

KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

30 JUNE 2009

AUDITOR'S REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Kim Eng Securities (Thailand) Public Company Limited

Audit Report

I have audited the accompanying interim consolidated and company balance sheets as at 30 June 2009, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2009 of Kim Eng Securities (Thailand) Public Company Limited and its subsidiary and of Kim Eng Securities (Thailand) Public Company Limited, respectively. The company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to express an opinion on these interim financial statements based on my audit. The consolidated and company financial statements for the six-month period ended 30 June 2008 and for the year ended 31 December 2008 of Kim Eng Securities (Thailand) Public Company Limited and its subsidiary and of Kim Eng Securities (Thailand) Public Company Limited, were audited by another auditor in the same firm as myself, whose report dated 11 August 2008 and 12 February 2009, respectively and expressed an unqualified opinion on those financial statements. The consolidated and company balance sheets as at 31 December 2008 and the consolidated and company statements of income, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2008, presented for comparative purposes, are components of the aforementioned financial statements as stated above.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the interim financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall interim financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and company interim financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 30 June 2009 and the consolidated and company results of operations and cash flows for the six-month period ended 30 June 2009 of Kim Eng Securities (Thailand) Public Company Limited and its subsidiary and of Kim Eng Securities (Thailand) Public Company Limited, respectively, in accordance with generally accepted accounting principles.

Review Report

I have also reviewed the accompanying interim consolidated and company statements of income for the three-month period ended 30 June 2009 of Kim Eng Securities (Thailand) Public Company Limited and its subsidiary and of Kim Eng Securities (Thailand) Public Company Limited. The company's management is responsible for the correctness and completeness of information in these interim statements of income. My responsibility is to issue a report on these interim statements of income based on my review. The interim consolidated and company statements of income for the three-month period ended 30 June 2008 of Kim Eng Securities (Thailand) Public Company Limited and its subsidiary and of Kim Eng Securities (Thailand) Public Company Limited, were reviewed by the another auditor from the same firm as myself, whose report dated 11 August 2008 stated that nothing had come to her attention that caused her to believe that the interim statements of income were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the consolidated and company statements of income are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the consolidated and company statements of income for the three-month period ended 30 June 2009 of Kim Eng Securities (Thailand) Public Company Limited and its subsidiary and Kim Eng Securities (Thailand) Public Company Limited, are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Limited

Bangkok
13 August 2009

Kim Eng Securities (Thailand) Public Company Limited
Balance Sheets
As at 30 June 2009 and 31 December 2008

	Notes	Consolidated		The company only	
		30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Assets					
Cash and cash equivalents	3	1,998,958,639	2,863,169,077	1,898,380,525	2,762,191,634
Long-term deposits at financial institutions	4	1,346,853	1,344,965	1,346,853	1,344,965
Investments in debt and equity securities, net	5	277,257,234	258,008,157	277,257,234	258,008,157
Investments in subsidiary	6	-	-	99,999,980	99,999,930
Receivables from Clearing House	7	845,962,930	171,792,745	845,962,930	171,792,745
Securities and Derivatives business receivables	8, 9	3,825,552,746	1,554,032,524	3,825,552,746	1,554,032,524
Loans to employees under welfare program		268,894,630	250,781,098	268,894,630	250,781,098
Equipment, net	10	80,333,131	101,941,380	80,321,036	101,926,211
Intangible assets, net	11	19,762,495	19,505,074	18,762,495	18,505,074
Foreclosed properties		9,886,500	9,756,500	9,886,500	9,756,500
Deposits		39,332,967	39,414,892	39,332,967	39,414,892
Other assets	12	96,694,820	74,388,480	96,202,371	74,281,655
Total assets		7,463,982,945	5,344,134,892	7,461,900,267	5,342,035,385

Kim Eng Securities (Thailand) Public Company Limited
Balance Sheets (Cont'd)
As at 30 June 2009 and 31 December 2008

	Notes	Consolidated		The company only	
		30 June	31 December	30 June	31 December
		2009	2008	2009	2008
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Liabilities					
Payables to Clearing House		286,864,544	73,910,472	286,864,544	73,910,472
Securities and Derivatives business payables		2,528,400,341	746,361,569	2,528,400,341	746,361,569
Provisions	13	34,798,934	34,944,685	34,798,934	34,944,685
Accrued bonus expenses		212,383,203	141,024,897	212,383,203	141,024,897
Accrued corporate income tax		98,213,791	72,644,233	98,105,377	72,217,023
Accrued other expenses		33,484,484	32,035,592	33,381,796	31,935,570
Liabilities under long-term lease	14	8,657,154	10,528,365	8,657,154	10,528,365
Dividend payable		916,404	916,404	916,404	916,404
Other liabilities	15	31,323,905	17,698,425	31,323,835	17,695,301
Total liabilities		3,235,042,760	1,130,064,642	3,234,831,588	1,129,534,286
Shareholders' equity					
Share capital					
Authorised share capital					
572,250,000 ordinary shares of Baht 5 each					
	16	2,861,250,000	2,861,250,000	2,861,250,000	2,861,250,000
Issued and paid-up share capital					
569,106,400 ordinary shares of Baht 5 each					
(2008: 565,387,100 ordinary shares of Baht 5 each)					
		2,845,532,000	2,826,935,500	2,845,532,000	2,826,935,500
Premium on share capital		520,734,129	512,715,929	520,734,129	512,715,929
Share subscriptions received in advance		1,449,000	-	1,449,000	-
Retained earnings					
Appropriated - Legal reserve					
	17	236,346,438	212,678,288	236,346,438	212,678,288
Unappropriated					
		639,972,648	667,123,888	638,101,142	665,554,737
<u>Less</u> Treasury Stock	16	(15,094,030)	(5,383,355)	(15,094,030)	(5,383,355)
Total shareholders' equity		4,228,940,185	4,214,070,250	4,227,068,679	4,212,501,099
Total liabilities and shareholders' equity		7,463,982,945	5,344,134,892	7,461,900,267	5,342,035,385

Kim Eng Securities (Thailand) Public Company Limited
Statements of Income
For the three-month periods ended 30 June 2009 and 2008

	Notes	Consolidated		The company only	
		(Unaudited but reviewed) 30 June 2009 Baht	(Unaudited but reviewed) 30 June 2008 Baht	(Unaudited but reviewed) 30 June 2009 Baht	(Unaudited but reviewed) 30 June 2008 Baht
Revenues					
Brokerage fees					
Brokerage fees from Securities Business		621,088,502	468,175,217	621,088,502	468,175,217
Brokerage fees from Derivatives Business		48,201,554	24,609,870	48,201,554	24,609,870
Fees and services income		18,766,142	5,928,207	18,766,142	5,928,207
Gains (losses) on trading in securities		16,948,483	(8,966,688)	16,948,483	(8,966,688)
Losses on trading in derivatives		(118,000)	(211,700)	(118,000)	(211,700)
Interest and dividend income		17,819,952	39,960,986	17,440,929	39,227,252
Interest on margin loans		16,904,127	21,748,959	16,904,127	21,748,959
Other income		4,146,125	7,060,874	4,146,125	7,060,874
Total revenues		743,756,885	558,305,725	743,377,862	557,571,991
Expenses					
Expense on borrowings		8,300,190	10,572,207	8,300,190	10,572,207
Fees and services expenses		31,514,649	19,296,902	31,389,649	19,171,902
Bad debts and doubtful accounts (reversal)		(448,734)	(1,692,093)	(448,734)	(1,692,093)
Operating expenses					
Personnel expenses		293,913,987	204,571,280	293,913,987	204,427,547
Premises and equipment expenses		62,035,780	61,984,016	62,033,835	61,981,846
Taxes and duties		1,102,537	801,371	1,090,030	801,290
Directors' remuneration and others		16,169,792	10,681,608	16,169,792	10,681,608
Other expenses		21,430,895	22,642,849	21,377,839	22,587,544
Total expenses		434,019,096	328,858,140	433,826,588	328,531,851
Profit before income tax		309,737,789	229,447,585	309,551,274	229,040,140
Income tax	21	76,294,075	55,865,227	76,245,540	55,742,993
Net profit for the period		233,443,714	173,582,358	233,305,734	173,297,147
Attributable to:					
Equity holders of the parent		233,443,714	173,582,358	233,305,734	173,297,147
Minority interest		-	-	-	-
		233,443,714	173,582,358	233,305,734	173,297,147
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share (Baht)	22	0.41	0.31	0.41	0.31
Diluted earnings per share (Baht)	22	0.41	0.31	0.41	0.30

