

**United Securities Public Company Limited**

**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2011 and 2010**

**1. General information**

**1.1 Corporate information**

United Securities Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is UOB Kay Hian Securities (Thailand) Public Company Limited (“UOBKH”), which was incorporated in Thailand. The parent company of the Group is UOB-Kay Hian Holdings Ltd., which was incorporated in Singapore. The head office of the Company is at 1550, 4th-5th Floor, Thanapoom Tower, New Petchburi Road, Makkasan, Rachathewi, Bangkok. As at 30 September 2011, the Company has a total of three branches (31 December 2010: three branches).

The Company operates its business in Thailand and undertakes securities businesses licensed as follows:

1. Securities brokerage
2. Securities dealing
3. Investment advisory
4. Securities underwriting
5. Derivative brokerage

On 24 May 2011, the Board of Directors’ Meeting No. 13/2011 approved in principle that the Company sells and transfers its business to UOBKH. This business transfer will include the right, benefit and interest to engage, employ or otherwise contract the exclusive services of the marketing officers, fixed assets, rights relating to leases relating to the securities business, securities and derivative business licenses, monetary assets, account receivables and the existing liabilities of the Company.

Thereafter, on 18 July 2011, the Extraordinary General Meeting of the Shareholders No. 1/2011 approved the Company’s sale and transfer of the business described in the above paragraph to UOBKH, subject to the terms and conditions provided under the asset purchase agreement to be entered into between the Company and UOBKH. In this regard, UOBKH would like to provide the option of a fair exit to all existing shareholders of the Company, by making a voluntary tender offer.

Thereafter, on 21 July 2011, UOBKH made a tender offer to purchase securities from all existing shareholders of the Company at Baht 5.58 per share, from 22 July 2011 to 26 August 2011. On 22 July 2011, A.P.F. Holdings Company Limited and the A.P.F. Holdings Company Limited Group sold all of their shareholdings in the Company to UOBKH, and as a result, UOBKH has become the parent company. On 26 August 2011, which was the last day of tender offer period, UOBKH bought 157,796,396 shares of the Company, or 93.47% of its issued and paid-up share capital.

On 22 July 2011, the Company and UOBKH entered into the Asset Purchase Agreement. Thereby, the Company will sell and transfer the business as agreed to UOBKH after the end of the tender offer period but no later than 120 days after the date of the agreement, or at any other date as mutually agreed by the Company and UOBKH. The price for the sale and transfer of business was set at not more than Baht 954 million.

On 21 September 2011, the Company sent a letter requesting permission from the Office of the Securities and Exchange Commission to temporarily stop operating its securities brokerage and derivative brokerage businesses, from 25 October 2011 onwards, both at its head office and branches. On 17 October 2011, the Office of the Securities and Exchange Commission granted the Company permission to temporarily stop operating these businesses.

Thereafter, on 25 October 2011, the Company transferred its securities brokerage and derivative brokerage businesses to UOBKH, with only the credit balance customers with a net asset value of Baht 247 million for which the Company had already received cash in full being transferred, while other assets of the Company are to be transferred later. At the same time, the Company transferred its customer database, including all deposited shares and cash for customers to UOBK, who was assigned as custodian of these assets.

After the sale and transfer of businesses, the Company continues to operate securities businesses, specifically securities dealing, investment advisory and securities underwriting.

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

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in owners' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### **1.3 Application of new accounting standards during the period**

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets

TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements for the current period, except for the below accounting standard.

**TAS 19 Employee Benefits**

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company previously accounted for such employee benefits when they were incurred.

The Company has changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. The cumulative effect of the change in the accounting policy has been presented in Note 2.

**1.4 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the change in the following accounting policy due to the adoption of revised and new accounting standards.

## **Employee benefits**

### *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. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognised as income or expenses when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed 10% of the defined benefit obligation at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

For the first-time adoption of TAS 19 Employee Benefits, 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, through an adjustment to the beginning balance of retained earnings in the current period.

## **2. Cumulative effect of change in accounting policy due to the adoption of new accounting standards**

During the current period, the Company made the change to its significant accounting policy described in Note 1.4, as a result of the adoption of revised and new accounting standards. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in owners' equity.

The cumulative effect of the change in the accounting policy due to the adoption of new accounting standards to the retained earnings as at the beginning of 2011 was Baht 13.3 million.

