

# ANNUAL REPORT 2013


รายงานประจำปี  
2556

BALANCE OF DIVERSITY



# BALANCE OF DIVERSITY

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED



Vertical and horizontal lines are the expression of two opposing forces; they exist everywhere and dominate everything; their reciprocal action constitutes 'life'. I recognized that the equilibrium of any particular aspect of nature rests on the equivalence of its opposites.

-- Piet Mondrian [Dutch Painter, 1872-1944] --

เส้นตรงแนวตั้งและแนวนอนเป็นสิ่งที่แสดงออกถึงพลังสองด้าน  
ซึ่งเป็นสิ่งที่อยู่ทุกหนทุกแห่ง และครอบคลุมทุกสิ่ง การสอดประสาน  
ซึ่งกันและกันของพลังทั้งสองด้านเป็นการก่อกำเนิด 'ชีวิต'  
ดังนั้น ความสมดุลของธรรมชาติ ไม่ว่าในด้านไหน  
ล้วนแต่อาศัยความเท่าเทียมของสิ่งที่อยู่ตรงกันข้าม

-- พัท มงเดรียน (จิตรกรชาวดัตช์ ปี 2415-2487) --

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# FINANCIAL HIGHLIGHTS

## Consolidated Financial Statements

As at or for the year ended  
31 December

## Consolidated Revenue Structure

Brokerage fee	■
Fees & Services income	■
Gain on securities	■
Gain(Loss) on derivatives	■
Interest and dividend	■
Interest on margin loans	■
Other income	■

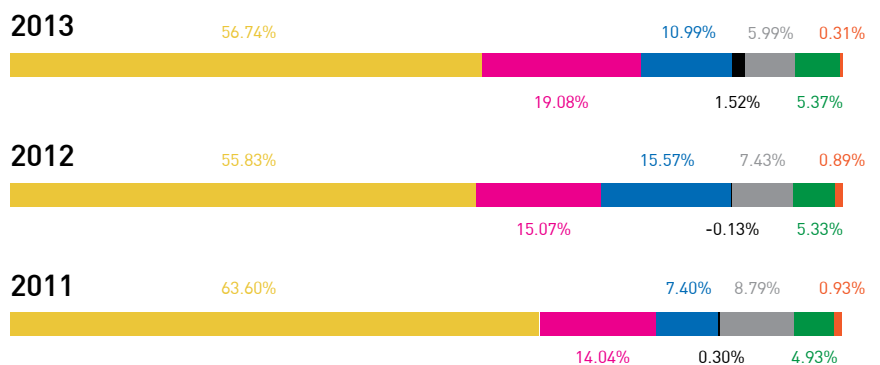
	2013	2012	2011
<b>Operating Results (Million Baht)</b>			
Total revenues	3,109.20	2,076.68	2,013.37
Total expenses	1,769.69	1,315.69	1,265.06
Profit before tax	1,339.50	760.99	748.30
Profit for the year	1,067.33	586.40	505.32

### Financial Position Statement Information (Million Baht)

Total assets	7,686.22	8,283.54	6,442.72
Total liabilities	3,250.85	4,122.51	2,466.90
Total owners' equity	4,435.37	4,161.03	3,975.81
Investments	1,502.66	2,144.39	1,243.87
Margin loan	1,911.92	2,197.64	1,252.22

### Common Share Information (Baht)

Par value	1.00	1.00	1.00
Book value per share	2.11	1.98	1.89
Earning per share	0.51	0.28	0.24
Dividend per share	0.40	0.24	0.20



Financial  
Ratio

		2013	2012	2011
<b>Profitability Ratio</b>				
Gross Profit Margin	%	92.56	92.39	92.43
Net Profit Margin	%	34.33	28.49	25.10
Return on Equity	%	24.83	14.41	12.23
Return on Investment	%	24.80	22.84	16.79
<b>Efficiency Ratio</b>				
Return on Asset	%	13.37	7.96	7.37
Asset Turnover	Times	0.39	0.28	0.29
<b>Financial Ratio</b>				
Liquid Assets to Total Borrowings	Times	-	-	21.73
Performing Assets to Total Borrowings	Times	-	-	38.30
Liquid Assets to Total Assets	%	29.80	24.08	33.49
Performing Assets to Total Assets	%	74.93	79.55	59.00
Debt to Equity	Times	0.73	0.99	0.62
Dividend Pay Out	%	82.75 <sup>1/</sup>	87.58	85.49
<b>Other Ratio</b>				
Net Investment in Securities to Total Assets	%	19.55	25.89	19.31
Net Liquid Capital to Total Liabilities	%	112.97	83.17	137.19

1/

The Board of Directors Meeting No. 2/2014 on February 24, 2014, has resolved to propose to the Annual General Meeting of Shareholders No. 20, which will be held on April 28, 2014, the declaration of dividend from the operating results of 2013 to all shareholders at the rate of Baht 0.40 per share, totaling Baht 842,262,417. The Company had paid an interim dividend on September 17, 2013 at the rate of Baht 0.20 per share, totaling Baht 421,131,208. The remaining dividend shall be paid at the rate of Baht 0.20 per share, totaling Baht 421,131,208.

The Company set the date to determine the list of shareholders entitled to receive dividend on March 11, 2014. The Shareholders Registration Book closing date for collecting shareholders names under Section 225 of the Securities and Exchange Act, B.E.2535 is scheduled to be on March 12, 2014. The dividend payment shall be made on May 12, 2014.

# MESSAGE FROM THE CHAIRMAN

Since 2004 when ABN AMRO Asia Securities Public Company Limited and Asset Plus Securities Public Company Limited merged into Asia Plus Securities Public Company Limited, with the strengths from both companies, the services offered in securities and investments can be comprehensively provided and responsive to the current diversity of investors' demands.



**Mr. Chali Sophonpanich**  
Chairman



**Mr. Kongkiat Opaswongkarn**  
Chief Executive Officer

Until now after a decade of the Company's continuing dedication in following the five set missions, in 2013, the Company and its subsidiaries have seen the highest point of performance in terms of both revenue and profit. The total revenue was Bt3,109.20 million with a profit of Bt1,067.33 million. With regard to the performance of Asia Plus Securities Public Company Limited, it saw a revenue of Bt2,805.37 million and the net profit of Bt1,017.78 million.

The main factor bringing the aforementioned success is the Company's ability to diversify the revenue base from new businesses. One obvious example is the reduction of revenue reliance on brokerage business and the increasing revenue base contribution from newly established businesses. In 2013, the Company had 56.74% of revenue from its brokerage business, while in 2004 the percentage was 83.53%. The revenue from investments was 13.02%, while in 2004 the revenue from this business was 3.55%. The revenue from fees and services, which came from wealth management business, securities issuing, and mutual fund management, was 19.08%, while 2004 saw this revenue at 11.05%. In addition to the success in revenue diversification which is one of the missions, the Company has received cooperation from its employee for accomplishing another mission, which was the development of knowledge and understanding in new financial developments and the transfer of such knowledge to customers in order for them to efficiently manage their capital with highest returns. Moreover, in 2013, the Company has partnered in foreign securities business with Jefferies, a leading financial institution in the US.

The Company remains committed in developing and providing services to its customers with the emphasis on convenience, speed and sufficient information for investment decisions. In 2013, the Company has developed an automatic trading system called Pro8 which can key in a pre-set automatic trading orders on strategic investment conditions. This enables a speedier trading order than regular orders. The Company has also developed an application called ASP Smart which can be used to search for research articles, information on

Thai and foreign stocks, and information critical for investment decision. This application can be used via mobile phones on both iOS and Android. ASP Smart enables customers to access information for self-trading decisions which can be fast, convenient, and up-to-date appropriate for this current world of technology. Furthermore, the Company has signed a contract for Thai DECIDE ASP which is a world class trading system with highly efficient operating system supporting a variety of financial product trading including equities and derivatives. The supportive system for internationally standard connection is FIX (Financial Information Exchange) which facilitates communication with other global trading systems for both receiving and sending trading orders. The Company, therefore, is able to efficiently provide financial services to both domestic and foreign institutional clients.

The competition in 2014 is expected to intensify due to the entrance of four new securities companies as well as the deceleration of the Thai economy. 2014 is therefore a challenging year not only for securities business, but for the majority of businesses in the country. There are a number of factors arising simultaneously:

1. The economic deceleration due to the three main economic drives, which are Household Consumptions (C is 55% of Gross Domestic Product or GDP), Investment (I is 29%), Government Spending (G is 14%), unable to fully perform except the export sector (figures calculated after imported products and services or X-M at approximately 2% of GDP). It is predicted that these drives will follow the trend of the global economic recovery.
2. Capital outflow due to the decrease of QE in the US since 2013 which causes the excess liquidity to be absorbed back. Although the foreign investors have slowed down the trading in early 2014, it is predicted that foreign capital flow will still not be significant in the Thai Stock market in the short term period.
3. Ongoing political unrest which plays a crucial role in the interruption of investment, negatively impacting large projects and obstructing the effectiveness of the country's economic policies.

Nevertheless, if considering the profitability of the stock market in 2014, it is expected that the market should better perform than 2013 which had seen a great impact from the global economic recession. The market profit estimation had been adjusted down three times, especially foreign underlying stocks including petrochemical, energy, and transportation (sea and air), as well as domestic underlying stocks such as automobile and medical industries. The total net profit for 2013 was Bt777,000 million, an increase of 5.8% from 2012 or Earning Per Share (EPS) at Bt90. The net profit in 2014 is expected to grow from 2013 at 13.6% driven by stocks in the insurance group with the highest projected growth at 38%. The second group with the projected growth of 31% is agriculture. 31% forecasted growth is food, while communication and retail see an expected growth rate of 23%.

In preparation for the competition, the Company remains focused on human resource development, good business systems, diversification of business base, educating customers and employee, cautious spending for only necessary expenses, and constant business innovations. These remain the Company's goals. Asia Plus Securities Public Company Limited has prepared for business and personnel development for many consecutive years. These are considered factors driving the Company to maintain its leading position in the securities industry, especially now that we have entered AEC era where the market is expanding and businesses and services can be widely integrated.

The success of the Company during the past decade ensures our strong foundation that can be used as a guideline in sustainable business operations. It also enables us to stay as a leader in the securities industry in the future. Most importantly, our success has always been supported by our customers, employee, and shareholders. Therefore, on behalf of the Company's Board of Directors, we would like to take this opportunity to thank you and express our gratitude to all.

# VISION

To become the Industry Leader providing a full range of financial services under the fast evolving globalization age

# MISSION

- 01 To expand its financial instruments and services, catering to all customer's needs
- 02 To widen knowledge and understanding in financial innovation to both customers and employees
- 03 To extend distribution network of financial instruments and investment services
- 04 To diversity and balance sources of income from various products and services
- 05 To promptly responsive to changes and competition

# CORPORATE VALUE

## G

Good  
Governance

## R

Responsive

## A

Accountable

## C

Creative

## E

Enthusiasm



# DETAIL ON DIRECTORS AND EXECUTIVES



## Mr. Chali Sophonpanich

Chairman of the Board of Directors,  
Executive Director (Authorized Director),  
Member of the Nomination Committee

**Age** 52 years

### Education / Training

- M.B.A., Finance, University of Chicago, U.S.A.
- B.S., Engineering, Brown University, U.S.A.
- Director Accreditation Program, Class No.40/2005  
The Thai Institute of Directors Association

**% of shareholdings** 35,998,463 shares (1.71 %)

### Work Experience

#### Asia Plus Securities Public Company Limited

1994 - Present Chairman of the Board of Directors  
1998 - 2001 Chairman of the Executive Board  
2010 - Present Member of the Nomination Committee  
2011 - Present Executive Director

#### Others

1986 - Present President, City Realty Company Limited  
1987 - Present Director, Asia Sermkij Company Limited  
1990 - Present Chairman of the Board of Directors,  
TICON Industrial Connection  
Public Company Limited



## Mr. Kongkiat Opaswongkarn

Chief Executive Officer (Authorized Director)  
Member of the Nomination Committee

**Age** 57 years

### Education / Training

- Ph.D., M.S., M.B.A., (Distinction) The Wharton School,  
University of Pennsylvania, U.S.A.
- B.Engineering (First Class Honour), Chulalongkorn University
- The National Defence College of Thailand, Class No.4414
- Capital Market Academy Leadership Program, Class I
- Director Accreditation Program, Class No.40/2005  
The Thai Institute of Directors Association

**% of shareholdings** 73,642,021 shares (3.50 %)

### Work Experience

#### Asia Plus Securities Public Company Limited

2004 - Present Chief Executive Officer  
2010 - Present Member of the Nomination Committee

#### Others

2004 - 2007 Chairman, Board of Executive Directors,  
Export-Import Bank of Thailand  
2004 - 2008 Chairman, Securities Analysts Association  
2005 - 2008 Chairman,  
Federation of Thai Capital Market Organizations  
2007 - 2011 New Listings Committee,  
The Stock Exchange of Thailand  
2008 - Present Chairman of the Board of Directors,  
Asia Plus Advisory Company Limited



### Mr. Michael David Roberts

Independent Director,  
Member of the Remuneration Committee,  
Member of the Risk Management Committee

Age 66 years

#### Education / Training

- M.B.A., Liverpool University, U.K.
- B.Commerce, Liverpool University, U.K.
- Director Certification Program, Class No.112/2009  
The Thai Institute of Directors Association

% of shareholdings - None -

#### Work Experience

##### Asia Plus Securities Public Company Limited

1998 - Present Director  
2003 - Present Member of the Remuneration Committee  
2010 - Present Independent Director  
2013 - Present Member of the Risk Management Committee

##### Others

1997 - 1999 Council Member of Hong Kong Stock Exchange  
2000 - 2005 Securities and Futures Commission  
Compensation Committee  
2000 - Present Director, Aberdeen International Fund Manager Ltd.  
2004 - Present Member of Hong Kong Institute of Directors