Kim Eng Securities (Thailand) Public Company Limited
Statements of Income (Cont'd)
For the six-month periods ended 30 June 2009 and 2008

	Notes	Consolidated		The company only	
		30 June 2009 Baht	30 June 2008 Baht	30 June 2009 Baht	30 June 2008 Baht
Revenues					
Brokerage fees					
Brokerage fees from Securities business		862,913,771	926,167,177	862,913,771	926,167,177
Brokerage fees from Derivatives business		89,861,120	58,879,690	89,861,120	58,879,690
Fees and services income		27,807,410	10,543,836	27,807,410	10,543,836
Gains (losses) on trading in securities		12,516,085	(3,311,206)	12,516,085	(3,311,206)
Impairment loss on investment		(14,662,500)	-	(14,662,500)	-
Losses on trading in derivatives		(165,000)	(258,960)	(165,000)	(258,960)
Interest and dividend income		42,323,278	70,134,238	41,535,637	68,684,708
Interest on margin loans		30,069,285	42,365,470	30,069,285	42,365,470
Other income		8,112,319	12,993,781	8,112,019	12,993,781
Total revenues		1,058,775,768	1,117,514,026	1,057,987,827	1,116,064,496
Expenses					
Expense on borrowings		15,589,980	20,202,935	15,589,980	20,202,935
Fees and services expenses		48,362,837	39,771,135	48,112,837	39,521,135
Bad debts and doubtful accounts (reversal)		(1,392,024)	(1,747,307)	(1,392,024)	(1,747,307)
Operating expenses					
Personnel expenses		435,600,393	416,147,486	435,600,393	416,003,753
Premises and equipment expenses		120,043,712	123,168,237	120,040,238	123,166,067
Taxes and duties		2,035,979	1,830,015	2,017,486	1,829,855
Directors' remuneration and others		20,070,254	22,163,485	20,070,254	22,163,485
Other expenses		40,937,919	45,524,973	40,832,714	45,168,106
Total expenses		681,249,050	667,060,959	680,871,878	666,308,029
Profit before income tax		377,526,718	450,453,067	377,115,949	449,756,467
Income tax	21	98,074,858	109,970,762	97,966,444	109,761,771
Net profit for the period		279,451,860	340,482,305	279,149,505	339,994,696
Attributable to:					
Equity holders of the parent		279,451,860	340,482,305	279,149,505	339,994,696
Minority interest		-	-	-	-
		279,451,860	340,482,305	279,149,505	339,994,696
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share (Baht)	22	<u>0.49</u>	<u>0.61</u>	<u>0.49</u>	<u>0.61</u>
Diluted earnings per share (Baht)	22	<u>0.49</u>	<u>0.60</u>	<u>0.49</u>	<u>0.60</u>

Kim Eng Securities (Thailand) Public Company Limited
Statements of Changes in Shareholders' Equity
For the six-month periods ended 30 June 2009 and 2008

	Consolidated						
	Attributable to equity holders of the parent						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Share subscriptions received in advance Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Treasury stock Baht	Total Baht
Beginning balance as at							
1 January 2009	2,826,935,500	512,715,929	-	212,678,288	667,123,888	(5,383,355)	4,214,070,250
Net profit for the period	-	-	-	-	279,451,860	-	279,451,860
Increase in share capital	18,596,500	8,018,200	1,449,000	-	-	-	28,063,700
Appropriation of legal reserve (Note 17)	-	-	-	13,957,475	(13,957,475)	-	-
Treasury stock (Note 16)	-	-	-	-	-	(9,710,675)	(9,710,675)
Appropriation of treasury stock (Note 17)	-	-	-	9,710,675	(9,710,675)	-	-
Dividends (Note 19)	-	-	-	-	(282,934,950)	-	(282,934,950)
Ending balance as at							
30 June 2009	2,845,532,000	520,734,129	1,449,000	236,346,438	639,972,648	(15,094,030)	4,228,940,185

	Consolidated						
	Attributable to equity holders of the parent						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Share subscriptions received in advance Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Treasury stock Baht	Total Baht
Beginning balance as at							
1 January 2008	2,781,808,500	494,777,529	281,000	180,633,241	715,206,116	-	4,172,706,386
Net profit for the period	-	-	-	-	340,482,305	-	340,482,305
Increase (decrease) in share capital	21,585,500	8,528,400	(264,500)	-	-	-	29,849,400
Appropriation of legal reserve	-	-	-	16,999,735	(16,999,735)	-	-
Dividends (Note 19)	-	-	-	-	(381,235,676)	-	(381,235,676)
Ending balance as at							
30 June 2008	2,803,394,000	503,305,929	16,500	197,632,976	657,453,010	-	4,161,802,415

Kim Eng Securities (Thailand) Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the six-month periods ended 30 June 2009 and 2008

	The company only						
	Attributable to equity holders of the parent						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Share subscriptions received in advance Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Treasury stock Baht	Total Baht
Beginning balance as at							
1 January 2009	2,826,935,500	512,715,929	-	212,678,288	665,554,737	(5,383,355)	4,212,501,099
Net profit for the period	-	-	-	-	279,149,505	-	279,149,505
Increase in share capital	18,596,500	8,018,200	1,449,000	-	-	-	28,063,700
Appropriation of legal reserve (Note 17)	-	-	-	13,957,475	(13,957,475)	-	-
Treasury stock (Note 16)	-	-	-	-	-	(9,710,675)	(9,710,675)
Appropriation of treasury stock (Note 17)	-	-	-	9,710,675	(9,710,675)	-	-
Dividends (Note 19)	-	-	-	-	(282,934,950)	-	(282,934,950)
Ending balance as at							
30 June 2009	2,845,532,000	520,734,129	1,449,000	236,346,438	638,101,142	(15,094,030)	4,227,068,679

	The company only						
	Attributable to equity holders of the parent						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Share subscriptions received in advance Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Treasury stock Baht	Total Baht
Beginning balance as at							
1 January 2008	2,781,808,500	494,777,529	281,000	180,633,241	715,186,588	-	4,172,686,858
Net profit for the period	-	-	-	-	339,994,696	-	339,994,696
Increase (decrease) in share capital	21,585,500	8,528,400	(264,500)	-	-	-	29,849,400
Appropriation of legal reserve	-	-	-	16,999,735	(16,999,735)	-	-
Dividends (Note 19)	-	-	-	-	(381,235,676)	-	(381,235,676)
Ending balance as at							
30 June 2008	2,803,394,000	503,305,929	16,500	197,632,976	656,945,873	-	4,161,295,278

Kim Eng Securities (Thailand) Public Company Limited
Statements of Cash Flows
For the six-month periods ended 30 June 2009 and 2008