The amounts of adjustments affecting the statement of financial position as at 1 January 2011 and the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011 are summarised below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

1 January 2011

**Statement of financial position**

Increase in provision for long-term employee benefits	13,310
Decrease in unappropriated retained earnings	13,310

Movements in the provision for long-term employee benefits for the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

Provision for long-term employee benefits as at 1 January 2011	13,310
Set up additional provision for employee benefits during the period	2,812
Reversal of provision for employee benefits due to termination of employee's employment during the period*	<u>(14,956)</u>
Provision for long-term employee benefits as at 30 September 2011	<u><u>1,166</u></u>

	For the three-month period ended <u>30 September 2011</u>	For the nine-month period ended <u>30 September 2011</u>
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**Statements of comprehensive income**

Reversal of provision for long-term employee benefits* (Thousand Baht)	(13,999)	(12,144)
Set up accrued termination benefits* (Thousand Baht)	<u>26,719</u>	<u>26,719</u>
Net increase in personnel expenses (Thousand Baht)	<u>12,720</u>	<u>14,575</u>
Decrease in basic earnings per share (Baht)	0.08	0.09

\* The Company reversed provision for long-term employee benefits and set up accrued termination benefits because the Company was subsequently going to sell and transfer its businesses, as described in Note 1.1.

**3. New accounting standards issued during the period not yet effective**

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

(Unaudited but reviewed)

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

#### 4. Cash and cash equivalents

(Unit: Thousand Baht)

	30 September 2011	31 December 2010
Cash, short-term deposits and notes receivable with maturity less than three months	858,614	1,002,241
Less: Deposits for customers' accounts	(437,795)	(473,501)
Total cash and cash equivalents	<u>420,819</u>	<u>528,740</u>

#### 5. Deposits at financial institutions

These represent fixed deposits pledged with the banks as collateral for overdraft facilities, to secure a letters of guarantee issued by these banks and as a bond for the postponement of legal execution under a lawsuit, as discussed in Note 21.4 a) 1).

#### 6. Receivables from Clearing House

(Unit: Thousand Baht)

	30 September 2011	31 December 2010
Receivables from Clearing House	15,618	82,533
Less: Receivables from Clearing House for customers' accounts	(15,618)	(26,706)
Total receivables from Clearing House	<u>-</u>	<u>55,827</u>

**7. Securities and derivatives business receivables - net**

(Unit: Thousand Baht)

	<u>30 September 2011</u>	<u>31 December 2010</u>
<b>Securities business receivables</b>		
Cash accounts	155,549	90,847
Credit balance accounts	297,264	250,622
Other receivables:		
Installment receivables	46,418	50,211
Receivables subject to legal proceedings	57,037	58,237
Total securities business receivables	<u>556,268</u>	<u>449,917</u>
Add: Accrued interest receivables	37	37
Less: Allowance for doubtful accounts (Note 8)	<u>(98,247)</u>	<u>(89,507)</u>
Securities business receivables - net	<u>458,058</u>	<u>360,447</u>
<b>Derivatives business receivables</b>		
Derivatives business receivables	<u>920</u>	<u>1,276</u>
<b>Securities and derivatives business receivables - net</b>	<u><u>458,978</u></u>	<u><u>361,723</u></u>

7.1 As at 30 September 2011, the Company has credit balance accounts and other receivables, including interest receivables, for which it has stopped recognising interest income, of approximately Baht 103.5 million (31 December 2010: Baht 110.0 million).

7.2 The Company has classified securities business receivables including related accrued interest receivables according to the Notification set out by the Office of the Securities and Exchange Commission. As at 30 September 2011 and 31 December 2010, classified securities business receivables are as follows:

(Unit: Million Baht)

	<u>30 September 2011</u>			<u>31 December 2010</u>		
	Debt amount	Allowance for doubtful accounts set up	Net debt amount after allowance for doubtful accounts	Debt amount	Allowance for doubtful accounts set up	Net debt amount after allowance for doubtful accounts
Normal debts	448	-	448	341	-	341
Substandard debts	11	-	11	21	-	21
Doubtful debts	98	(98)	-	89	(89)	-
Total	<u>557</u>	<u>(98)</u>	<u>459</u>	<u>451</u>	<u>(89)</u>	<u>362</u>

(Unaudited but reviewed)

## 8. Allowance for doubtful accounts

(Unit: Thousand Baht)

	<u>30 September 2011</u>	<u>31 December 2010</u>
Balance - beginning of the period/year	89,507	95,531
Doubtful accounts (reversal)	8,950	(6,024)
Write-off of bad debts	(210)	-
Balance - end of the period/year	<u>98,247</u>	<u>89,507</u>

## 9. Investments - net

9.1 As at 30 September 2011, the Company held debt securities of companies which have problem to repay the debts. Such investments have book value of Baht 37.0 million (31 December 2010: Baht 37.0 million). The fair value of these investments cannot be calculated. However, the Company set aside fully allowance for impairment of these investments.

