### **4.15 Impairment of assets**

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists that an asset may be impaired, or when annual impairment reviewing for an asset is required, the Company realises loss on impairment when the asset's recoverable amount is less than the book value. An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Fair value less cost to sell reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in part of profit or loss in the statement of comprehensive income.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount and impairment loss recognised in prior periods is reversed.

#### **4.16 Borrowings and debt issued**

Borrowings and debt issued are recognised initially at the fair value of the proceeds received. Borrowings are subsequently stated at amortised cost, using the effective yield method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

#### **4.17 Long-term lease**

Leases of vehicles which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as liabilities, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.18 Securities and derivatives business payables**

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

#### **4.19 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.20 Employee benefits**

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

The Company and the employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, as an expense on a straight-line basis over up to five years from the date of adoption.

#### **4.21 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

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

#### **4.22 Treasury stocks**

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

#### **4.23 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

## **4.24 Derivatives**

### **Forward exchange contracts**

Forward exchange contracts are initially recognised as off-balance transactions on the date on which derivative contracts are entered into. Subsequently gains (losses) from changes in the fair value of derivatives is included in profit or loss. The fair value of forward foreign currency contracts is determined based on the rate of buying or selling for the remaining period of each contract.

### **Futures contracts**

The Company initially recognises future contracts as off-balance transactions on the date on which derivative contracts are entered into. Subsequently gains (losses) from changes in the fair value of derivatives is included in profit or loss. The fair value of marketable future contracts being calculated with reference to the last bid/offer prices quoted on Thailand Futures Exchange Public Company Limited on the last working day of the period.

### **Derivative warrants**

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

## **4.25 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement 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

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

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

### **5.1 Allowances for doubtful accounts for securities and derivatives business receivables**

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each outstanding receivable when there is any doubt about the receivable's capability to repay the debt. The allowance for doubtful accounts is determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

### **5.2 Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position and disclosed in the note to financial statement that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (both the Company and counterparty), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the financial statements and disclosures of fair value hierarchy.

### **5.3 Allowance for impairment of investments**

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **5.4 Equipment and Depreciation**

In determining depreciation of equipment, the management is required to make estimates of the useful lives and salvage values of the Company’s equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **5.5 Deferred tax asset**

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is highly probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **5.6 Recognition and derecognition of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

### **5.7 Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

## 5.8 Employee benefit

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

## 6. Cash and cash equivalents

	(Unit: Baht)	
	30 June 2016	31 December 2015
Cash on hand	623,299	618,299
Current accounts and savings accounts	2,105,947,276	1,456,740,651
Total cash and cash equivalents	2,106,570,575	1,457,358,950
Less: Cash deposits held for customers	(1,569,225,714)	(1,073,188,041)
Total cash and cash equivalents -net	<u>537,344,861</u>	<u>384,170,909</u>

## 7. Deposits at financial institutions

	(Unit: Baht)	
	30 June 2016	31 December 2015
	<u>Over 3 months - 1 year</u>	
Fixed deposits	9,580,003,345	11,910,003,333
Deposits with restriction	3,521,914	3,520,894
Total deposits at financial institutions	9,583,525,259	11,913,524,227
Less: Cash deposits held for customers	(9,580,000,000)	(11,910,000,000)
Total deposits at financial institutions - net	<u>3,525,259</u>	<u>3,524,227</u>

As at 30 June 2016, fixed deposits of Baht 4 million (31 December 2015: Baht 4 million) are pledged as collateral to local banks for letter of guarantees.

## 8. Receivables from Clearing House

	(Unit: Baht)	
	30 June 2016	31 December 2015
Receivables from Clearing House	1,840,741,436	997,227,797
Receivables from foreign securities company	176,541,998	244,239,238
Less: Receivables from Clearing House held for customers	(832,508,301)	(547,863,013)
Total receivables from Clearing House - net	<u>1,184,775,133</u>	<u>693,604,022</u>

## 9. Securities and derivatives business receivables

	(Unit: Baht)	
	30 June 2016	31 December 2015
<u>Securities business receivables</u>		
Cash accounts	3,009,677,825	1,742,747,346
Credit balance accounts	11,992,347,261	13,777,484,351
Receivables under securities borrowing and lending business		
- Securities borrowing receivables	92,277,610	192,177,713
Other receivables		
- Overdue customers' accounts	245,872,650	245,872,625
Total securities business receivables	<u>15,340,175,346</u>	<u>15,958,282,035</u>
Add: Accrued interest receivables	66,952,595	77,579,231
Less: Allowance for doubtful accounts	(248,021,137)	(248,021,130)
Securities business receivables and accrued interest receivables - net	<u>15,159,106,804</u>	<u>15,787,840,136</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	326,886	435,906
Less: Allowance for doubtful accounts	(259,586)	(259,586)
Derivatives business receivables - net	<u>67,300</u>	<u>176,320</u>
Total securities and derivatives business receivables - net	<u>15,159,174,104</u>	<u>15,788,016,456</u>

**9.1** As at 30 June 2016, the Company had other receivables with book values totalling Baht 260 million from which it has ceased recognising income (31 December 2015: Baht 260 million).