	Consolidated		The company only	
	30 June 2009 Baht	30 June 2008 Baht	30 June 2009 Baht	30 June 2008 Baht
Cash flows from operating activities				
Profit before tax	377,526,718	450,453,067	377,115,949	449,756,467
Adjustments to reconcile profit before tax to cash received (paid) provided by operating activities:				
Depreciation and amortisation	29,390,763	34,932,994	29,387,689	34,932,688
Interest income	(73,664,835)	(102,804,532)	(72,877,194)	(101,355,002)
Interest expense	15,250,109	19,710,269	15,250,109	19,710,269
Provision for severance pay (reverse)	(145,751)	(77,920)	(145,751)	(77,920)
Reversal of bad debts and doubtful accounts	(1,392,024)	(1,747,307)	(1,392,024)	(1,747,307)
Impairment loss on investment	14,662,500	-	14,662,500	-
(Gains) losses on revaluation of investments	(13,943,551)	2,581,373	(13,943,551)	2,581,373
(Gains) losses on disposal of equipment	622,641	(705,255)	622,641	(705,255)
Amortisation of interest expenses financial lease	339,871	492,665	339,871	492,665
Operating profit before changes in operating assets and liabilities	348,646,441	402,835,354	349,020,239	403,587,978
Decrease (increase) in operating assets				
Long-term deposits at financial institutions	(1,888)	(2,379)	(1,888)	(2,379)
Short-term investments	(19,968,026)	969,024	(19,968,026)	969,024
Receivables from Clearing House	(674,170,185)	(65,366,132)	(674,170,185)	(65,366,132)
Securities and Derivatives business receivables	(2,269,031,231)	403,256,934	(2,269,031,231)	403,256,934
Loans to employees under welfare program	(18,113,532)	(7,697,364)	(18,113,532)	(7,697,364)
Foreclosed properties	(130,000)	-	(130,000)	-
Deposits	81,925	432,834	81,925	432,834
Other assets	(19,336,477)	(11,484,011)	(19,051,311)	(11,197,404)
Increase (decrease) in operating liabilities				
Payable to Clearing House	212,954,072	(28,188,946)	212,954,072	(28,188,946)
Securities and Derivatives business payables	1,782,038,772	(139,137,497)	1,782,038,772	(139,137,497)
Accrued bonus expenses	71,358,306	(33,638,838)	71,358,306	(33,638,838)
Accrued other expenses	1,140,555	(3,729,975)	1,137,889	(3,767,894)
Other liabilities	13,625,530	525,759	13,628,534	525,646
Cash generated from (used in) operating before received (paid) interest and income tax paid	(570,905,738)	518,774,763	(570,246,436)	519,775,962
Interest received	69,598,006	104,437,716	68,910,823	102,988,186
Interest paid	(15,281,644)	(20,202,388)	(15,281,644)	(20,202,388)
Income tax paid	(72,505,300)	(132,996,240)	(72,078,090)	(132,987,871)
Net cash provided by (used in) operating activities	(589,094,676)	470,013,851	(588,695,347)	469,573,889

Kim Eng Securities (Thailand) Public Company Limited
Statements of Cash Flows (Cont'd)
For the six-month periods ended 30 June 2009 and 2008

	Consolidated		The company only	
	30 June 2009 Baht	30 June 2008 Baht	30 June 2009 Baht	30 June 2008 Baht
Cash flows from investing activities				
Purchases of equipment	(5,974,420)	(17,007,188)	(5,974,420)	(16,988,588)
Proceeds from disposals of equipment	123,815	3,649,391	123,815	3,649,391
Purchases of intangible assets	(2,811,971)	(1,647,692)	(2,811,971)	(1,647,692)
Cash paid for investing in subsidiary	(50)	-	(50)	(74,999,947)
Net cash used in investing activities	(8,662,626)	(15,005,489)	(8,662,626)	(89,986,836)
Cash flows from financing activities				
Cash paid for long-term lease	(1,871,211)	(5,048,825)	(1,871,211)	(5,048,825)
Cash received from share capital	28,063,700	29,849,400	28,063,700	29,849,400
Cash paid for treasury stock	(9,710,675)	-	(9,710,675)	-
Dividends paid	(282,934,950)	(381,228,876)	(282,934,950)	(381,228,876)
Net cash used in financing activities	(266,453,136)	(356,428,301)	(266,453,136)	(356,428,301)
Net increase (decrease) in cash and cash equivalents	(864,210,438)	98,580,061	(863,811,109)	23,158,752
Cash and cash equivalents, at beginning of the period	2,863,169,077	2,131,883,037	2,762,191,634	2,107,843,130
Cash and cash equivalents, at end of the period	1,998,958,639	2,230,463,098	1,898,380,525	2,131,001,882

1 General information

Kim Eng Securities (Thailand) Public Company Limited (“the company”) is a public limited company incorporated and resident in Thailand. The address of the company’s registered office is as follows:

999/9 The Offices at Central World, 20th - 21st Floor, Rama 1 Road, Pathumwan, Bangkok, 10330.

The company has 8 licenses for the securities business, which are brokering, trading, underwriting, investment advisory, corporate finance advisory, securities registrant, TFEX license and securities borrowing and lending.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the company and its subsidiary are referred to as the Group.

These group interim consolidated and company financial statements were authorised for issue by the Board of Directors on 13 August 2009.

2 Accounting policies

2.1 Basis of preparation

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the office of the Securities and Exchange Commission. The primary financial statements (i.e., balance sheets, statements of income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the office of the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 34, “Interim Financial Reporting” (formerly TAS 41) and additional notes are presented as required by the office of the Securities and Exchange Commission under the Securities and Exchange Act., B.E. 2535.

The interim consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of interim consolidated and company financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported period. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the interim consolidated and company financial statements have been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

2.2 New accounting standards, new financial reporting standards and amendments to accounting standards

Revised standards that are effective for the period beginning on or after 1 January 2009 and revised accounting framework are as follows:

TAS 36 (revised 2007) Impairment of Assets
TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued operations (formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards and amendments to accounting standards (Cont'd)

Those two standards and accounting framework do not have a material impact on the financial statements.

The revised accounting standards and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which were not early adopted by the Group are as follows:

Effective for the period beginning on or after 1 January 2011

TAS 24 (revised 2007) Related Party Disclosure (formerly TAS 47)

TAS 40 Investment Property

Effective for the period beginning on or after 1 January 2012

TAS 20 Accounting for Government Grants and Disclosure for Government Assistance

The Group's management has determined that the revised standard and the new standards will not significantly impact the financial statements being presented.

On 26 June 2009, the Federation of Accounting Professions announced the revision of the numbers used in the Thai Accounting Standards to correspond with the numbers used in the International Accounting Standards.

2.3 Group Accounting - Investment in subsidiary

Subsidiary is the entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholder of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiary is consolidated from the date on which control is transferred to the Group and is no longer consolidated from the date the control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated, except for realised losses, which the group identified that there is an objective evidence of impairment. Where necessary accounting policies of subsidiary have been changed to ensure consistency with the policies adopted by the Group.

In the company's separate financial statements, investment in subsidiary is reported by using the cost method less impairment, if any.

These interim consolidated financial statements include the balance sheets as at 30 June 2009 and 31 December 2008 and the related statements of income for the six-month period ended 30 June 2009 and 2008 of Kim Eng Securities (Thailand) Public Company Limited ("the Company") and the KEST Guardian Asset Management Company Limited ("the subsidiary") which is a company registered under Thai law and engaged in managing a fund. The Company started preparing the consolidated financial statements on 18 May 2007, when KEST Guardian Asset Management Company Limited registered the business with Minister of Commerce.

2 Accounting policies (Cont'd)

2.4 Income and expenses recognition

General income and expenses are recognised on an accrual basis.

Brokerage fees

Brokerage income is recognised when the underlying transaction is contracted.

Fees and service income

Fees and service income are recognised as income when the service has been substantially rendered.

Underwriting income

Underwriting income is recognised as income when securities are allotted.

Interest and dividend income

Interest income from investments is recognised on a time proportion basis using the effective interest method. Dividend income from investments is recognised when the right to receive payment is established.

Interest on credit balance transactions

Interest on credit balance transaction is recognised as income on the time proportion basis except for interest income from certain securities business receivables, which is recognised on a collection basis in accordance with an announcement of the office of the Securities and Exchange Commission, dated 15 February 2001, regarding the accounting for sub-standard loans.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried on the balance sheet at cost. Cash and cash equivalents comprise cash on hand, current and saving deposits, negotiable certificates of deposits, promissory notes, and other short-term highly liquid investments with original maturities within 3 months or under.

2.6 Investments in debt and equity securities

Investments other than investments in subsidiary are classified into the following four categories: 1. Trading investments, 2. Held-to-maturity investments, 3. Available-for-sale investments and 4. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments. For the purpose of these financial statements, short term is defined as a year.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
4. Investments in non-marketable equity securities are classified as general investments.

