

AIRA Capital Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Assets					
Current assets					
Cash and cash equivalents	7	264,612,211	729,680,611	19,983,585	51,456,576
Short-term investments	8	218,693,439	132,342,025	-	-
Receivables from Clearing House	9	479,307,788	28,107,964	-	-
Securities and derivatives business receivables	10	1,384,202,507	1,239,503,607	-	-
Factoring receivables	11	2,419,326,742	2,662,275,556	-	-
Current portion of loans receivable	12	50,816,016	34,566,839	-	-
Short-term loans to related party	6	-	-	99,563,399	-
Other receivables	6, 13	18,878,994	17,341,473	147,460	-
Other current assets		9,199,388	8,750,246	324,573	740,802
Total current assets		4,845,037,085	4,852,568,321	120,019,017	52,197,378
Non-current assets					
Loans receivable	12	64,100,254	73,547,446	-	-
Investment in associate	14	300,129,707	-	300,000,000	-
Investments in subsidiaries	15	-	-	1,339,667,869	1,067,894,117
Other long-term investment	8	3,000,000	3,000,000	-	-
Equipment	16	97,198,007	91,510,669	5,529,308	6,773,326
Goodwill		134,896,425	134,896,425	-	-
Other intangible assets	17	106,568,518	103,376,306	69,269	71,325
Deferred tax assets	30	4,741,505	5,725,135	-	-
Assets held for sale	18	11,150,000	-	-	-
Other non-current assets		40,668,750	36,987,391	1,285,774	629,353
Total non-current assets		762,453,166	449,043,372	1,646,552,220	1,075,368,121
Total assets		5,607,490,251	5,301,611,693	1,766,571,237	1,127,565,499

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

AIRA Capital Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	1,250,000,000	1,737,000,000	-	-
Payables to Clearing House	20	1,854,356	382,457,046	-	-
Securities and derivatives business payables	21	492,525,307	125,116,197	-	-
Other payables	22	8,230,815	13,459,274	1,304,881	829,063
Current portion of liabilities under finance lease		242,313	220,605	-	-
Current portion of subordinated debentures	23	200,000,000	-	-	-
Bill of exchange - related parties	24	1,543,722,056	1,316,227,875	149,096,649	99,669,516
Retention from factoring		47,366,120	52,840,137	-	-
Income tax payable		31,610,026	8,495,092	-	-
Other current liabilities	25	96,444,878	127,565,907	9,280,338	756,904
Total current liabilities		3,671,995,871	3,763,382,133	159,681,868	101,255,483
Non-current liabilities					
Liabilities under finance lease		457,112	680,167	-	-
Subordinated debentures	23	200,000,000	400,000,000	-	-
Provision for long-term employee benefits	26	15,160,767	17,292,792	1,037,925	613,962
Deferred tax liabilities	30	9,969,534	7,872,193	-	-
Other non-current liabilities		3,693,453	2,266,069	233,860	93,544
Total non-current liabilities		229,280,866	428,111,221	1,271,785	707,506
Total liabilities		3,901,276,737	4,191,493,354	160,953,653	101,962,989
Shareholders' equity					
Share capital	27				
Registered					
4,000,000,000 ordinary shares of Baht 0.25 each		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and paid-up					
3,893,595,260 ordinary shares of Baht 0.25 each					
(31 December 2013: 3,116,730,360 ordinary shares					
of Baht 0.25 each)		973,398,815	779,182,590	973,398,815	779,182,590
Share premium		605,832,205	230,566,100	605,832,205	230,566,100
Capital reserve for share-based payment transactions	28	2,707,825	1,605,843	2,707,825	1,605,843
Advance receipt of share subscription	27	3,957,275	-	3,957,275	-
Retained earnings					
Appropriated - statutory reserve	29	8,946,137	6,336,400	8,946,137	6,336,400
Unappropriated		77,172,460	55,250,047	10,775,327	7,911,577
Other component of shareholders' equity		(56,421,272)	(55,981,530)	-	-
Equity attributable to shareholders of the Company		1,615,593,445	1,016,959,450	1,605,617,584	1,025,602,510
Non-controlling interests of the subsidiaries		90,620,069	93,158,889	-	-
Total shareholders' equity		1,706,213,514	1,110,118,339	1,605,617,584	1,025,602,510
Total liabilities and shareholders' equity		5,607,490,251	5,301,611,693	1,766,571,237	1,127,565,499
		0	0	0	0

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

Directors

AIRA Capital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Revenues					
Brokerage fees	31	478,245,523	471,112,518	-	-
Fees and services income	32	58,074,879	49,224,359	-	-
Gain on securities		76,758,220	-	34,247	-
Interest and dividend		63,614,004	46,501,322	108,095,526	99,902,681
Interest on margin loans		35,439,835	50,073,131	-	-
Interest income from factoring		147,823,964	171,448,336	-	-
Other incomes		3,506,580	1,069,423	220	711
Total revenues		863,463,005	789,429,089	108,129,993	99,903,392
Expenses					
Operating and administrative expenses					
Personnel expenses		367,514,550	310,547,289	29,262,963	22,315,732
Premises and equipment expenses		86,367,460	74,691,453	4,802,954	5,001,862
Fees and services expenses		62,444,991	54,280,368	5,340,144	6,113,358
Other expenses		88,159,014	69,716,526	10,547,207	5,410,138
Total operating and administrative expenses		604,486,015	509,235,636	49,953,268	38,841,090
Bad debt and doubtful accounts (reversal)		28,684,725	(2,605,433)	-	-
Loss on securities		-	9,620,711	-	483
Total expenses		633,170,740	516,250,914	49,953,268	38,841,573
Profit before share of loss from investment in associate,					
finance costs and income tax expenses		230,292,265	273,178,175	58,176,725	61,061,819
Share of gain from investment in associate		129,707	-	-	-
Profit before finance costs and income tax expenses		230,421,972	273,178,175	58,176,725	61,061,819
Finance costs		(109,564,171)	(124,103,274)	(5,981,971)	(3,398,613)
Profit before income tax expenses		120,857,801	149,074,901	52,194,754	57,663,206
Income tax expenses	30	(44,907,677)	(41,909,885)	-	-
Profit for the year		75,950,124	107,165,016	52,194,754	57,663,206

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

AIRA Capital Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Other comprehensive income:					
Loss on re-measuring available-for-sell investments		(990,071)	(24,753,991)	-	-
Exchange differences on translation of financial statement in foreign currency		391,461	450,144	-	-
Income tax relating to the components of other comprehensive income	30	198,014	4,950,798	-	-
Other comprehensive income for the year		(400,596)	(19,353,049)	-	-
Total comprehensive income for the year		75,549,528	87,811,967	52,194,754	57,663,206
Profit attributable to:					
Equity holders of the Company		71,253,417	90,023,531	52,194,754	57,663,206
Non-controlling interests of the subsidiary		4,696,707	17,141,485		
		<u>75,950,124</u>	<u>107,165,016</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		70,813,675	70,625,468	52,194,754	57,663,206
Non-controlling interests of the subsidiary		4,735,853	17,186,499		
		<u>75,549,528</u>	<u>87,811,967</u>		
Earnings per share					
Basic earnings per share/Diluted earnings per share	34				
Profit attributable to equity holders of the Company		0.02	0.03	0.01	0.02