### Mr. Virach Aphimeteetamrong

Independent Director, Chairman of the Audit Committee,  
Member of the Nomination Committee,  
Member of the Risk Management Committee

Age 70 years

#### Education / Training

- Ph.D., Finance, University of Illinois, U.S.A.
- Master of Accounting Science, University of Illinois, U.S.A.
- B.A. (Second Class Honour), Chulalongkorn University
- Director Accreditation Program, Class No.2/2003  
The Thai Institute of Directors Association

% of shareholdings 203,112 shares (0.01 %)

#### Work Experience

##### Asia Plus Securities Public Company Limited

2004 - Present Independent Director, Chairman of the Audit Committee  
2010 - Present Member of the Nomination Committee  
2013 - Present Member of the Risk Management Committee

##### Others

1988 - Present Chairman, Dr. Virach & Associates Office Company Limited  
1993 - Present Independent Director, Supalai Public Company Limited  
1993 - Present Director, Supalai Property Management Company Limited  
1995 - Present Independent Director and Member of the Audit Committee,  
Metro System Corporation Public Company Limited  
2003 - Present Chairman of the Audit Committee,  
TRIS Corporation Company Limited  
2003 - Present Chairman of the Audit Committee,  
TRIS Rating Company Limited  
2004 - Present Independent Director and Chairman of the Audit Committee,  
Bangkok Chain Hospital Public Company Limited  
2007 - Present Chairman, Shin Corporation Public Company Limited  
Aug, 2013 - Present Independent Director and Member of the Audit  
Committee, Thai Agro Energy Public Company Limited



### Mr. Sapon Punyaratabandhu

Independent Director, Member of the Audit Committee,  
Member of the Remuneration Committee,  
Member of the Nomination Committee,  
Chairman of the Risk Management Committee

**Age** 51 years

#### Education / Training

- M.S. in Accounting, Thammasat University
- B.B.A. (Honour) in Accounting, Thammasat University
- Certified Public Accountant
- Director Certification Program, Class No.17/2002  
The Thai Institute of Directors Association
- Role of the Compensation Committee, Class No.2/2007  
The Thai Institute of Directors Association
- Fellow Member, The Thai Institute of Directors Association

**% of shareholdings** - None -

#### Work Experience

##### Asia Plus Securities Public Company Limited

1999 - Present Independent Director,  
Member of the Audit Committee

2003 - Present Member of the Remuneration Committee

2010 - Present Member of the Nomination Committee

2013 - Present Chairman of the Risk Management Committee

##### Others

1999 - Present President, Vnet Capital Group

2000 - Present President & Director,  
Thai Venture Capital Association

2008 - Present Director, Center of Intellectual Property  
Management, Mahidol University



### Mr. Satit Chanjavanakul

Independent Director, Member of the Audit Committee,  
Chairman of the Nomination Committee,  
Member of the Risk Management Committee

**Age** 65 years

#### Education / Training

- M.Sc., Textile Technology, University of Leeds, U.K.
- M.B.A., Thammasat University
- B. Eng. (Industrial Engineering) Chulalongkorn University
- Director Certification Program, Class No.83/2007  
The Thai Institute of Directors Association
- Capital Market Academy Leadership Program, Class No. 5
- The National Defence for Joint State-Private Sector course,  
Class No. 14 National Defense College

**% of shareholdings** - None -

#### Work Experience

##### Asia Plus Securities Public Company Limited

2004 - Present Independent Director, Member of the Audit Committee

2010 - Present Chairman of the Nomination Committee

2013 - Present Member of the Risk Management Committee

##### Others

1991 - Present Director, SPC Home Ideas Company Limited

2004 - 2008 Secretary General, Board of Investment

2008 - Present Director, Jamjuree Innovation Company Limited

2009 - Present Chairman, SNC Former Public Company Limited

2009 - Present Independent Director and Member of the Audit Committee,  
Chumporn Palm Oil Industry Public Company Limited

2009 - Present Independent Director and Member of the Audit Committee,  
Crown Seal Public Company Limited

2009 - Present Independent Director and Member of the Audit Committee,  
Lalin Property Public Company Limited

2010 - Present Director, Thai Airlines Holdings Company Limited

Aug, 2013 - Present Independent Director and Member of the Audit Committee,  
Thai Agro Energy Public Company Limited



### Mrs. Nintira Sophonpanich

Director, Advisor to the Executive Committee

**Age** 48 years

#### Education / Training

- M.B.A., Cass Business School, City University, London, U.K.
- B.Sc., Economics (Honour), London School of Economics and Political Science, U.K.
- Director Accreditation Program, Class May 4, 2005  
The Thai Institute of Directors Association

**% of shareholdings** 4,509,902 shares (0.21 %)

#### Work Experience

Asia Plus Securities Public Company Limited

1994 - 2008 Executive Director

2008 - Present Director and Advisor to the Executive Committee

#### Others

2000 - Present Director, Bangkok BTMU Company Limited

2008 - Present Director, Asia Plus Advisory Company Limited

2010 - Present Independent Director, Bangkok Insurance  
Public Company Limited



### Mr. Patchara Surajaras

Executive Director (Authorized Director),  
Member of the Risk Management Committee

**Age** 55 years

#### Education / Training

- Ph.D., Financial Economics, Claremont Graduate School, U.S.A.
- M.A. Economics, University of North Carolina at Greensboro, U.S.A.
- B.S. (Agricultural Economics), Kasetsart University
- Director Accreditation Program, Class No.1/2003  
The Thai Institute of Directors Association

**% of shareholdings** - None -

#### Work Experience

Asia Plus Securities Public Company Limited

1998 - 2001 Senior Executive Vice President, Information System  
Division, Branch Operating Division, Planning and  
Business Development Department

2001 - Present Executive Director

2013 - Present Member of the Risk Management Committee

#### Others

2008 - Present Director, Asia Plus Advisory Company Limited



## Mr. Jirawat Lewprasert

Executive Director (Authorized Director)

**Age** 58 years

### Education / Training

- M.I.A., Finance, Columbia University, U.S.A.
- B.A. (Economics), Thammasat University
- Director Accreditation Program, Class No.41/2005  
The Thai Institute of Directors Association

**% of shareholdings** 735,275 shares (0.03 %)

### Work Experience

Asia Plus Securities Public Company Limited

1990 - Present Executive Director

### Others

2010 - 2012 Director, Asset Plus Fund Management  
Company Limited







## Executives

### Miss Naruemol Artamnuayvipas

Managing Director

**Age** 44 years

#### Education / Training

- M.B.A., Finance, Murray State University, Kentucky, U.S.A.
- B.B.A., in Accounting, Thammasat University

**% of shareholdings** - None -

#### Work Experience

Asia Plus Securities Public Company Limited

2012 - Present Managing Director

#### Others

- |             |  |
|-------------|--|
| 1998 - 2012 | Managing Director, Equity Derivatives Department, KGI Securities (Thailand) Public Company Limited |
| 1996 - 1998 | Investment Banker, JF Thanakom Securities Limited  |
| 1991 - 1994 | Senior Auditor, Ernst & Young Office Limited   |

### Mr. Pithayain Assavanig

Chief Financial Officer

**Age** 44 years

#### Education / Training

- M.B.A., University of Laverne, U.S.A.
- B.B.A., in Accounting, Thammasat University

**% of shareholdings** - None -

#### Work Experience

Asia Plus Securities Public Company Limited

2012 - Present Chief Financial Officer

#### Others

- |                     |  |
|---------------------|--|
| June 2013 - Present | Director, Asset Plus Fund Management Company Limited   |
| 2006 - 2012         | Vice President, Customer Knowledge and Planning, The Hongkong and Shanghai Banking Corporation Limited |
| 2003 - 2006         | Vice President, Business Finance and Planning The Hongkong and Shanghai Banking Corporation Limited    |
| 1996 - 2003         | Assistant Vice President, Financial Control Citibank N.A., Bangkok Branch                              |

#### Other informations

1. Shareholding of directors do not change in year 2013 comparing to year 2012.
2. Percentage of shareholding of directors and executives included holding by spouse and minor children as of 31 December 2013
3. Relation of other Executives:  
Mr. Chali Sophonpanich is a younger brother of husband of Mrs. Nintira Sophonpanich (Director)
4. Record of involvement in legal activities during the past 10 years of all executives  
- None -
5. Executive means any director, manager or the first four executive officers whose rank are most senior after manager, all persons whose rank are the same as the forgoing forth executive officer, and including any executive officer in charge of accounting and finance whose rank is a departmental manager or equivalent up. (Notification of the Securities and Exchange Commission No. KorChor. 17/2551)

# OVERALL BUSINESS OPERATIONS

The company was registered as “Asia Securities Trading Company Limited” on 22 October 1974 with registered capital of Bt10 million. In December 1979, the Company changed its legal name to “Asia Securities Company Limited” and increased the registered capital from Bt10 million to Bt1 billion in the same year. On 18 May 1987, the Company was approved by the Stock Exchange of Thailand Board of Governors to be a member of Broker Number 8. In the following year, the company was approved by the Ministry of Finance to be listed on the Stock Exchange of Thailand on 9 December 1988 and traded on the Stock Exchange of Thailand since 16 December 1988.

In 1994, the Company became a public limited company and increased the registered capital to Bt2 billion. In 1997, ABN AMRO Asia (Holdings) Limited with ABN AMRO BANK N.V. as its major shareholder acquired 35.5 per cent of the company’s entire issued share capital and increased its stake to 40 per cent of the company’s entire issued shares in the year 2000. The company has changed its name to “ABN AMRO Asia Securities Public Company Limited” on June 2, 1998. However, on 31 December 2004 ABN AMRO Asia (Holdings) Limited was no longer the company’s shareholder.

In 2004, the Company increased the paid up capital of Bt650 million to be a total of Bt1,995 million, with the objective to make a public offering together with a tender offer of Asset Plus Securities Public Company Limited’s shares. The share swap was completed in April 2004. The merger of 2 companies has combined the strength of securities brokerage business from ABN AMRO Asia Securities Public Company Limited, which comprised large customer base and nationwide network, with the expertise in institutional business and investment banking business of Asset Plus Securities Public Company Limited. The new company, registered as “Asia Plus Securities Public Company Limited”, became a large-sized securities company that provides a full range of financial services to better serve the diverse needs of investors.

The merger of the 2 companies not only strengthened the growth of their core businesses but also supported new business expansion, and shaped the new company’s vision, mission and strategy in order to build a strong ground to support business to become the industry leader in providing a full range of financial services under the fast-evolving globalization era in line with our vision.

Since 2004, Thai Capital Market has had several key developments, for example the launch of our derivative business in 2006 with various new derivatives products, the liberalization of securities trading fee in 2010 which was one of the key factors to significantly increase the capital market liquidity and the competitiveness among securities companies. The Company was fully aware of the impact of these changes so it has stayed focused on the 5 missions, one of which is to diversify and balance sources of income from various products and services. The Company set up new business units to introduce new financial products to customers, such as wealth management service, derivative warrants, equity-linked notes, fixed income products and global investment, in order to diversify sources of income and mitigate risk from relying solely on securities brokerage business. These new products and services have been growing and contributed to company income as planned. However, the Company will continue to develop new innovative financial products and services to better serve customer needs.

Asia Plus Securities Public Company Limited and its subsidiaries have operated separately by type of business as follows:

## Asia Plus Securities Public Company Limited

- Granted the securities business license Type A from the Ministry of Finance and the Office of the Securities and Exchange Commission, the company operates various businesses as follows:
  1. Securities Brokerage
  2. Securities Trading
  3. Underwriting
  4. Investment Advisory
  5. Securities Lending and Borrowing
  6. Private fund management
- Granted the derivatives business license type Sor-1 from the SEC, the Company operates derivatives business in both Derivatives Brokerage and Derivatives Dealing.
- Granted the future trading business license from the Office of the Agricultural Futures, the Company operates the future trading business both Future Brokerage and Future Dealing.

In addition, the Company was granted a permission from the Office of the Securities Exchange Commission to act as a financial advisor for the issuance and public offering of securities; the listing on the Stock Exchange of Thailand and the Market for Alternative Investment; and preparing the tender offer and providing advisory service for shareholders for the transactions of the listed companies. The company also registered as the Advisor type A with the Ministry of Finance's Advisor Information Center, which serves as financial advisor to both public and private sectors.

Today, Asia Plus Securities Public Company Limited has a total of 17 branches, of which 5 branches are within Bangkok Metropolitan Area namely Phlapplachai, Emporium, Ngamwongwarn, Siam, and Lat Phrao and another 12 are in provincial area namely Khon Kaen Chanthaburi, Surat Thani, Sri Racha, Chiang Mai, Hat Yai, Phitsanulok, Udon Thani, Chiang Rai, Pattaya, Lampang, and Nakhon Sawan. The Company's Headquarters is located at 175, 3/1 Floor, Sathorn City Tower, South Sathorn Road, Thung Mahamek, Sathorn, Bangkok 10120.

## Subsidiaries

### 1. Asset Plus Fund Management Company Limited

Started the operation in October 2004 with paid up capital of Bt100 million. Asia Plus Securities Public Company Limited is its major shareholder holding 99.99 per cent.

Granted the business license type C from the Ministry of Finance and the SEC, the company operates the businesses as follows:

- Mutual Fund Management
- Private Fund Management
- Securities brokerage, Securities dealing, and Securities underwriting for investment units
- Derivatives business : Derivatives fund manager

Asset Plus Fund Management Company Limited operates 2 types of fund management business: Mutual Fund and Private Fund management.

### 2. Asia Plus Advisory Company Limit

Registered on 11 April 2008 with paid up capital of Bt15 million. Asia Plus Securities Public Company Limited is its major shareholder holding 99.99 per cent.

