

United Securities Public Company Limited and its subsidiary

Notes to financial statements

For the years ended 31 December 2010 and 2009

1. Corporate information

United Securities Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is A.P.F. Holdings Company Limited, which registered as a limited company under Thai laws. The registered office of the Company is at 1550, 4th-5th Floor, Thanapoom Tower, New Petchburi Road, Makkasan, Rachathewi, Bangkok.

As at 31 December 2010, the Company had a total of 181 employees (2009: 178 employees) (2009: the Company and its subsidiary: 186 employees). As at 31 December 2010, the Company has a total of three branches (2009: four 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

2. Basis for preparation of the financial statements

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor. Nor. 26/2549 dated 29 June 2006.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the consolidated balance sheet as at 31 December 2009 and the consolidated statements of income for the years ended 31 December 2010 and 2009 of United Securities Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”).

Company's name	Nature of business	Country of incorporation	Percentage of	Assets as a	Revenues as a percentage	
			shareholding	percentage to the consolidated total assets as at 31 December	to the consolidated total revenues for the year ended 31 December	
			2009	2009	2010	2009
			%	%	%	%
Land and Houses Fund Management Company Limited (formerly known as “United Asset Management Company Limited)	Private fund management and investment advisory	Thailand	54	1.35	0.75	0.32

The Company did not prepare the consolidated balance sheet as at 31 December 2010 but still prepare the consolidated statements of income, changes in shareholders' equity and cash flows including the operation results from 1 January 2010 to 30 September 2010 of Land and Houses Fund Management Company Limited (formerly known as “United Asset Management Company Limited”), a subsidiary, because the Company has sold such subsidiary to a local bank, as discussed in Note 9.

Net book value of the subsidiary as at 30 September 2010 is as below.

	(Unit: Baht)
Assets	
Cash and cash equivalents	12,268,196
Premises improvement and equipment, net	360,776
Intangible assets, net	2,953,109
Other assets	1,478,233
Total assets	<u>17,060,314</u>
Liabilities	
Other liabilities	771,004
Total liabilities	<u>771,004</u>

	(Unit: Baht)
Total net book value	16,289,310
Less: Net book value attributable to	
minority shareholders of a subsidiary	<u>(5,665,611)</u>
Net book value attributable to the Company	10,623,699
Sales price	<u>10,623,699</u>
Gain on sales of investment	<u>-</u>
Sales price	10,623,699
Less: Cash and cash equivalents of a subsidiary as at selling date	<u>(12,268,196)</u>
Decrease in cash from sale of investment in subsidiary	<u><u>(1,644,497)</u></u>

- b) The subsidiary is fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- f) Minority interests represent the portion of net income or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

2.3 The separate financial statements, which present investments in subsidiary presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

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

- a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements
(revised 2009)

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
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
TFRIC 15	Agreements for the Construction of Real Estate

- b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

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. Currently, the Company accounts for such employee benefits when they are incurred.

Based on the management's assessment, the impact of the adoption of this TAS in year 2011 will be to decrease retained earnings as at 31 December 2010 by approximately Baht 13.3 million.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Brokerage fees

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

b) Fees and service income

Fees are recognised as income on an accrual basis and service income is recognised when services have been rendered taking into account the stage of completion.

Management fees are calculated as a percentage of the net asset value of the funds managed by the subsidiary or at rates stipulated in agreements, and are recognised as income on the accrual basis.

c) Interest on margin loans

Interest income is recognised as interest accrues based on the effective rate method. Except there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Loans are not fully covered with collateral.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that full repayment is recovered.
- (4) Problem financial institutions debtors.
- (5) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

d) Gain (loss) on trading in securities

Gain (loss) on trading in securities is recognised as income or expenses on the transaction dates.

e) Interest and dividends on investments

Interest on investments is recognised on an accrual basis based on the effective rate. Dividends on investments are recognised when the right to receive the dividends is established.

f) Expenses

Expenses are recognised on an accrual basis.

4.2 Borrowing cost

Borrowing cost is charged to expense on an accrual basis.

4.3 Recognition and amortisation of customer deposits

Cash received from customers of cash balance accounts, credit balance accounts and derivatives trading are recorded as assets and liabilities of the Company for internal control purposes. As at the balance sheet date, the Company excludes these amounts off from both assets and liabilities and presents only assets which belong to the Company.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity of three months or less, call notes receivable and term notes receivable with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Long-term deposits with financial institutions

Long-term deposits with financial institutions include fixed deposit, investments in promissory notes issued by financial institutions with an original maturity more than three months and deposits used as collateral.