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

Directors

Consolidated financial statements														
Equity attributable to shareholders of the Company														
	Note	Issued and paid-up		Capital reserve for share-based payment transactions	Advance receipt of share subscription	Retained earnings		Other component of shareholders' equity			Total other component of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
								Capital surplus (deficit) from change in shareholding in subsidiary	Revaluation surplus (deficit) in investment	Exchange differences on translation of financial statement in foreign currency				
		share capital	Share premium	statutory reserve	Unappropriated									
Balance as at 1 January 2013		779,182,590	230,566,100	-	-	3,453,239	17,977,363	419,549	-	-	419,549	1,031,598,841	144,368,473	1,175,967,314
Profit for the year		-	-	-	-	-	90,023,531	-	-	-	-	90,023,531	17,141,485	107,165,016
Other comprehensive income for the year		-	-	-	-	-	-	-	(19,803,193)	405,130	(19,398,063)	(19,398,063)	45,014	(19,353,049)
Total comprehensive income														
for the year		-	-	-	-	-	90,023,531	-	(19,803,193)	405,130	(19,398,063)	70,625,468	17,186,499	87,811,967
Share-based payment transactions	28	-	-	1,605,843	-	-	-	-	-	-	-	1,605,843	-	1,605,843
Dividend paid	35	-	-	-	-	-	(49,867,686)	-	-	-	-	(49,867,686)	-	(49,867,686)
Appropriation retained earnings	29	-	-	-	-	2,883,161	(2,883,161)	-	-	-	-	-	-	-
Capital deficit from change in														
shareholding in subsidiary	15.1	-	-	-	-	-	-	(37,003,016)	-	-	(37,003,016)	(37,003,016)	-	(37,003,016)
Decrease in equity attributable to														
non-controlling interest of subsidiary from														
change in shareholding in subsidiary		-	-	-	-	-	-	-	-	-	-	-	(56,086,984)	(56,086,984)
Subsidiary ordinary shares for non-controlling														
interest of the subsidiary		-	-	-	-	-	-	-	-	-	-	-	1,201,000	1,201,000
Dividend paid for non-controlling interest														
of the subsidiary		-	-	-	-	-	-	-	-	-	-	-	(13,510,099)	(13,510,099)
Balance as at 31 December 2013		779,182,590	230,566,100	1,605,843	-	6,336,400	55,250,047	(36,583,467)	(19,803,193)	405,130	(55,981,530)	1,016,959,450	93,158,889	1,110,118,339
Balance as at 1 January 2014		779,182,590	230,566,100	1,605,843	-	6,336,400	55,250,047	(36,583,467)	(19,803,193)	405,130	(55,981,530)	1,016,959,450	93,158,889	1,110,118,339
Profit for the year		-	-	-	-	-	71,253,417	-	-	-	-	71,253,417	4,696,707	75,950,124
Other comprehensive income for the year		-	-	-	-	-	-	-	(792,057)	352,315	(439,742)	(439,742)	39,146	(400,596)
Total comprehensive income														
for the year		-	-	-	-	-	71,253,417	-	(792,057)	352,315	(439,742)	70,813,675	4,735,853	75,549,528
Share-based payment transactions	28	-	-	2,234,381	-	-	-	-	-	-	-	2,234,381	-	2,234,381
Dividend paid	35	-	-	-	-	-	(46,721,267)	-	-	-	-	(46,721,267)	-	(46,721,267)
Increase share capital	27	189,650,100	374,133,706	-	-	-	-	-	-	-	-	563,783,806	-	563,783,806
Appropriation retained earnings	29	-	-	-	-	2,609,737	(2,609,737)	-	-	-	-	-	-	-
Advance receipt of share subscription	28	-	-	-	3,957,275	-	-	-	-	-	-	3,957,275	-	3,957,275
Capital deficit from change in														
shareholding in subsidiary	15.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in equity attributable to														
non-controlling interest of subsidiary from														
change in shareholding in subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiary ordinary shares for non-controlling														
interest of the subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid for non-controlling interest														
of the subsidiary		-	-	-	-	-	-	-	-	-	-	-	(7,274,673)	(7,274,673)
Capital increase due to convert warrants to														
shares	27	4,566,125	1,132,399	(1,132,399)	-	-	-	-	-	-	-	4,566,125	-	4,566,125
Balance as at 31 December 2014		973,398,815	605,832,205	2,707,825	3,957,275	8,946,137	77,172,460	(36,583,467)	(20,595,250)	757,445	(56,421,272)	1,615,593,445	90,620,069	1,706,213,514

AIRA Capital Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2014

(Unit: Baht)

		Separate financial statements						
		Issued and paid-up		Capital reserve	Advance receipt	Retained earnings		Total
				for share-based	of share	Appropriated -		shareholders'
Note	share capital	Share premium	payment transactions	subscription	statutory reserve	Unappropriated	equity	
Balance as at 1 January 2013	779,182,590	230,566,100	-	-	3,453,239	2,999,218	1,016,201,147	
Profit for the year	-	-	-	-	-	57,663,206	57,663,206	
Other comprehensive income for the year	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	57,663,206	57,663,206	
Share-based payment transactions	-	-	1,605,843	-	-	-	1,605,843	
Dividend paid	35	-	-	-	-	(49,867,686)	(49,867,686)	
Appropriation retained earnings	29	-	-	-	-	2,883,161	(2,883,161)	-
Balance as at 31 December 2013	<u>779,182,590</u>	<u>230,566,100</u>	<u>1,605,843</u>	<u>-</u>	<u>6,336,400</u>	<u>7,911,577</u>	<u>1,025,602,510</u>	
Balance as at 1 January 2014	779,182,590	230,566,100	1,605,843	-	6,336,400	7,911,577	1,025,602,510	
Profit for the year	-	-	-	-	-	52,194,754	52,194,754	
Other comprehensive income for the year	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	52,194,754	52,194,754	
Share-based payment transactions	28	-	-	2,234,381	-	-	2,234,381	
Dividend paid	35	-	-	-	-	(46,721,267)	(46,721,267)	
Increase share capital	27	189,650,100	374,133,706	-	-	-	563,783,806	
Advance receipt of share subscription	28	-	-	-	3,957,275	-	3,957,275	
Capital increase due to convert								
warrants to shares	27	4,566,125	1,132,399	(1,132,399)	-	-	4,566,125	
Appropriation retained earnings	29	-	-	-	-	2,609,737	(2,609,737)	-
Balance as at 31 December 2014	<u>973,398,815</u>	<u>605,832,205</u>	<u>2,707,825</u>	<u>3,957,275</u>	<u>8,946,137</u>	<u>10,775,327</u>	<u>1,605,617,584</u>	

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

AIRA Capital Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	120,857,801	149,074,901	52,194,754	57,663,206
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation	25,062,442	24,703,286	1,859,249	2,873,857
Amortisation of intangible assets	2,778,388	1,863,323	36,146	31,312
Amortisation of other assets	534,284	1,459,413	-	-
Interest and dividend income	(63,614,004)	(46,501,321)	(108,095,526)	(99,902,681)
Interest on margin loans income	(35,439,835)	(50,073,131)	-	-
Finance costs	109,564,171	124,103,274	5,981,971	3,398,613
Provision for long-term employee benefits	1,857,975	3,460,637	423,963	258,108
Share-based payment transactions	2,234,381	1,605,843	460,629	331,052
Gain on disposal of equipment	(50,509)	(824,523)	(492)	-
Allowance for impairment loss on asset held for sale	1,150,000	-	-	-
Loss (gain) on exchange rate	(181,000)	-	919,326	-
Loss (gain) on changing in fair value of investments	(4,417,537)	6,263,463	-	-
Gain on sales of investments	-	(109,755)	-	-
Share of gain from investment in associate	(129,707)	-	-	-
Bad debt and doubtful accounts (reversal)	28,684,725	(2,605,433)	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	188,891,575	212,419,977	(46,219,980)	(35,346,533)
Decrease (increase) in operating assets				
Investments in trading securities	(81,964,577)	80,955,452	-	-
Receivables from Clearing House	(451,199,825)	152,901,544	-	-
Securities and derivatives business receivables	(145,333,189)	(206,727,888)	-	-
Factoring receivables	202,903,251	(250,466,558)	-	-
Loans receivable	(6,917,124)	17,204,020	-	-
Other receivables	(114,848)	(8,260,859)	-	1,888,394
Other current assets	(569,260)	(1,632,072)	467,869	19,981
Other non-current assets	(4,030,443)	(7,753,722)	(656,420)	133,460
Increase (decrease) in operating liabilities				
Payables to Clearing House	(380,602,690)	185,575,732	-	-
Securities and derivatives business payables	367,409,110	(309,259,162)	-	-
Retention from factoring	(5,474,018)	2,010,031	-	-
Other payables	(650,300)	646,473	720,174	(3,104)
Other current liabilities	(31,679,860)	22,462,129	8,429,552	112,617
Provision for long-term employee benefits	(3,990,000)	(557,769)	-	-
Other non-current liabilities	1,427,385	821,757	140,316	93,544
Cash flows used in operating activities	(351,894,813)	(109,660,915)	(37,118,489)	(33,101,641)
Cash received from interest and dividend	98,036,381	94,882,687	5,115,642	1,437,481
Cash paid for interest expenses	(99,787,896)	(98,789,528)	-	-
Cash paid for corporate income tax	(18,829,926)	(46,535,122)	(50,665)	(656,421)
Net cash flows used in operating activities	(372,476,254)	(160,102,878)	(32,053,512)	(32,320,581)

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

AIRA Capital Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Increase in short-term loan to subsidiary	-	-	(100,482,725)	-
Cash paid for purchase of available-for-sale investments	(959,371)	(69,100,130)	-	-
Cash received from sales of available-for-sale investments	-	71,332,804	-	-
Cash paid for acquisitions of equipment and intangible assets	(37,082,433)	(74,935,308)	(893,685)	(6,071,548)
Increase in investments in subsidiary	-	(93,090,000)	(270,000,000)	(103,899,000)
Increase in investments in associate	(300,000,000)	-	(300,000,000)	-
Dividend received from subsidiaries	-	-	102,925,330	98,489,901
Cash received from disposal of equipment	65,646	1,390,880	500	-
Net cash flows used in investing activities	(337,976,158)	(164,401,754)	(568,450,580)	(11,480,647)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(470,556,689)	(397,830,035)	-	-
Cash paid for finance lease	(277,772)	(504,276)	-	-
Cash received from bill of exchange	4,037,515,743	4,479,231,303	663,445,162	196,270,903
Cash paid for bill of exchange	(3,840,000,000)	(3,200,000,000)	(620,000,000)	(100,000,000)
Proceeds from increase in capital	563,783,806	-	563,783,806	-
Proceeds from increase in share capital of subsidiary				
from non-controlling interest	-	1,201,000	-	-
Proceeds from exercise warrant	8,523,400	-	8,523,400	-
Dividend paid	(46,721,267)	(81,034,991)	(46,721,267)	(81,034,989)
Dividend paid to non-controlling interest by subsidiary	(7,274,670)	(13,510,098)	-	-
Net cash flows from financing activities	244,992,551	787,552,903	569,031,101	15,235,914
Differences on transaction of financial statement	391,461	450,144	-	-
Net increase (decrease) in cash and cash equivalents	(465,068,400)	463,498,415	(31,472,991)	(28,565,314)
Cash and cash equivalents at beginning of the year	729,680,611	266,182,196	51,456,576	80,021,890
Cash and cash equivalents at end of the year	264,612,211	729,680,611	19,983,585	51,456,576
	-	-	-	-
Supplemental cash flow information				
Non-cash items				
Purchase of equipment and intangible assets recorded				
as liabilities	5,820,505	6,068,922	482,201	726,557
Gain (loss) on re-measuring available-for-sale investments				
- net of income tax	792,057	(19,803,193)	-	-
Transfer of trading securities to available-for-sale				
securities (at cost)	86,230,021	84,172,840	-	-

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

AIRA Capital Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2014

1. General information

1.1 General information of the Company

AIRA Capital Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. J R K Holding Company Limited, which was incorporated in Thailand, is the major shareholder. The Company is principally engaged in investment in other companies. The registered office of the Company is at 319 Chamchuri Square, 12th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

The Market for Alternative Investment (MAI) approved the listing of the ordinary shares of the Company, to be traded from 7 July 2014.