Asia Plus Advisory Company Limited provides an investment banking service comprises of Mergers and Acquisitions Advisory, Independent Financial Advisor Service, Debt and Corporate Restructuring and Valuation of Shares and Business.



## 1 Major changes and developments

The major changes and developments of the company in the past 3 years during 2011-2013 can be summarized as follows:

### 2011

- The Company received the approval from the SEC to commence the Private Fund Management business on 7 March 2011.

### 2012

- The Company obtained a license from the Office of the Agricultural Futures Trading Commission (AFTC) to operate the futures trading business on 24 October 2012.
- The Company was granted a license for currency futures quoting the Ministry of Finance FX rate. The trading commenced on 5 June 2012.
- The Company has started to offer Structured Notes (SN) in the form of Equity-Linked Notes (ELN) which is the combination of over-the-counter equity derivatives and fixed income with various underlying to offer more investment options for investors tailored to different market conditions.
- The Company has joined with Krung Thai Asset Management Public Company Limited to launch 4 new Exchange Traded Funds (ETFs) by benchmarking with the SET Sector Index. The Company acts as the Market Maker (MM) to ensure the liquidity of ETF traded in the SET and as the Participating Dealer (PD) to buy or withdraw ETF in the primary market.

### 2013

- On 21 January 2013, the Company's Board of Directors approved the establishment of "Risk Management Committee" whose roles and responsibilities are to control and measure risks that has a potential impact on the Company as well as to properly manage each type of risk associated with our business.
- On 14 February 2013, the Company launched 'Pro8', the new trading system with increasing capabilities in submitting bid/offer orders in both securities and derivatives to better serve customer needs. The new system is embedded with the feature for automatic order submission based on the predefined investment conditions which would be faster, more accurate, and more convenient for our clients in making investment decision and transaction.
- On 22 March 2013, the Company introduced "ASP Smart", the innovative investment tool available on smart phones and tablets. This application would allow investors to have direct access to useful research database, information, and up-to-date news on both Thai and Foreign securities to effectively support investment decision. With this powerful tool, customers can make their own decision quickly and effectively.

## 2 Shareholder Structure of the Company

Asia Plus Securities Public Company Limited

**99.99%**  
stake

Asset Plus Fund Management  
Company Limited

**99.99%**  
stake

Asia Plus Advisory  
Company Limited

### Business Entity of the Company and its Subsidiaries

The business entities of the Company and its subsidiaries are identified by the type of business. The Company appointed Company's executives as directors of the subsidiary companies to define Company's mission, vision, and business strategies that could maximize the profitability of each business unit.



## BALANCE OF DIVERSITY

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED

# NATURE OF BUSINESS



- 01 INCOME STRUCTURE OF THE COMPANY AND SUBSIDIARIES
- 02 2013 BUSINESS OPERATIONS
- 03 MARKET SUMMARY

# INCOME STRUCTURE

OF THE COMPANY AND ITS SUBSIDIARIES

Source	By	% of shares held	2013		2012		2011	
			Million Baht	%	Million Baht	%	Million Baht	%
<div><div></div><div></div><div></div></div>								
1. Brokerage Fees								
- from securities business	ASP		1,659.99	53.38	1,073.03	51.67	1,187.81	59.00
- from derivatives business	ASP		80.49	2.60	71.78	3.46	80.37	3.99
- other brokerage fees	ASP		23.54	0.76	14.60	0.70	12.35	0.61
Total			1,764.02	56.74	1,159.41	55.83	1,280.53	63.60
2. Fees and services income	ASP		259.18	8.33	69.31	3.34	51.44	2.55
	ASSET PLUS	99.99%	239.33	7.70	175.40	8.45	169.50	8.42
	ASPA	99.99%	94.84	3.05	68.21	3.28	61.78	3.07
Total			593.35	19.08	312.92	15.07	282.72	14.04
3. Gain on securities	ASP		341.63	10.99	323.42	15.57	149.05	7.40
Total			341.63	10.99	323.42	15.57	149.05	7.40
4. Gain (Loss) on derivatives	ASP		47.31	1.39	(2.60)	(0.13)	6.05	0.30
Total			47.31	1.39	(2.60)	(0.13)	6.05	0.30
5. Interest and dividend	ASP		180.39	5.80	149.57	7.20	172.85	8.59
	ASSET PLUS	99.99%	4.25	0.14	3.92	0.19	3.43	0.17
	ASPA	99.99%	1.48	0.05	0.81	0.04	0.73	0.04
Total			186.12	5.99	154.30	7.43	177.01	8.79
6. Interest on margin loans	ASP		167.10	5.37	110.65	5.33	99.26	4.93
Total			167.10	5.37	110.65	5.33	99.26	4.93
7. Other income	ASP		8.12	0.26	14.80	0.71	15.67	0.78
	ASSET PLUS	99.99%	0.22	0.01	1.10	0.05	2.88	0.14
	ASPA	99.99%	1.33	0.04	2.68	0.13	0.20	0.01
Total			9.67	0.31	18.58	0.89	18.75	0.93
Total revenues			3,109.20	100.00	2,076.68	100.00	2,013.37	100.00

Notes : ASP means Asia Plus Securities Public Company Limited  
 ASSET PLUS means Asset Plus Fund Management Company Limited  
 ASPA means Asia Plus Advisory Company Limited

# 2013 BUSINESS OPERATIONS

## The Company's business

### 1. Securities Brokerage Business

The Company, member of the Stock Exchange of Thailand number 8, provides brokering services for both local and foreign investors at both individual and institutional levels. There are a total of 17 office branches in Bangkok and different regions of Thailand. The Company offers quality and highly experienced marketing and securities analysis teams ready to provide consultation to investors regarding both fundamental and technical factors.

In addition, customers are eligible for access to real time stock reports, research and technical analysis, and other sources of investment knowledge through the Company website [www.asiaplus.co.th](http://www.asiaplus.co.th) or application called ASP Smart via smart phone on both iOS and Android. ASP Smart enables customers to search for research articles, information on Thai and foreign stocks, and information critical for self-trading decision.

Investors are able to trade securities through the Company with a cash account, cash balance account or credit balance account via 2 channels:

1. Orders made via investment advisor
2. Orders made via the Internet: this can be made with both cash account and credit balance account.

In 2013, the net trading volume made through the Company totaled Bt892,783.38 million, with a market share of 4.14% of all trading values in the Stock Exchange of Thailand (SET) and Market for Alternative Investment (MAI), ranked 10<sup>th</sup> in the market (excluding propriety trading). For 2012 and 2011, the Company ranked 11<sup>th</sup> and 5<sup>th</sup> with a market share of 4.12% and 4.83% respectively.



Trading Value	2013	2012	2011
SET and MAI (million Baht)	10,775,615.69	6,886,047.55	6,243,180.17
The Company (million Baht)	892,783.38	567,926.91	603,393.99
Company's Market Share (%)	4.14	4.12	4.83
Ranking	10	11	5
Categorized by Customer Type (%)			
- Institutional	9.07	7.14	7.28
- Local	88.11	89.74	81.16
- Foreign	2.83	3.12	11.56
Categorized by Account Type (%)			
- Cash Account	84.15	79.35	80.08
- Credit Balance	15.85	20.65	19.92
Categorized by Trade Channels (%)			
- Via investment advisor	51.63	53.70	73.20
- Via internet	48.37	46.30	26.80

Remarks : Trading Value of the SET and MAI excluding propriety trading

## 2. Futures Trading Brokerage Business

According to the Derivatives Act B.E. 2546, the Company has obtained trading license issued by the Office of Securities and Exchange Commission for operating futures trading business in the category of derivatives agent. With the license, the Company is able to take and send futures orders from customers for trading in the Derivatives Exchange.

In 2013, the overall trading in TFEX saw an increasing tendency in all the products, especially single stock futures due to the volatility of the domestic market prompting the investors to turn to TFEX for managing investment risks. The Company therefore has planned on implementing more single stock futures marketing schemes such as customer base expansion and revenue increase. One channel to increase the Company's revenue is Block Trade which sends trading orders for single stock futures as seen in a great number of trading contracts in TFEX similar to Big Lot of the Stock Exchange. The Block Trade for Single Stock Futures has been given great attention because of the inadequate liquidity of the single stock futures for investors' demands.

In addition, the Company has developed a futures trading order reminder system Pro8. By brining in a computer system to assist in this semi-automation of sending trading orders via the Internet and Intranet to facilitate and remind the users, the customers and marketing officers would be able to send in securities trading orders in a timely fashion.

In 2014, the Company has continued its public relations campaigns including seminars on knowledge on products in TFEX for marketing officers within the Company, training in collaboration with the Stock Exchange for customers on technical analysis, and workshops at the Stock Exchange buildings for investors all year round.

Moreover, the Company has planned to develop a futures trading order reminder system Pro8 to enable users to automatically send in trading orders, a trading signal system from the Strategic Derivatives Department, as well as detailed installation and instruction manuals. The Company would also organize seminars to enhance knowledge useful for investors' decisions.

### 3. Securities Business

Wealth Plus and Capital Market Department has operated securities business by selecting bills of exchange and debentures in both primary and secondary markets and offering them to customers interested in debt securities. This is another investment option that yields good returns. This business has gradually expanded since its beginning in 2009.

### 4. Investment Banking Business

The Company is one of the leading service providers in investment banking. With highly specialized and experienced teams who provide continuing quality services, the Company is widely recognized and trusted by both public and private organizations. Many vital awards the Company has received from external entities serve as strong evidence of the Company's quality operations and investment banking services.

In 2008, the Company has established Asia Plus Advisory Company Limited (Asia Plus Advisory) by acquiring 100% of its shares. Both the Company and Asia Plus Advisory are licensed as a financial advisor by the Office of Securities and Exchange Commission (SEC). This license allows both the Company and Asia Plus Advisory to provide financial advisory services. Asia Plus Advisory mainly carries out the financial advisory services, while the Company retains the underwriting services.

#### 4.1 Financial Advisory Service

Operated by the Company and Asia Plus Advisory

The financial advisory service encompasses a variety of corporate matters to companies registered in the Stock Exchange of Thailand, Government Organizations, and State-owned Enterprises. The service is provided by highly competent and well-experienced teams specialized in financial advisory and licensed by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. The services provided can be categorized as follows:

1. Securities Issuance and Offering
2. Mergers and Acquisitions
3. Independent Financial Advisory Service
4. Debt and Corporate Restructuring
5. General Financial Advisory Services

#### 4.2 Underwriting Service

Operated by the Company

The Company acts as an underwriter and sub-underwriter for both debt securities and equity. This business is derived from the financial advisory business and the joint venture with financial institutions or other security companies that serve as both underwriters and sub-underwriters. In addition the Company acts as the selling agent for debt instrument.



### Characteristics of Financial Advisory and Past Performance in 2013

2013 is another year that saw a highly volatile stock exchange index with the highest point at 1,649.77 on May 21, 2013 which was the highest point in the past 19 years. Afterward, the index had drastically and continuously declined since quarter 2 at the closing point of 1,298.71 which was almost the lowest point of 2013.

In the first half of 2013, the Stock Exchange index had taken advantage of the 4.1% growth in Gross Domestic Product in the first six months. Coupled with the announcement of the Government's mega infrastructure construction project of Bt2.2 trillion, the Stock Exchange index was then able to adjust to 1,649.77 points on May 21, 2013, the highest seen in 19 years. However, in the later half of the year, the index had declined as a result of political factors which led to the dissolution of the Parliament on December 9, 2013. The political situation had remained intense with a number of continuous protests resulting in the stock index closing at 1,298.71 points at the end of 2013, a decrease of 93.22 points or 6.70% from 2012.

In 2013, there had been a total of 28 companies registering and capital raising in the Stock Exchange of Thailand (excluding infrastructure and property funds), an increase from 18 companies in 2012. Of 28 companies, 13 had registered in the Stock Exchange of Thailand and 15 in Market of Alternative Investment (MAI) at the total amount of Bt39,062 million which was higher than the amount for all the companies registered in 2012 at Bt19,664 million.

In 2013, Asia Plus Advisory Company Limited and the Company became the financial adviser, issuer, and underwriter for the securities of two newly registered companies which are MK Restaurant Group Public Company Limited ("M") and Pace Development Corporation Public Company Limited ("PACE") with the capital amount of Bt11,206.65 million or 29.69% of the entire IPO capital amount in 2013. Moreover, Asia Plus Advisory Company Limited and the Company became the financial adviser, issuer, and underwriter for Matching Maximize Solution Public Company Limited ("MATCH") and Grand Canal Land Public Company Limited ("GLAND") in issuing ordinary shares for public offering. The Company also became the issuer and underwriter for the IPO of Bangkok Dec-Con Public Company Limited ("BKD") and CK Power Public Company Limited ("CKP"). Asia Plus Advisory Company Limited has additionally become the financial advisor for Country Group Development Public Company Limited in the new securities consideration with Market for Alternative Investment (MAI).

In addition to the advisory services offered to the companies registering in the Stock Exchange, Asia Plus Advisory Company Limited emphasizes the advisory services in business merger and acquisition. In 2013, Asia Plus Advisory Company Limited became the advisor for Royal Bangkok Healthcare Co., Ltd. in preparing the acquisition offer to Thonburi Medical Center Public Company Limited

Asia Plus Advisory Company Limited also has other advisory services such as debt restructuring and independent financial advisor. In 2013, it has become the independent financial advisor to True Corporation Public Company Limited in selling the ordinary shares of its subsidiary companies.

In 2013, Asia Plus Securities Public Company Limited and Asia Plus Advisory Company Limited saw a revenue from investment banking fees, which consisted of financial advisory fee and underwriting fee, of Bt257.05 million - an increase of Bt174.70 million or 212% increase from the previous year at Bt82.35 million.