4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the income statement.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded as gains or losses in the income statement when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).
- e) Investment in subsidiary is accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

Loss on impairment (if any) of investments in available-for-sale securities, debt securities expected to be held to maturities, other investments and investment in subsidiary are included in the income statements.

The Company treats available-for-sale securities, held-to-maturities debt securities, other investments and investment in subsidiary as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gains or losses in the income statement or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as income or expenses in the income statement.

4.7 Receivables from Clearing House

Receivables from Clearing House comprises the net receivable at Thailand Securities Depository (TSD) in respect to securities trades which settlement is made through TSD and the net receivable at Thailand Clearing House (TCH) including cash collateral pledged with TCH for derivatives trading.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables are the net balances after deducting allowance for doubtful accounts, and include accrued interest receivables. Securities business receivables comprise cash accounts, margin accounts, guarantee deposits receivable, as well as other receivables such as overdue cash accounts, and receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The Company has provided an allowance for doubtful accounts based on a review of debtor's repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expectable not to be recovered in full. Such debt classifications and allowance are in accordance with guidelines laid down in the Notification of the Office of the Securities and Exchange Commission and other relevant factors.

- a) Assets classified as doubtful loss are to satisfy the following criteria: -
- (1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law.
 - (2) Loan balances which the Company has forgiven.
- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria: -
- (1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance.
 - (2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
 - (3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as doubtful of loss will be written off when identified. Allowance will be set aside for loans classified as doubtful at not less than 100% of the loan balance. These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

Allowance for doubtful accounts for securities business receivables are intended to adjust the values of loans and receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding loan and receivable by taking into account collection risk and the value of the security used as collateral. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

4.9 Premises improvement and equipment and depreciation

Premises improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation is calculated by reference to their cost on a straight-line basis (except for some parts of premises improvement and computers equipment which are considered to be more efficient early on in their life and are therefore depreciated using the sum-of-the-years digit method) over the following estimated useful lives.

Premises improvement	3, 5 years
Office furniture and equipment	5 years
Computers equipment	3, 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on office furniture and equipment under installation.

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

4.10 Intangible assets and amortisation

Intangible assets acquired are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible asset are reviewed at least at each financial year end. The amortisation expense is charged as expense in the income statement.

A summary of the intangible assets with finite useful lives is as follows.

- a) Amortisation of the Stock Exchange of Thailand membership fee and futures Exchange membership fee is calculated by reference to their cost on a straight-line basis over estimated useful lives of 5 years.

- b) Amortisation of software is calculated by reference to its costs using the sum-of-the-years - digits method over a useful life of 5 years. However, amortisation of software purchased since 1 December 2005 is calculated by reference to its cost on a straight-line basis over estimated useful lives of 5 years.

No amortisation is provided on software under installation.

4.11 Impairment of assets

At each reporting date, the Company and its subsidiary perform impairment reviews in respect of the premises improvement, equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that based on information available, reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.12 Related party transactions

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

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

4.13 Payables to Clearing House

Payables to Clearing House comprises the net payable to Thailand Securities Depository (TSD) in relation to securities trading which settlement is made through TSD and the net payable to Thailand Clearing House (TCH), which is margin required by TCH for derivatives business.

4.14 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts and securities delivery obligations as a result of short sales.

4.15 Long-term leases

Leases of property, plant or equipment which substantial risks and rewards of ownership are with lessee are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

4.16 Foreign currency

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

Gains and losses on exchange are included in determining income.

4.17 Employee benefits

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

4.18 Provisions

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

The Company has contingent liabilities as a result of litigation. The Company's management exercises judgment to assess of the results of the litigation and believes that losses incurred will not exceed the amount of provision for liabilities from litigation recorded in the financial statements. However, actual results could differ from these estimates.

4.19 Income tax

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

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. The significant accounting judgments and estimates are disclosed in accounting policies relating to investments, allowance for doubtful accounts, premises improvement and equipment and depreciation, intangible assets and amortisation, provisions, and as additional presented below.