1.2 General information of AIRA Securities Public Company Limited and its subsidiary

- a) AIRA Securities Public Company Limited operates its business in Thailand and undertakes securities business licenses as follows:
 - 1. Securities brokerage
 - 2. Securities trading
 - 3. Investment advisory
 - 4. Underwriting
 - 5. Financial advisory
 - 6. Securities borrowing and lending
 - 7. Derivatives brokerage
 - 8. Private fund management
- b) AIRA Advisory Company Limited is a subsidiary of AIRA Securities Public Company Limited, domiciled in Thailand, and is principally engaged in the provision of financial advisory services. The Office of the Securities and Exchange Commission has permitted this company to operate as a financial advisor from 8 December 2014 to 7 December 2019.

1.3 General information of AIRA Factoring Public Company Limited

AIRA Factoring Public Company Limited is a public company incorporated and domiciled in Thailand and was listed on the Market for Alternative Investment (MAI) of Thailand on 25 August 2004. Its principal activity is engaged in receivable factoring.

1.4 General information of AIRA International Advisory (Singapore) Pte. Ltd.

AIRA International Advisory (Singapore) Pte. Ltd. domiciled in Singapore and its principal activity is engaged in the financial services industry.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting 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 Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543 and in conjunction with the Notifications of the Office of the Securities and Exchange Commission.

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 financial statements of AIRA Capital Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	(Unit: Percent)	
			Percentage of shareholding	
			2014	2013
<u>Held by the Company</u>				
AIRA Securities Plc. and its subsidiary	Securities	Thailand	99.99	99.99
AIRA Factoring Plc.	Factoring	Thailand	74.02	74.02
AIRA International Advisory (Singapore) Pte. Ltd.	Financial services industry	Singapore	90.00	90.00
<u>Held by subsidiary</u>				
AIRA Advisory Co., Ltd.	Financial advisory	Thailand	99.99	99.99

- b) Subsidiaries are fully consolidated, 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 subsidiaries are prepared using the same significant accounting policies as the Company.
 - d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - e) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures

TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

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 dates.

b) Fees and services income

Fees are recognised as income on an accrual basis. Service income is recognised on the basis of percentage of completion, which is measured based on service performed to date as a percentage of total service to be performed. Revenue is recognised when it is probable that the amount will be collected.

Management fees of the subsidiary are calculated as a percentage of the net asset value of the funds managed by the subsidiary and recognised as income when services have been rendered.

c) Gain (loss) on investments

Gain (loss) on investments is recognised as income or expense on the transaction dates.

d) Interest and dividend on investments

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

e) Interest on margin loans

Interest is recognised as income on an accrual basis based on the effective interest rate. Except there is uncertainty as to the collectability of loans and interest, the subsidiary 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 institution 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.

f) Interest income from factoring

Interest income from factoring is recognised in the profit or loss using the effective interest rate method, over the period of debts being factored.

g) Expenses

Expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity less than 3 months and not subject to withdrawal restrictions, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

4.3 Recognition and amortisation of customers' deposits

Cash collateral received from customers for trading in securities of cash balance accounts, credit balance accounts and placed as margin for derivatives trading are recorded as assets and liabilities of the subsidiary for the internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

4.4 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investment in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in non-marketable equity securities, which the subsidiary classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) 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.
- e) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associate are 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 debt securities expected to be held to maturities, other investments and investments in subsidiaries are included in profit or loss.

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 in profit or loss or recorded as other component of owners' 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 in profit or loss.

4.5 Receivables from Clearing House

Receivables from Clearing House comprises the net receivable from Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand, net receivables for TCH from derivatives trades, included cash collateral pledged with TCH for derivatives trades, and net receivable from foreign securities trade settlement with the overseas brokers.

4.6 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables are the net balances of securities business receivables and derivatives business receivables after deducting allowance for doubtful accounts.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, securities borrowings receivable, collateral receivables (which comprise cash placed as security with securities lenders) and other receivables such as overdue cash accounts and securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The subsidiary has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are in accordance with the following criteria:

a) Debt classified as bad debt is defined as follows:

- (1) Debts which the subsidiary has made effort to follow up, but could not collect the repayment. The subsidiary has written them off in accordance with tax law.
- (2) Debts which the subsidiary has forgiven them.

- b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:
- (1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.
 - (2) Installment loans with repayments scheduled no more than 3 months for each installment, which the 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 the full payment is recovered.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as bad debt will be written off when identified. Full provision of the loan balance will be set aside for loans classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission.

4.7 Factoring receivables and allowance for doubtful accounts

Factoring receivables are stated at the amount net of allowance for doubtful accounts and discount on factoring in advance.

The allowance for doubtful accounts for factoring receivables is set at the higher of:

- (1) A percentage of net factoring receivables (i.e. factoring receivables less factoring payables) as follows:

Factoring receivables	%
Not yet due	Nil
Past due up to 3 months	Nil
Past due over 3 months but within 6 months	20
Past due over 6 months	100

- (2) 0.25% of total net factoring receivables

In addition, the subsidiary considers to set up additional allowance for doubtful accounts for each debtor based on collection experience and analysis of debt aging.

Allowance for doubtful accounts for loans receivable and other receivables is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Bad debts are written-off as incurred.

4.8 Loans receivable

Loans receivable are stated at principal amount net of allowance for doubtful accounts.

4.9 Troubled debt restructuring

In cases where the debt restructuring involves modifications of the terms, the fair value of the receivables after restructuring is based on the net present value of expected future cash flows, discounted by the interest rate under the modified terms which forms the basis for making collection from the debtor. Differences between the fair values of receivables as of the restructuring date and their previous book values is recorded in "Revaluation allowance for debt restructuring", and recognised as an expense in profit or loss in the statements of comprehensive income in the year in which the restructuring takes place. The subsidiary reviews such revaluation allowance based on the net present value of future cash flows over the remaining period to maturity, recognising adjustments to the allowance against impairment of loan receivable.

4.10 Equipment and depreciation

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

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building improvement	10 years
Office equipment	3 and 5 years
Furniture and fixtures	3, 5 and 10 years
Motor vehicles	4 and 5 years

Depreciation is included in determining income.

No depreciation is provided on work under installation.

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

4.11 Intangible assets and amortisation

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

Computer software	3, 5 and 10 years
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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.12 Business combination

The cost of an acquisition is measured at fair value which is the amount of cash or cash equivalents, or the fair market value of any other consideration given as determined at the date of acquisition.

The Company accounted for acquisition-related costs such as professional fee and other consulting fees, as expenses in the period in which the costs are incurred and the services are received.

At the acquisition date, the Company measures components of non-controlling interests in the recognises at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

4.13 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.14 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.

4.15 Long-term leases

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

4.16 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

4.17 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. 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 the 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 subsidiaries 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 profit or loss.

4.18 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries 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 2011.

4.19 Payables to Clearing House

Payables to Clearing House comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net payable for derivatives trades, and net payable to foreign securities trade settlement with overseas brokers.

4.20 Securities and derivatives business payables

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

4.21 Provisions

Provisions are recognised when the Company and its subsidiaries 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.

4.22 Share-Based Payment

The Company and its subsidiaries recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in “capital reserve for share-based payment transactions” in owners' equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

4.23 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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. Significant judgments and estimates are as follows:

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 significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Impairment of investments

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Allowance for doubtful accounts of securities and derivatives business receivables

Allowance for doubtful accounts of securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. In determining an allowance for doubtful accounts of securities and derivatives business receivables, the management needs to make judgment and estimates based upon, among other things, past collection history, the value of the securities collateral, aging profile of outstanding debts and the prevailing economic condition.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts of factoring receivables, loans receivable and other receivables, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Equipment/Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiaries' equipment and to review estimate useful lives and residual values when there are any changes.

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the 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.

Post employment benefits under defined benefit plans

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

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.