## 5. Investment Business

The Company has an investment policy in equity instruments (securities registered in the Stock Exchange of Thailand), debt securities, debentures, derivatives, unit trust, foreign and underlying securities with expected returns in a form of profit from trading securities, dividends, and interests. Depending on the appropriateness, expected returns, and liquidity, the Company's investment policy does not specify short or long term investments.

Furthermore, the Company has a policy on the investment business expansion in businesses which have yet registered in the Stock Exchange but would potentially enter in the future, yield positive long term returns, possess outstanding trademarks in operating the business, are in the high potential industry, and has a continuing growth trend. This is to ensure that the Company's investment policy covers all short, medium, and long term investments.

## 6. Wealth and Asset Management Business

Wealth and asset management business has been well-received by the investors in the past year. The Company was able to offer the financial products that responded to the investors' demands in different groups including investments through a variety of mutual funds issued by 19 securities companies, and investments in various debt instruments in both primary and secondary markets covering both short and long term instruments. As of December 31, 2013, the Company has assets under management of Bt39,215 million which is a 9.16% increase from the previous year.

In this volatile global economic condition, each group of investments has different purposes, goals, and levels of risk acceptability. Thus, understanding in various financial products has become more complex each day and it is vital for the Company's marketing officers to work closely with customers in order to provide advice and financial products that are most appropriate for the customers' financial goals for both short and long term investments.

In addition, the advanced technological developments enable the customers to gain easy and fast access to information on global investments. Wealth Management Department has therefore collaborated with Global Investment Department to present interesting securities in global markets in the forms of equity and debt instruments, or global unit trust. This is to provide an alternative to customers and to spread the investments risks from domestic securities investments.

In 2014, Wealth Management Department will place an emphasis on educating the investors, especially those who are risk averse. This group of investors will understand the benefit of spreading the risks through the appropriation of investment port so that they can expand their investment ports to include higher risk assets, which are still under their level of risk acceptability. The Department will also present more global investment options which include investments through mutual funds or direct investments in global equities because this type of investments has great growth potential.

## 7. Derivatives Business

The Company established the "Equity Derivatives Division" which has fully operated around the end of December 2009. This division covers derivatives inside and outside of the Stock Exchange as well as other related businesses.

### 7.1 Derivative Warrants

The Company issued derivative warrants or DW in the Stock Exchange in early 2010. The Company is the leader in issuing and offering derivative warrants as the Company is Thailand's 2<sup>nd</sup> registered issuer and has continuously issued derivative warrants via Direct Listing System and seen consistent growth.



2010 Expiration: December 31, 2010. The Company had issued and offered 6 series of derivative warrants, all of which were call derivative warrants.

2011 Expiration: December 31, 2011. The Company had issued and offered 52 series of derivative warrants, 47 of which were call derivative warrants and 5 were put derivative warrants.

2012 Expiration: December 31, 2012. The Company had issued and offered 102 series of derivative warrants, 65 of which were call derivative warrants and 37 were put derivative warrants.

As of December 31, 2013, the Company has issued and offered a total of 70 series of derivative warrants, 63 of which were call derivative warrants and 7 were put derivative warrants.

Since the competition in the derivative warrants business has intensified in 2013, there are currently a number of issuers and in this same year, the related government agencies have permitted the issuance and offering of other underlying derivative warrants such as ordinary shares in SET100 which, at market value, was more than Bt10,000 million. The Company has also developed a faster and more convenient trading system.

The Company has developed a Market Maker Program Trading in order to increase the efficiency in risk management and liquidity of the issued and offered derivative warrants. Moreover, this program trading will better respond to the investors' needs. The Company has also developed a website [www.aspwarrant.com](http://www.aspwarrant.com) for centralizing information on the investors' derivative warrants. The website offers investment information in terms of both basic knowledge and understanding in derivative warrants, prospectus, investment basics, techniques and strategies, and relevant research. Investors can use this service and access information in this website including all the derivative warrants issued by the Company and other issuers.

In addition, the Company has constantly provided training and seminars on derivative warrants for investors and the Company's marketing officers at the Company's head office and other branches in Bangkok and other provinces.

In 2014, the overall competition for the derivative warrants business appears to increase in both the number of issuers and the number of derivative warrants. Moreover, related government agencies may give

permission for the issuance and offering of other underlying derivative warrants such as ETF and Thai securities index. Therefore, the Company plans to implement more marketing and public relations campaigns on derivative warrants for the investors in order to expand the customer base and add a revenue channel. The Company will consistently improve the services provided for derivative warrants investments, both in the form of Market Maker Program Trading, website development, and various seminars on in-dept knowledge and understanding for the investors and marketing officers.

## 7.2 Structured Notes (SN)

In 2013, the Company has focused on developing new financial instruments for investors to add more investment options for investors in different market conditions as well as developing equity derivative market in Thailand to meet the international standard in the region. Therefore, the Company has debuted Structured Notes (SN) issuance for the first time. The key feature of structured notes is the combination of over-the-counter equity derivatives and fixed income so investors may receive higher return than normal interest rate.

After receiving the approval from the Securities and Exchange Commission (SEC), the Company has started to offer Structured Notes in the form of Equity-Linked Notes (ELN) to investors. ELN is a short-term structured note issued to only institutions and large-scale investors with the term of no more than 270 days from the issuing date. The first issuance was called "Equity-Linked Notes Asia Plus 1/2012" which expected the total outstanding not exceeding Bt1 billion. There were various underlining, namely:

1. The component stocks in the SET 100 index
2. The Sector index
3. Equity ETFs registered and listed in the Stock Exchange of Thailand

An example of equity-linked notes (ELN) that the Company has offered to investors is "ELN-ASP#1(-P)" which investors have the similar role as short put options but they may receive the return and pay the total or partial sum of the principle, depending on the market price of the derivatives. The key feature of the ELN-ASP#1(-P) is that investors may receive premium if the market price becomes higher than the pre-determined target price. However, if the market price declines to lower than the target price, investors may gain or lose from the investment.

In 2014, the Company will continue to develop new types of Structured Notes tailored to various needs of investors in the future.

## 7.3 Exchange Traded Fund (ETF)

In 2012, Thailand Futures Exchange or TFEX has officially opened for Sector Futures. The Company, in collaboration with Krung Thai Asset Management Public Company Limited, has set up the first Exchange Traded Fund (ETF) in Thailand with banking sector underlying or SETBANK Index under the name KTAM SET Banking ETF Tracker or EBANK. This was for both private and institutional investors to diversify investment risks and to create arbitrage strategy for comprehensive returns.

As Market Maker (MM), the Company has developed a Market Maker Program Tracking system for ETF for EBANK traded in the Stock Exchange and for Participating Dealer (PD) in the addition or withdrawal of EBANK. EBANK was first offered to investors on November 1-9, 2012 with the initial asset under management (Initial AUM) at Bt616 million.

In 2013, the Company has collaborated with Krung Thai Asset Management Public Company Limited in setting up 4 more ETFs as follows:

No.	Name of Fund	Code	Index	Date of Offering	Initial AUM
1	KTAM SET Energy ETF Tracker	ENY	SET Energy & Utilities Sector Index	Mar 1-8, 2013	Bt725 million
2	KTAM SET Food & Beverage ETF Tracker	EFOOD	SET Food and Beverage Sector Index	Mar 18-22, 2013	Bt96 million
3	KTAM SET Commerce ETF Tracker	ECOMM	SET Commerce Sector Index	May 27-31, 2013	Bt151 million
4	KTAM SET ICT ETF Tracker	EICT	SET ICT Sector Index	Aug 5-6, 2013	Bt101 million

Note : All 5 ETFs amounted to a total of Bt1,689 million in Initial AUM.

In 2014, the Company aims at setting up ETF on other Thailand's securities index such as:

1. SET Property Development Sector Index
2. SET Construction Services Sector Index
3. SET50
4. SET100

The Company is confident that it will be able to proceed as planned because of its competent personnel, efficient work systems, and consistently increasing responses from ETF investors.

## 8. Global Investment

The Company has begun global investment services to both private and juristic person customers since October 2010 by selecting well-known foreign brokerage registered in New York Stock Exchange (NYSE) to trade securities and fixed income overseas. At present, the Company's customers are able to trade the securities that are registered in 23 securities markets in 19 countries worldwide covering North America, Europe, and Asia Pacific.

The Company collaborated with foreign securities companies and private banks who were business allies for the selection of financial products which included interesting and appropriate bonds and fixed income securities in order to respond to all types of needs and customers.

In 2012, the Company has started offering Internet Trading for foreign securities. This is a new alternative that accommodates the customers who wish to directly trade foreign securities.

In 2014, the Company will offer services in derivatives trading in the global markets to provide more diversified financial options for investors and to increase its competitive potential in global investment business. This project is scheduled to complete and to be available for customers within the first half of 2014.

## 9. Securities Borrowing and Lending (SBL) Business

Approved by the Ministry of Finance, the Company was licensed to operate Securities Borrowing and Lending (SBL) business and marked the first day of its operation on July 14, 2006. Investors have increasingly gained interest in this service due to more opportunities for investment, higher returns, and use of SBL as a risk management tool. The borrowers can sell short in order to create a profit scheme when the market is on its way down. Simultaneously, the lenders can create higher returns from holding securities.

In 2013, the Company has expanded its customer base and securities borrowing and lending transactions by extending its service restrictions for both domestic and foreign institutional clients such as securities companies, mutual fund companies, and insurance companies which includes securities in SET100. Currently, in addition to securities in SET50 and SET100, ETF unit trusts are added and securities in ETF port such as Energy Sector (ENY), Banking (EBANK), Food (EFOOD), Information Technology (EICT), and Commerce (ECOMM).

Customers can borrow for short selling when the prices are expected to decline or for risk management in times of market volatility. Strategic trading such as Arbitrage and Pair Trade can also be conducted. In another respect, retail customers can lend securities and receive returns in a form of fees. In the near future, securities borrowing and lending can help distribute, strengthen, and balance the Company's revenue. It will also be another source of revenue in addition to the brokerage fees that may be negatively impacted by the liberalization of brokerage fees and securities licenses.

## The Company's subsidiaries

### 1. Asset Plus Fund Management Company Limited

#### Business Operations: Overview

Asset Plus Fund Management Company Limited is operating fund management businesses, with licenses in:

- Mutual Fund Management
- Private Fund Management
- Securities Brokerage, Securities Trading, and Underwriting of Investment Units
- Futures Trading

Asset Plus Fund operates 2 types of fund management business: mutual fund and private fund management.

In December 2013, Asset Plus Fund Management had total net assets of Bt27,972 million, increasing Bt967 million or 3.58% from Bt27,005 million in December 2012. The net asset value can be classified as follows.

- **Mutual Fund :** Net asset value for mutual fund was Bt16,876 million, increasing Bt177 million or 1.04% from Bt17,053 million in December 2012.
- **Private Fund :** Net asset value for private fund was Bt11,096 million, increasing Bt1,145 million or 11.51% from Bt9,951 million in December 2012.

In 2013, Asset Plus Fund Management had a net profit of Bt40.41 million increasing Bt18.28 million or 82.60% from 2012. Total revenue was Bt243.95 million. Of this amount, the revenue arising from the investment brokerage fee was Bt239.33 million, while the revenue from investment was Bt4.25 million. Other income was Bt0.37 million. Total expenditure was Bt191.90 million; Bt28.14 million of which was cost associated with investment management business and Bt163.76 million was operational cost.

### Changes and developments of business operations in the past year

In 2013, Asset Plus Fund Management Company Limited has set up 12 funds consisting of 4 domestic target funds and 5 direct global target funds, 1 mutual fund open daily for global trading, and 2 debt securities mutual funds for non-retail investors.

Ever since 2004 when Asset Plus Fund Management Company Limited started mutual fund management business, the Company has had a strong foundation and extensive experiences in research, in-dept securities analysis, and appropriate investment timing for both domestic and global markets. From the said expertise in combination with the investment condition in the previous year, Asset Plus Fund Management Company Limited has therefore emphasized the presentation of target fund investment through equity instruments. The Company offered ASP-PRIME and ASP-TRIGGER series for domestic investments and ASP-STARS series for global investments. The Company has set an investment policy, expected return, and payment to suit the current investment conditions. In addition, the Company offered open mutual funds that are directly invested globally and can be traded on a daily basis which are Strategic Asset Plus Mutual Fund that was very well-received. As for debt instruments, in 2013, the Company has set up 2 debt instrument mutual funds which are Asset Plus ASP-AIF1 and ASP-AIF2 offered only to non-retail investors as defined by the Stock Exchange Commission. Aside from the aforementioned investment products, in the previous year, the Company has improved investment services which included the electronic viewing of monthly statement via the Company's website.

### Mutual Fund Management Business Trend

In 2014, the Company will put an emphasis on a proactive marketing approach by offering a variety of investment products that cover different types of assets in order to create a timely and opportune return and to respond to investors' demands at different levels of risk acceptability. As for services provided to the customers, the Company intends to develop comprehensive services to facilitate the investors. The Company also focuses on the importance of the development of the operation system, risk management, personnel especially those involved in the oversight of investment units by consistently providing training. Keeping all this in mind, the Company will operate its business with the benefit of the customers as its first priority.

## 2. Asia Plus Advisory Company Limited

Asia Plus Advisory Company Limited was founded in April 2008. For the operations of this company, please refer to Page 21-22 :

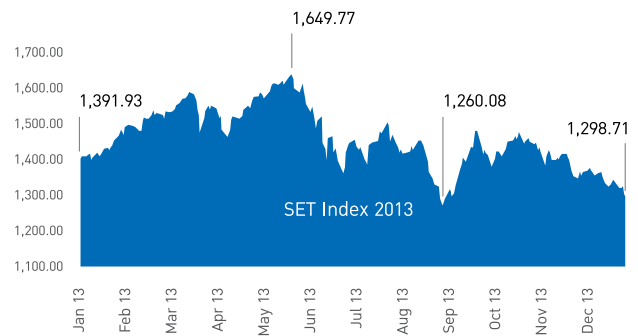
4. Investment Banking Business for more details.