Recognition and derecognition of assets and liabilities

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

Leases

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

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		
	2009	2010	2009
Cash on hand	40,000	35,000	35,000
Current deposits and saving deposits	17,029,530	28,205,539	16,690,615
Promissory notes with an original maturity of three months or less	447,500,000	974,000,000	436,000,000
Total cash and cash equivalents	464,569,530	1,002,240,539	452,725,615
Less: Deposits for customers' accounts	(356,383,765)	(473,500,799)	(356,383,765)
Net cash and cash equivalents	108,185,765	528,739,740	96,341,850

As at 31 December 2010, bank deposits in saving accounts, fixed deposits and promissory notes carried interests between 0.25% and 1.92% per annum (2009: between 0.25% and 1.05% per annum).

7. Long-term 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 22.5 a) 1).

8. Investments in debt and equity securities

8.1 Cost and fair value

(Unit: Baht)

	Separate financial statements		Consolidated and Separate financial statements	
	2010		2009	
	Cost/ book value	Fair value	Cost/ book value	Fair value
Short-term investments				
Trading securities				
Debt securities				
Debt securities of private sector	140,863,207	140,863,207	386,173,068	386,173,068
Trading securities, net	140,863,207	140,863,207	386,173,068	386,173,068
Available-for-sale securities				
Debt securities				
Debt securities of private sector	253,006,849	224,506,849	146,764,413	146,764,413
Less: Allowance for loss on impairment	(28,500,000)	-	-	-
Available-for-sale securities, net	224,506,849	224,506,849	146,764,413	146,764,413
Total short-term investments, net	365,370,056	365,370,056	532,937,481	532,937,481
Long-term investments				
Other investments				
Equity securities				
Other securities	664,750	540,890	664,750	457,096
Less: Allowance for loss on impairment	(123,860)	-	(207,654)	-
Other investments, net	540,890	540,890	457,096	457,096
Held-to-maturity debt securities				
Debt securities				
Debt securities of private sector	8,500,000	-	8,500,000	-
Less: Allowance for loss on impairment	(8,500,000)	-	(8,500,000)	-
Held-to-maturity debt securities, net	-	-	-	-
Long-term investments, net	540,890	540,890	457,096	457,096
Total investments, net	365,910,946	365,910,946	533,394,577	533,394,577

8.2 As at 31 December 2010 and 2009, the Company's debt securities can be classified by the remaining period to maturity as follows: -

(Unit: Baht)

	Separate financial statements				
	2010				
	Period to maturity				
	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Trading securities					
Debt securities of private sector	140,863,207	-	-	-	140,863,207
Available-for-sale securities					
Debt securities of private sector	253,006,849	-	-	-	253,006,849
Less: Allowance for loss on impairment	(28,500,000)	-	-	-	(28,500,000)
Net	224,506,849	-	-	-	224,506,849
Held-to-maturity debt securities					
Debt securities of private sector	-	-	-	8,500,000	8,500,000
Less: Allowance for loss on impairment	-	-	-	(8,500,000)	(8,500,000)
Net	-	-	-	-	-
Total debt securities	365,370,056	-	-	-	365,370,056

(Unit: Baht)

	Consolidated and Separate financial statements				
	2009				
	Period to maturity				
	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Trading securities					
Debt securities of private sector	386,173,068	-	-	-	386,173,068
Available-for-sale securities					
Debt securities of private sector	146,764,413	-	-	-	146,764,413
Held-to-maturity debt securities					
Debt securities of private sector	-	-	-	8,500,000	8,500,000
Less: Allowance for loss on impairment	-	-	-	(8,500,000)	(8,500,000)
Net	-	-	-	-	-
Total debt securities	532,937,481	-	-	-	532,937,481

8.3 Gain on trading in securities

(Unit: Baht)

	Consolidated and Separate financial statements	
	<u>2010</u>	<u>2009</u>
Reversal of loss on impairment of other investments	83,794	1,584
Realised gain on trading in trading securities	<u>12,812,193</u>	<u>20,284,235</u>
Total	<u><u>12,895,987</u></u>	<u><u>20,285,819</u></u>

8.4 As at 31 December 2010, the Company held debt securities of companies which have problem to repay the debts. Such investments have book value of Baht 37.0 million (2009: Baht 8.5 million). The fair value of these investments cannot be calculated. However, the Company set aside fully allowance for impairment of these investments.