**9.2** As at 30 June 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: Baht)

	30 June 2016		
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	15,147,137,387	-	15,147,137,387
Sub-standard Debt	16,050,142	(4,013,425)	12,036,717
Doubtful Debt	244,267,298	(244,267,298)	-
<b>Total</b>	<b>15,407,454,827</b>	<b>(248,280,723)</b>	<b>15,159,174,104</b>

(Unit: Baht)

	31 December 2015		
	Debt balance	Allowance for doubtful Accounts	Debt balance net of allowance for doubtful accounts
Normal Debt	15,775,979,739	-	15,775,979,739
Sub-standard Debt	16,050,142	(4,013,425)	12,036,717
Doubtful Debt	244,267,291	(244,267,291)	-
<b>Total</b>	<b>16,036,297,172</b>	<b>(248,280,716)</b>	<b>15,788,016,456</b>

As at 30 June 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).

## **10. Allowance for doubtful accounts**

(Unit: Baht)

	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
Balance - beginning of the period/year	248,280,716	260,099,030
Add: Doubtful accounts	7	347,084
Less: Reversal of doubtful accounts	-	(12,165,398)
<b>Balance - end of the period/year</b>	<b>248,280,723</b>	<b>248,280,716</b>

## 11. Derivatives assets and derivatives liabilities

(Unit: Baht)

	30 June 2016		
	Fair value		Notional amount
	Assets	Liabilities	
<b>Trading derivatives</b>			
Forward contract	30,500,431	-	1,014,000,000
Future contracts <sup>(1)</sup>	-	-	97,520,000
Derivatives warrants	-	42,641,141	964,188,237
<b>Total derivatives assets and derivatives liabilities</b>	<b>30,500,431</b>	<b>42,641,141</b>	<b>2,075,708,237</b>

(Unit: Baht)

	31 December 2015		
	Fair value		Notional amount
	Assets	Liabilities	
<b>Trading derivatives</b>			
Forward contract	4,069,837	-	1,014,000,000
Future contracts <sup>(1)</sup>	-	-	185,050,440
Derivatives warrants	-	8,856,328	328,977,760
<b>Total derivatives assets and derivatives liabilities</b>	<b>4,069,837</b>	<b>8,856,328</b>	<b>1,528,028,200</b>

<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 June 2016, fair value of derivative assets - future contracts is Baht 2 million (31 December 2015: fair value of derivative liabilities - future contracts is Baht 1 million).

### 11.1 Gains (losses) on derivatives

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2016	2015	2016	2015
Realised gains on trading in derivatives	13,031,237	29,686,041	13,062,923	27,297,699
Unrealised gains (losses) on revaluation of derivatives	18,097,444	(1,742,133)	9,890,405	(29,793,480)
<b>Total gains (losses) on derivatives</b>	<b>31,128,681</b>	<b>27,943,908</b>	<b>22,953,328</b>	<b>(2,495,781)</b>

## 12. Investments

(Unit: Baht)

	30 June 2016		31 December 2015	
	Cost / amortised cost	Fair value	Cost / amortised cost	Fair value
<b>Trading securities</b>				
Equity securities				
Listed securities	228,375,135	227,943,600	177,901,717	185,651,352
Total trading securities	228,375,135		177,901,717	
Add (less): Allowance for revaluation	(431,535)		7,749,635	
<b>Net trading securities</b>	<u>227,943,600</u>		<u>185,651,352</u>	
<b>Held-to-maturity debt securities</b>				
Government bonds	1,470,000,000	1,462,180,206	-	-
Total held-to-maturity debt securities	1,470,000,000		-	
Less: Accumulated amortisation	(7,819,794)		-	
Total held-to-maturity debt securities	1,462,180,206		-	
Less: Investments for customers' account	(1,462,180,206)		-	
Net held-to-maturity debt securities	-		-	
<b>General investments</b>				
Other securities - ordinary shares	23,752,500		24,169,160	
Less: Allowance for impairment	(14,662,500)		(14,662,500)	
<b>Net general investments</b>	<u>9,090,000</u>		<u>9,506,660</u>	
<b>Total investments - net</b>	<u>237,033,600</u>		<u>195,158,012</u>	

### 12.1 Debt securities classified by remaining periods to maturity

As at 30 June 2016, the Company classified investments in held-to-maturity debt securities by remaining periods to maturity as follows:

(Unit: Baht)

	30 June 2016			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Held-to-maturity debt securities</b>				
Government bonds	1,462,180,206	-	-	1,462,180,206
Less: Investments for customer's accounts	(1,462,180,206)	-	-	(1,462,180,206)
<b>Total investments in held-to-maturity debt securities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 12.2 Gains (losses) on investments

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2016	2015	2016	2015
Realised gains (losses) on trading securities	240,075	(20,145,896)	4,197,433	(2,348,898)
Unrealised gains (losses) on revaluation of trading securities	(9,293,853)	2,377,705	(7,867,270)	16,098,129
Total gains (losses) on investments	(9,053,778)	(17,768,191)	(3,669,837)	13,749,231