# MARKET SUMMARY

## Market in 2013: Overall

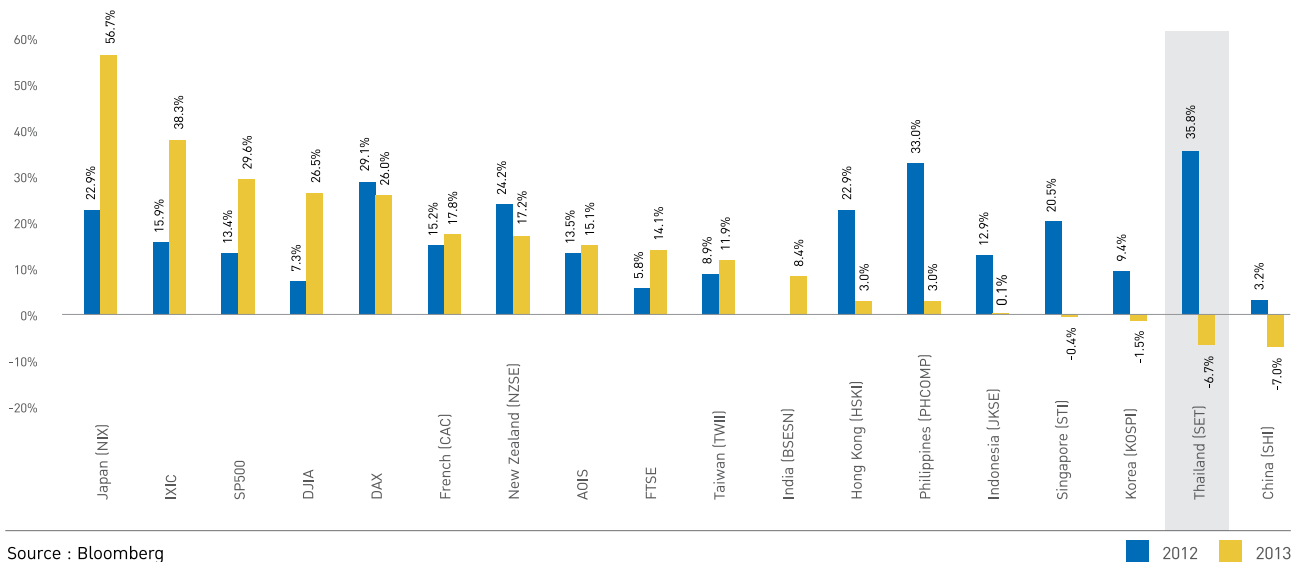
2013 was another golden year of the Stock Exchange of Thailand. However, the Index had been fluctuating drastically. In the first six months of the year, the SET benefited from the world's liquidity surplus that had remained high as a result of the U.S. money injection through the quantitative easing measure (QE) over the past several years. The Index thus peaked at 1,649.77 pts (on 21 May 2013) or an increase of 18.6% from end-2012, hitting a 20-year record high. Nevertheless, in the second half of the year, SET Index tended downward due to a concern that the US might taper the QE amount after its leading economic figures started to show a sign of recovery. That was a key factor to depress the Index to the year's low of 1,260.08 pts on 28 August 2013. Subsequently, the last quarter of 2013, starting from October, came with the domestic political conflicts that increasingly intensified over time, while the Fed announced after the FOMC meeting in late 2013 to trim the QE amount by US\$10 billion a month down to US\$75 billion a month in January 2014.

The two latest issues played a major role in accelerating an outflow of fund from Thailand, resulting in a total foreign net selling of Bt200 billion in 2013. At year ended, SET Index stood at 1,298.71 pts, dropping 6.7% from 2012, making the Thai stock market ranked 18th of the world rankings based on return on investment.



Source: Bloomberg and ASP Research

## Global Stock Market Returns in 2012 and 2013 by Country



Source : Bloomberg

■ 2012 ■ 2013



## Market in 2014: Outlook

For the outlook of 2014, SET Index has a tendency to continue declining from 2013 as a result of the same reasons as in the last six months of 2013, especially the political turmoil that has dragged on and drained out investors' confidence. The Election Commission (EC) is still not be able to announce an outcome of the 2 February general election due to its incompleteness, which means the caretaker government still has legal authority to administer the country. Meanwhile, the FOMC resolved at its 28-29 January meeting to slash the QE amount by another US\$10 billion down to US\$65 billion a month in February; further cuts are also foreseen at the remaining six meetings of the year as the U.S. economic recovery has become constant and solid. This is the factor that has triggered an outflow of funds from emerging countries including Thailand. Since the beginning of 2013 until ended in January 2014, approximately Bt240 billion of foreign funds have been flown out of Thailand.

The domestic political turmoil has also led to the GDP growth cut in 2014. We revise down our FY2014 GDP growth forecast down from 4.3% to 3.3% (versus 2.9% of FY2013), mainly due to household consumption, a major economic driver (55% of the GDP), has weakened since the government's stimulus measures (e.g. the first-car buyer scheme) had ended, and overall investments (government and private sectors), except the export sector that is projected to be improved along with the world economic rebound. Yet, if the political unrest still drags on the GDP growth target might be reduced below 3%.

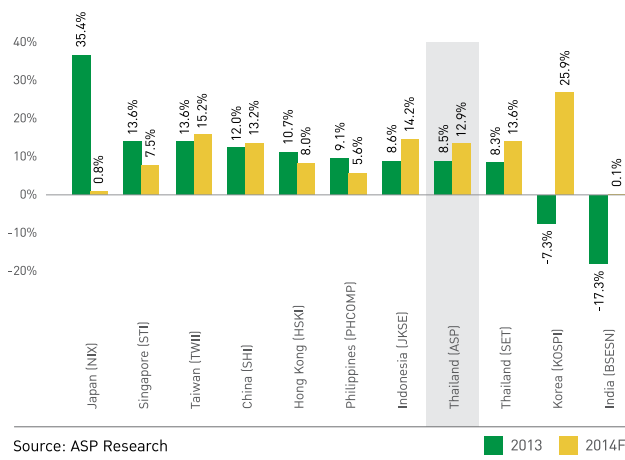
Another consequence of the political problems is the market EPS growth cut. We slashed our market EPS forecasts in 2014 and 2013 respectively by 2.6% and 2.3% to Bt101.85 per share and Bt90.22 per share (from the previous forecasts of Bt104.57 and Bt92.33). 2014 EPS of domestic plays (60% of total market EPS) is cut by 7.13% from the previous forecast (50% cut for transportation, 11.9% for ICT, 8.8% for construction material, 7.5% for property development, 7% for industry and machine, 6.1% for hospital, 3.5% for insurance, 2.8% for banking, and 1.7% for the retail sector), whereas 2014 EPS of global plays (40% of total market EPS) is revised up to reflect a benefit from the reviving of world economy. With an increase in the foreign exchange rate assumption from Bt31.5 to Bt33 per US Dollar, EPS growth of global plays improves from the previous forecast by 8% (10.7% increase for agribusiness, 9.1% for electronics, 9.2% for energy, 4.5% for petrochemical, and 4% for the food sector).

As a result, overall market EPS growth of the SET in 2014 is 12.9%, versus 8.5% in 2013, beating those of Asian counterparts. However, there is still a risk of a further EPS growth and GDP growth cut as long as a solution to the current political conflict remains unclear.

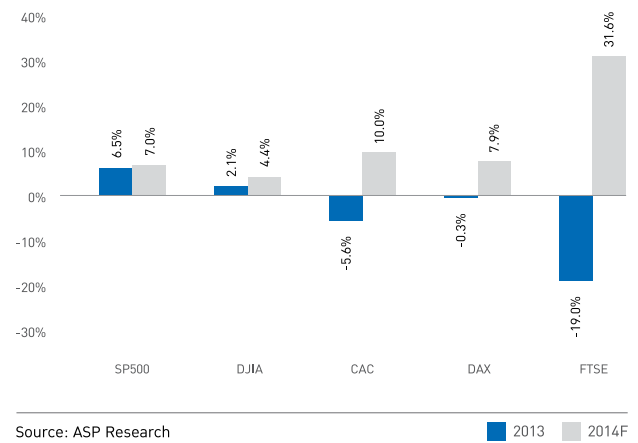




## EPS Growth of Developing Countries in 2013 and 2014F

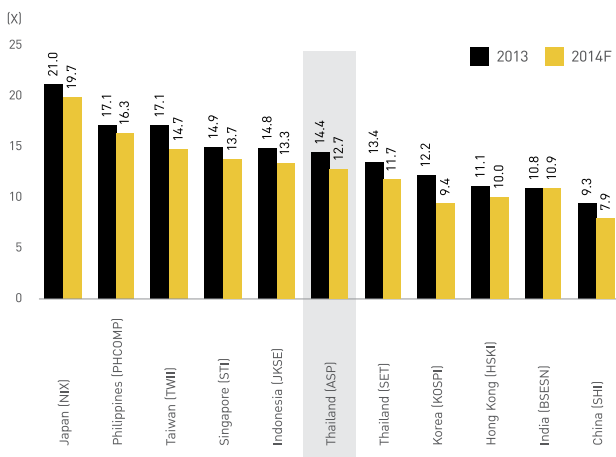


## EPS Growth of Developed Countries in 2013 and 2014F



Based on the 2014 market EPS, an expected P/E ratio at SET Index of 1,293.5 pts would be 12.7x, in line with the regional average. We believe the Thai stock market will be interesting for foreign investors if the P/E ratio decreases to 12x.

## P/E Ratio in 2013 – 2014F of Stock Markets in Asia



## SET Index Sensitivity

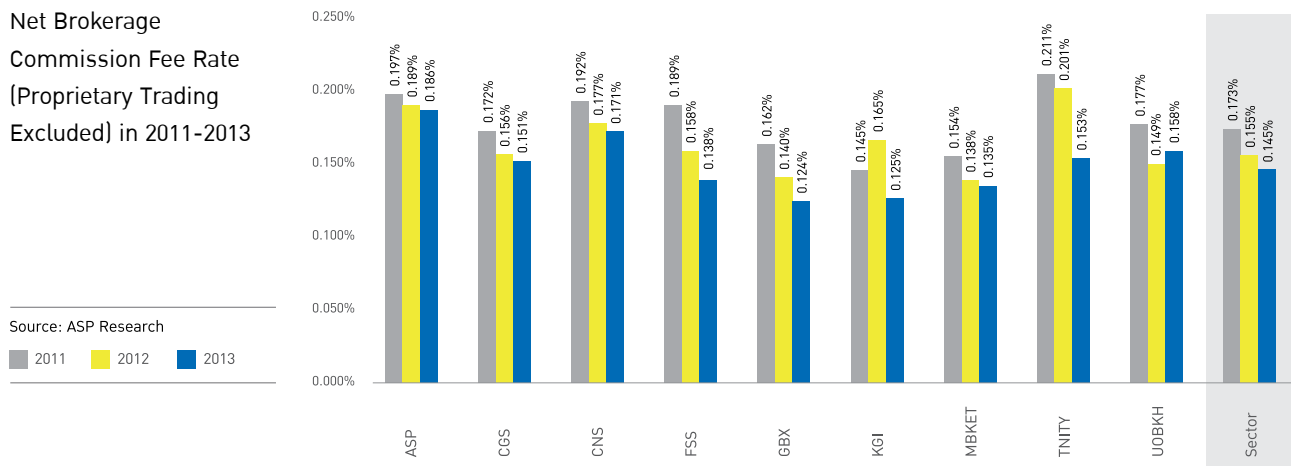
## Index Sensitivity

(X)	Mar 14E	Jun 14E	Sep 14E	Dec 14E
PER 11	1,024	1,056	1,088	1,120
PER 12	1,118	1,152	1,187	1,222
PER 12.5	1,164	1,200	1,237	1,273
PER 13	1,211	1,248	1,286	1,324
PER 13.5	1,257	1,296	1,336	1,375
PER 14	1,304	1,344	1,385	1,426
PER 15	1,397	1,441	1,484	1,528

## Competition in securities business

The adoption of liberalization of commission fee for securities trading since 2012 had paved the way for growing competition. Brokerage commission fee rate continued to decline but at a slower rate in 2013; data from nine securities companies in the market showed that brokerage commission fee rate of 2013 dropped only 0.009% from the same period of 2012 but fell 0.018% from the same period of 2011. However, the average daily trading volume (proprietary trading excluded) that had grown 56% from Bt28 billion in 2012 to Bt44 billion in 2013 substantially strengthened the brokerage fee income and net profit of the securities industry in 2013 from 2012. Nevertheless, for a 2014 outlook, with clouding political risks and continuous fund outflow in the first quarter of the year, daily trading volume might contract to 22% from 2013 to Bt35 billion.

**Net Brokerage  
Commission Fee Rate  
(Proprietary Trading  
Excluded) in 2011-2013**



Although there were no mergers and acquisitions among securities business like in the past several years, four brokerage licenses had been obtained in 2013, which included (1) AEC Securities Public Company Limited, (2) Apple Wealth Securities Public Company Limited, (3) Asia Wealth Securities Public Company Limited, and (4) CIMB Securities International (Thailand) Public Company Limited.

Nonetheless, in the long run, securities companies that do not have commercial banks as major shareholders nor foreign partners may still need to merge with the rest securities companies for long-term survival, apart from attempting to create new income base in related businesses such as fee and service income from investment banking, asset management, and personal financing businesses and profit from proprietary trading.