9.2 As at 31 December 2010, the Company had investments in available-for-sale securities amounting to Baht 224.7 million which were sold with recourse, comprising bills of exchange that carry no acceptance or aval of the financial institutions. The Company recorded liabilities arising from the sales of bills of exchange with recourse under the caption of "Liabilities under commercial papers sold".

## 10. Premises improvement and equipment

Movements of premises improvement and equipment account during the nine-month period ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2011	7,511
Acquisitions during the period - at cost	764
Disposals during the period - net book value at disposal date	(1)
Depreciation for the period	<u>(3,069)</u>
Net book value as at 30 September 2011	<u>5,205</u>

**11. Intangible assets**

Movements of intangible assets account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2011	13,111
Acquisitions during the period - at cost	224
Amortisation for the period	(3,787)
Net book value as at 30 September 2011	<u>9,548</u>

**12. Other assets**

As at 30 September 2011, the outstanding balance amounting to Baht 0.1 million (31 December 2010: Baht 0.2 million) of the other assets included securities which the Company purchased for return to a customer in relation to the litigation as discussed in Note 21.4 a) 1).

**13. Borrowings from financial institutions**

As at 30 September 2011, the Company had borrowing from financial institution as bank overdraft amounting to Baht 0.09 million (31 December 2010: Baht 8.3 million). It carried interests of 8.025% per annum (31 December 2010: 6.4% per annum).

**14. Securities and derivatives business payables**

	(Unit: Thousand Baht)	
	<u>30 September 2011</u>	<u>31 December 2010</u>
<b>Securities business payables</b>		
Cash accounts	105,296	175,508
<b>Derivatives business payables</b>		
Derivatives business payables	<u>2,142</u>	<u>253</u>
<b>Securities and derivatives business payables</b>	<u>107,438</u>	<u>175,761</u>

(Unaudited but reviewed)

## 15. Brokerage fees income

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Brokerage fees from securities business	44,355	65,848	129,991	136,040
Brokerage fees from derivatives business	5,769	2,680	11,846	8,709
Total	<u>50,124</u>	<u>68,528</u>	<u>141,837</u>	<u>144,749</u>

## 16. Fees and service income

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Underwriting fees	-	-	140	-
Financial advisory fees	51	31	138	81
Others	221	441	714	1,694
Total	<u>272</u>	<u>472</u>	<u>992</u>	<u>1,775</u>

## 17. Impairment loss from securities

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Impairment loss from investment in debt securities	-	-	-	8,551
Reversal of impairment loss from investment in equity security	-	-	(3)	(10)
Impairment loss from investment in subsidiary	-	2,351	-	28,500
Total (reversal)	<u>-</u>	<u>2,351</u>	<u>(3)</u>	<u>37,041</u>

**18. Corporate income tax**

The Company was not liable to corporate income tax for the three-month period ended 30 September 2010 and for the nine-month period ended 30 September 2011 since tax loss brought forward from previous years exceeds profit for the periods.

**19. Earnings per share**

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

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Profit (loss) for the period (Thousand Baht)	(3,812)	20,817	2,589	(15,104)
Weighted average number of ordinary shares (Thousand shares)	168,817	168,817	168,817	168,817
Earnings (loss) per share (Baht/share)	(0.02)	0.12	0.02	(0.09)