Deferred tax assets

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

6. Related party transactions

During the years, the Company and its subsidiaries 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 agreed upon between the Company and those related parties.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2014	2013	2014	2013	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	102,925,330	98,489,901	Normal rate declared to ordinary investors
Interest income	-	-	473,222	-	Market rate
Brokerage expenses	-	-	-	158,396	Normal rate charged to ordinary customers
Purchase of debt securities	-	-	1,847,094,747	538,623,858	Market rate
Other expenses	-	-	39,211	31,195	Agreed upon basis
Transactions with related parties					
Brokerage fees income	64,601	109,325	-	-	Normal rate charged to ordinary customers
Fees and services income	2,897,948	2,326,153	-	-	Price stated in contract
Premises expenses	464,934	482,011	-	-	Price stated in contract
Transactions with the directors and shareholders of the Company's group					
Sales of debt securities	3,374,379,530	3,196,268,741	-	196,270,903	Market rate
Gain on investments	239,967	197,024	-	-	Market rate
Brokerage fees income	43,817,679	46,687,197	-	-	Normal rate charged to ordinary customers
Interest expenses	36,890,882	59,277,777	5,981,971	3,398,613	Market rate

The balances of accounts as at 31 December 2014 and 2013 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Subsidiary				
(Eliminated from the consolidated financial statement)				
Short-term loans	-	-	99,563,399	-
Interest receivable	-	-	147,460	-
Other payables	-	-	3,000	3,000
Related parties				
Rental deposits	200,000	200,000	-	-
Directors and shareholders of the				
Company's group				
Securities business receivables	154,610,412	340,849,534	-	-
Cash collateral	88,785,478	69,210,908	-	-
Securities business payables	58,487,535	24,809,111	-	-
Subordinated debentures	360,000,000	360,000,000	-	-
Bill of exchange	1,543,722,056	1,316,227,875	149,096,649	99,669,516
Accrued interest	6,041,096	6,041,096	-	-

Loans to related parties

As at 31 December 2014 and 2013, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Baht)					
		Separate financial statements			
		Balance as at 1 January 2014	Increase	Translation	Balance as at 31 December 2014
Short-term loans	Related by				
AIRA Securities Public Company Limited	Subsidiary	-	79,831,879	-	79,831,879
AIRA International Advisory (Singapore) Pte. Ltd.	Subsidiary	-	20,649,200	(917,680)	19,731,520
		-	100,481,079	(917,680)	99,563,399

Short-term loans to related party of Baht 80 million is in the form of an unsecured loan, carrying interest at rate of 3.5% per annum and mature on 23 January 2015.

Short-term loans to related party of Baht 5 million or SGD 0.2 million, Baht 8 million or SGD 0.3 million, Baht 3 million or SGD 0.1 million and Baht 5 million or SGD 0.2 million are in the form of an unsecured loan, carrying interest at rate of 4% per annum and mature on 12 February 2015, 15 May 2015, 23 September 2015 and 17 December 2015, respectively.

Directors and management's benefits

During the year ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2014	2013	financial statements	
			2014	2013
Short-term benefits	103,704	77,093	25,976	21,879
Post-employment benefits	2,404	1,800	424	258
Share-based payment benefits	1,094	786	451	324
Total	107,202	79,679	26,851	22,461

7. Cash and cash equivalents

	Consolidated financial statements		(Unit: Baht)	
	Separate financial statements			
	2014	2013	2014	2013
Cash, deposits at financial institutions, notes receivables and bonds with maturity less than three months	1,968,236,938	1,623,163,534	19,983,585	51,456,576
Less: Deposits, notes receivables and bonds of customers' account of subsidiary	(1,703,624,727)	(893,482,923)	-	-
Total cash and cash equivalents	264,612,211	729,680,611	19,983,585	51,456,576

8. Investments

8.1 Cost and fair value

	(Unit: Baht)			
	Consolidated and Separate financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Trading securities				
Listed securities	74,756,325	73,586,604	79,021,768	76,508,250
Less: Changes in fair value of securities	(1,169,721)	-	(2,513,518)	-
Total trading securities - net	73,586,604	73,586,604	76,508,250	76,508,250

(Unit: Baht)

	Consolidated and Separate financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Listed securities	169,239,313	145,106,835	82,049,921	55,833,775
Less: Changes in fair value of securities	(24,132,478)	-	(26,216,146)	-
Total available-for-sale securities - net	145,106,835	145,106,835	55,833,775	55,833,775
Total short-term investments	218,693,439	218,693,439	132,342,025	132,342,025
Other investment				
Equity securities	3,000,000		3,000,000	
Total other investment	3,000,000		3,000,000	
Total investments - net	221,693,439		135,342,025	

8.2 Unrealised loss on re-measuring available-for-sale investment recognised in owners' equity

(Unit: Baht)

	Consolidated and Separate financial statements	
	2014	2013
Balance - beginning of the year	(19,803,193)	-
Changes during the year (net of income tax)		
- revaluation	(792,057)	(24,947,605)
- sale	-	5,144,412
Balance - end of the year	(20,595,250)	(19,803,193)

9. Receivables from Clearing House

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Receivables from Clearing House	502,900,385	38,014,278
Receivables from overseas securities company	112,340,907	90,268,930
Less: Receivables from Clearing House for customers' account of subsidiary	(135,933,504)	(100,175,244)
Total receivables from Clearing House	479,307,788	28,107,964

10. Securities and derivatives business receivables

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Securities business receivables		
Cash accounts	519,246,527	588,945,836
Credit balance accounts	860,475,328	646,266,854
Total	1,379,721,855	1,235,212,690
Add: Accrued interest receivables	4,480,652	4,290,917
Total securities business receivables	1,384,202,507	1,239,503,607
Derivatives business receivables		
Derivatives business receivables	824,024	-
Less: Allowance for doubtful accounts	(824,024)	-
Total derivatives business receivables	-	-
Total securities and derivatives business receivables	1,384,202,507	1,239,503,607

10.1 The subsidiary has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities companies. As at 31 December 2014 and 2013, securities business receivables are classified as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2014			2013		
	Securities business receivables	Allowance for doubtful accounts set up by the subsidiary	Net securities business receivables after allowance for doubtful accounts	Securities business receivables	Allowance for doubtful accounts set up by the subsidiary	Net securities business receivables after allowance for doubtful accounts
Normal debts	1,384	-	1,384	1,239	-	1,239
Doubtful debts	1	(1)	-	-	-	-
Total	1,385	(1)	1,384	1,239	-	1,239

10.2 Allowance for doubtful accounts

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Balance at beginning of the year	-	-
Add: Allowance for doubtful accounts during the year	824,024	-
Balance at end of the year	824,024	-

11. Factoring receivables

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Factoring receivables	2,918,711,707	3,155,049,113
Accrued interest income from factoring	7,110,609	7,115,182
Total	2,925,822,316	3,162,164,295
Less: Factoring payables	(434,582,604)	(447,613,054)
Unearned interest income	(14,601,772)	(14,445,200)
Total	2,476,637,940	2,700,106,041
Less: Allowance for doubtful accounts	(57,311,198)	(37,830,485)
Factoring receivables - net	<u>2,419,326,742</u>	<u>2,662,275,556</u>

The balances of factoring receivables as at 31 December 2014 and 2013, aged on the basis of due dates, are summarised below.

(Unit: Baht)

Age of factoring receivables	Consolidated financial statements	
	2014	2013
Not yet due	2,773,063,244	3,016,120,727
Past due		
Up to 3 months	51,497,979	62,543,476
3 - 6 months	1,706,385	25,271,773
Over 6 months	92,444,099	51,113,137
Total factoring receivables	<u>2,918,711,707</u>	<u>3,155,049,113</u>

As at 31 December 2014, factoring receivables which were overdue for over 6 months presented amounting to Baht 92 million (2013: Baht 51 million) before setting off the amount repayable to the transferor upon settlement of the factored debts amounting to Baht 29 million (2013: Baht 14 million). The subsidiary has provided a full amount of allowance for doubtful accounts for such net receivables.

12. Loans receivable

(Unit: Thousand Baht)

	Current portion of loans receivable		Loans receivable		Total	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Loans receivable	50,816	34,567	64,215	73,547	115,031	108,114
Less : Allowance for doubtful accounts	-	-	(115)	-	(115)	-
Loans receivable - net	<u>50,816</u>	<u>34,567</u>	<u>64,100</u>	<u>73,547</u>	<u>114,916</u>	<u>108,114</u>

The subsidiary has restructured factoring receivables by means of modification of terms. The balance before restructuring amounted to Baht 73 million and the repayment period was about 7 years. However, this restructuring by modification of terms does not result in any loss. During the year 2014, the subsidiary received principal and interest payments totaling Baht 3 million and 4 million, respectively (2013: the subsidiary received principal and interest payments totaling Baht 7 million and Baht 4 million, respectively).

As at 31 December 2014, the loan receivable balance amounted to Baht 61 million. (2013: Baht 64 million).

13. Other receivables

The balances as at 31 December 2014 and 2013 consist of: -

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accrued fee income	17,179,995	7,061,830	-	-
Employee receivables	-	9,265,485	-	-
Others	1,698,999	1,014,158	147,460	-
Total	<u>18,878,994</u>	<u>17,341,473</u>	<u>147,460</u>	<u>-</u>

14. Investment in associate

14.1 Details of associate:

AIRA & AIFUL Public Company Limited

On 11 November 2014, a meeting of the Board of Directors of the Company approved to enter into the Joint Venture Agreement with AIFUL CORPORATION, which is a company listed on Tokyo Stock Exchange in Japan, to establish a new company under the name AIRA & AIFUL Public Company Limited. The Company has a 30% shareholding or Baht 300 million in such company, with has a registered share capital comprised of 1,000 million shares at Baht 1 per share, totaling Baht 1,000 million.

AIRA & AIFUL Public Company Limited registered with the Ministry of Commerce on 24 December 2014.