## 13. Equipment

(Unit: Baht)

	Furniture				Total
	Building improvement	Fixtures and equipment	Asset under financial lease	Construction in process	
<b>Cost</b>					
1 January 2015	224,285,643	529,307,493	28,134,432	10,425,705	792,153,273
Additions	5,575,822	43,334,105	11,183,505	4,393,896	64,487,328
Transfer in (out)	-	10,420,244	-	(10,420,244)	-
Disposals/written-off	(543,151)	(8,210,337)	(2,906,536)	-	(11,660,024)
31 December 2015	229,318,314	574,851,505	36,411,401	4,399,357	844,980,577
Additions	442,801	2,812,740	190,715	4,297,772	7,744,028
Transfer in (out)	4,109,995	57,000	-	(4,166,995)	-
Disposals/written-off	(3,017,197)	(5,356,005)	-	-	(8,373,202)
30 June 2016	230,853,913	572,365,240	36,602,116	4,530,134	844,351,403
<b>Accumulated depreciation</b>					
1 January 2015	159,227,294	343,187,651	15,702,895	-	518,117,840
Depreciation for the year	22,330,728	58,968,155	5,971,161	-	87,270,044
Disposals/written-off	(377,446)	(8,140,947)	(2,906,535)	-	(11,424,928)
31 December 2015	181,180,576	394,014,859	18,767,521	-	593,962,956
Depreciation for the period	10,636,247	31,233,462	2,795,240	-	44,664,949
Disposals/written-off	(3,016,139)	(5,313,332)	-	-	(8,329,471)
30 June 2016	188,800,684	419,934,989	21,562,761	-	630,298,434
<b>Net book value</b>					
31 December 2015	48,137,738	180,836,646	17,643,880	4,399,357	251,017,621
30 June 2016	42,053,229	152,430,251	15,039,355	4,530,134	214,052,969
Depreciation charge for the six-month periods ended 30 June					
2015					42,745,812
2016					44,664,949

As at 30 June 2016 and 31 December 2015, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 368 million and Baht 336 million, respectively.

#### 14. Intangible assets

(Unit: Baht)

For the six-month period ended 30 June 2016									
	Useful lives	Cost			Accumulated amortisation			Net intangible assets	
		1 January 2016	Increase	Transfer in (transfer out) 30 June 2016	1 January 2016	Increase	30 June 2016		
Computer software	5 years	137,390,057	449,341	758,104	138,597,502	94,966,941	7,287,451	102,254,392	36,343,110
Software under installation	-	1,917,262	1,479,954	(758,104)	2,639,112	-	-	-	2,639,112
Deferred expenses of membership fee - Thailand Futures Exchanges	-	5,000,000	-	-	5,000,000	1,679,452	-	1,679,452	3,320,548
<b>Total</b>		<b>144,307,319</b>	<b>1,929,295</b>	<b>-</b>	<b>146,236,614</b>	<b>96,646,393</b>	<b>7,287,451</b>	<b>103,933,844</b>	<b>42,302,770</b>

(Unit: Baht)

For the year ended 31 December 2015									
	Useful lives	Cost			Accumulated amortisation			Net intangible assets	
		1 January 2015	Increase	Transfer in (transfer out) 31 December 2015	1 January 2015	Increase	31 December 2015		
Computer software	5 years	126,933,053	7,278,802	3,178,202	137,390,057	80,068,191	14,898,750	94,966,941	42,423,116
Software under installation	-	3,192,354	1,903,110	(3,178,202)	1,917,262	-	-	-	1,917,262
Deferred expenses of membership fee - Thailand Futures Exchanges	-	5,000,000	-	-	5,000,000	1,679,452	-	1,679,452	3,320,548
<b>Total</b>		<b>135,125,407</b>	<b>9,181,912</b>	<b>-</b>	<b>144,307,319</b>	<b>81,747,643</b>	<b>14,898,750</b>	<b>96,646,393</b>	<b>47,660,926</b>

As at 30 June 2016 and 31 December 2015, certain computer software items have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those intangible assets amounted to approximately Baht 64 million and Baht 61 million, respectively.

#### 15. Other assets

(Unit: Baht)

	30 June 2016	31 December 2015
Clearing fund	121,112,664	112,105,636
Accrued income	73,164,267	52,707,857
Prepaid expenses	175,897,339	24,738,352
Others	29,485,815	20,586,445
<b>Total</b>	<b>399,660,085</b>	<b>210,138,290</b>

## 16. Borrowings from financial institutions

As at 30 June 2016 and 31 December 2015, borrowings from financial institutions comprising of domestic borrowings in Baht currency as follows:

(Unit: Baht)

	30 June 2016			
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Within 1 year	Total
<b>Financial institutions</b>				
Promissory notes	1.80	280,000,000	-	280,000,000
<b>Total borrowings from financial institutions</b>		<u>280,000,000</u>	<u>-</u>	<u>280,000,000</u>

(Unit: Baht)

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

## 17. Securities and derivatives business payables

(Unit: Baht)