2 Accounting policies (Cont'd)

2.6 Investments in debt and equity securities (Cont'd)

Investments in available-for-sale and trading securities are presented at fair value less allowance for impairment, if any, in the balance sheet. Unrealised gains or losses resulting from changes in fair values of investment in available-for-sale securities and trading securities are included in the shareholders' equity and in the statement of income, respectively. Fair value are calculated on the following basis:

- For marketable debt securities, fair values are calculated by referencing to the last bid prices on the last business day of the period. The rates are announced by the Thai Bond Market Association (Thai BMA). Fair values of other debt securities are calculated by referencing to the risk-free yield curve, adjusted by the appropriate risk premium.
- For marketable equity securities, fair values are calculated by referencing to last bid prices quoted on the stock exchange of Thailand on the last business day of the period.

Held-to-maturity debt securities are initially recognised at purchase price plus transaction costs and subsequently accounted for at amortised cost using effective interest method, less allowance for impairment, if any.

General investment is stated at cost, less allowance for impairment, if any.

An impairment review is carried out by the Group when there is a factor indicating that such investment might be impaired. If the carrying amount of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

When a particular investment in securities is partly disposed, the carrying amount of the disposed portion is determined on the weighted average basis.

2.7 Allowance for doubtful accounts

Allowance for doubtful accounts is determined based on the conditions in announcement of the office of the Securities and Exchange Commission's Notification dated 15 February 2001, regarding the accounting for sub-standard loans. The announcement requires the company to classify its loan portfolio into 3 categories subject to different levels of provisioning. The announcement also imposes policies regarding the collateral valuation for the purpose of setting allowance for doubtful accounts. Moreover, the considerations of the financial position of each expected to be uncollectible debtors based on the experience and opinion of the management are also performed.

Bad debts written off or bad debts recovered are recorded as a decrease or an increase in the allowance for doubtful accounts.

2.8 Loans to employees under welfare program

Loans to employees under welfare program are recognised initially at cash granted to employees. Loans to employees are subsequently stated at amortised cost using the contractual interest rate. The return is recognised in the statement of income over the period of loan.

2 Accounting policies (Cont'd)

2.9 Equipment and depreciation

Equipment is initially recorded at cost and is subsequently shown at cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over the estimated useful lives.

Building improvement	5 years
Furniture fixtures & equipment	3 and 5 years
Motor vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference will be recorded as impairment loss in the statement of income.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. The Group depreciated the asset over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2.10 Foreclosed properties

Foreclosed properties consist of immovable properties, which are stated at the lower of cost and recoverable amount. The excess of the carrying amount over recoverable amount is recognised as an impairment loss in statement of income.

Gains or losses on disposals of such properties are recognised in the statement of income at the date of disposal.

2.11 Intangible assets

Expenditure on acquired intangible assets is capitalised and amortised using the straight-line method over their useful lives, generally over 5 years, except for TFEX member fee and mutual 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 where it is considered necessary.

2.12 Financial instruments transactions

Significant financial assets carried on the balance sheet include cash and cash equivalents, long-term deposits at financial institutions, investments in debt and equity securities, Receivables from Clearing House, Securities and Derivatives business receivables, and loans to employees under welfare program. Significant financial liabilities carried on the balance sheet include Payables to Clearing House, Securities and Derivatives business payables and liabilities under long-term lease. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group does not trade or speculate in any financial instruments. The Group is not party to other financial instruments which are not recognised in the financial statements.

2 Accounting policies (Cont'd)

2.13 Related parties

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when it is virtually certain after provision has been settled.

2.15 Provident fund

The Group established a contributory registered provident fund for those employees who indicate their willingness to join, in accordance with the Provident Fund Act B.E. 2530. The Group operates a provident fund that the asset for which are held in a separate trustee-administered fund managed by independent fund manager. The provident fund is funded by payments from employees at the amount equal to 2% - 3% of the employees' basic salary and by the Group at the amount equal to 2% - 8% of the employees' basic salary depending on years of services. The contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.16 Employee benefits

The Group provides for post employment benefits, payable to employees under Thai labour law. The amount payable in the future depends on the salary and years of services of the respective employees. The liability arising as a result of Thai labour law recorded as the present value of estimated future cash outflows using interest rates which have terms to maturities approximating the terms of the related liabilities.

2.17 Treasury Stocks

Where the company or its subsidiaries purchases the company's equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity

2.18 Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) for the period by weighted-average number of paid-up ordinary shares in issue during the period.

Diluted earnings (loss) per share is calculated by dividing net income (loss) for the period by sum of weighted average number of ordinary share to be issued for conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

2 Accounting policies (Cont'd)

2.19 Operating leases - where the Company is the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payment made under operating lease (net of any incentives received from the lessor) is charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.20 Financing leases - where a Company is the lessee

Leases of vehicles which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The vehicles acquired under finance leases is depreciated over the useful life of the asset.

2.21 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders. For the interim dividend are approved by the Board of Director.

2.22 Segment reporting

Business segments mean segment provides services that are subject to risks and returns that are different from those of other business segments. Geographical segments mean segment that provides services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

2.23 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or its will write off or write down technically obsolete or assets that have been abandoned or sold.

2 Accounting policies (Cont'd)

2.23 Critical accounting estimates, assumptions and judgements (Cont'd)

Employee benefits

The Group has commitment on post-retirement benefits to employee on reaching retirement age. The present value of employee benefit liabilities recognised in balance sheet is determined on the present value of estimated future cash outflows. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future year and discount rate. Any changes in these assumptions will impact the net year cost recorded for employee benefits. On a quarterly basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits.

2.24 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

3 Cash and cash equivalents

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Cash on hand	371,000	371,000	371,000	371,000
Current and saving deposits	4,618,546,869	314,138,678	4,617,068,755	312,261,235
Fixed deposit with remaining maturity less than 3 months	2,099,100,000	-	2,000,000,000	-
Promissory notes with remaining maturity less than 3 months	400,000,000	5,029,100,000	400,000,000	4,930,000,000
<u>Less</u> Deposits on behalf of customers	<u>(5,119,059,230)</u>	<u>(2,480,440,601)</u>	<u>(5,119,059,230)</u>	<u>(2,480,440,601)</u>
Total cash and cash equivalents	<u>1,998,958,639</u>	<u>2,863,169,077</u>	<u>1,898,380,525</u>	<u>2,762,191,634</u>

The deposits on behalf of customers relate to cash deposited by customers which the Group has the obligation to repay to the customers on demand. In accordance with notification No. Sor Thor 44/2543 dated 12 September 2000, issued by the office of the Securities and Exchange commission, this amount was excluded from cash and cash equivalents held by the Group.

As at 30 June 2009, deposits on behalf of customers include amount due to Kim Eng Securities Pte. Ltd. of Baht 0.02 million (31 December 2008: Baht 0.06 million).

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4 Long-term deposits at financial institutions

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Fixed deposit	4,977	3,089	4,977	3,089
Restricted cash	1,341,876	1,341,876	1,341,876	1,341,876
Total long-term deposits at financial institutions	<u>1,346,853</u>	<u>1,344,965</u>	<u>1,346,853</u>	<u>1,344,965</u>

As at 30 June 2009, fixed deposits of Baht 1 million (31 December 2008: Baht 1 million) are pledged as collateral to local banks for letter of guarantees.

5 Investments in debt and equity securities, net

	Consolidated and the company only		Consolidated and the company only	
	30 June 2009		31 December 2008	
	Cost/ Amortised cost Baht	Fair value Baht	Cost/ Amortised cost Baht	Fair value Baht
Short-term investments				
Trading equity securities	58,124,527	66,380,017	38,156,501	32,468,440
Total	58,124,527	66,380,017	38,156,501	32,468,440
<u>Less</u> Revaluation adjustments	8,255,490	-	(5,688,061)	-
Total short-term investments, net	<u>66,380,017</u>	<u>66,380,017</u>	<u>32,468,440</u>	<u>32,468,440</u>
Long-term investments				
General investments	23,991,160	9,432,224	23,991,160	7,251,213
Held-to-maturity debt securities	201,548,557	205,969,415	201,548,557	204,522,825
Total	225,539,717	215,401,639	225,539,717	211,774,038
<u>Less</u> Impairment loss	(14,662,500)	-	-	-
Total long-term investments, net	<u>210,877,217</u>	<u>215,401,639</u>	<u>225,539,717</u>	<u>211,774,038</u>
Total investments in debt and equity securities	<u>277,257,234</u>	<u>281,781,656</u>	<u>258,008,157</u>	<u>244,242,478</u>

As at 30 June 2009, the Group has investments in equity, which is used as collateral in court and classified as general investments, amounting to Baht 7,622,000 (31 December 2008: Baht 7,622,000).