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
AIRA & AIFUL Public Company Limited	Consumer finance	Thai	30	-	300,000	-	300,130	-

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding		Cost		Allowance for		Carrying amounts	
			percentage				impairment of		based on cost	
							investment		method - net	
			2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)						
AIRA & AIFUL Public Company Limited	Consumer finance	Thai	30	-	300,000	-	-	-	300,000	-

14.2 Share of gain and dividend received

During the years, the Company has recognised its share of gain from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	Share of gain from investment in associate during the year		Dividend received during the year	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
AIRA & AIFUL Public Company Limited	130	-	-	-

14.3 Financial information of the associated company

Financial information of the associated company is summarised below.

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit for the year ended	
	31 December		31 December		31 December		31 December		31 December	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
AIRA & AIFUL Public Company Limited	1,000	-	1,001	-	0.2	-	0.7	-	0.4	-

15. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up share capital		Shareholding percentage		Cost		(Unit: Million Baht) Dividend received by the Company for the year	
	2014	2013	2014	2013	2014	2013	2014	2013
			(Percent)	(Percent)				
AIRA Securities Plc.	870	600	99.99	99.99	901	629	82	60
AIRA Factoring Plc.	200	200	74.02	74.02	428	428	21	38
AIRA International Advisory (Singapore) Pte. Ltd.	12	12	90.00	90.00	11	11	-	-
Total					1,340	1,068	103	98

During the year, the Company recognises share-based payment transactions when services from its subsidiaries' employees are rendered. The Company recorded investment in subsidiaries amounting to Baht 1.8 million.

15.1 AIRA Securities Public Company Limited

On 12 May 2014, a meeting of the Board of Directors of the Company passed the following resolutions.

- 1) Approve investment of Baht 120 million in the additional ordinary shares of AIRA Securities Public Company Limited (a subsidiary), consisting of 120 million ordinary shares of Baht 1 each. Its percentage shareholding in the subsidiary was unchanged. The Company made payment for the shares on 12 May 2014.
- 2) Approve investment of Baht 150 million in the additional ordinary shares of AIRA Securities Public Company Limited (a subsidiary), consisting of 150 million ordinary shares of Baht 1 each, with no change to its proportionate shareholding in the subsidiary. The Company made payment for the shares on 9 June 2014.

16. Equipment

(Unit: Baht)

	Consolidated financial statements					
	Building improvement	Office equipment	Furniture and fixtures	Motor vehicles	Work under installation	Total
Cost						
1 January 2013	30,404,842	42,958,658	17,708,766	25,781,667	-	116,853,933
Additions	25,890,201	13,438,592	14,559,160	9,817,200	9,456,222	73,161,375
Disposals	(17,199,832)	(1,592,401)	(4,131,525)	(1,967,900)	-	(24,891,658)
Transfer in (out)	2,288,980	540,478	5,738,817	-	(9,192,665)	(624,390)
31 December 2013	41,384,191	55,345,327	33,875,218	33,630,967	263,557	164,499,260
Additions	6,009,721	6,906,045	1,013,312	14,929,500	1,906,340	30,764,918
Disposals	-	(5,213,702)	(2,647,250)	-	-	(7,860,952)
Transfers in (out)	1,188,557	-	-	-	(1,188,557)	-
31 December 2014	48,582,469	57,037,670	32,241,280	48,560,467	981,340	187,403,226
Accumulated depreciation						
1 January 2013	12,263,011	32,461,186	11,715,445	16,717,420	-	73,157,062
Depreciation for the year	8,460,847	7,027,088	4,771,669	4,443,682	-	24,703,286
Depreciation on disposals	(17,199,832)	(2,158,435)	(4,021,905)	(1,491,585)	-	(24,871,757)
31 December 2013	3,524,026	37,329,839	12,465,209	19,669,517	-	72,988,591
Depreciation for the year	5,327,288	9,243,912	4,540,206	5,951,036	-	25,062,442
Depreciation on disposals	-	(5,198,568)	(2,647,246)	-	-	(7,845,814)
31 December 2014	8,851,314	41,375,183	14,358,169	25,620,553	-	90,205,219

(Unit: Baht)

Consolidated financial statements

	Building improvement	Office equipment	Furniture and fixtures	Motor vehicles	Work under installation	Total
Net book value						
31 December 2013	37,860,165	18,015,488	21,410,009	13,961,450	263,557	91,510,669
31 December 2014	39,731,155	15,662,487	17,883,111	22,939,914	981,340	97,198,007
Depreciation included in profit or loss for the year						
2013						24,703,286
2014						25,062,442

(Unit: Baht)

Separate financial statements

	Assets			
	Office equipment	Furniture and fixtures	under installation	Total
Cost				
1 January 2013	2,412,936	2,830,671	-	5,243,607
Additions	284,034	761,450	5,738,817	6,784,301
Transfer in (out)	-	5,738,817	(5,738,817)	-
31 December 2013	2,696,970	9,330,938	-	12,027,908
Additions	489,901	125,338	-	615,239
Write off	(102,050)	(2,635,955)	-	(2,738,005)
31 December 2014	3,084,821	6,820,321	-	9,905,142
Accumulated depreciation				
1 January 2013	1,126,180	1,254,546	-	2,380,726
Depreciation for the year	619,559	2,254,297	-	2,873,856
31 December 2013	1,745,739	3,508,843	-	5,254,582
Depreciation for write off	(102,044)	(2,635,953)	-	(2,737,997)
Depreciation for the year	521,532	1,337,717	-	1,859,249
31 December 2014	2,165,227	2,210,607	-	4,375,834
Net book value				
31 December 2013	951,231	5,822,095	-	6,773,326
31 December 2014	919,594	4,609,714	-	5,529,308
Depreciation included in profit or loss for the year				
2013				2,873,856
2014				1,859,249

As at 31 December 2014, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 41 million (2013: Baht 43 million) (The Company only: Baht 0.5 million, 2013: Baht 3 million).

17. Intangible assets

(Unit: Baht)

	Consolidated financial statements					Total
	Computer software	Securities business license fee	Securities member fee	TFEX member fee	Bond member fee	
Cost						
1 January 2013	15,318,567	129,500,000	50,000,000	15,000,000	1,200,000	211,018,567
Additions	7,842,855	-	-	-	-	7,842,855
31 December 2013	23,161,422	129,500,000	50,000,000	15,000,000	1,200,000	218,861,422
Additions	6,013,156	-	-	-	-	6,013,156
Transfer out	(42,556)	-	-	-	-	(42,556)
31 December 2014	29,132,022	129,500,000	50,000,000	15,000,000	1,200,000	224,832,022
Accumulated amortisation						
1 January 2013	8,295,107	77,956,823	27,369,863	-	-	113,621,793
Amortisation for the year	1,863,323	-	-	-	-	1,863,323
31 December 2013	10,158,430	77,956,823	27,369,863	-	-	115,485,116
Amortisation for the year	2,778,388	-	-	-	-	2,778,388
31 December 2014	12,936,818	77,956,823	27,369,863	-	-	118,263,504
Net book value						
31 December 2013	13,002,992	51,543,177	22,630,137	15,000,000	1,200,000	103,376,306
31 December 2014	16,195,204	51,543,177	22,630,137	15,000,000	1,200,000	106,568,518
Amortisation included in profit or loss for the year						
2013						1,863,323
2014						2,778,388

(Unit: Baht)

Separate
financial statements
Computer software

Cost

1 January 2013	152,027
Additions	13,803
31 December 2013	165,830
Additions	34,090
31 December 2014	199,920

	(Unit: Baht)
	Separate
	financial statements
	<u>Computer software</u>
Accumulated amortisation	
1 January 2013	63,193
Amortisation for the year	31,312
31 December 2013	94,505
Amortisation for the year	36,146
31 December 2014	130,651
Net book value	
31 December 2013	71,325
31 December 2014	69,269
Amortisation included in profit or loss for the year	
2013	31,312
2014	36,146

As at 31 December 2014, certain computer software items of subsidiaries have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 8 million (2013: Baht 7 million).

18. Assets held for sale

Details of assets held for sale are as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	31 December 2014	31 December 2013
Machinery	12,300,000	-
Less: Allowance for impairment loss		
on asset held per sale	(1,150,000)	-
Machinery - net	11,150,000	-

A factoring receivable made partial settlement by transferring machinery to the Company. The Company is in the process of selling these assets.

19. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate (% per annum)	Consolidated financial statements	
		2014	2013
Promissory notes	2.90 - 5.30	1,250,000,000	1,737,000,000
Total short-term loans from financial institutions		<u>1,250,000,000</u>	<u>1,737,000,000</u>

As at 31 December 2014, the subsidiaries had credit facilities for bank overdrafts and short-term loans from financial institutions. Under these credit facilities, the subsidiaries have to comply with certain terms and conditions prescribed in the agreements such as not to mortgage, pledge or create of commitment over any fixed assets (Negative pledge) or maintain the financial ratio, etc.

As at 31 December 2014, the subsidiaries had unutilised credit facilities totalling Baht 1,290 million (2013: Baht 1,553 million).