### Securities Companies Opened in 2013 and 2014

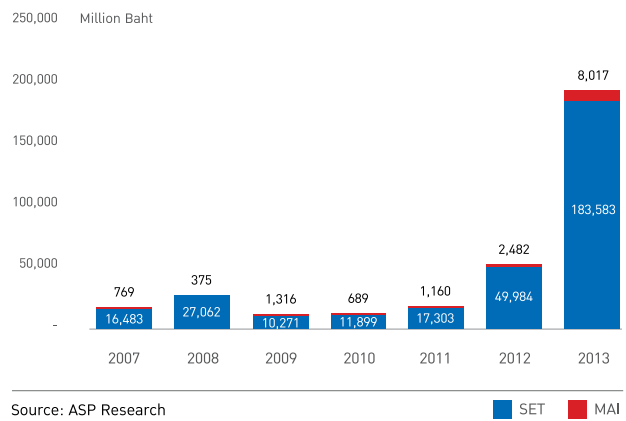
Quarter	Name	Broker Number	Note
2Q13	AEC	38	The company originated from a takeover of United Securities and changed its name to AEC Securities (AEC), which started providing trading service since 4 October 2013.
3Q13	RHB IB Berhad + RHB OSK	27	RHB Berhad increased ownership interest in RHB OSK Securities from 99.34% to 99.95%
3Q13	APPLE WEALTH	15	The company originated from a takeover of Finansia Syrus Securities's subsidiary, ACL Securities (ACLS), and changed its name to Apple Wealth Securities (APPLE). The broker has not started giving service at present.
4Q13	ASIA WEALTH	43	The company originated from a takeover of CIMB-GK Securities (Thailand) and changed its name to Asia Wealth Securities, which has started providing trading service since 18 November 2013.
4Q13	LAND & HOUSE Bank	5	LH Bank acquired 99.79% stake of CIMB Securities International (Thailand) from CIMB Securities International and is going to start giving service around 2Q14.

Source: ASP Research

## Investment banking business in 2013 and outlook in 2014

2013 was a great year of investment banking business, evident by 38 new companies listed on the markets: 13 companies in the SET, 15 companies in the MAI, 7 mutual funds, and 3 infrastructure funds, versus 24 companies in 2012: 8 in the SET, 10 in the MAI, and 6 mutual funds. Total issued size (in the SET and MAI) was as large as Bt191 billion, growing 3.65 fold from 2012.

## IPO Issued Size of Securities Markets in Thailand



## Companies to be Listed in the Markets in 2014

Companies	Amount of Share (Million)	Offering Time	Financial Advisors	Distributors and Underwriter	
AI Energy PCL	445.0	1Q14	Asset Pro Management Co., Ltd.	Finansia Syrus Securities PCL, Capital Nomura Securities PCL, Phillip Securities (Thailand) Co., Ltd.	MAI
Crown Tech Advence PCL	100.0	1Q14	Finnex Advisory Co., Ltd.	RHB OSK Securities (Thailand) Co., Ltd.	SET
P.C.S. Machine Group Holding PCL	356.5	1Q14	Bualuang Securities Co., Ltd.	Bualuang Securities Co., Ltd., SCB Securities Co., Ltd.	SET
Lease It PCL	90.0	1Q14	Finansia Syrus Securities PCL	Finansia Syrus Securities PCL	MAI
Golden Lime PCL	75.0	1Q14	KT Zmico Securities Co., Ltd.	KT Zmico Securities Co., Ltd.	SET
Bangkok Glass PCL	241.4	2Q14	Kasikorn Securities PCL	Kasikorn Securities PCL	SET
Ichitan Group PCL	300.0	2Q14	Asia Plus Advisory Co., Ltd.	Asia Plus Securities PCL	SET
Kaset Thai International Sugar Corporation PCL	585.4	2014	Kasikorn Securities PCL	Kasikorn Securities PCL, Maybank Kim Eng Securities PCL	SET
One To One Contacts PCL	70.0	2014	Bualuang Securities Co., Ltd.	Bualuang Securities Co., Ltd.	SET
Aira Capital PCL	633.9	2014	Maybank Kim Eng Securities PCL	Maybank Kim Eng Securities PCL	MAI
Srisawad Power 1979 PCL	250.0	2014	Asia Plus Advisory Co., Ltd.	Asia Plus Securities PCL	SET
Rayong Wire Industries PCL	150.0	2014	KT Zmico Securities Co., Ltd.	KT Zmico Securities Co., Ltd.	MAI

Source: ASP Research

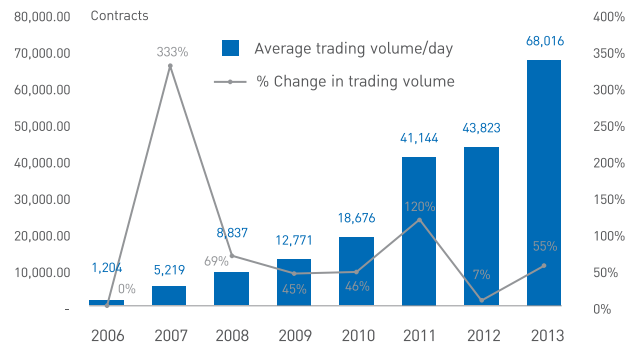
For the outlook of 2014, 30 new companies are projected to be listed on the markets (IPOs), close to that of 2013, but only two of which are blue chip companies, hence the total issued size would decrease from 2013. Moreover, since the prolonged political unrest has undermined investors' confidence, the stock listings might be delayed, which would make income from the investment banking business decline from 2013.

## Overall trading in the Thailand Futures Exchange (TFEX) in 2013 and outlook in 2014

The TFEX business had become vigorous again in 2013 after showing sluggish growth in the prior year. Total trading volume in 2013 equated to 16,664,126 contracts (averaged 68,017 contracts a day or daily trading volume of Bt26,970 million), increased 55.2% from 43,823 contracts a day in 2012. Daily trading volume of Stock Futures was 34,351 contracts (51% of all products), skyrocketed 288% from 2012, followed by 23,218 contracts of SET50 Futures (34% of all products), increased 41% from last year, 5,176 contracts of Gold Futures (13.3% of all products), 39.4% decreased from last year, and 817 contracts of USD Futures, down 64.5% from 2012.

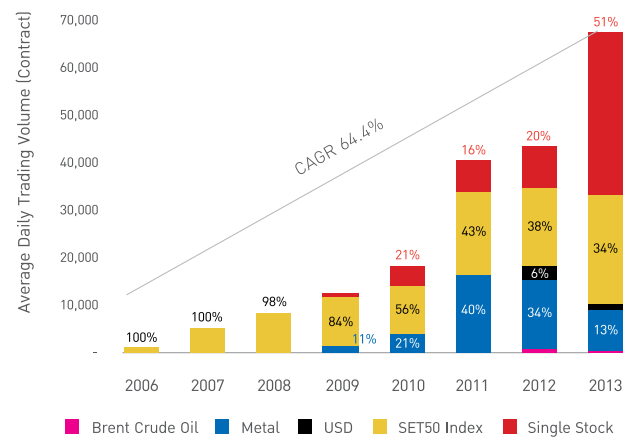
On 28 December 2013, total outstanding positions in the TFEX were 340,778 contracts, increased 42.6% from 237,412 contracts in the previous year, whereas the number of total trading accounts decreased 5.8% from 93,066 in 2012 to 87,693 accounts; 56% of which was of individual investors, 36% of local institutions, and 8% of foreign investors. Investment of local retail investors were mainly in Stock Futures and SET50 Futures, while the rest were transactions of market makers due to the introducing of a new product, USD Futures.

## Trading Transaction in the TFEX in 2006 – 2013

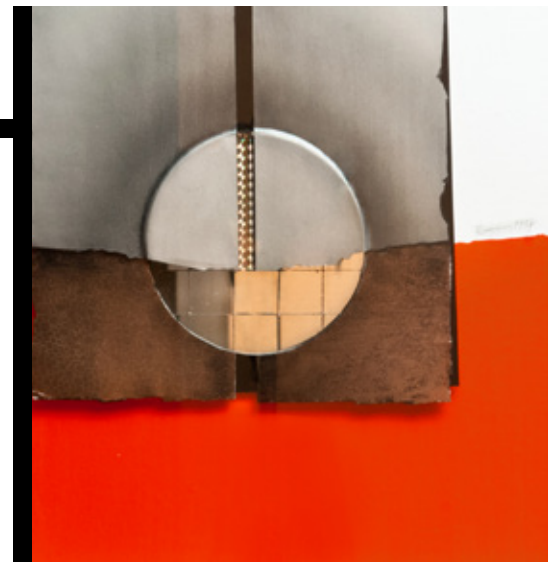


Source: The Thailand Futures Exchange (TFEX) and ASP Research

## Growth of Derivatives Business and Each Product in 2008 - 2013



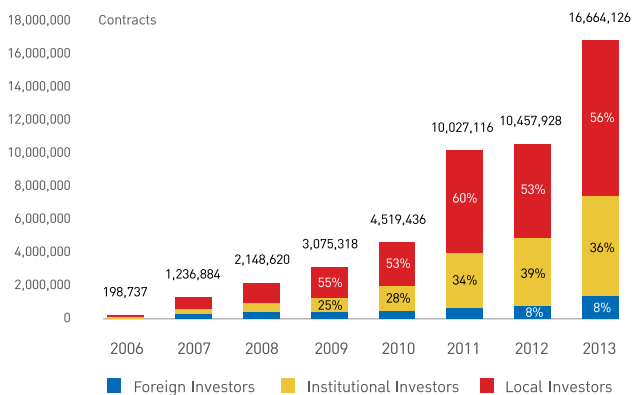
Source: The Thailand Futures Exchange (TFEX) and ASP Research



Considering by product, 2013 was the first year that Stock Futures managed to capture the largest market share of 51% with average daily trading volume leaping 288% from 2012 with 34,350 contracts (the average growth of 195% a year from 2008 to 2013), beating SET50 Index Futures which used to be a top product. Since the Index and share prices had been on an uptrend in the first half of the year and then became greatly volatile in the second half of the year, investors' demand for Stock Futures and SET50 Futures for speculation and risk distribution had risen. Additionally, in 2013 the TFEX adjusted a rule about Stock Futures to better reflect a price of an underlying stock by raising a position limit for small underlying stocks, and lowering a block trade limit for big underlying stocks, as well as increasing in number of underlying stocks to cover 60 securities to allow investors to use Stock Futures for more effective portfolio management.

As SET Index had been fluctuating throughout 2013, retail investors used the TFEX to create profit from increasing leverage of the products. Accordingly, total trading volume of retail investors increased 67% from 5.58 million contracts in 2012 to 9.34 million contracts in 2013, making retail investors 56% of the overall investment, beating other types of investors.

### Market Share of Each Type of Investors by Amount of Trading Contracts



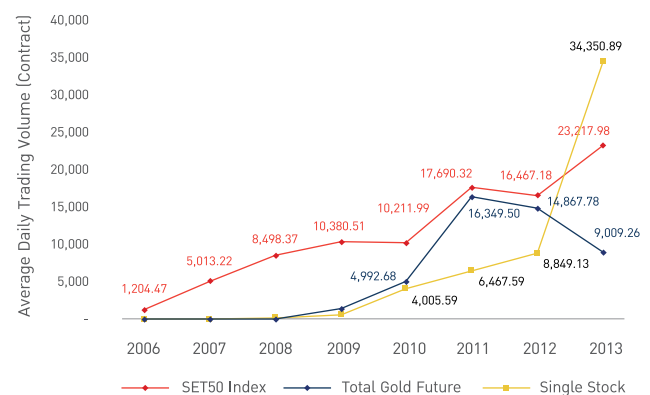
Source: The Thailand Futures Exchange (TFEX) and ASP Research

Although a major product like SET50 Futures could not make the largest trading volume in 2013 as usual, trading volume of the product continued to grow volatile for the seventh year in a row, with average growth of 53% a year, because SET50 Index had been grow dramatically all the year following the SET. In 2013, average trading volume of SET50 Futures was 23,218 contracts a day, rising 41% from 16,467 contracts a day in 2012.

On the contrary, daily trading volume of Gold Futures in 2013 equated to only 5,176 contracts, a 42.5% decrease down from 9,009 contracts in the previous year or an average decline of 31.8% for the third consecutive year. Similarly, trading volume of USD Futures ebbed 17% from 976 contracts a day in 2012 to 813 contracts in 2013.

In conclusion, the shrinkage in combined trading volume of Gold Futures, Mini Gold Futures, and USD Futures was insignificant when compared with the increase in combined trading volume of the TFEX. Average daily trading volume in 2013 was 68,017 contracts, leaping 55.2% from 43,823 contracts in 2012, the seventh consecutive year of growth at an average of 64.4% a year.

### Trading Volume of Major Products in TFEX in 2006 – 2013



Source: The Thailand Futures Exchange (TFEX) and ASP Research

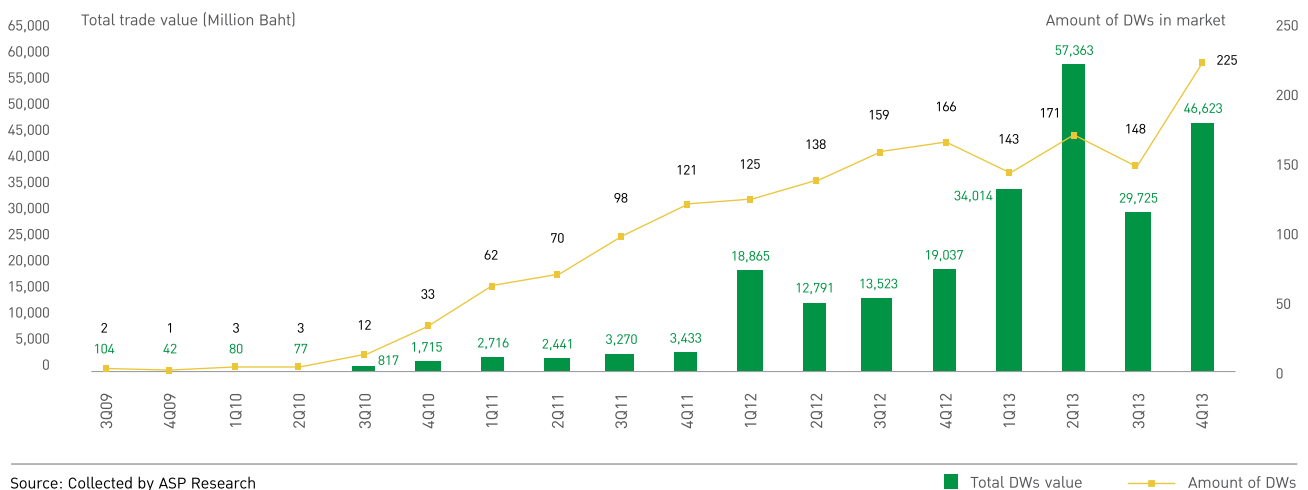
For the 2014 outlook, continued growth in trading volume and contract amount is foreseeable. The TFEX would focus on developing existing products and services for better liquidity, especially SET50 Index Futures and Options, introducing an extended service that allows investors to choose to receive underlying assets, starting from KTB that is preparing to offer US Dollar delivery services for USD futures holders in the last trading day since February 2014, as well as expanding value investor client base, which is an extended project from a well-recognized intensive derivatives training “TFEX Open House” that had been launched three times in 2013.