	30 June 2016	31 December 2015
Cash accounts	4,026,606,785	2,001,098,333
Payables under securities borrowing and lending business	96,991,935	216,215,093
Guaranteed deposit payables	20,907,000	10,131,040
<b>Total securities and derivatives business payables</b>	<u>4,144,505,720</u>	<u>2,227,444,466</u>

## 18. Debt issued and borrowings

As at 30 June 2016 and 31 December 2015, debt issued and borrowings are classified as follows:

(Unit: Baht)

	30 June 2016				
	Interest rate per annum (percent)	Remaining period to maturity			Total
		At call	Within	More than	
			1 year	1 year	
<b><u>Other borrowings and debt issued</u></b>					
Bills of exchange	1.75 - 1.80	-	5,832,948,039	-	5,832,948,039
Bonds	3.14	-	1,400,000,000	-	1,400,000,000
Subordinated loan	1% above cost of funds	-	-	1,043,208,000	1,043,208,000
<b>Total other borrowings and debt issued</b>		-	<b>7,232,948,039</b>	<b>1,043,208,000</b>	<b>8,276,156,039</b>

(Unit: Baht)

	31 December 2015				
	Interest rate per annum (percent)	Remaining period to maturity			Total
		At call	Within	More than	
			1 year	1 year	
<b><u>Other borrowings and debt issued</u></b>					
Bills of exchange	1.70 - 1.85	-	6,123,956,305	-	6,123,956,305
Bonds	3.14	-	1,400,000,000	-	1,400,000,000
Subordinated loan	1% above cost of funds	-	-	1,020,778,000	1,020,778,000
<b>Total other borrowings and debt issued</b>		-	<b>7,523,956,305</b>	<b>1,020,778,000</b>	<b>8,544,734,305</b>

## 19. Provisions

(Unit: Baht)

	Obligation	Long-term	Decommissioning	Total
		employee benefits	cost	
Balance as at 1 January 2015	26,326,952	112,927,548	4,389,027	143,643,527
Increase (decrease) during the year	(26,326,952)	33,123,214	-	6,796,262
Balance as at 31 December 2015	-	146,050,762	4,389,027	150,439,789
Increase during the period	-	12,957,224	-	12,957,224
Balance as at 30 June 2016	-	159,007,986	4,389,027	163,397,013

## 20. Provisions for long-term employee benefits

Provisions for long-term employee benefits as at 30 June 2016 and 31 December 2015, are as follows:

	(Unit: Baht)	
	For the six-month period ended 30 June 2016	For the year ended 31 December 2015
<b>Provisions for long-term employee benefits at beginning of period/year</b>	146,050,762	124,197,612
Current service cost	9,736,512	17,984,492
Interest cost	3,220,712	5,491,278
Benefits paid during the period/year	-	(1,622,620)
<b>Provisions for long-term employee benefits at end of period/year</b>	<b>159,007,986</b>	<b>146,050,762</b>

Long-term employee benefit expenses included in the profit or loss for the three-month and six-month periods ended 30 June 2016 and 2015 was as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2016	2015	2016	2015
Current service cost	4,868,256	4,496,124	9,736,512	8,992,247
Interest cost	1,610,356	1,372,819	3,220,712	2,745,638
Transitional liability recognised during the period	-	2,817,516	-	5,635,032
<b>Total</b>	<b>6,478,612</b>	<b>8,686,459</b>	<b>12,957,224</b>	<b>17,372,917</b>

The Company recognised these expenses in operating expenses.

The Company expects to pay Baht 18 million in long-term employee benefits during the next year (31 December 2015: Baht 7 million). As at 30 June 2016, the weighted average duration of the liabilities for long-term employee benefit is about 19 years (31 December 2015: 19 years)



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

	30 June 2016	31 December 2015
	(% per annum)	(% per annum)
Discount rate	4.25	4.25
Average future salary increase	5.00	5.00
Average staff turnover rate	0.00 - 15.00	0.00 - 15.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 June 2016 and 31 December 2015 are summarised below:

(Unit: Million Baht)

	30 June 2016		31 December 2015	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(16)	18	(15)	18
Future salary increase rate	19	(17)	18	(16)
Average staff turnover rate	(17)	13	(16)	12

## 21. Liabilities under finance lease agreements

(Unit: Baht)

	30 June 2016	31 December 2015
Liabilities under finance lease agreements	19,968,741	22,485,340
Less: Deferred interest expenses	(1,804,400)	(2,282,874)
Total	18,164,341	20,202,466
Less: Portion due within one year	(5,347,820)	(4,989,571)
Total liabilities under finance lease agreements - net of current portion	<u>12,816,521</u>	<u>15,212,895</u>

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

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

	(Unit: Baht)		
	30 June 2016		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	6,165,615	13,803,126	19,968,741
Deferred interest expenses	(817,795)	(986,605)	(1,804,400)
Present value of future minimum lease payments	<u>5,347,820</u>	<u>12,816,521</u>	<u>18,164,341</u>

  

	(Unit: Baht)		
	31 December 2015		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	5,944,338	16,541,002	22,485,340
Deferred interest expenses	(954,767)	(1,328,107)	(2,282,874)
Present value of future minimum lease payments	<u>4,989,571</u>	<u>15,212,895</u>	<u>20,202,466</u>

## 22. Capital management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

## 23. 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. The Company completely sets aside a statutory reserve nowadays.