**20. Related party transactions**

During the periods, the Company had significant business transactions with related parties, which 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: Thousand Baht)				Transfer pricing policy
	For the three-month		For the nine-month		
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September	
	2011	2010	2011	2010	
<u>Transactions with subsidiary</u>					
Advisory fee income	-	240	-	720	Contract price
Rental and service income	-	232	-	799	Contract price
Service expenses	-	136	-	346	Contract price
Sales of equipment	-	-	-	11	Contract price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Transfer pricing policy
	2011	2010	2011	2010	
<u>Transactions with related parties</u>					
Brokerage fee	19 <sup>(1)</sup>	112	298 <sup>(1)</sup>	387	0.10% - 0.25% of trading volume
Fees and service income	2 <sup>(2)</sup>	-	2 <sup>(2)</sup>	-	Contract price
Advisory fee income	-	271	-	2,464	Contract price
Bank fee expenses	11 <sup>(2)</sup>	-	11 <sup>(2)</sup>	-	Normal price as made with the customers
Service expenses	-	73	-	573	Market price
Interest income	-	5,243	9,903 <sup>(1)</sup>	16,349	8.12% - 8.75% per annum (2010: 8.03% - 8.34% per annum)

<sup>(1)</sup> Transactions with a group of former shareholders are during 1 January 2011 to 22 July 2011.

<sup>(2)</sup> Transactions with a group of current shareholders are during 22 July 2011 to 30 September 2011.

The balances of the accounts as at 30 September 2011 and 31 December 2010 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Relationship	30	31
		September 2011	December 2010
<u>Cash and cash equivalents</u>			
United Overseas Bank (Thai) Public Company Limited	Same group company of the parent company	4,985	-
<u>Debt securities receivable</u>			
A.P.F. Hospitality Co., Ltd.*	Common shareholder and/or directors	-	259,430
<u>Securities and derivatives business receivables - net</u>			
Related persons and related parties*	Common shareholder and/or directors	-	71
<u>Securities and derivatives business payables - net</u>			
Related persons and related parties*	Common shareholder and/or directors	-	5,124

\* Former Shareholders Group

(Unaudited but reviewed)

During the period, debt securities receivable - related party has movements as follows:

(Unit: Thousand Baht)

	31 December 2010	Increase	Decrease	30 September 2011
<u>A.P.F. Hospitality Co., Ltd.*</u>				
Principals	260,000	1,000,000	(1,260,000)	-
Discount on debt securities	(570)	(9,333)	9,903	-
	<u>259,430</u>	<u>990,667</u>	<u>(1,250,097)</u>	<u>-</u>

\* Former Shareholders Group

### Management's remuneration

During the three-month and nine-month periods ended 30 September 2011, the Company had salaries and compensation expenses of their management totaling Baht 4.2 million and Baht 18.2 million, respectively (2010: Baht 7.4 million and Baht 23.4 million, respectively).

## **21. Commitments and contingent liabilities**

### **21.1 Commitments relating to operating lease and service agreements**

The Company has entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the lease agreements are generally between 1 and 4 years and the terms of the service agreements are generally 1 year. Such agreements are non-cancelable.

As at 30 September 2011, future minimum lease and service payments required under these non-cancellable operating leases and service agreements were as follows.

(Unit: Million Baht)

Payable within:	
1 year	2.8
1 to 5 years	0.5

### **21.2 Service commitments**

As at 30 September 2011, the Company has commitments regarding service agreements as follows.

- a) The Company is required to pay a membership fee to the Stock Exchange of Thailand on a monthly basis of Baht 50,000 and at a rate of 0.005% of the trading volume.

- b) The Company has obligations to pay clearing fees to the Thailand Clearing House Company Limited (TCH) on a monthly basis of Baht 15,000 and at a rate of 0.001% of the trading volume.
- c) The Company is required to pay a fee to the Office of the Securities and Exchange Commission (SEC) in relation to securities business licensed for securities brokerage, securities trading, investment advisory and underwriting. The fee is charged at a percentage of security trading volume and revenues from the above activities, with a minimum fee for each business type as in announcement of SEC no. Kor Thor/Khor/Dor/Nor. 16/2553 dated 1 December 2010.
- d) The Company is required to pay contributions to the Compensation Fund for securities Clearing and Settlement, which is overseen by the Thailand Securities Depository Company Limited (TSD), and the Compensation Fund for Derivatives Clearing and Settlement, which is overseen by the Thailand Clearing House Company Limited (TCH), on a monthly basis, at certain rates of its net settlements each month.
- e) The Company is required to pay annual service fees of Baht 500,000 per year to the Thailand Futures Exchange Public Company Limited (TFEX) and has obligations to pay derivative trading fees at rates set by TFEX.
- f) The Company is committed to pay annual service fees of Baht 300,000 per year to Thailand Clearing House Company Limited (TCH) and has obligations to pay settlement fees at rates set by TCH.