20. Payables to Clearing House

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Payables to Clearing House	-	381,960,924
Payables to overseas securities company	1,854,356	496,122
Total payables to Clearing House	<u>1,854,356</u>	<u>382,457,046</u>

21. Securities and derivatives business payables

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Securities business payables		
Cash accounts	492,525,307	125,116,197
Derivatives business payables		
Derivatives business payables	-	-
Total securities and derivatives business payables	<u>492,525,307</u>	<u>125,116,197</u>

22. Other payables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Other payables - related parties	-	-	3,000	3,000
Other payables - non related parties	8,230,815	13,459,274	1,301,881	826,063
Total	8,230,815	13,459,274	1,304,881	829,063

23. Subordinated debentures

(Unit: Baht)

Issue date	Number of debentures (shares)	Interest rate per annum	Age	Maturity date	Consolidated financial statements	
					2014	2013
1 August 2012	200,000	Year 1 - 3 Fixed rate 5.0%	3 years	1 August 2015	200,000,000	200,000,000
1 April 2013	200,000	Year 1 - 3 Fixed rate 5.0%	3 years	1 April 2016	200,000,000	200,000,000
Total					400,000,000	400,000,000

These debentures are unsecured debentures.

On 15 March 2013, the meeting of the Management Committee of AIRA Securities Public Company Limited passed a resolution approving the issue and offering of Baht 200 million of subordinated, unsecured debentures carrying interest at rate 5.0% per annum on 1 April 2013 with a term of 3 years. These debentures mature on 1 April 2016.

As at 31 December 2014, the balance of the above subordinated debentures of the subsidiary included related parties of Baht 360 million (2013: Baht 360 million).

24. Bill of exchange - related parties

(Unit: Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Bill of exchange - related parties	3.3% - 3.75%	1,550,000,000	1,320,000,000	150,000,000	100,000,000
Less: Prepaid interest expenses		(6,277,944)	(3,772,125)	(903,351)	(330,484)
Total bill of exchange - related parties		1,543,722,056	1,316,227,875	149,096,649	99,669,516

On 7 November 2014, the Company issue bill of exchange totaling Baht 150 million for related party, carrying interest at rate 3.50% per annum and is due for repayment on 6 March 2015.

25. Other current liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accrued expenses	20,837,217	16,741,292	105,000	159,400
Marketing incentive fees payables	20,694,834	10,712,674	-	-
Deposits and cheque in transit awaiting to transfer	24,693,479	85,570,915	1,175,292	174,723
Other current liabilities	30,219,348	14,541,026	8,000,046	422,781
Total	96,444,878	127,565,907	9,280,338	756,904

26. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	17,292,792	14,389,924	613,962	355,854
Current service cost	3,335,188	3,213,050	360,741	207,643
Interest cost	679,046	549,116	63,222	50,431
Profit paid during the year	(3,990,000)	(557,769)	-	-
Actuarial loss (gain)	(2,156,259)	(301,529)	-	34
Defined benefit obligation at end of year	15,160,767	17,292,792	1,037,925	613,962

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	3,335,188	3,213,050	360,741	207,643
Interest cost	679,046	549,116	63,222	50,431
Actuarial loss (gain) recognised during the year	(2,156,259)	(301,529)	-	34
Total expense recognised in profit or loss	1,857,975	3,460,637	423,963	258,108

Principal actuarial assumptions at the valuation date were as follows:

(Unit: % per annum)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate	3.5 - 3.9	3.5 - 3.9	3.9	3.9
Future salary increase rate	3.0 - 8.0	3.0 - 8.0	5.0	5.0
Staff turnover rate (depending on age)	26.7 - 36.2	26.7 - 36.2	26.7	26.7

Amounts of defined benefit obligation for the current and previous three periods are as follows:

(Unit: Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2014	15,160,767	1,037,925	2,156,259	-
Year 2013	17,292,792	613,962	301,529	-
Year 2012	14,389,924	355,854	977,572	-
Year 2011	10,175,502	474,435	-	-
Year 2010	1,021,074	277,720	-	-

27. Share capital

On 11 March 2013, the Extraordinary General Meeting of the Company's shareholders passed a resolution to approve a Baht 220.8 million increase the Company's registered share capital, from Baht 779.2 million to Baht 1,000 million. The Company registered the increase in its share capital with the Ministry of Commerce on 22 March 2013.

On 30 June 2014, the warrant holders exercised 17,510,000 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 4,377,500. In June 2014, the Company received full payment for the shares and on 26 to 27 and 30 June 2014, the Company made a rights offering of 124,668,200 shares to the existing shareholders at a price of Baht 0.75 per share, totaling Baht 93,501,150. In June 2014, the Company received full payment for the shares.

On 26 to 27 and 30 June 2014, the Company made an initial public offering of 633,932,200 shares of Baht 0.75 each, totaling Baht 475,449,150. On 3 July 2014, the Company received all payment for the initial public offering.

The Company registered the change in its paid-up capital from Baht 779,182,590 (3,116,730,360 ordinary shares of Baht 0.25 each) to Baht 973,210,190 (3,892,840,760 ordinary shares of Baht 0.25 each) with the Ministry of Commerce on 3 July 2014.

On 30 September 2014, the warrant holders exercised 754,500 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 188,625. In September 2014, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 10 October 2014.

On 31 December 2014, the warrant holders exercised 15,829,100 warrants to purchase ordinary shares at an exercise price of Baht 0.25 per share, totaling Baht 3,957,275. In December 2014, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 8 January 2015.

28. Warrant/Capital reserve for share-based payment transactions

On 3 June 2013, the Company allotted warrants under Employee Stock Option Plan to employees of the Company and its subsidiaries for 124,669,240 units. The details are as follows:

No. of securities offered:	124,669,240 units
No. of shares reserved for exercise:	124,669,240 shares
Term:	4 years from the issuance date of warrants
Offering date:	3 June 2013
Expiry date:	3 June 2017
Offering price:	0 Baht
Exercise price:	0.25 Baht per share
Exercise ratio:	1 ordinary share per 1 warrant. The exercise ratio may be changed following the conditions for adjustment of right.
Allotment method:	The Company allotted all warrants to directors : management : employees in the proportion of 5 : 20 : 75.

Exercise period:

Exercise date no.1

Upon completion of a period of 12 months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.2

Upon completion of a period of 18 months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.3

Upon completion of a period of 24 months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.4

Upon completion of a period of 30 months from the offering date the warrant holders can exercise 15 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.5

Upon completion of a period of 36 months from the offering date the warrant holders can exercise 20 % of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

Exercise date no.6

Upon completion of a period of 42 months from the offering date the warrant holders can exercise 20% of warrant allotted, on the exercise date and every 3 months after the exercise date throughout the term of the warrants.

The estimated fair value of each share option granted is Baht 0.06. This was calculated using the Black-scholes Merton formula. The model inputs were the share price at the price determination date of Baht 0.34, the exercise price of Baht 0.25, expected volatility of 17.14%, an expected dividend yield of 5.00%, the life of the share options of 4 years, and a risk-free interest rate of 2.86%.

During the year, the Company and its subsidiaries recorded expenses amounting to Baht 2.23 million (the Company only: Baht 0.46 million) as personnel expenses. As at 31 December 2014, the Company has capital reserves for share-based payment of Baht 2.71 million.

During the current year, the warrant holders exercised their rights to purchase ordinary shares as follow:

	Numbers of warrant units	Cash receipt from exercise of warrants (Baht)	The Company's paid-up capital which increase from exercise of warrants (Baht)	Registration date of increase in paid-up capital with the Ministry of Commerce
Exercise in June 2014	17,510,000	4,377,500	4,377,500	3 July 2014
Exercise in September 2014	754,500	188,625	188,625	10 October 2014
Exercise in December 2014	15,829,100	3,957,275	3,957,275	8 January 2015
	<u>34,093,600</u>	<u>8,523,400</u>		

As at 31 December 2014, 5,440 warrants remain unallocated.

Movements in the number of warrants, ESOP during the period are as follows:

Number of warrants original issued	124,669,240	Units
Exercise	(34,093,600)	Units
Cancelled	(3,186,900)	Units
Outstanding number of warrants	<u>87,388,740</u>	Units

Up to 31 December 2014, the Company cancelled a total of 3,186,900 warrants to purchase ordinary shares of the Company that had been allocated to the directors and management of the Company, because the directors and management who held those warrants had resigned, thus breaching the conditions under which the warrants were received.

29. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

30. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Current income tax:		
Current income tax charge	41,629	40,358
Adjustment in respect of current income tax of previous year	-	(5)
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>3,279</u>	<u>1,557</u>
Income tax expense reported in the statement of comprehensive income	<u><u>44,908</u></u>	<u><u>41,910</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Deferred tax relating to loss on change in value of available-for-sale investments	<u>198</u>	<u>4,951</u>
	<u>198</u>	<u>4,951</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Accounting profit before tax	<u>120,858</u>	<u>149,075</u>
Applicable tax rate	17%, 20%	17%, 20%
Accounting profit before tax multiplied by applicable tax rate	24,704	30,097
Adjustment in respect of current income tax of previous year	-	(5)
Deductible temporary differences and unused tax losses	18,025	7,725
Tax losses used in current year	(1,252)	-

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Effects of:		
Promotional privileges	(887)	(400)
Non-deductible expenses	4,553	3,383
Additional expense deductions allowed	(203)	(183)
Others	(32)	1,293
Total	3,431	4,093
Income tax expenses reported in the statement of comprehensive income	44,908	41,910
	(Unit: Thousand Baht)	
	Separate	
	financial statements	
	<u>2014</u>	<u>2013</u>
Accounting profit before tax	52,195	57,663
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	10,439	11,533
Deductible temporary differences and unused tax losses	9,709	5,949
Effects of:		
Promotional privileges	(20,585)	(18,414)
Non-deductible expenses	503	976
Additional expense deductions allowed	(66)	(44)
Total	(20,148)	(17,482)
Income tax expenses reported in the statement of comprehensive income	-	-

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated financial statements	
	As at 31 December 2014	As at 31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	2,396	2,717
Allowance for impairment loss on asset held for sale	230	-
Provision for long-term employee benefits	2,824	3,336
Unrealised loss on re-measuring available-for-sale investments	5,441	5,243
Others	453	191
Total	11,344	11,487

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated financial statements	
	As at 31 December 2014	As at 31 December 2013
Deferred tax liabilities		
Amortisation of intangible assets	(16,572)	(13,634)
Total	(16,572)	(13,634)
Deferred tax liabilities, net	<u>(5,228)</u>	<u>(2,147)</u>

Reflected in the statements of financial position as follows:

Deferred tax assets	4,742	5,725
Deferred tax liabilities	(9,970)	(7,872)
Deferred tax liabilities, net	<u>(5,228)</u>	<u>(2,147)</u>

As at 31 December 2014 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 209 million (2013: Baht 120 million) (the Company only 2014: Baht 129 million 2013: Baht 81 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

31. Brokerage fees income

	(Unit: Baht)	
	Consolidated financial statements	
	2014	2013
Brokerage fees from securities business	436,903,990	439,267,640
Brokerage fees from derivatives business	35,842,754	27,196,653
Other brokerage fees	5,498,779	4,648,225
Total	<u>478,245,523</u>	<u>471,112,518</u>

32. Fees and services income

	(Unit: Baht)	
	Consolidated financial statements	
	2014	2013
Financial advisory	24,314,507	10,646,282
Private fund management	2,897,948	2,326,153
Service and front-end	30,371,366	33,405,322
Others	491,058	2,846,602
Total	58,074,879	49,224,359

33. Provident fund

The Company and its employees, and the subsidiaries and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiaries and employees of each company contribute to the funds monthly at the rate of 3 - 10 percent of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited and SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

During the years, the Company and its subsidiaries contributed to the funds as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Contributions to provident funds	9.6	7.9	0.8	0.6

34. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares which issued during the period and the weighted average number of ordinary shares which would need to issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	71,253	90,024	3,508,313	3,116,730	0.02	0.03
Effect of dilutive potential ordinary shares						
Warrant	-	-	79,636	24,772		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>71,253</u>	<u>90,024</u>	<u>3,587,949</u>	<u>3,141,502</u>	0.02	0.03
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	52,195	57,663	3,508,313	3,116,730	0.01	0.02
Effect of dilutive potential ordinary shares						
Warrant	-	-	79,636	24,772		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>52,195</u>	<u>57,663</u>	<u>3,587,949</u>	<u>3,141,502</u>	0.01	0.02

35. Dividends

		(Unit: Baht)	
Dividend	Authorised by	Dividend paid	Dividend paid per share
Interim dividend from retained earnings and the first quarter of 2013 profit	The meeting of the Company's Board of Directors 9 May 2013	49,867,686	0.016
Interim dividend from profit for January - September of 2014	The meeting of the Company's Board of Directors 11 November 2014	46,721,267	0.012

36. Commitments and contingent liabilities

As at 31 December 2014 and 2013, the Company and its subsidiaries have the following outstanding commitments.

- 1) The Company and its subsidiaries have entered into operating lease agreements in respect of the lease of area in the building and equipment. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these operating leases contracts and service contracts were as follows:

		(Unit: Million Baht)	
		Consolidated financial statements	Separate financial statements
		2014	2013
Payable:			
In up to 1 year		34	3
In over 1 and up to 5 years		110	11
In over 5 years		69	7

- 2) The subsidiary has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand, Thailand Clearing House Company Limited and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.

- 3) The subsidiary has commitments to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.
- 4) The subsidiary has commitments to pay fee to the Office of the Securities and Exchange Commission in relation to securities business licenses for securities brokerage, securities trading, investment advisory, securities underwriting, securities borrowing and lending and private fund asset management. The fee is charged at the certain rate from the aforesaid activities.
- 5) The subsidiary has commitments to pay certain service fees to Thailand Securities Depository Company Limited (TSD), as its Back Office Service Bureau. These comprise a monthly fixed amount and certain other fees specified in the agreement.

37. Litigation

As at 31 December 2014, a civil lawsuit was filed against the subsidiary with an amount in dispute of Baht 3 million. At present, the case is under the taking of evidence and the making of statement. The subsidiary's being testimony and witness the litigation will have no significant impact on the financial position and operating results of the subsidiary.

38. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- Securities business segment, which services a securities and derivatives brokerage, securities trading and investment.
- Advisory and investment banking segment, which services an investment and financial advisory, underwriting and private fund management.
- Factoring segment, which purchases account receivables.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2014 and 2013, respectively.

(Unit: Million Baht)

Year ended 31 December 2014	Securities and investment business	Advisory and investment banking	Factoring	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	565	31	178	774	-	774
Inter-segment revenue	103	-	-	103	(103)	-
Interest revenue	41	-	8	49	(1)	48
Interest expenses	(25)	(1)	(53)	(79)	(1)	(80)
Depreciation and amortization	(8)	(1)	(5)	(14)	-	(14)
Segment profit	361	(11)	38	388	(103)	285
Unallocated revenue (expenses)						
Interest revenue						36
Other revenue						6
Interest expenses						(32)
Operating expenses						(174)
Income tax expenses						(45)
Profit for the year						<u>76</u>
Segment total assets	2,574	37	2,610	5,658	-	5,607
Additions to non-current assets other than financial instruments, deferred tax assets	17	-	4	21	-	37

	(Unit: Million Baht)					
Year ended 31 December 2013	Securities and investment business	Advisory and investment banking	Factoring	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	575	16	205	796	(99)	697
Inter-segment revenue	-	-	-	-	-	-
Interest revenue	51	-	9	60	-	60
Interest expenses	(35)	-	(65)	(100)	-	(100)
Depreciation and amortization	(7)	(1)	(4)	(12)	-	(12)
Loss on securities	(9)	-	-	(9)	-	(9)
Segment profit	322	(13)	81	390	(98)	292
Unallocated revenue (expenses)						
Interest revenue						26
Other revenue						6
Interest expenses						(24)
Operating expenses						(151)
Income tax expenses						(42)
Profit for the year						107
Segment total assets	1,622	18	2,880	4,520	-	5,301
Additions to non-current assets other than financial instruments, deferred tax assets	22	2	13	37	-	81

Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

39. Financial instruments

39.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, loans receivable, other receivables, short-term loans, payables to Clearing House, securities and derivatives business payables, other payables, factoring payables, retention from factoring and subordinated debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, factoring receivables, loans receivable and other receivables. The management manages the credit risk with respect to deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables and other receivables by setting up various measures to evaluate credit risks of all new customers when apply for new accounts to determining a proper credit line. The subsidiary also reviews customers' credit lines continuously. To control risk in lending for securities purchase, the subsidiary evaluates the customers' financial status and ability to repay as well as the customers' current trading patterns. The subsidiary also limits the list of securities that can be purchased on margin, and considers the securities fundamentals and liquidity. In addition, the management limits the amount of securities that can be purchased and its concentration in any particular securities. In addition, the management manages the credit risk with respect to retention from factoring and loans receivable by adopting appropriate credit control policies and procedures whereby the subsidiary analyses credit details of customers and follows up customers with overdue accounts in accordance with credit control practices, and considers the amount of retention from factoring and other obligation assets as collateral for each customer according to the assessed credit risk. Therefore, the Company and its subsidiaries do not expect to incur material financial losses.

In addition, the subsidiaries do not have high concentrations of credit risk of retail client since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Financial assets				
Deposits at financial institutions in the name of				
Company, subsidiaries and on behalf of customers				
of subsidiary	1,968,097,478	1,621,364,871	19,972,297	51,453,997
Receivables from Clearing House	479,307,788	28,107,964	-	-
Securities and derivatives business receivables	1,384,202,507	1,239,503,607	-	-
Factoring receivables	2,419,326,742	2,662,275,556	-	-
Loans receivable	114,916,270	108,114,285	-	-
Loans to related parties	-	-	99,563,399	-
Other receivables	18,877,129	8,075,988	147,460	-

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to deposits at financial institutions, securities business receivables - credit balance accounts, factoring receivables, loans receivable, borrowings and subordinated debentures. However, since the Company and its subsidiaries' 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 2014 and 2013 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)

Consolidated financial statements									
As at 31 December 2014									
Outstanding balances of financial instruments									
	Floating interest rate	Repricing or maturity dates					Total	Interest rate (Percent per annum)	
		At call	Within 1 year	1 - 5 years	Over 5 years	No interest		Floating rate	Fixed rate
<u>Financial instruments - assets</u>									
Cash and cash equivalents	130	-	53	-	-	81	264	0.5 - 1.5	1.96 - 2.50
Receivables from Clearing House	-	-	-	-	-	479	479	-	-
Securities and derivatives									
business receivables	865	-	-	-	-	519	1,384	5.75 - 18.00	-
Factoring receivable	-	-	2,419	-	-	-	2,419	-	6.00 - 15.00
Loans receivable	-	45	6	64	-	-	115	-	6.00 - 9.925
Other receivables	-	-	-	-	-	19	19	-	-
<u>Financial instruments - liabilities</u>									
Short-term loans from financial institutions	970	280	-	-	-	-	1,250	-	2.90 - 4.25
Payables to Clearing House	-	-	-	-	-	2	2	-	-
Securities and derivatives									
business payables	-	-	-	-	-	493	493	-	-
Other payables	-	-	-	-	-	8	8	-	-
Retention from factoring	-	-	-	-	-	47	47	-	-
Subordinated debentures	-	-	200	200	-	-	400	-	5.00
Bill of exchange	-	-	1,544	-	-	-	1,544	-	3.30 - 3.50