## 24. Dividends

During the six-month periods ended 30 June 2016 and 2015, payment of dividend are as follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends for the operating result as from 1 January 2015 to 31 December 2015	Annual General Meeting of the shareholders on 4 April 2016	451	0.79
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

## 25. Brokerage fee

(Unit: Baht)

	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2016	2015	2016	2015
Brokerage fee from securities business	503,586,383	514,555,111	1,062,591,462	1,371,132,358
Brokerage fee from derivatives business	35,303,731	37,149,264	82,723,291	82,562,767
Other brokerage fees	1,064,641	1,662,066	2,745,517	3,629,007
Total brokerage fee	539,954,755	553,366,441	1,148,060,270	1,457,324,132

## 26. Fees and service income

(Unit: Baht)

	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2016	2015	2016	2015
Underwriting fee	4,184,000	26,280,000	4,184,000	104,690,400
Financial advisory	5,450,000	6,475,000	14,200,000	19,175,000
Securities borrowing and lending	2,445,150	2,032,748	6,557,203	3,941,658
Others	6,143,151	95,277	6,296,078	211,759
Total fees and service income	18,222,301	34,883,025	31,237,281	128,018,817

## 27. 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 Limited Companies Act.

## 28. Provident fund

The Company, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly at the rate of 3 - 15 percent of basic salary and the Company contributed to the fund monthly at the rate of 3 - 10 percent. The funds of the Company are managed by TMB Asset Management Company Limited. The funds will be paid to employees upon termination in accordance with the rules of the fund. During the six-month periods ended 30 June 2016 and 2015, Baht 20 million and Baht 20 million, respectively were contributed to the fund by the Company.

## 29. Deferred tax assets/liabilities and income tax expenses

### 29.1 Deferred tax assets/liabilities

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

	(Unit: Baht)	
	30 June 2016	31 December 2015
<b>Deferred tax assets</b>		
Allowance for doubtful accounts - others receivables	7,400,600	7,400,600
Provisions for long-term employee benefits	32,165,597	29,574,152
Others	3,512,139	2,657,152
<b>Total</b>	<u>43,078,336</u>	<u>39,631,904</u>
<b>Deferred tax liabilities</b>		
Unrealised gains on exchange rate	4,373,332	3,598,553
Others	664,110	1,446,021
<b>Total</b>	<u>5,037,442</u>	<u>5,044,574</u>
<b>Net deferred tax assets</b>	<u><u>38,040,894</u></u>	<u><u>34,587,330</u></u>

### 29.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2016	2015	2016	2015
<b>Current income tax:</b>				
Interim corporate income tax	29,054,369	50,916,905	98,376,433	153,380,431
Adjustment of corporate income tax expenses of previous periods	15,813,323	8,767,397	15,813,323	8,767,397
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	63,721	(1,207,034)	(3,453,565)	(10,922,442)
<b>Income tax expense reported in profit or loss</b>	<u>44,931,413</u>	<u>58,477,268</u>	<u>110,736,191</u>	<u>151,225,386</u>

Reconciliation between income tax expenses and the product of accounting profits and the applicable tax rate for the three-month and six-month periods ended 30 June 2016 and 2015 are as follows:

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2016	2015	2016	2015
Accounting profits before income tax expenses	225,067,564	290,281,802	550,515,902	747,616,408
Applicable corporate income tax rate	20%	20%	20%	20%
Amounts of income taxes at the applicable tax rate	45,013,513	58,056,360	110,103,180	149,523,282
Adjustment of income tax expenses of previous period	15,813,323	8,767,397	15,813,323	8,767,396
Tax effect of non-deductible expenses	(15,895,423)	(8,346,489)	(15,180,312)	(7,065,292)
Income tax expenses reported in profit or loss	44,931,413	58,477,268	110,736,191	151,225,386

### 30. Earnings per share

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

### 31. Related party transactions

During the three-month and six-month periods ended 30 June 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

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 six-month		Pricing policies
	periods ended 30 June		periods ended 30 June		
	2016	2015	2016	2015	
<b>Transactions with related parties</b>					
<u>Service income</u>					
					In accordance with service agreements
Maybank Asset Management (Thailand) Co., Ltd.	-	1	1	1	
<u>Brokerage fee income</u>					
					At normal rate charged to other clients
Maybank Kim Eng Securities Pte. Ltd.	14	11	25	24	
Kim Eng Securities (Hong Kong) Limited	1	1	3	2	
<u>Research and advisory income</u>					
					In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	1	15	7	19	
<u>Fee and service expenses</u>					
					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	-	1	-	2	
<u>Brokerage expenses</u>					
					In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	1	-	1	1	
<u>Rental expenses</u>					
					In accordance with agreement
Maybank Asset Management (Thailand) Co., Ltd.	-	1	-	1	
<u>Interest expenses on borrowings</u>					
					In accordance with agreement
Maybank Kim Eng Holdings Limited	8	11	16	23	
<u>Research and advisory expenses</u>					
					In accordance with agreement
Maybank Kim Eng Research Pte. Ltd.	2	6	6	9	
<u>Dividend paid</u>					
					As declared
Maybank Kim Eng Holdings Limited	375	428	375	428	
Maybank Kim Eng Securities Pte. Ltd.	1	1	1	1	