### **21.3 Guarantee**

As at 30 September 2011, there was outstanding bank guarantee of amounting to Baht 64,000 issued by a bank on behalf of the Company in respect of certain performance bonds required in the normal course of business of the Company.

## 21.4 Litigations

### a) Litigations against the Company by securities trading customer

- 1) The Company was sued by a securities trading customer as second defendant for the return of securities with a monetary value of approximately Baht 3.3 million. During the year 2004, the court found the Company, as employer, jointly responsible with the first defendant. On 29 January 2010, the Appeals Court affirm the judgment of the court of first instance. However, the Company has placed a bond to postpone legal execution. The amount claimed, which included principal and interest, amounts to Baht 4.5 million. The Company has placed fixed deposits as a bond, as discussed in Note 5. As at 30 September 2011, the Company purchased and set aside the Baht 0.1 million of securities (31 December 2010: Baht 0.2 million), as discussed in Note 12, and has set provision of Baht 4.4 million (31 December 2010: Baht 4.4 million) for the liabilities as a result of this litigation.
- 2) In 2009, the Company was sued by a securities trading customer seeking compensation of Baht 34.8 million for the Company's breach of a securities brokerage agreement. On 17 February 2011, the court of first instance found in favour of the plaintiff. The Company is in the process of appealing this decision. The Company's management believes that the Company will not be obliged to pay such compensation.

### b) Litigation against the Company by a former staff

In 2006, the Company was sued in the Central Labor Court by a former employee seeking compensation totaling Baht 13 million for unfair dismissal. On 14 August 2007, the Central Labor Court ordered the Company to pay compensation which balance as at 30 September 2011 was approximately Baht 4.4 million (31 December 2010: Baht 4.4 million), including interest to the employee. The Company has set full provision for the liabilities as a result of this litigation but on 27 November 2007 appealed this decision to the Supreme Court. This case is currently under the consideration of the Supreme Court.

## 22. Financial information by segment

The Company's business operations involve three principal segments: (1) securities and derivatives brokerage segment, (2) investment banking segment and (3) securities investing segment. These operations are mainly carried on in Thailand. Below is the financial information for the three-month and nine-month periods ended 30 September 2011 and 2010 of the Company by segment.

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	Securities and derivatives brokerage segment		Investment banking segment		Securities investing segment		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Income	51.5	68.9	-	-	7.3	8.6	58.8	77.5
Segment profit (loss)	12.3	29.0	(0.2)	(3.2)	4.1	3.8	16.2	29.6
Unallocated income (expenses):								
Interest income							13.4	13.4
Other income							0.1	1.4
Operating expenses							(32.4)	(20.8)
Finance costs							(1.1)	(2.8)
Profit (loss) for the period							(3.8)	20.8

(Unit: Million Baht)

	For the nine-month periods ended 30 September							
	Securities and derivatives brokerage segment		Investment banking segment		Securities investing segment		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Income	142.2	145.6	0.1	1.2	25.1	29.2	167.4	176.0
Segment profit (loss)	32.9	40.0	(0.6)	(8.8)	12.1	15.3	44.4	46.5
Unallocated income (expenses):								
Interest income							35.4	33.4
Other income							1.7	4.5
Operating expenses							(73.9)	(92.4)
Finance costs							(5.0)	(7.1)
Profit (loss) for the period							2.6	(15.1)

**23. Reclassification**

Certain amounts in the financial statements for the prior period have been reclassified to conform to the current period's classification but with no effect to previously reported profit or loss or owners' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	31 December 2010	
	As reclassified	As previously reported
Premises improvement and equipment - net	7,511	8,048
Intangible assets - net	13,111	12,574

(Unit: Thousand Baht)

	For the three-month periods ended 30 September 2010		For the nine-month periods ended 30 September 2010	
	As reclassified	As previously reported	As reclassified	As previously reported
Gain on securities	2,249	2,249	9,164	9,174
Personnel expenses	43,208	35,858	114,941	91,559
Directors and management benefit expenses	-	7,885	-	25,057
Directors' remuneration	535	-	1,675	-
Impairment loss from securities	2,351	2,351	37,041	37,051

**24. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 November 2011.