8.5 During the years, the Company received proceeds from the sale of investments as follows: -

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	<u>2010</u>	<u>2009</u>
Short-term investments		
Trading securities	23,580.0	16,777.8
Available-for-sale securities	<u>142.5</u>	<u>199.5</u>
Total	<u><u>23,722.5</u></u>	<u><u>16,977.3</u></u>

8.6 As at 31 December 2010, the Company had investments in available-for-sale securities amounting to Baht 225 million (2009: Baht 120 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".

8.7 Interest and dividend

The Company and its subsidiary received interest and dividend income classified by type of investments as follows: -

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Interest income from investments				
in debt securities	26,623,747	31,109,771	26,623,747	31,109,771
Other interest income	6,985,569	4,823,970	6,889,753	4,643,170
Total	<u>33,609,316</u>	<u>35,933,741</u>	<u>33,513,500</u>	<u>35,752,941</u>

9. Investment in subsidiary

As at 31 December 2009, details of investment in subsidiary as presented in separate financial statements are as follows.

(Unit: Million Baht)

<u>Company's name</u>	<u>Nature of business</u>	<u>Paid-up capital</u>	<u>Percentage of shareholding</u>	<u>Investment - cost method</u>
			%	
Land and Houses Fund Management Company Limited (formerly known as "United Asset Management Company Limited"	Private fund management and investment advisory	49	54	26.4
Less: Allowance for impairment				<u>(17.8)</u>
Investment in subsidiary, net				<u>8.6</u>

On 24 December 2009, an extraordinary general meeting of the subsidiary's shareholders approved an increase in its registered share capital from Baht 49 million to Baht 53 million, through the issuance of 40,000 ordinary shares with a par value of Baht 100 each. Such shares are to be allocated to its existing shareholders in proportion to their holding. If any shareholder surrenders their rights, the subsidiary will allocate the remaining to other existing shareholders who want to subscribe to buy the shares more than their rights.

Following the subsidiary's offer, only the Company subscribed to buy 40,000 ordinary shares. On 20 January 2010, the Company made payment for these ordinary shares of Baht 4 million, increasing its interest in the subsidiary to 57.36% of equity. After the offer, the subsidiary had share capital of Baht 53 million and registered the increase in its share capital with the Ministry of Commerce on 27 January 2010.

On 29 March 2010, a general meeting of the subsidiary's shareholders approved an increase in its registered share capital from Baht 53 million to Baht 57 million, through the issuance of 40,000 ordinary shares with a par value of Baht 100 each. Such shares are to be allocated to its existing shareholders in proportion to their holding. If any shareholder surrenders their rights, the subsidiary will allocate the remaining to other existing shareholders who want to subscribe to buy the shares more than their rights.

Following the subsidiary's offer, only the Company subscribed to buy 40,000 ordinary shares. On 27 April 2010, the Company made payment for these ordinary shares of Baht 4 million, increasing its interest in the subsidiary to 60.35% of equity. After the offer, the subsidiary had share capital of Baht 57 million and registered the increase in its share capital with the Ministry of Commerce on 28 April 2010.

On 20 September 2010, an extraordinary general meeting of the subsidiary's shareholders approved an increase in its registered share capital from Baht 57 million to Baht 59 million, through the issuance of 20,000 ordinary shares with a par value of Baht 100 each. Such shares are to be allocated to its existing shareholders in proportion to their holding. If any shareholder surrenders their rights, the subsidiary will allocate the remaining to other existing shareholders who want to subscribe to buy the shares more than their rights.

Following the subsidiary's offer, only the Company subscribed to buy 20,000 ordinary shares. On 27 September 2010, the Company made payment for these ordinary shares of Baht 2 million, increasing its interest in the subsidiary to 61.69% of equity. After the offer, the subsidiary had share capital of Baht 59 million and registered the increase in its share capital with the Ministry of Commerce on 29 September 2010.

On 27 October 2010, the Company entered into a purchase and sale agreement with a local bank, under which the Company sold all of its 363,999 shares in the subsidiary at a price equal to net book value as of 30 September 2010 and received payment of Baht 10,623,699 on 29 October 2010. As a result, Land and Houses Fund Management Company Limited (formerly known as "United Asset Management Company Limited") has not been a subsidiary of the Company since 27 October 2010, and no gain or loss on sale of this investment was recorded for this transaction.