As at 30 June 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)

	30 June 2016	31 December 2015	Pricing Policies
<b><u>Related companies</u></b>			
<u>Securities business receivables</u>			
			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	11	87	
Kim Eng Securities (Hong Kong) Limited	-	4	
<u>Foreign securities company receivables</u>			
			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1	4	
<u>Foreign deposits receivables</u>			
			As determined by Maybank
Maybank Kim Eng Securities Pte. Ltd.	175	240	Kim Eng Securities Pte. Ltd.
<u>Other receivable</u>			
			No interest charged
Maybank Kim Eng Research Pte. Ltd.	7	-	
<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.	265	36	
Kim Eng Securities (Hong Kong) Limited	14	-	
<u>Foreign securities company payables</u>			
			No interest charged
Maybank Kim Eng Securities Pte. Ltd.	1	1	
<u>Accrued interest payable</u>			
			In accordance with agreement
Maybank Kim Eng Securities Pte. Ltd.	8	-	
<u>Accrued expenses</u>			
			No interest charged
Maybank Kim Eng Research Pte. Ltd.	6	-	

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

As at 30 June 2016, the Company had loans to employees under welfare program amounting to Baht 306 million. The loans charged interest at rate of 1.37 and 2.10 percent per annum (31 December 2015: Baht 314 million, interest at rate of 1.40 and 2.10 percent per annum).



### Loans from related parties

As at 30 June 2016, the loans from related parties between the Company and the related company and the movement of loans are as follows:

(Unit: Million Baht)

Loan from related parties	Relationship	Balance as at 1 January 2016	Increase during the period	Decrease during the period	Loss from exchange rate	Balance as at 30 June 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 and six-month periods ended 30 June 2016 and 2015, benefits paid to management of the Company both monetary and non-monetary, which presented as part of "Personnel expenses", are as follows:

(Unit: Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2016	2015	2016	2015
Management's remuneration				
Short-term employee benefits	40,204,029	45,842,823	88,205,501	105,014,680
Post-employment benefits	2,631,091	2,405,226	5,252,952	4,755,068
	42,835,120	48,248,049	93,458,453	109,769,748

## **32. 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 organised into business units based on its products and services and has two reportable segments as follows:

- Securities business segment, which provides service according to brokering and derivative brokering, the Company's securities trading and securities borrowing and lending.
- Investment banking segment, which provides 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.

The following tables present revenue and profit information regarding the Company's operating segments for the six-month periods ended 30 June 2016 and 2015, respectively.

(Unit: Million Baht)

<b>For the six-month period ended 30 June 2016</b>	Securities business segment	Investment banking segment	Total segments
<b>Income</b>			
External customers			
Brokerage fee	1,148	-	1,148
Fee and service income	7	24	31
Interest on deposit and credit balance accounts	462	-	462
Other income	48	-	48
<b>Total income</b>	<b>1,665</b>	<b>24</b>	<b>1,689</b>
<b>Expenses</b>			
Financial cost			196
Fee and service expenses			108
Personnel expenses			567
Other expenses			267
<b>Total expenses</b>			<b>1,138</b>
<b>Profit before income tax expenses</b>			<b>551</b>
Income tax expenses			(111)
<b>Profit for the period</b>			<b>440</b>

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total segments
<b>For the six-month period ended 30 June 2015</b>			
<b>Income</b>			
External customers			
Brokerage fee	1,455	2	1,457
Fee and service income	4	124	128
Interest on deposit and credit balance accounts	539	-	539
Other income	49	-	49
<b>Total income</b>	<b>2,047</b>	<b>126</b>	<b>2,173</b>
<b>Expenses</b>			
Financial cost			265
Fee and service expenses			117
Personnel expenses			740
Other expenses			304
<b>Total expenses</b>			<b>1,426</b>
<b>Profit before income tax expenses</b>			<b>747</b>
Income tax expenses			(151)
<b>Profit for the period</b>			<b>596</b>

The following table presents segment assets of the Company's operating segments as at 30 June 2016 and 31 December 2015:

(Unit: Million Baht)

	Securities business segment	Investment banking segment	Total Segments	Unallocated assets	Total
<b>Segment assets</b>					
As at 30 June 2016	16,480	5	16,485	1,732	18,217
As at 31 December 2015	16,639	6	16,645	1,344	17,989

### 33. Commitments and contingent liabilities

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

	(Unit: Million Baht)	
	30 June 2016	31 December 2015
Payable:		
In up to 1 year	75	99
In over 1 and up to 5 years	36	54

### 34. Financial instruments

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at financial institutions, receivables from and payables to Clearing House, securities and derivatives business receivables and payables, derivative assets, investments, loans to employee under welfare program, borrowings from financial institutions, derivative liabilities, debt issued and borrowings and liabilities under financial lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### 34.1 Credit risk