(Unit: Million Baht)

Separate financial statements

As at 31 December 2014

Outstanding balances of financial instruments

								Interest rate	
	Floating	Repricing or maturity dates						(Percent per annum)	
	interest		Within	1 - 5	Over	No		Floating	Fixed
	rate	At call	1 year	years	5 years	interest	Total	rate	rate
<u>Financial instruments - assets</u>									
Cash and cash equivalents	13	-	5	-	-	2	20	0.5	1.96
Loans to related parties	-	-	100	-	-	-	100	-	3.50 - 4.00
<u>Financial instruments - liabilities</u>									
Other payables	-	-	-	-	-	1	1	-	-
Bill of exchange	-	-	149	-	-	-	149	-	3.50

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2013

Outstanding balances of financial instruments

	Floating interest rate	Repricing or maturity dates						Interest rate (Percent per annum)	
		At call	Within	1 - 5	Over	No	Total	Floating rate	Fixed rate
			1 year	years	5 years	interest			
<u>Financial instruments - assets</u>									
Cash and cash equivalents	60	200	386	-	-	83	729	0.50-2.00	1.65-2.53
Receivables from Clearing House	-	-	-	-	-	28	28	-	-
Securities and derivatives business receivables	650	-	-	-	-	589	1,239	5.75-18.00	-
Factoring receivable	-	-	2,662	-	-	-	2,662	-	6.00-15.00
Loans receivable	-	18	17	60	13	-	108	-	6.00-12.00
Other receivables	-	-	-	-	-	17	17	-	-
<u>Financial instruments - liabilities</u>									
Short-term loans from financial institutions	1,737	-	-	-	-	-	1,737	-	3.40-5.30
Payables to Clearing House	-	-	-	-	-	382	382	-	-
Securities and derivatives business payables	-	-	-	-	-	125	125	-	-
Other payables	-	-	-	-	-	13	13	-	-
Retention from factoring	-	-	-	-	-	53	53	-	-
Subordinated debentures	-	-	-	400	-	-	400	-	3.40-3.65
Bill of exchange	-	-	1,316	-	-	-	1,316	-	3.40-5.00

(Unit: Million Baht)

Separate financial statements									
As at 31 December 2013									
Outstanding balances of financial instruments									
Floating interest rate	Repricing or maturity dates						Interest rate (Percent per annum)		
	Within		1 - 5	Over	No	Total	Floating	Fixed	
	At call	1 year	years	5 years	interest		rate	rate	
<u>Financial instruments - assets</u>									
Cash and cash equivalents	6	-	45	-	-	-	51	0.63	2.48
<u>Financial instruments - liabilities</u>									
Other payables	-	-	-	-	-	1	1	-	-
Bill of exchange	-	-	100	-	-	-	100	-	3.75

Liquidity risk

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

The Company and its subsidiaries' cash inflow and outflow are monitored by the treasury department in order to prepare daily cash usage plan. The Company and its subsidiaries control size of any business transaction which may increase our risk of incurring unexpected liability to make cash payment and also considers the impact to internal liquidity and net capital ratio of the Company and its subsidiaries. The subsidiary maintains a net capital ratio in accordance with the rules laid down by the Office of the Securities and Exchange Commission. In addition, the Company and its subsidiaries have a policy to manage its liquidity to ensure that it has sufficient liquidity to meet both present and future requirements, under the supervision of the Risk Management Committee.

As at 31 December 2014 and 2013, the subsidiary was able to maintain a net capital ratio exceeding the requirement laid down by the Office of Securities and Exchange Commission.

The periods of time from the end of reporting date to the maturity dates of financial instruments as of 31 December 2014 and 2013 follows:

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2014						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<u>Financial instruments - assets</u>						
Cash and cash equivalents	211	53	-	-	-	264
Receivables from Clearing						
House	-	479	-	-	-	479
Securities and derivatives						
business receivables	-	519	-	-	865	1,384
Factoring receivable	-	2,419	-	-	-	2,419
Loans receivable	45	6	64	-	-	115
Other receivables	14	5	-	-	-	19
<u>Financial instruments - liabilities</u>						
Short-term loans from						
financial institutions	280	970	-	-	-	1,250
Payables to Clearing House	-	2	-	-	-	2
Securities and derivatives						
business payables	-	493	-	-	-	493
Other payables	1	5	-	-	2	8
Retention from factoring	-	-	-	-	47	47
Subordinated debentures	-	200	200	-	-	400
Bill of exchange	-	1,544	-	-	-	1,544

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2014						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<u>Financial instruments - assets</u>						
Cash and cash equivalents	15	5	-	-	-	20
Loans to related parties	-	100	-	-	-	100
<u>Financial instruments - liabilities</u>						
Other payables	-	1	-	-	-	1
Bill of exchange	-	149	-	-	-	149

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2013						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<u>Financial instruments - assets</u>						
Cash and cash equivalents	343	386	-	-	-	729
Receivables from Clearing House	-	28	-	-	-	28
Securities and derivatives						
business receivables	-	589	-	-	650	1,239
Factoring receivable	-	2,662	-	-	-	2,662
Loans receivable	18	17	60	13	-	108
Other receivables	15	2	-	-	-	17
<u>Financial instruments - liabilities</u>						
Short-term loans from						
financial institutions	-	1,737	-	-	-	1,737
Payables to Clearing House	-	382	-	-	-	382
Securities and derivatives						
business payables	-	125	-	-	-	125
Other payables	4	3	-	-	6	13
Retention from factoring	-	-	-	-	53	53
Subordinated debentures	-	-	400	-	-	400
Bill of exchange	-	1,316	-	-	-	1,316

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2013						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<u>Financial instruments - assets</u>						
Cash and cash equivalents	6	45	-	-	-	51
<u>Financial instruments - liabilities</u>						
Other payables	-	1	-	-	-	1
Bill of exchange	-	100	-	-	-	100

Market risk

Factors of political and economic issues both internally and externally have an impact on the capital market conditions. Especially, the volatility of price movement affects on the gain or loss on the investment. However, the Company and its subsidiaries manage market risk to maintain it at an acceptable level, by setting investment and risk management policies that stipulate appropriate maximum risk exposure limits and require the existence of a unit responsible for monitoring and managing market risk in accordance with the Company and its subsidiaries' policies.

39.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear interest rates which are close to the market rates, their fair values are not expected to be materially different from the amounts presented in statement of financial position.

Fair value represents the amount for which an asset could 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 instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

The Company and its subsidiaries have estimated the fair value of financial instruments as follows:

a) Financial assets

The methodology used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets are presented as the amount stated in the statement of financial position (including cash and deposits at financial institutions) which are considered to approximate their respective carrying value since the financial instruments are predominantly subject to market interest rates. The fair values of receivables from Clearing House presents at book values since the maturity dates are in short-term period. The fair values of securities and derivatives business receivables, factoring receivables, loans receivable and other receivables present at book value after deducting of allowance for doubtful accounts.

b) Financial liabilities

The fair values of loans from financial institutions, payables to Clearing House, securities and derivatives business payables, other payables, factoring payables and retention from factoring present at book value since the maturity dates are in short-term period. For subordinated debentures carrying interest approximate to the market rate, their carrying amounts in the financial position approximates their fair value.

As at 31 December 2014 and 2013, there are no material differences between the book value of financial instruments and their fair values.

40. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 2.29:1 (2013: 3.78:1) and the Company's was 0.10:1 (2013: 0.10:1).

41. Events after the reporting period

- 1) On 2 February 2015, AIRA Securities Public Company Limited issued a promissory note for Baht 75 million, which bears interest at 3.5% per annum and mature on 2 March 2015.
- 2) On 12 February 2015, AIRA International Advisory (Singapore) Pte. Ltd. issued a promissory note for SGD 200,000, which bears interest at 4% per annum and mature on 12 February 2016.

- 3) On 25 February 2015, the Board of Directors of AIRA Factoring Public Company Limited ("the subsidiary") passed a resolution to propose a dividend payment for the year 2014 of Baht 0.50 per share, or a total of Baht 20 million, to the Company's Board of Directors. The payment of such dividend is to be made pending an approval from a resolution of the meeting of the Company's Board of Directors and the subsidiary's shareholders.
- 4) On 26 February 2015, the Board of Directors of AIRA Securities Public Company Limited ("the subsidiary") passed a resolution to propose a dividend payment for the year 2014 of Baht 0.09 per share, or a total of Baht 78.30 million, to the Company's Board of Directors. The subsidiary paid the interim dividend of Baht 0.06 per share, amounting to Baht 52.20 million. The remaining dividend payment of Baht 0.03 per share, amounting to Baht 26.10 million, has not been made. The payment of such dividend is to be made pending an approval from a resolution of the meeting of the Company's Board of Directors and the subsidiary's shareholders.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 2 March 2015.