10. Receivables from Clearing House

	(Unit: Baht)	
	Separate financial statements	Consolidated and Separate financial statements
	<u>2010</u>	<u>2009</u>
Receivables from TSD	55,827,219	58,997,935
Receivables from TCH	26,705,958	9,779,909
Less: Receivables from TCH for customers' account	(26,705,958)	(9,779,909)
Receivables from TCH, net	-	-
Total	<u>55,827,219</u>	<u>58,997,935</u>

11. Securities and derivatives business receivables

	(Unit: Baht)	
	Separate financial statements	Consolidated and Separate financial statements
	<u>2010</u>	<u>2009</u>
Securities business receivables		
Cash's accounts	90,847,359	73,912,709
Credit balance accounts	250,621,864	379,380,176
Other receivables:		
Installment receivables	50,210,867	61,382,002
Receivables subject to legal proceedings	58,237,354	12,076,223
Total securities business receivables	449,917,444	526,751,110
Add: Accrued interest receivables	36,903	36,903
Less: Allowance for doubtful accounts (Note 12)	(89,507,430)	(95,530,933)
Net securities business receivables	<u>360,446,917</u>	<u>431,257,080</u>
Derivatives business receivables		
Derivatives business receivables	1,275,869	816,115
Total	<u>361,722,786</u>	<u>432,073,195</u>

11.1 As at 31 December 2010, the Company has credit balance accounts and other receivables, including interest receivables, for which it has stopped recognising interest income, of approximately Baht 110.0 million (2009: Baht 121.1 million).

11.2 The Company has classified securities business receivables including related accrued interest receivables according to a Notification set out by the Office of the Securities and Exchange Commission. As at 31 December 2010 and 2009, classified securities business receivables are as follows: -

(Unit: Million Baht)

	Separate financial statements			Consolidated and Separate financial statements		
	2010			2009		
	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts
Normal debts	341	-	341	406	-	406
Substandard debts	21	-	21	26	-	26
Doubtful debts	89	(89)	-	96	(96)	-
Total	451	(89)	362	528	(96)	432

12. Allowance for doubtful accounts

(Unit: Baht)

	Consolidated and Separate financial statements	
	2010	2009
Balance - beginning of the year	95,530,933	98,235,040
Less: Bad debt written-off	-	(121,666)
Reversal of bad debts and doubtful accounts	(6,023,503)	(2,582,441)
Balance - end of the year	89,507,430	95,530,933

13. Premises improvement and equipment

(Unit: Baht)

	Consolidated financial statements				
	Premises improvement	Office furniture and equipment	Motor vehicles	Office furniture and equipment under installation	Total
Cost					
31 December 2009	27,608,687	54,039,741	2,764,201	948,824	85,361,453
Additions	368,979	1,273,883	-	-	1,642,862
Disposals	-	(56,453)	-	-	(56,453)
Write-off	(15,875)	(16,412)	-	(411,612)	(443,899)
Decrease from sale of investment in subsidiary	(275,095)	(688,097)	-	-	(963,192)
31 December 2010	27,686,696	54,552,662	2,764,201	537,212	85,540,771
Accumulated depreciation					
31 December 2009	20,104,022	49,289,034	2,065,256	-	71,458,312
Depreciation for the year	2,898,039	3,569,331	246,764	-	6,714,134
Depreciation on disposals	-	(45,452)	-	-	(45,452)
Depreciation on write-off	(15,874)	(16,411)	-	-	(32,285)
Decrease from sale of investment in subsidiary	(135,099)	(467,315)	-	-	(602,414)
31 December 2010	22,851,088	52,329,187	2,312,020	-	77,492,295
Net book value					
31 December 2009	7,504,665	4,750,707	698,945	948,824	13,903,141
31 December 2010	4,835,608	2,223,475	452,181	537,212	8,048,476
Depreciation for the year					
2009					10,809,998
2010					6,714,134

(Unit: Baht)

	Separate financial statements				
	Premises improvement	Office		Office furniture and equipment	
		furniture and equipment	Motor vehicles	under	
				installation	Total
Cost					
31 December 2009	27,333,592	53,341,635	2,764,201	948,824	84,388,252
Additions	368,979	1,259,119	-	-	1,628,098
Disposals	-	(31,680)	-	-	(31,680)
Write-off	(15,875)	(16,412)	-	(411,612)	(443,899)
31 December 2010	27,686,696	54,552,662	2,764,201	537,212	85,540,771
Accumulated depreciation					
31 December 2009	20,010,074	48,912,071	2,065,256	-	70,987,401
Depreciation for the year	2,856,888	3,464,609	246,764	-	6,568,261
Depreciation on disposals	-	(31,082)	-	-	(31,082)
Depreciation on write-off	(15,874)	(16,411)	-	-	(32,285)
31 December 2010	22,851,088	52,329,187	2,312,020	-	77,492,295
Net book value					
31 December 2009	7,323,518	4,429,564	698,945	948,824	13,400,851
31 December 2010	4,835,608	2,223,475	452,181	537,212	8,048,476
Depreciation for the year					
2009					10,563,126
2010					6,568,261

As at 31 December 2010, certain premises improvement and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation of those assets) amounted to approximately Baht 65.9 million (2009: Baht 35.8 million).