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5 Investments in debt and equity securities, net (Cont'd)

Cost and amortised cost of debt securities according to their maturities.

	Baht			
	Consolidated and the company only			
	Mature within (year)			
	1	2 - 5	6 - 10	over 10
As at 30 June 2009				
Held-to-maturity debt securities	-	201,548,557	-	-
	-	201,548,557	-	-
As at 31 December 2008				
Baht				
Consolidated and the company only				
Mature within (year)				
	1	2 - 5	6 - 10	over 10
Held-to-maturity debt securities	-	201,548,557	-	-
	-	201,548,557	-	-

6 Investment in subsidiary

The company's investment in its subsidiary, which is company registered under Thai laws and operating in Thailand is summarised below:

Name of company	Type of business	Type of relationship	Paid-up share capital		Percentage of holding		Investment	
			30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008
			Million Baht	Million Baht	%	%	Million Baht	Million Baht
KEST Guardian Asset Management Company Limited.	Asset management	Subsidiary	100	100	99.99	99.99	100	100

7 Receivables from Clearing House

	Consolidated		The company only	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	Baht	Baht	Baht	Baht
Receivables from Thai Securities Depositing Co., Ltd. (TSD)	845,962,930	171,792,545	845,962,930	171,792,545
Receivables from Thai Clearing House Co., Ltd (TCH)	98,792,252	127,538,940	98,792,252	127,538,940
<u>Less</u> Receivables from Clearing House on behalf of customers	(98,792,252)	(127,538,740)	(98,792,252)	(127,538,740)
Total	845,962,930	171,792,745	845,962,930	171,792,745

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8 Securities and Derivatives business receivables

Balance of Securities business receivables as at 30 June 2009 and 31 December 2008 are as follows:

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Customers' cash accounts	1,708,786,089	757,820,674	1,708,786,089	757,820,674
Credit balance transactions	1,125,736,601	788,398,919	1,125,736,601	788,398,919
Securities borrowing and lending	479,247,100	2,760,000	479,247,100	2,760,000
Collateral assets	506,267,375	-	506,267,375	-
Other receivables	277,913,664	278,645,066	277,913,664	278,645,066
Total securities business receivables	4,097,950,829	1,827,624,659	4,097,950,829	1,827,624,659
<u>Add</u> Accrued interest receivables	22,792,325	21,695,357	22,792,325	21,695,357
<u>Less</u> Allowance for doubtful accounts (Note 9)	(295,282,748)	(296,674,772)	(295,282,748)	(296,674,772)
Net securities business receivables and accrued interest receivables	<u>3,825,460,406</u>	<u>1,552,645,244</u>	<u>3,825,460,406</u>	<u>1,552,645,244</u>

As at 30 June 2009, the Group had loans and receivables totalling approximately Baht 295 million (31 December 2008: Baht 297 million) for which recognition of interest income had been discontinued in accordance with the office of the Securities and Exchange Commission's notification dated 15 February 2001.

Balance of Derivatives business receivables as at 30 June 2009 and 31 December 2008 are as follows:

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Derivative business receivables	92,340	1,387,280	92,340	1,387,280
<u>Less</u> Allowance for doubtful accounts (Note 9)	-	-	-	-
Derivative business receivables, net	<u>92,340</u>	<u>1,387,280</u>	<u>92,340</u>	<u>1,387,280</u>
Total securities and derivatives business receivables	<u>3,825,552,746</u>	<u>1,554,032,524</u>	<u>3,825,552,746</u>	<u>1,554,032,524</u>

The Group has classified Securities and Derivatives business receivables in accordance with the notification of the office of the Securities and Exchange Commission dated 15 February 2001, regarding the accounting for sub-standard loans as follows:

Classifications	Consolidated and the company only		
	30 June 2009		
	Total debts (including accrued interest receivables) Million Baht	Allowance for doubtful accounts Amount set up by the Company Million Baht	Amount required by SEC by SEC Million Baht
Normal debts	3,825.55	-	-
Substandard debts	14.36	14.36	-
Doubtful debts	<u>280.92</u>	<u>280.92</u>	<u>280.92</u>
Total	<u>4,120.83</u>	<u>295.28</u>	<u>280.92</u>

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8 Securities and Derivatives business receivables (Cont'd)

Classifications	Consolidated and the company only		
	31 December 2008		
	Total debts (including accrued interest receivables) Million Baht	Allowance for doubtful accounts	
Amount set up by the Company Million Baht		Amount required by SEC Million Baht	
Normal debts	1,553.99	-	-
Substandard debts	14.44	14.39	-
Doubtful debts	282.28	282.28	282.28
Total	1,850.71	296.67	282.28

The Group had set up the allowance for doubtful debts based on the receivables classification at the rate higher than the minimum rate as suggested by the office of the Securities and Exchange Commission of Thailand, and also by reviewing the individual debtor's repayment ability, taking into consideration the recovery risk and the value of the collateral.

The substandard and doubtful debts (securities business receivables and accrued interest receivables) are classified by aging as follows:

	Consolidated		The company only	
	30 June 2009 Million Baht	31 December 2008 Million Baht	30 June 2009 Million Baht	31 December 2008 Million Baht
Up to 3 months	-	0.12	-	0.12
Over 3 months to 6 months	-	-	-	-
Over 6 months to 9 months	-	-	-	-
Over 9 months to 12 months	-	-	-	-
Over 1 year to 3 years	1.21	1.21	1.21	1.21
Over 3 years	294.07	295.39	294.07	295.39
Total	295.28	296.72	295.28	296.72

9 Allowance for doubtful accounts

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Beginning balance of the period/year	296,674,772	298,492,438	296,674,772	298,492,438
<u>Add</u> Doubtful accounts	38,479	186,101	38,479	186,101
<u>Less</u> Reversal of doubtful accounts	(1,430,503)	(2,003,767)	(1,430,503)	(2,003,767)
Ending balance of the period/year	295,282,748	296,674,772	295,282,748	296,674,772