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

## 34.2 Market risk

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

### a) Interest rate risk

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

As at 30 June 2016 and 31 December 2015, significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

	Outstanding balance of financial instruments as at 30 June 2016								
	Floating interest rate	Fixed interest rates				Non-performing debts	Total	Interest rate (% p.a.)	
		Remaining period to the contractual repricing date or maturity date			Without interest			Floating interest rate	Fixed interest rate
		Within 1 year	1 - 5 years	Over 5 years					
<b>Financial assets</b>									
Cash and cash equivalents	341	-	-	-	196	-	537	0.10 - 1.30	-
Deposits at financial institutions	-	4	-	-	-	-	4	-	0.80 - 1.00
Receivables from Clearing House	-	-	-	-	1,185	-	1,185	-	-
Securities and derivatives business receivables	12,059	-	-	-	3,102	246	15,407	5.19 - 5.20	-
Derivatives assets	-	-	-	-	31	-	31	-	-
Investments - net	-	-	-	-	237	-	237	-	-
Loans to employees under welfare program	306	-	-	-	-	-	306	1.37 - 2.10	-
<b>Financial liabilities</b>									
Borrowings from financial institutions	-	280	-	-	-	-	280	-	1.80
Payables to Clearing House	-	-	-	-	1	-	1	-	-
Securities and derivatives business payables	21	-	-	-	4,124	-	4,145	1.30	-
Derivative liabilities	-	-	-	-	43	-	43	-	-
Debt issued and borrowings	-	7,233	1,043	-	-	-	8,276	-	1.75 - 3.14
Liabilities under financial lease agreements	-	5	13	-	-	-	18	-	4.84 - 6.77

(Unit: Million Baht)

Outstanding balance of financial instruments as at 31 December 2015									
	Fixed interest rates						Interest rate		
	Floating interest rate	Remaining period to the contractual repricing date or maturity date			Without interest	Non-performing debts	Total	(% p.a.)	
		Within 1 year	1 - 5 years	Over 5 years				Floating interest rate	Fixed interest rate
<b>Financial assets</b>									
Cash and cash equivalents	221	-	-	-	163	-	384	0.80 - 1.15	-
Deposits at financial institutions	-	4	-	-	-	-	4	-	1.50 - 2.65
Receivables from Clearing House	-	-	-	-	694	-	694	-	-
Securities and derivatives business									
receivables	13,855	-	-	-	1,935	246	16,036	5.38 - 5.40	-
Derivatives assets	-	-	-	-	4	-	4	-	-
Investments - net	-	-	-	-	195	-	195	-	-
Loans to employees under welfare program	314	-	-	-	-	-	314	1.40 - 2.10	-
<b>Financial liabilities</b>									
Borrowings from financial institutions	-	1,470	-	-	-	-	1,470	-	1.80 - 1.85
Payables to Clearing House	-	-	-	-	155	-	155	-	-
Securities and derivatives business payables	10	-	-	-	2,217	-	2,227	1.50	-
Derivative liabilities	-	-	-	-	9	-	9	-	-
Debt issued and borrowings	-	7,524	1,021	-	-	-	8,545	-	1.70 - 3.14
Liabilities under financial lease agreements	-	5	15	-	-	-	20	-	4.84 - 6.77

## b) Foreign exchange risk

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

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

Foreign currency	Financial assets		Financial liabilities		Exchange rate		Exchange rate	
	as at		as at		as at 30 June 2016		as at 31 December 2015	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	Buying	Selling	Buying	Selling
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 foreign currency unit)		(Baht per 1 foreign currency unit)	
Hong Kong dollar	35	52	35	52	4.4939	4.5753	4.6140	4.7018
Singapore dollar	34	44	34	43	25.7975	26.3629	25.2484	25.7905
US dollar	120	192	119	192	35.0167	35.3436	35.9233	36.2538
Malaysian ringgit	3	2	2	1	8.6134	8.8636	8.2898	8.5661
Euro	4	5	4	5	38.6841	39.4353	39.0780	39.7995
Pound sterling	5	2	5	2	46.7600	47.6690	53.0726	53.9343
Australian dollar	19	1	19	1	25.7913	26.5841	25.8990	26.6681
Yen	-	1	-	-	0.3388	0.3461	0.2965	0.3028
Vietnamese dong	74	32	71	31	0.0016	0.0016	0.0016	0.0016
Yuan	1	2	1	2	5.2320	5.3568	5.4677	5.6239

In addition to the above, as of 30 June 2016, the Company also has outstanding foreign currency loan of Baht 1,043 million (SGD 40 million) (31 December 2015: Baht 1,021 million (SGD 40 million) which will mature in 2017 and forward contract notional amount of SGD 40 million (31 December 2015: SGD 40 million) with exchange rate at 25.35 Baht per Singapore dollar which will mature in 2016.

### 34.3 Liquidity risk

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

The maturity dates of financial instruments held as of 30 June 2016 and 31 December 2015, counting from the financial position date, are as follows.