14. Intangible assets

(Unit: Baht)

Consolidated financial statements							
		Balance			Transfer in	Decrease	Balance
	Remaining	beginning of		Amortised	(out)/	from sale of	end of the
	life	year	Additions		write-off	investment in	year
Copyright fee	1-3 years	495,639	137,375	(180,133)	-	-	452,881
Software	1-5 years	7,415,342	410,794	(2,279,322)	734,041	(2,698,541)	3,582,314
Software under installation	-	150,000	803,056	-	(734,041)	-	219,015
Future Exchange membership fee	2.6 years	11,439,861	-	(3,119,962)	-	-	8,319,899
License fee	-	331,980	-	(77,412)	-	(254,568)	-
Total		19,832,822	1,351,225	(5,656,829)	-	(2,953,109)	12,574,109

(Unit: Baht)

Separate financial statements							
		Balance			Transfer in		Balance
	Remaining	beginning of		Amortised	(out)/		end of the
	life	year	Additions		write-off		year
Copyright fee	1-3 years	495,639	137,375	(180,133)	-	-	452,881
Software	1-5 years	3,971,431	410,794	(1,533,952)	734,041	-	3,582,314
Software under installation	-	150,000	803,056	-	(734,041)	-	219,015
Future Exchange membership fee	2.6 years	11,439,861	-	(3,119,962)	-	-	8,319,899
Total		16,056,931	1,351,225	(4,834,047)	-	-	12,574,109

As at 31 December 2010, certain intangible asset items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated amortisation of those assets) amounted to approximately Baht 14.8 million (2009: Baht 13.4 million).

15. Other assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Deposits	5,054,321	4,754,388	5,050,452	
Payments for clearing funds	16,401,733	18,107,205	16,401,733	
Asset for protecting the clearing system	5,000,000	5,000,000	5,000,000	
Others	6,966,718	4,382,876	6,181,396	
Total	33,422,772	32,244,469	32,633,581	
Less: Provision for liabilities from litigation	(393,360)	(393,360)	(393,360)	
Total other assets	33,029,412	31,851,109	32,240,221	

As at 31 December 2010, the outstanding balance amounting of Baht 0.2 million (2009: Baht 0.1 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 22.5 a) 1).

16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

17. Fees and service income

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Investment advisory	117,203	89,267	117,203	89,267
Financial advisory	-	400,000	-	400,000
Others	4,353,299	3,850,542	2,146,517	3,248,727
Total	4,470,502	4,339,809	2,263,720	3,737,994

18. Provident fund

The Company and its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiary contributed to the fund monthly at the rates of 3% to 6% of basic salary. The fund is managed by Ayudhya Fund Management Company Limited. The fund will be paid to the employees upon termination in accordance with the fund rules. During the year 2010, the Company and its subsidiary contributed Baht 4,366,321 (2009: Baht 4,092,659) (the Company only: Baht 4,112,607, 2009: Baht 3,615,986) to the fund.

19. Corporate income tax

The Company was not liable to corporate income tax for the year 2010 since the Company had tax loss brought forward from previous years over its net income for the year.

20. Earnings per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the year by the weighted average number of ordinary shares in issue during the year.

21. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases upon between the Company and those related parties.