Moreover, the TFEX has launched TFEX Challenge project, which is a workshop with trainers from member companies to give intensive advices for participants, and TFEX Open House project, which is an in-depth training in technical analysis. The market has also tried to create understanding about each product among investors and encouraged import and export entrepreneurs to use financial instruments as an alternative in managing currency risk. Additionally, a new trading and clearing and settlement system will be ready for use in May 2014.

### Overall trading of Derivatives Warrants in 2013 and outlook in 2014

Since the middle of 2009 when the SET introduced a new product, Derivatives Warrants (DWs), and issued the first DW in the market in July 2009, the product has been receiving better responses from investors. Particularly in 2013, the product became most popular, evident by the amount and value of DWs that jumped remarkably from 2012. While the total amount of DWs in the market in 2013 shifted 16.8% from 2012, the trading volume skyrocketed 261% year on year.

#### Amount and Value of DWs in Market by Quarter



In 2014, the overall DW trading tends to weaken from 2013 along with investments in Thailand that have still been hindered by the political risks. Accordingly, it is believed that a number of securities companies that are eligible to issue DWs will remain at ten (Asia Plus Securities Public Company Limited is still one of them). Still, due to the market's volatility, the securities companies will be able to issue Put Option of DW, which will help prevent the total DW amount from substantially dropping from 2013.

# RISK FACTORS

The Company realizes the significance of risk management due to a variety of rapidly changing circumstances which can impact the Company both directly and indirectly. Therefore, the Company has put in place a process of risk management as one of the Company's main processes by establishing the Risk Management Committee to control and monitor the various risks that may create impacts and to oversee the appropriate approaches to each type of risks. This is to reduce the risk intensity to an acceptable level with a number of subcommittees assisting the oversight and consideration of risk management activities. In addition, an independent unit responsible for the audit and monitoring of the Company's activities has been created.

In 2013, the Risk Management Committee has approved the Enterprise Risk Management Policy which determines the crucial risks that may potentially impact the Company's business operations including market risk, credit risk, liquidity risk, and others.

The Company foresees each type of risks as follows:

## Business Risk

Business risk is originated from a failure to operate business as planned or originally determined by the Company's strategies. This kind of strategic risk may arise either from the inability to perform as planned or from the changing business environments or factors.

### Risks from Capital Liberalization of AEC

Capital liberalization of the Asian Economic Community or AEC will connect capital markets of all 10 member countries together, which would allow less restrictions on capital movement among the group. In the beginning, there will be cooperation between securities markets of 3 countries; Singapore, Malaysia, and Thailand, which is anticipated to bring about massive capital flow. Potential risks from this situation are increasing competition between securities companies in terms of product diversification and rising demands for market share as a result of greatly increasing trading volume from both local and international investors who are interested to invest in Thailand. As a preparation for such situation, the Company has increased the number of staffs and provided training for staffs to maximize their knowledge and expertise in related areas.

### Customer Concentration Risks

The Company's revenues from brokerage fee, fee and services in all transaction derived from the first three major clients account for 4.72%, 5.21%, and 9.94% in 2013, 2012, and 2011 respectively. Hence, if the Company loses one of its major clients in this group, the revenue loss from the agent and service fees may be significantly affected. However, good company-client relationships in the past decade as well as quality services reduce the risk of losing its major clients. Furthermore, the Company has set a new customer base expansion for both institutional and retail customers in order to reduce this major client reliance. The Company has also consistently established a variety of marketing plans, organized public relations activities to support businesses, as well as issued new financial products for investors. This is to expand the customer base and retain the existing customers.



## Operational Risk

Operational risks stem from mistakes or insufficiency of internal control process, staff, other work systems including IT, legal risks, and external situations. Effective operational risk management will facilitate smooth business operations and reduce operating cost.

### Risks from Business Discontinuity

The Company might encounter risks from damages of the company's assets, crises such as flooding or other natural disasters, political unrest, and compensation claims filed by customers for the service discontinuity. In order to protect against these risks, the Company has launched a Business Contingency and Continuity Management Plan which was approved by the Board of Directors in accordance with the Office of the Securities and Exchange Commission's Guideline. Furthermore, the Company has assessed risks of each department in case that the major operations are disrupted by contingency and also undertaken a business impact analysis for each department, to be prepared when

risks happen. The Company also reviews and updates the plan as well as has it tested regularly to ensure the prompt and effective risk management.

### Risks Concerning Securities Brokerage Staff

In undertaking the securities brokerage business, staffs equipped with knowledge, experience, and expertise is an important factor to the Company's success. In this increasingly competitive landscape, poaching of staff will occur. The loss of experienced and skilled staff may have some impact on the Company's revenue generation. Nevertheless, the Company still realizes the importance of staff to the Company's success on a continuous and sustainable basis. Hence, we have arranged training and development programs in various divisions and at various levels continuously. Apart from this, the Company has a clear and suitable compensation structure, which is in accordance with the Stock Exchange of Thailand's regulations and the current competitive landscape.

## Credit Risk

### Risks from Margin Loans in Securities

The Company has set guidelines to control risk in lending for the purchase of securities by continuously considering and reviewing the credit balance according to the customer's financial status and repayment ability as well as the customer's current trading patterns. Apart from this, the Company restricts the limited of credit balance for each customer in accordance with the authorities and the combined credit balance of all customers must not exceed 50% of the limit set by the authorities in order to prevent financial risks. The company also limits the list of securities that can be purchased on margin and sets a suitable margin rate for each securities by picking only suitable securities. In order to achieve this, the Company considers the securities fundamentals and liquidity. Moreover, the Company limits the amount of securities that can be purchased or placed as collateral in order to limit

its concentration in any particular securities. Furthermore, the Company reviews these measures through the Credit Committee on a monthly basis and sets a framework for placing collateral, margin calling, and seizing collateral by monitoring this framework diligently. In addition, the Credit Committee, which convenes weekly, considers various issues regarding credit and the risk of lending for securities purchase.

As of December 31, 2013, the Company has cash account receivable of Bt2,207.53 million and margin account receivable of Bt1,911.92 million. In 2013, the Company has set aside the provision of Bt0.18 million for doubtful accounts and has recovered Bt0.06 million of non-performing loans and doubtful accounts. When combined with the amount of non-performing loans and doubtful accounts in 2012 at



Bt35.62 million, the amount has increased to Bt35.74 million. Nevertheless, the Company has provided full provision for bad debts and doubtful debts.

To mitigate credit and default risks, the Company has set up various measures, such as evaluating credit risks of all new customers when apply for new accounts and determining a proper credit line for each customer. A Credit Committee is set up and meets on a weekly basis to review issues concerning credit risks and credit evaluation. The Company also grants the authority for different levels of management for the approval of credit line.

### Risks Involving Derivatives Business

In undertaking the futures brokerage business, the Company faces a risk that the collateral placed by the customer will not be sufficient to repay debts with the Thailand Clearing House Company Limited from any losses in futures trading. In order to mitigate this risk, the Company selects customers who have knowledge and experience in futures trading according to the Company's guidelines, limits the credit to a level suitable to the customer's repayment ability, and requires the customer to deposit cash collateral before trading in futures. The Company also reviews credit limit continuously and monitors the customers' trading closely as well as diligently ensures that these collateral meet the Company's guidelines in order to control the risk of the customers' trading activities and requires closing of positions if the customer is unable to comply with the guidelines.

## Market Risk

Market risk is originated from the uncertainty and volatility of economic variables which affect the prices of the assets in which the Company has invested. Such asset prices can be categorized into the prices of ordinary shares, interest rates, foreign exchange rates, and commodity prices. The Company has prevented such risk by setting up an Investment Committee and Equity Derivatives Committee responsible for the formulation of investment policies and guidelines to facilitate the Investment Unit and Derivatives Department in developing securities at risk and appropriating derivatives products. These products are significantly analyzed according to basic factors to distribute investments for both short and long terms depending on asset classes such as ordinary shares, debentures, and gold. Moreover, the regulations in risk control from investment devaluation in one particular asset have been comprehensively established.

The Company has also set up a Market Risk Division for the purpose of inspecting and controlling marketing risks for each business unit in accordance with the policies set forth by the Subcommittee.

### Risk from the Volatility of the Ordinary Shares

In 2013, the Company has, according to the market price, invested in ordinary shares both domestically and internationally at the net amount of Bt1,054.41 million, of which Bt747.38 million was international, and Bt372.05 million domestic, and derivatives warrants Bt16.35 million. The investment was exposed to the risk from the volatility of the ordinary shares in the market. The Company prevented this investment risk by setting up a subcommittee to oversee the investment policies, determine directions and oversee risks in the Company's investment portfolio which covers both short and long term investments and other risk management measures.

The Equity Derivatives Committee Derivatives Committee was established to direct and oversee the liquidity of the Market Maker Portfolio and the Derivatives Warrants and Hedging Portfolio whose status on derivatives warrants at present registers underlying products as ordinary shares.

### Risk from the Volatility of the Interest Rate

In 2013, the Company has invested in the instruments with interests such as domestic private debentures at the net amount of Bt 260.67 million which incurred the devaluation risk of the fixed income securities resulting from the changes in interest rates in the market. Moreover, investments in fixed income securities are under the investment policy.

### Risk from Foreign Exchange Rate

The Company has invested in both foreign securities and foreign underlying assets including both foreign funds and foreign investment funds managed by domestic fund management securities companies.

However, for direct investments in foreign securities, the Investment Subcommittee will consider the application of risk insurance from foreign exchange rates entirely or partially at the appropriate timing. As for investments in foreign investment funds managed by domestic fund management securities companies, the securities companies will be responsible for risk management as indicated in the prospectus for each fund and must report the net asset value in Thai currency to the Company.

### Risk from the Commodity Prices

The Company has invested in futures contracts of some commodities. However, commodity futures contracts are short term investments.

### Underwriting Risks

Underwriting risks involve the risk that part of all of the underwritten shares will be undersubscribed, thus requiring warehousing of the undistributed portion which in turn depleted the Company's liquidity. Liquidating the underwriting risks include inappropriate offering prices, changes in market sentiments and etc. To alleviate these risks, careful analysis is taken and presented to the Executive Committee for review, with preliminary test for demand being conducted, before the Company can engage in an underwriting deal. The Company also sets a ceiling to limit its underwriting exposure at any one time. The ceiling limit can only be altered through the approval of the Board of Directors.

## Liquidity Risk

The Company has consistently maintained the higher rate of Net Capital Ratio (NCR) than that set by the Securities Exchange Commission and the Stock Exchange of Thailand. As of December 31, 2013, the Company saw the ratio of Bt3,360.07 million or the rate of liquidity to general debt at 112.97%.

## Compliance Risk

The securities business operates under the laws, regulations, restrictions, and supervision of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. If these laws, regulations, restrictions, and supervision should change, it may impact the competitive landscape, cost of financing, and operating results of the Company. Any violation or breach of these regulations or gross negligence could result in the Company being warned or even have its license revoked.

In order to protect against the above risks, the Company has established the Compliance and Audit Department to monitor and notify if there are any changes and oversee the Company's internal departments in accordance with current regulations.