(Unit: Million Baht)

	As at 30 June 2016						Total
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non-performing debts	
<b>Financial assets</b>							
Cash and cash equivalents	537	-	-	-	-	-	537
Deposits at financial institutions	-	4	-	-	-	-	4
Receivables from Clearing House	-	1,185	-	-	-	-	1,185
Securities and derivatives business receivables	92	3,010	-	-	12,059	246	15,407
Derivatives assets	-	31	-	-	-	-	31
Investments - net	-	-	-	-	237	-	237
Loans to employees under welfare program	-	40	131	135	-	-	306
<b>Financial liabilities</b>							
Borrowings from financial institutions	280	-	-	-	-	-	280
Payables to Clearing House	-	1	-	-	-	-	1
Securities and derivatives business payables	97	4,048	-	-	-	-	4,145
Derivatives liabilities	-	43	-	-	-	-	43
Debt issued and borrowings	-	7,233	1,043	-	-	-	8,276
Liabilities under financial lease agreements	-	5	13	-	-	-	18

(Unit: Million Baht)

As at 31 December 2015

	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non- performing debts	Total
<b>Financial assets</b>							
Cash and cash equivalents	384	-	-	-	-	-	384
Deposits at financial institutions	-	4	-	-	-	-	4
Receivables from Clearing House	-	694	-	-	-	-	694
Securities and derivatives business receivables	192	1,743	-	-	13,855	246	16,036
Derivatives assets	-	4	-	-	-	-	4
Investments - net	-	-	-	-	195	-	195
Loans to employees under welfare program	-	41	134	139	-	-	314
<b>Financial liabilities</b>							
Borrowings from financial institutions	1,470	-	-	-	-	-	1,470
Payables to Clearing House	-	155	-	-	-	-	155
Securities and derivatives business payables	216	2,011	-	-	-	-	2,227
Derivatives liabilities	-	9	-	-	-	-	9
Debt issued and borrowings	-	7,524	1,021	-	-	-	8,545
Liabilities under financial lease agreements	-	5	15	-	-	-	20

### 34.4 Derivatives

As at 30 June 2016 and 31 December 2015, the Company has outstanding derivatives assets (liabilities) as stated in Note 11 as follow:

(Unit: Million Baht)

	30 June 2016		31 December 2015	
	Fair value	Notional amount	Fair value	Notional amount
Forward contract	31	1,014	4	1,014
Future contracts <sup>(1)</sup>	-	98	-	185
Derivatives warrants	(43)	964	(9)	329

<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 June 2016, fair value of derivative assets - future contracts is Baht 2 million (31 December 2015: fair value of derivative liabilities - future contracts is Baht 1 million).



### 35. Fair value of financial instruments

35.1 As of 30 June 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)

	30 June 2016			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Held for trade investments				
Equity instruments	228	-	-	228
Derivatives assets	-	31	-	31
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities	43	-	-	43

(Unit: Million Baht)

	31 December 2015			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Held for trade investments				
Equity instruments	186	-	-	186
Derivatives assets	-	4	-	4
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities	9	-	-	9

**35.2** As at 30 June 2016 and 31 December 2015, the Company had the financial assets and financial liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	30 June 2016				Book value
	Fair value			Total	
	Level 1	Level 2	Level 3		
<b>Financial assets for which fair value are disclosed</b>					
Cash and cash equivalents	537	-	-	537	537
Deposits at financial institutions	4	-	-	4	4
Receivables from Clearing House	-	1,185	-	1,185	1,185
Securities and derivatives business receivables	-	15,159	-	15,159	15,159
Other investments - net	-	-	9	9	9
Loans to employees under welfare program	-	-	306	306	306
<b>Financial liabilities for which fair value are disclosed</b>					
Borrowings at financial institutions	-	280	-	280	280
Payables to Clearing House	-	1	-	1	1
Securities and derivatives business payables	-	4,145	-	4,145	4,145
Debt issued and borrowings	-	8,276	-	8,276	8,276
Liabilities under financial lease agreements	-	18	-	18	18

(Unit: Million Baht)

	31 December 2015				Book value
	Fair value				
	Level 1	Level 2	Level 3	Total	
<b>Financial assets for which fair value are disclosed</b>					
Cash and cash equivalents	384	-	-	384	384
Deposits at financial institutions	4	-	-	4	4
Receivables from Clearing House	-	693	-	693	693
Securities and derivatives business receivables	-	15,788	-	15,788	15,788
Other investments - net	-	-	10	10	10
Loans to employees under welfare program	-	-	314	314	314
<b>Financial liabilities for which fair value are disclosed</b>					
Borrowings at financial institutions	-	1,470	-	1,470	1,470
Payables to Clearing House	-	155	-	155	155
Securities and derivatives business payables	-	2,227	-	2,227	2,227
Debt issued and borrowings	-	8,545	-	8,545	8,545
Liabilities under financial lease agreements	-	20	-	20	20

As of 30 June 2016 and 31 December 2015, there are no material differences between the book value of financial assets and liabilities and their fair value.

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, deposits at financial institutions, accounts receivable, accounts payable and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- b) For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

- c) For loans to employees under welfare program, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) For long-term loans and liabilities under financial lease agreements carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

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

### **36. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2016.