(Unit: Baht)

	Consolidated		Transfer pricing policy
	financial statements		
	<u>2010</u>	<u>2009</u>	
<u>Transactions with related parties</u>			
Brokerage fee	525,052	405,228	0.10% - 0.25% of trading volume (2009: 0.15%, 0.20% and 0.25% of trading volume)
Advisory fee income	3,608,831	4,949,446	Contract price
Service expenses	609,797	908,152	Market price
Interest income	21,592,122	24,020,755	8.03% - 8.34% per annum (2009: 7.77% - 9.15% per annum)

(Unit: Baht)

	Separate		Transfer pricing policy
	financial statements		
	<u>2010</u>	<u>2009</u>	
<u>Transactions with subsidiary</u>			
Advisory fee income	720,000	960,000	Contract price
Rental and service income	799,124	1,254,296	Contract price
Service expenses	298,111	-	Contract price
Sales of equipment	10,942	-	Contract price
<u>Transactions with related parties</u>			
Brokerage fee	525,052	405,228	0.10% - 0.25% of trading volume (2009: 0.15%, 0.20% and 0.25% of trading volume)
Advisory fee income	2,548,017	4,889,250	Contract price
Service expenses	573,214	908,152	Market price
Interest income	21,592,122	24,020,755	8.03% - 8.34% per annum (2009: 7.77% - 9.15% per annum)

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related parties are as follows:

(Unit: Baht)

	Relationship	Consolidated	Separate financial statements	
		financial statements	2010	2009
		2009		
<u>Bills of exchange</u>				
A.P.F. Hospitality Co., Ltd.	Common shareholder and/or directors	295,674,727	259,430,137	295,674,727
<u>Securities and derivatives business receivables</u>				
Related persons and related parties	Common shareholder and/or directors	1,281,251	70,632	1,281,251
<u>Other receivables</u>				
United Asset Management Co., Ltd.	Subsidiary	-	-	98,711
A.P.F. Holdings Co., Ltd.	Parent company	1,166,300	-	1,166,300
Related persons and related parties	Common shareholder and/or directors	9,495	-	-
<u>Securities and derivatives business payables</u>				
Related persons and related parties	Common shareholder and/or directors	194,455	5,124,413	194,455

(Unit: Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2009	2010	2009	2009
<u>Other payables - deposits and other liabilities</u>					
United Asset Management					
Co., Ltd.	Subsidiary	-	-	204,701	

During the year 2010, bills of exchanges - related parties have movements as follow:

(Unit: Baht)

	Consolidated and Separate financial statements			
	<u>2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>2010</u>
<u>A.P.F. Hospitality Co., Ltd.</u>				
Principals	300,000,000	890,000,000	(930,000,000)	260,000,000
Discount on bill of exchanges	(4,325,273)	(17,836,712)	21,592,122	(569,863)
	<u>295,674,727</u>	<u>872,163,288</u>	<u>(908,407,878)</u>	<u>259,430,137</u>

As at 31 December 2010, the bills of exchange of A.P.F. Hospitality Co., Ltd. are secured by 11.0 million ordinary shares (2009: 11.0 million ordinary shares) of a related company which have a market value of Baht 270.6 million (2009: 275.0 million) and guaranteed by the parent company for the whole amount.

22. Commitments and contingent liabilities

22.1 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, and several service agreements. The terms of the lease agreements are generally between 1 and 4 years and the terms of the service agreements are generally 1 year. Operating lease and service agreements are non-cancelable.

As at 31 December 2010, 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	17.9
1 to 5 years	32.4

22.2 Service commitments

As at 31 December 2010, the Company has commitments regarding service agreements as follows.

- a) The Company has a commitment under an on-line securities trading service agreement whereby the Company is charged fees at rates of 0.0025% to 0.04% of its securities trading volume and at rates of Baht 10 to Baht 60 per derivatives contract, with the minimum payment being Baht 80,000 per month.
- b) 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.
- c) 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.
- d) The Company has obligations to pay service fees to the Thailand Securities Depository Company Limited (TSD), as the Company's Back Office Service Bureau. These are charged at Baht 70,000 per month and certain other fees specified in the agreements.
- e) 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.
- f) 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.
- g) 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.

- h) 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.

22.3 Guarantees

As at 31 December 2010, 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.

22.4 Contingent liabilities

As at 31 December 2010, the Company has contingent liabilities from a securities business customer and a former staff claim for compensation, amounting to Baht 12.2 million (2009: Baht 9.3 million). The Company's management believes that the Company will not be obliged to pay such compensation.

22.5 Litigations

a) Litigation 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 7. As at 31 December 2010, the Company purchased and set aside the Baht 0.2 million of securities (2009: Baht 0.1 million), as discussed in Note 15, and has set provision of Baht 4.4 million (2009: Baht 4.5 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 31 December 2010 was approximately Baht 4.4 million (2009: 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.