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10 Equipment, net

	Consolidated					
	Building improvement Baht	Furniture fixtures & equipment Baht	Motor vehicles Baht	Assets under financial lease Baht	Construction in progress Baht	Total Baht
As at 31 December 2008						
Cost	206,300,087	427,719,672	288,205	19,157,410	167,596	653,632,970
<u>Less</u> Accumulated depreciation	(164,569,670)	(376,680,396)	(121,690)	(10,319,834)	-	(551,691,590)
Net book amount	<u>41,730,417</u>	<u>51,039,276</u>	<u>166,515</u>	<u>8,837,576</u>	<u>167,596</u>	<u>101,941,380</u>
For the six-month period ended 30 June 2009						
Opening net book amount	41,730,417	51,039,276	166,515	8,837,576	167,596	101,941,380
Additions	2,031,578	3,468,209	-	-	474,633	5,974,420
Transfer	139,472	167,596	-	-	(307,068)	-
Disposals, net	(733,029)	(13,287)	-	-	-	(746,316)
Depreciation charge	(11,119,015)	(13,648,484)	(28,568)	(2,040,286)	-	(26,836,353)
Net book amount	<u>32,049,423</u>	<u>41,013,310</u>	<u>137,947</u>	<u>6,797,290</u>	<u>335,161</u>	<u>80,333,131</u>
As at 30 June 2009						
Cost	153,328,389	426,326,352	288,205	19,157,410	335,161	599,435,517
<u>Less</u> Accumulated depreciation	(121,278,966)	(385,313,042)	(150,258)	(12,360,120)	-	(519,102,386)
Net book amount	<u>32,049,423</u>	<u>41,013,310</u>	<u>137,947</u>	<u>6,797,290</u>	<u>335,161</u>	<u>80,333,131</u>
	The company only					
	Building improvement Baht	Furniture fixtures & equipment Baht	Motor vehicles Baht	Assets under financial lease Baht	Construction in progress Baht	Total Baht
As at 31 December 2008						
Cost	206,300,087	427,701,072	288,205	19,157,410	167,596	653,614,370
<u>Less</u> Accumulated depreciation	(164,569,670)	(376,676,965)	(121,690)	(10,319,834)	-	(551,688,159)
Net book amount	<u>41,730,417</u>	<u>51,024,107</u>	<u>166,515</u>	<u>8,837,576</u>	<u>167,596</u>	<u>101,926,211</u>
For the six-month period ended 30 June 2009						
Opening net book amount	41,730,417	51,024,107	166,515	8,837,576	167,596	101,926,211
Additions	2,031,578	3,468,209	-	-	474,633	5,974,420
Transfer	139,472	167,596	-	-	(307,068)	-
Disposals, net	(733,029)	(13,287)	-	-	-	(746,316)
Depreciation charge	(11,119,015)	(13,645,410)	(28,568)	(2,040,286)	-	(26,833,279)
Net book amount	<u>32,049,423</u>	<u>41,001,215</u>	<u>137,947</u>	<u>6,797,290</u>	<u>335,161</u>	<u>80,321,036</u>
As at 30 June 2009						
Cost	153,328,389	426,307,752	288,205	19,157,410	335,161	599,416,917
<u>Less</u> Accumulated depreciation	(121,278,966)	(385,306,537)	(150,258)	(12,360,120)	-	(519,095,881)
Net book amount	<u>32,049,423</u>	<u>41,001,215</u>	<u>137,947</u>	<u>6,797,290</u>	<u>335,161</u>	<u>80,321,036</u>

Initial cost of asset, which has already fully depreciated as at 30 June 2009 but the company still uses such assets, is Baht 373 million. The balance consists of building improvement Baht 43 million, furniture & fixture Baht 62 million, and computer Baht 268 million.

Initial cost of asset, which has already fully depreciated as at 31 December 2008 but the company still uses such assets, is Baht 403 million. The balance consists of building improvement Baht 91 million, furniture & fixture Baht 55 million, and computer Baht 257 million.

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11 Intangible assets, net

	Consolidated				Total Baht
	Computer software Baht	Software under installation Baht	TFEX member fee Baht	Mutual fund license Baht	
As at 31 December 2008					
Cost	73,575,418	5,494,569	5,000,000	1,000,000	85,069,987
<u>Less</u> Accumulated amortisation	(63,885,461)	-	(1,679,452)	-	(65,564,913)
Net book amount	<u>9,689,957</u>	<u>5,494,569</u>	<u>3,320,548</u>	<u>1,000,000</u>	<u>19,505,074</u>
For the six-month period ended 30 June 2009					
Opening net book amount	9,689,957	5,494,569	3,320,548	1,000,000	19,505,074
Additions	2,761,971	50,000	-	-	2,811,971
Transfer	3,485,251	(3,485,251)	-	-	-
Disposals, net	(140)	-	-	-	(140)
Amortisation charge	(2,554,410)	-	-	-	(2,554,410)
Net book amount	<u>13,382,629</u>	<u>2,059,318</u>	<u>3,320,548</u>	<u>1,000,000</u>	<u>19,762,495</u>
As at 30 June 2009					
Cost	61,287,479	2,059,318	5,000,000	1,000,000	69,346,797
<u>Less</u> Accumulated amortisation	(47,904,850)	-	(1,679,452)	-	(49,584,302)
Net book amount	<u>13,382,629</u>	<u>2,059,318</u>	<u>3,320,548</u>	<u>1,000,000</u>	<u>19,762,495</u>
	The company only				
	Computer software Baht	Software under installation Baht	TFEX member fee Baht		Total Baht
As at 31 December 2008					
Cost	73,575,418	5,494,569	5,000,000		84,069,987
<u>Less</u> Accumulated amortisation	(63,885,461)	-	(1,679,452)		(65,564,913)
Net book amount	<u>9,689,957</u>	<u>5,494,569</u>	<u>3,320,548</u>		<u>18,505,074</u>
For the six-month period ended 30 June 2009					
Opening net book amount	9,689,957	5,494,569	3,320,548		18,505,074
Additions	2,761,971	50,000	-		2,811,971
Transfer	3,485,251	(3,485,251)	-		-
Disposals, net	(140)	-	-		(140)
Amortisation charge	(2,554,410)	-	-		(2,554,410)
Net book amount	<u>13,382,629</u>	<u>2,059,318</u>	<u>3,320,548</u>		<u>18,762,495</u>
As at 30 June 2009					
Cost	61,287,479	2,059,318	5,000,000		68,346,797
<u>Less</u> Accumulated amortisation	(47,904,850)	-	(1,679,452)		(49,584,302)
Net book amount	<u>13,382,629</u>	<u>2,059,318</u>	<u>3,320,548</u>		<u>18,762,495</u>

Initial cost of computer software, which has already fully depreciated as at 30 June 2009 but the company still uses such assets, is Baht 34 million. (31 December 2008: Baht 47 million).

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12 Other assets

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Clearing fund	45,533,326	43,692,356	45,533,326	43,692,356
Accrued income	19,505,769	5,201,686	19,405,311	5,201,686
Prepaid expenses	12,563,576	6,474,787	12,313,576	6,474,787
Others	19,092,149	19,019,651	18,950,158	18,912,826
Total	96,694,820	74,388,480	96,202,371	74,281,655

13 Provisions

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Opening balance	34,944,685	35,022,605	34,944,685	35,022,605
Decrease during the period/year	(145,751)	(77,920)	(145,751)	(77,920)
Closing balance	34,798,934	34,944,685	34,798,934	34,944,685

As at 30 June 2009 and 31 December 2008, the provision comprised the obligations of the company to Nithipat Capital Public Co., Ltd., (“Nithipat”), the former parent company, of approximately Baht 10.63 million in case that Nithipat cannot collect their securities debts which have not been transferred as mentioned in the Asset Transfer Letter dated 14 August 1996. Additional provision is set up for the notification of approximately Baht 15.7 million from a customers’ account of Yuanta Securities (Thailand) Limited demanding the company to pay for damage claims from the event occurred before the customer was transferred to the company.

As at 30 June 2009, the Group has post employment benefits, payable to employees under the Thai labor law for Bath 8.47 million (31 December 2008: Baht 8.61 million) and has been recorded in the financial statements.

14 Liabilities under long-term lease

Liabilities under long-term lease contracts represent finance lease for vehicles. The balance as at 30 June 2009 and 31 December 2008 comprise:

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Minimum lease payments obligation under long-term lease contracts	9,763,828	11,976,281	9,763,828	11,976,281
<u>Less</u> Deferred interest	<u>(1,106,674)</u>	<u>(1,447,916)</u>	<u>(1,106,674)</u>	<u>(1,447,916)</u>
	8,657,154	10,528,365	8,657,154	10,528,365
Current portion due within one year	3,459,983	3,034,954	3,459,983	3,034,954
Portion due after one year	5,197,171	7,493,411	5,197,171	7,493,411
	8,657,154	10,528,365	8,657,154	10,528,365

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15 Other liabilities

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
VAT payable	18,465,325	8,178,561	18,465,325	8,178,561
Withholding tax payable	7,116,787	3,944,478	7,116,737	3,941,424
Others	5,741,793	5,575,386	5,741,773	5,575,316
Total	31,323,905	17,698,425	31,323,835	17,695,301

16 Share capital

On 6 December 2005, the shareholders at an Extraordinary Meeting of Shareholders approved the company to decrease the authorised share capital, reserved for public offering, from 560 million ordinary shares with a par value of Baht 5 per share to 545 million ordinary shares with a par value of Baht 5 per share. The shareholders also approved the company to increase the authorised share capital, reserved for the exercise of employee stock option issued for director and/or staff, from 545 million ordinary shares with a par value of Baht 5 per share to 572.25 million ordinary shares with a par value of Baht 5 per share.

During the six-month period ended 30 June 2009, the warrant holders exercise their own rights, then the issued share capital increase for 3,719,300 shares.

On 8 October 2008, the Board of Directors approved to buy back 56,000,000 ordinary shares (representing not more than 10% of the issued shares) at a price equivalent to the bid prices on the Stock Exchange of Thailand, within a total budget of no more than Baht 672 million, not exceed the company's retained earning. The repurchase period should be done during 24 October 2008 to 24 April 2009. The method and period for selling of the treasury shares will be decided by the Board of Directors after the completion date of the buy back 6 months, but not more than 3 years and such sale will be made at a price of not less than 85 percent of the average closing prices of the 5 working days prior to the selling date.

According to the Federation of Accounting Professions' announcement no. Sor.Sor.Vor.Bor.Chor. 016/2548 dated 4 February 2005, it requires public companies limited that treasury shares to have retained earnings not less than the amount of the treasury shares remaining in the account. In the event the retained earnings is used to pay dividends, the retained earnings after the dividend payment should not be less than the treasury shares. This is to comply with the announcement of the Judicial Council, which deliberated the issue of treasury shares schemes under Section 66/1(2) of the Public Limited Companies Act B.E. 2535.

The company had treasury shares of 2,205,200 shares representing 0.39 percent of the total sold shares outstanding on the date when the Board resolved the share repurchase. The total treasury shares are Baht 15.09 million and the company has appropriated the retained earnings as the treasury shares reserve for the whole amount.

	Consolidated and The company only				
	Number of shares Shares	Ordinary share Baht	Share premium Baht	Share subscription in advance Baht	Total Baht
As at 1 January 2008	556,361,700	2,781,808,500	494,777,529	281,000	3,276,867,029
Issue of shares	9,025,400	45,127,000	17,938,400	(281,000)	62,784,400
<u>Less</u> Treasury shares	(782,100)	(5,383,355)	-	-	(5,383,355)
As at 31 December 2008	564,605,000	2,821,552,145	512,715,929	-	3,334,268,074
Issue of shares	3,719,300	18,596,500	8,018,200	1,449,000	28,063,700
<u>Less</u> Treasury shares	(1,423,100)	(9,710,675)	-	-	(9,710,675)
As at 30 June 2009	566,901,200	2,830,437,970	520,734,129	1,449,000	3,352,621,099

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17 Legal and treasury share reserve

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Opening balance	212,678,288	180,633,241	212,678,288	180,633,241
Appropriation during the period/year	13,957,475	26,661,692	13,957,475	26,661,692
Increase treasury shares reserve	9,710,675	5,383,355	9,710,675	5,383,355
Closing balance	<u>236,346,438</u>	<u>212,678,288</u>	<u>236,346,438</u>	<u>212,678,288</u>

	Consolidated		The company only	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Legal share reserve	221,252,408	207,294,933	221,252,408	207,294,933
Treasury share reserve	15,094,030	5,383,355	15,094,030	5,383,355
Total	<u>236,346,438</u>	<u>212,678,288</u>	<u>236,346,438</u>	<u>212,678,288</u>

Under the Public Companies Act B.E. 2535, the company is required to set aside as a legal reserve at least 5% of its net income after accumulated deficit (if any) until the reserve is not less than 10% of the registered share capital. The reserve is non-distributable as dividends.

18 Warrants

On 6 December 2005, the shareholders at an Extraordinary General Meeting of Shareholders approved the issuance of warrants to purchase the company's ordinary shares to its directors and/or staff at the maximum of 27.25 million units, free of charge. The exercise price of warrant is Baht 7 per share and they are exercisable in a ratio of 1 warrant to 1 ordinary share. The exercise date is at the last working day of each month throughout the 4 years term of warrants. The first exercisable date will be on 31 August 2006.

During the six-month period ended 30 June 2009, the warrants were exercised by directors and/or staff amounting to 4,009,100 units. As at the end of accounting period, the warrants 289,800 units were exercised but the company has not registered with Ministry of Commerce. As at 30 June 2009, the outstanding warrants, which have been allotted but not exercised, are 2,853,800 units. (31 December 2008: 6,862,900 units)

19 Dividends

A dividend of Baht 0.50 per share amounting to a total of Baht 282.93 million was approved at the Ordinary Shareholder's Meeting on 27 March 2009. The dividend was paid on 10 April 2009.

A dividend of Baht 0.68 per share amounting to a total of Baht 381.24 million was approved at the Ordinary Shareholder's Meeting on 28 March 2008. The dividend was paid on 9 April 2008.

20 Provident fund

For the six-month period ended 30 June 2009, the company's contribution was amounting to Baht 9,555,902 (30 June 2008: Baht 9,513,346).

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21 Income taxes

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used for the year ended 31 December 2009 is 25% for the net profit Baht 300 million and 30% for the net profit exceed Baht 300 million. (The estimated tax rate for the six-month period ended 30 June 2008 is 25%).

22 Reconciliation of dilutive earnings per share

	Consolidated					
	For the three-month period ended 30 June (Unaudited but reviewed)					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2009 Baht	2008 Baht	2009 Shares	2008 Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net profit for the periods	233,443,714	173,582,358	567,985,385	560,671,953	0.41	0.31
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,265,857	7,971,000	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	233,443,714	173,582,358	569,251,242	568,642,953	0.41	0.31
	The company only					
	For the three-month period ended 30 June (Unaudited but reviewed)					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2009 Baht	2008 Baht	2009 Shares	2008 Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net profit for the periods	233,305,734	173,297,147	567,985,385	560,671,953	0.41	0.31
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,265,857	7,971,000	-	(0.01)
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	233,305,734	173,297,147	569,251,242	568,642,953	0.41	0.30

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22 Reconciliation of dilutive earnings per share (Cont'd)

	Consolidated					
	For the six-month period ended 30 June					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2009 Baht	2008 Baht	2009 Shares	2008 Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net profit for the periods	279,451,860	340,482,305	566,903,072	559,223,266	0.49	0.61
Effect of dilutive potential ordinary shares						
Warrants	-	-	837,463	8,086,415	-	(0.01)
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>279,451,860</u>	<u>340,482,305</u>	<u>567,740,535</u>	<u>567,309,681</u>	<u>0.49</u>	<u>0.60</u>
	The company only					
	For the six-month period ended 30 June					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2009 Baht	2008 Baht	2009 Shares	2008 Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net profit for the periods	279,149,505	339,994,696	566,903,072	559,223,266	0.49	0.61
Effect of dilutive potential ordinary shares						
Warrants	-	-	837,463	8,086,415	-	(0.01)
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>279,149,505</u>	<u>339,994,696</u>	<u>567,740,535</u>	<u>567,309,681</u>	<u>0.49</u>	<u>0.60</u>

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23 Financial instruments

Interest rate risk

Interest rate risk is the exposure to the risk associated with the effects of fluctuations in prevailing levels of market interest rates on the Group's financial instruments. As at 30 June 2009, the outstanding balances of financial statements classified by type of interest rate are as follows:

Unit : Million Baht									
Consolidated									
	Fixed interest rate				Without interest	Non performing debts	Total	Interest rate (%)	
	Floating interest rates	Remaining period before maturity date or repricing date						Floating rate	Fixed rate
		Less than 1 year	1 - 5 years	Over 5 years					
Financial assets									
Cash and cash equivalents	1,227	99	-	-	673	-	1,999	0.10-0.75	1.00
Long-term deposits at financial Institutions	-	1	-	-	-	-	1	-	0.50-1.50
Investments in debt securities	-	-	200	-	-	2	202	-	4.11
Receivables from Clearing House Securities and Derivatives business receivables	-	-	-	-	846	-	846	-	-
Loans to employees under welfare program	1,632	479	-	-	1,709	278	4,098	0.60-4.75	18.25
	269	-	-	-	-	-	269	0.72	-
Total	3,128	579	200	-	3,228	280	7,415		
Financial liabilities									
Payables to Clearing House	-	-	-	-	287	-	287	-	-
Securities and Derivatives business payables	-	479	-	-	2,049	-	2,528	-	10.95
Liabilities under long-term lease	-	4	5	-	-	-	9	-	6.50-9.00
Total	-	483	5	-	2,336	-	2,824		