23. Financial information by segment

The Company and its subsidiary's business operations involve four principal segments: (1) securities and derivatives brokerage segment, (2) investment banking segment, (3) fund management segment and (4) securities investing segment. These operations are mainly carried on in Thailand. Below is the financial information for the years ended 31 December 2010 and 2009 and as at 31 December 2010 and 2009 of the Company and its subsidiary by segment.

(Unit: Million Baht)

	Securities and derivatives brokerage segment		Investment banking segment		Fund management segment		Securities investing segment		Consolidated financial statements	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenues	214.4	147.5	1.2	5.0	2.6	0.8	39.6	50.7	257.8	204.0
Segment income (loss)	71.5	25.4	(12.1)	(5.6)	(9.6)	(18.9)	22.1	32.8	71.9	33.7
Unallocated income (expenses):										
Interest income									35.6	32.3
Other income									3.5	5.5
Operating expenses									(101.0)	(69.3)
Expenses on borrowing									(10.0)	(9.6)
Net income (loss)									-	(7.4)

(Unit: Million Baht)

	Securities and derivatives brokerage segment		Investment banking segment		Fund management segment		Securities investing Segment		Separate financial statements	Consolidated financial statements
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Premises improvement and equipment and intangible assets, net									
- allocated	11.1	17.1	-	-	-	4.3	0.3	0.6	11.4	22.0
- unallocated									9.2	11.7
Total									20.6	33.7
Unallocated assets									1,407.3	1,228.8
Total assets									1,427.9	1,262.5

24. Financial instruments

24.1 Financial risk management

The Company's financial instruments principally comprise cash and cash equivalents, long-term deposits at financial institutions, investments in debt and equity securities, receivables from and payables to Clearing House, securities and derivative business receivables and payables, domestic borrowings and liabilities under commercial papers sold. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to investments in debt securities and securities and derivative business receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of investments in debt securities and securities and derivative business receivables as stated in the balance sheet.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash and cash equivalents, long-term deposits at financial institutions, investments in debt securities, securities business receivables, domestic borrowings and liabilities under commercial papers sold. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Separate financial statements									
As at 31 December 2010									
Outstanding balances of financial instruments								Interest rate	
Floating interest rate	Repricing or maturity dates				Non-performing debt	No interest	Total	(% per annum)	
	At call	Less 1 year	1 - 5 years	Over 5 years				Floating rate	Fixed rate
Financial instruments - assets									
Cash and cash equivalents	1.6	517.7	-	-	-	9.4	528.7	0.25	1.70
Long-term deposits at financial institutions	-	-	-	63.2	-	-	63.2	-	0.25 - 1.00
Investments in debt and equity securities, net	-	-	365.4	-	-	0.5	365.9	-	2.26 - 8.13
Receivables from Clearing House	-	-	-	-	-	55.8	55.8	-	-
Securities and derivatives business receivables, net	249.1	-	-	-	20.5	92.1	361.7	5.75 - 9.75	-
Financial instruments - liabilities									
Domestic borrowings	8.3	-	-	-	-	-	8.3	6.75	-
Payables from Clearing House	-	-	-	-	-	7.7	7.7	-	-
Securities and derivative business payables	-	-	-	-	-	175.8	175.8	-	-
Liabilities under commercial papers sold	-	-	224.7	-	-	-	224.7	-	4.00 - 4.79

Liquidity risk

The maturity dates of financial instruments held as of 31 December 2010, counting from the balance sheet date, are as follows: -

(Unit: Million Baht)

	Separate financial statements						
	Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non performing debt	Total
Financial instruments - assets							
Cash and cash equivalents	528.7	-	-	-	-	-	528.7
Long-term deposits at financial institutions	-	63.2	-	-	-	-	63.2
Investments in debt and equity securities, net	-	365.4	-	-	0.5	-	365.9
Receivables from Clearing House	-	55.8	-	-	-	-	55.8
Securities and derivatives business receivables, net	249.1	92.1	-	-	-	20.5	361.7
Financial instruments - liabilities							
Domestic borrowings	8.3	-	-	-	-	-	8.3
Payables from Clearing House	-	7.7	-	-	-	-	7.7
Securities and derivative business payables	-	175.8	-	-	-	-	175.8
Liabilities under commercial papers sold	-	224.7	-	-	-	-	224.7

Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company considers itself no foreign currency risk because it has no foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the balance sheet date.

24.2 Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

25. Capital management

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

26. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2011.