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23 Financial instruments (Cont'd)

Interest rate risk (Cont'd)

Unit: Million Baht

	The company only								
	Floating interest rates	Fixed interest rate			Without interest	Non performing debts	Total	Interest rate (%)	
		Remaining period before maturity date or repricing date						Floating rate	Fixed rate
		Less than 1 year	1 - 5 years	Over 5 years					
Financial assets									
Cash and cash equivalents	1,227	-	-	-	671	-	1,898	0.10-0.75	-
Long-term deposits at financial institutions	-	1	-	-	-	-	1	-	0.50-1.50
Investments in debt securities	-	-	200	-	-	2	202	-	4.11
Receivables from Clearing House Securities and Derivatives	-	-	-	-	846	-	846	-	-
business receivables	1,632	479	-	-	1,709	278	4,098	0.60-4.75	18.25
Loans to employees under welfare program	269	-	-	-	-	-	269	0.72	-
Total	3,128	480	200	-	3,226	280	7,314		
Financial liabilities									
Payables to Clearing House	-	-	-	-	287	-	287	-	-
Securities and Derivatives business payables	-	479	-	-	2,049	-	2,528	-	10.95
Liabilities under long-term lease	-	4	5	-	-	-	9	-	6.50-9.00
Total	-	483	5	-	2,336	-	2,824		

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23 Financial instruments (Cont'd)

Credit risk

Credit risk is the exposure to the risk that the counterparties might discharge their obligations which could cause the company to incur financial loss. The main financial assets that potentially subject to the company to credit risk are securities and derivatives business receivables. The risk is managed by setting up appropriate credit limits and terms which are granted to each type of customers.

Liquidity risk

The maturity dates of financial instruments held as of 30 June 2009, counting from the balance sheet date, are as follows:

	Unit : Million Baht					Total
	Consolidated					
	At call	Within 1 year	1 - 5 years	Over 5 years	Non performing debts	
<u>Financial assets</u>						
Cash and cash equivalents	1,900	99	-	-	-	1,999
Long-term deposits at financial institutions	-	1	-	-	-	1
Investments in debt securities	-	-	200	-	2	202
Receivables from Clearing House	-	846	-	-	-	846
Securities and Derivatives business receivables	2,111	1,709	-	-	278	4,098
Loans to employees under welfare program	-	33	106	130	-	269
Total	<u>4,011</u>	<u>2,688</u>	<u>306</u>	<u>130</u>	<u>280</u>	<u>7,415</u>
<u>Financial liabilities</u>						
Payables to Clearing House	-	287	-	-	-	287
Securities and Derivatives business payables	479	2,049	-	-	-	2,528
Liabilities under long-term lease	-	4	5	-	-	9
Total	<u>479</u>	<u>2,340</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>2,824</u>

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23 Financial instruments (Cont'd)

Liquidity risk (Cont'd)

	Unit : Million Baht					
	The company only					
	At call	Within 1 year	1 - 5 years	Over 5 years	Non performing debts	Total
<u>Financial assets</u>						
Cash and cash equivalents	1,898	-	-	-	-	1,898
Long-term deposits at financial institutions	-	1	-	-	-	1
Investments in debt securities	-	-	200	-	2	202
Receivables from Clearing House	-	846	-	-	-	846
Securities and Derivatives business receivables	2,111	1,709	-	-	278	4,098
Loans to employees under welfare program	-	33	106	130	-	269
Total	4,009	2,589	306	130	280	7,314
<u>Financial liabilities</u>						
Payables to Clearing House	-	287	-	-	-	287
Securities and Derivatives business payables	479	2,049	-	-	-	2,528
Liabilities under long-term lease	-	4	5	-	-	9
Total	479	2,340	5	-	-	2,824

24 Related party transactions

Information with respect to related parties is as follows:

	Nature of relationship
Kim Eng Holdings Limited	Parent company
Kim Eng Securities Pte. Ltd.	Fellow subsidiary
Kim Eng Securities (Hong Kong) Limited	Fellow subsidiary
Kim Eng Investment Limited	Fellow subsidiary
KEST Guardian Asset Management Company Limited	Subsidiary

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24 Related party transactions (Cont'd)

During the six-month periods ended 30 June 2009 and 2008, the company had significant business transactions with subsidiary and related companies, which can be summarised as follows:

	Consolidated		The company only		Transfer price policies
	30 June 2009 Million Baht	30 June 2008 Million Baht	30 June 2009 Million Baht	30 June 2008 Million Baht	
Transactions occurs during the three-month periods					
Brokerage fee income					
- Kim Eng Securities Pte Ltd.	28	54	28	54	At minimum rate set by the Stock Exchange of Thailand
- Kim Eng Securities (Hong Kong) Limited	3	6	3	6	
Information technology service expenses					
- Kim Eng Holdings Limited	1	1	1	1	At the price agreed upon by both parties referencing the market price.
Dividends					
- Kim Eng Holdings Limited	-	215	-	215	
Transactions occurs during the six-month periods					
Brokerage fee income					
- Kim Eng Securities Pte Ltd.	50	112	50	112	At minimum rate set by the Stock Exchange of Thailand
- Kim Eng Securities (Hong Kong) Limited	4	8	4	8	
Information technology service expenses					
- Kim Eng Holdings Limited	2	2	2	2	At the price agreed upon by both parties referencing the market price.
Dividends					
- Kim Eng Holdings Limited	158	215	158	215	
- Kim Eng Investment Limited	1	-	1	-	
Cash paid for investing					
- KEST Guardian Asset Management Company Limited	-	-	-	75	

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24 Related party transactions (Cont'd)

The outstanding balances of the above transactions, as presented in the balance sheets are as follows:

	Consolidated		The company only	
	30 June 2009 Million Baht	31 December 2008 Million Baht	30 June 2009 Million Baht	31 December 2008 Million Baht
Securities business receivables				
- Kim Eng Securities Pte. Ltd.	154	13	154	13
Securities business payables				
- Kim Eng Securities Pte. Ltd.	-	36	-	36
- Kim Eng Securities (Hong Kong) Limited	3	-	3	-

As at 30 June 2009, the company has provided loans amounting to Baht 1 million (31 December 2008: Baht 1 million) to related persons in accordance with the Securities and Exchange Commission's definition. Interest is charged at the rate charged to other employees under the same scheme.

On 1 July 2003, the company signed the information technology service agreement with the parent company in Singapore for a period of 1.5 years and has been committed to pay fee at the rate specified in the agreement. If no termination is made by either party when due, the agreement is automatically renewed for another year.

As at 30 June 2009, Kim Eng Holdings Limited guaranteed the overdraft facilities amounting to Baht 30 million (31 December 2008: Baht 30 million). There is no outstanding balance of overdraft as at 30 June 2009 and 31 December 2008.

25 Commitment

The Group entered into the long-term lease agreements for office, services and vehicles. The future aggregate minimum lease payments under these agreements are as follows:

	Consolidated		The company only	
	30 June 2009 Million Baht	31 December 2008 Million Baht	30 June 2009 Million Baht	31 December 2008 Million Baht
No later than 1 year	75	70	75	70
Later than 1 year but not later than 2 years	43	56	43	56
Later than 2 years	13	13	13	13
Total	131	139	131	139

On 16 June 2009, the company signed a capital-increase share subscription agreement with one of the financial institutions, in order to reserve the right to buy 780,000 shares amounting to Baht 7,800,000. The company settled cash on 21 July 2009.

26 Business/geographical segment information

The company's operation involves mainly in Securities brokering and service provision and is operated only in Thailand, accordingly, no business/geographical area segment information is presented.

27 Contingent liabilities

As at 30 June 2009, the company has outstanding borrowing stocks through securities borrowing and lending business from an asset management company, amounting to Baht 18,368,400. These stocks were borrowed from that asset management company, lent to and returned from company's customers. However, these outstanding stocks were during the process of returning to such asset management company.