# GENERAL CORPORATE INFORMATION

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED

## General Information

Name	Asia Plus Securities Public Company Limited
Registered No.	0107537001722
Head Office Location	3 <sup>rd</sup> , 9 <sup>th</sup> and 11 <sup>th</sup> Floor Sathorn City Tower, 175 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok 10120
Telephone	+66 2285 1666, +66 2285 1888, +66 2680 1111
Facsimile	+66 2285 1901
Type of Business	<ul style="list-style-type: none"> <li>• Securities Business Type A</li> <li>• Derivatives Business Sor 1</li> <li>• Futures Trading Business (Agricultural Futures)</li> </ul>
Website	www.asiaplus.co.th
Registered Capital	Baht 2,521,945,020 including 2,521,945,020 common shares, Baht 1 per share (as of December 31, 2013)
Register Paid-up Capital	Baht 2,105,656,044 including 2,105,656,044 common shares, Baht 1 per share (as of December 31, 2013)

## Subsidiaries

Name	Asset Plus Fund Management Company Limited
Registered No.	0105547011826
Location	17 <sup>th</sup> Floor, Sathorn City Tower, 175 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok 10120
Telephone	+66 2672 1000
Facsimile	+66 2286 4472-3
Type of Business	<ul style="list-style-type: none"> <li>• Fund Management</li> <li>• Securities Business Type C</li> <li>• Derivatives Business</li> </ul>
Website	www.assetfund.co.th
Registered Capital	Baht 100,000,000 including 10,000,000 common shares, Baht 10 per share (as of December 31, 2013)
Register Paid-up Capital	Baht 100,000,000 including 10,000,000 common shares, Baht 10 per share (as of December 31, 2013)

## Subsidiaries

Name	Asia Plus Advisory Company Limited
Registered No.	0105551042137
Location	11 <sup>th</sup> Floor Sathorn City Tower, 175 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok 10120
Telephone	+66 2680 4000
Facsimile	+66 2670 9291
Type of Business	Financial Advisory
Website	www.asiaplus.co.th
Registered Capital	Baht 15,000,000 including 3,000,000 common shares, Baht 5 per share (as of December 31, 2013)
Register Paid-up Capital	Baht 15,000,000 including 3,000,000 common shares, Baht 5 per share (as of December 31, 2013)

## Other References

### Share Registrar

Thailand Securities Depository Company Limited  
62 The Stock Exchange of Thailand Building,  
Rachadapisek Road, Klongtoey,  
Bangkok 10110 Thailand


Telephone +66 2229 2800  
Facsimile +66 2359 1261  
TSD Call Center +66 2229 2888  
E-mail TSDCallCenter@set.or.th  
Website www.tsd.co.th

### Auditor

Ms. Runghana Lertsuwankul, Certified Public Account No.3516 and/or Mr. Sophon Permsirivallop, CPA No. 3182 and/or Ms. Pimjai Manitkajohnkit Certified Public Account No. 4521 of EY Office Limited\*, 33<sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand

Telephone +66 2264 0777  
Facsimile +66 2264 0789-90  
Website www.ey.com

\* Formerly known as Ernst & Young Office Limited



## Investment in companies at 10% or more of paid up capital

As at December 31, 2013, investments held by the Company exceed 10 percent of the issued share capital of the investee are as follows

Company's name	Type of business	Type of shares	No. of shares issued	No. of share held	Percentage of share holding
<b>Subsidiaries</b>					
1. Asset Plus Fund Management Company Limited 17 <sup>th</sup> Fl., Sathorn City Tower, 175 South Sathorn Rd., Khet Sathorn, Bangkok 10120 Telephone +66 2672 1000 Facsimile +66 2286 4472-3 www.assetfund.co.th	Fund Management	Ordinary	10,000,000	9,999,998	99.99%
2. Asia Plus Advisory Company Limited 11 <sup>th</sup> Fl., Sathorn City Tower, 175 South Sathorn Rd., Khet Sathorn, Bangkok 10120 Telephone +66 2680 4000 Facsimile +66 2670 9291 www.asiaplus.co.th	Financial Advisory	Ordinary	3,000,000	2,999,997	99.99%
<b>Other</b>					
Bangkok SMBC Consulting Company Limited 10 <sup>th</sup> Floor, Q.House Lumpini Building, 1 South Sathorn Road, Khet Sathorn, Bangkok 10120 Telephone +66 2677 7270-5 Facsimile +66 2677 7279	Service Consulting	Ordinary	20,000	2,000	10.00%

# SHAREHOLDERS STRUCTURE

List of 10 major shareholders as of most recent book closing date, March 12, 2014.

	Name	No.of shares	% of paid-up capital
1.	Mr. Chattri Sophonpanich's family and associated companies <sup>1/</sup>	285,390,515	13.55
2.	Bangkok Bank Public Company Limited	178,099,980	8.46
3.	Thai NVDR Company Limited	113,394,125	5.39
4.	Mr. Songsak Jitjuajun	90,983,100	4.32
5.	Mr. Kongkiat Opaswongkarn's family <sup>2/</sup>	73,642,021	3.50
6.	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND	65,971,000	3.13
7.	Mr. Somsak Laoworawit	46,900,300	2.23
8.	Mr. Santi Kovitchindachai	41,006,000	1.95
9.	STATE STREET BANK EUROPE LIMITED	16,969,100	0.80
10.	Mr. Pornchai Laosetthanun	14,323,500	0.68
11.	Others	1,178,976,403	55.99
	Total	2,105,656,044	100.00

Notes : The Company's paid up capital as of March 12, 2014 was Baht 2,105,656,044 (Par value Baht 1.00 / share)

<sup>1/</sup>  
consisting of Mr.Chattri Sophonpanich (holding 4.58%) Mrs.Siriya Sophonpanich (holding 1.26%) Mr.Chali Sophonpanich (holding 0.40%) Mr.Chartsiri Sophonpanich (holding 0.12%) Mrs.Savitree Ramyarupa (holding 0.11%) Mrs.Nintira Sophonpanich (holding 0.04%) Mr.Noppadol Ramyarup (holding 0.02%) Mrs.Suchada Leesawadtrakul (holding 1.22%) Miss Siriporn Sophonpanich (holding 0.05%) Mr. Chanond Sophonpanich (holding 0.06%) Miss Chavisa Ramyarupa (holding 0.05%) Mr.Ched Ramyarupa (holding 0.05%) Asia Sermkij Company Limited (holding 5.35%) Jatubhut Holding Company Limited (holding 0.02%) Rabin Holding Company Limited (holding 0.23%) Asia Industrial Park Company Limited (holding 0.01%) by which two representatives are director of the company, namely Mr. Chali Sophonpanich, Chairman of the Board of Directors and Mrs.Nintira Sophonpanich, Director.

<sup>2/</sup>  
consisting of Mr.Kongkiat Opaswongkarn (holding 2.88%) Mrs.Thitima Opaswongkarn (holding 0.62%), by which one representative, Mr.Kongkiat Opaswongkarn is the Chief Executive Officer of the Company.

# DIVIDEND PAYMENT POLICY

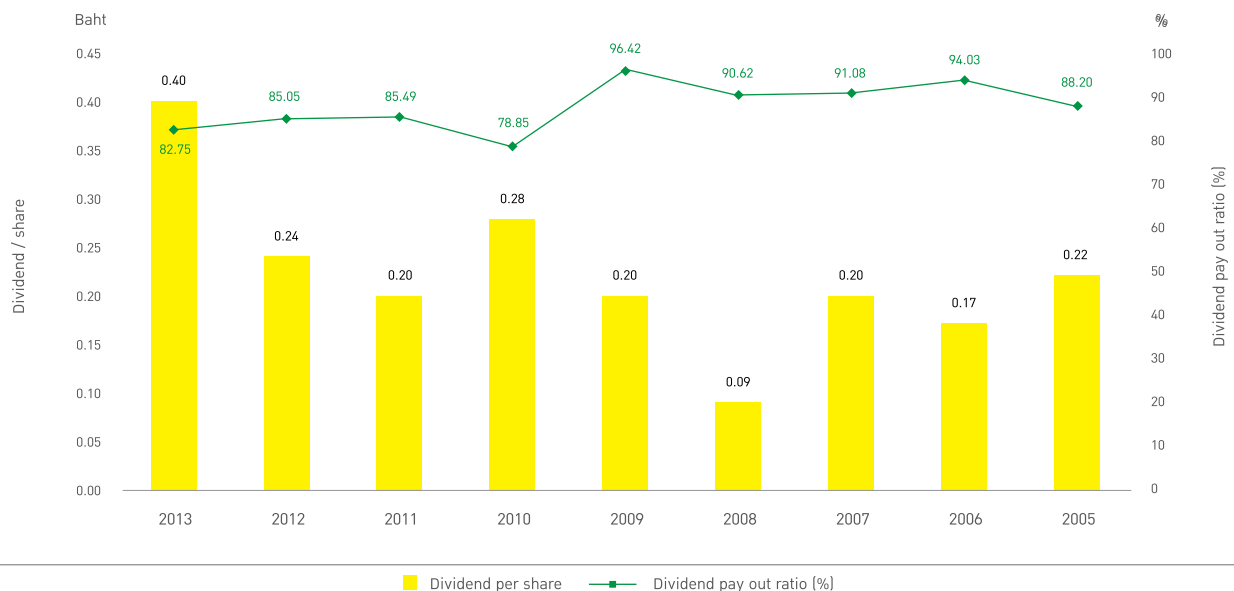
## The Company's dividend payment policy

The Company's dividend payment policy dictates that the dividend being paid to shareholders must not be less than 75% of annual net profit, except cases where the company needs to retain that profit for its business expansion or other important business activities.

The Company's profit from operation in 2013 equated to Bt1,017,784,918. The Board of Directors resolved to propose to the Annual General Meeting of Shareholders No. 20 which will be held on the 28th of April 2014 to approve to pay the dividend from 2013 operating results to the shareholders at the rate of Bt0.40 per share totaling Bt842,262,417 equal to 82.75 percent of the annual net profit.

The interim dividend was made on the 17<sup>th</sup> of September 2013 at the rate of Bt0.20 per share, totaling Bt421,131,208. The final dividend of Bt0.20 per share, totaling Bt421,131,208 shall be made on the 12<sup>th</sup> of May 2014 after obtaining approval from the Annual General Meeting of Shareholder No.20.

## Historical dividend payment from 2005 to 2013

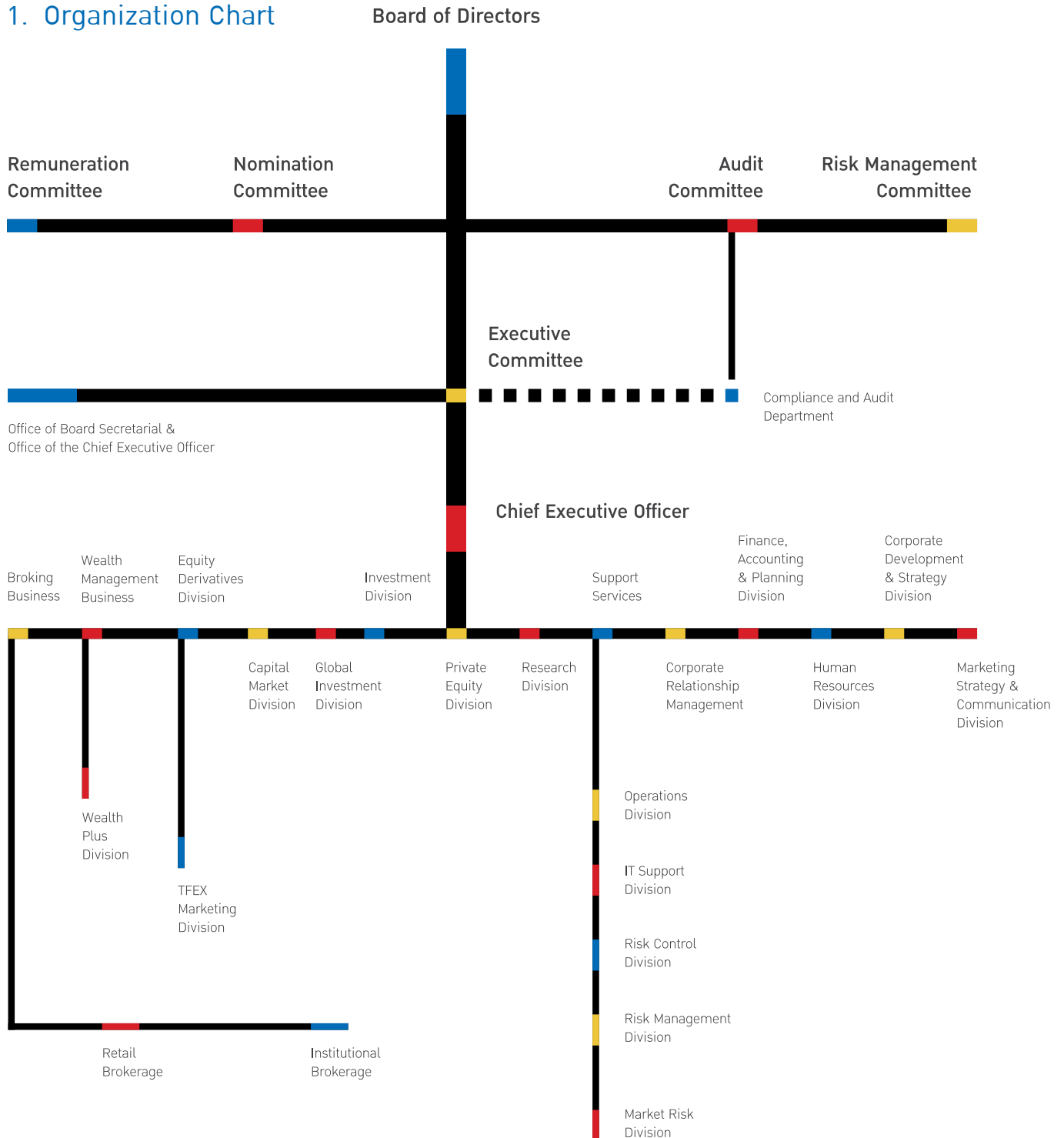


## The Subsidiaries' dividend payment policies

The Subsidiaries' dividend payment policies are the same as the Company by which the dividend paid to shareholders must not be less than 75% of the net profit, except for cases where the company needs to retain that profit for future business expansion or other new business activities.

# MANAGEMENT STRUCTURE

## 1. Organization Chart





## 2. Board of directors

As at 31 December 2013 the company has 9 directors comprising a mix of directors representing major shareholders, executive directors and independent directors. Out of total 9 directors, there are 4 independent directors who neither being representative of major shareholders nor executive.

List of members of the Board of Directors is given below:

1. Mr. Chali Sophonpanich	Chairman of the Board of Directors
2. Mr. Kongkiat Opaswongkam	Chief Executive Officer
3. Mr. Virach Aphimeteetamrong	Independent Director Chairman of the Audit Committee
4. Mr. Michael David Roberts	Independent Director
5. Mr. Sopon Punyaratabandhu	Independent Director, Member of the Audit Committee
6. Mr. Satit Chanjavanakul	Independent Director, Member of the Audit Committee
7. Mrs. Nintira Sophonpanich	Director
8. Mr. Patchara Surajaras	Executive Director
9. Mr. Jirawat Lewprasert	Executive Director

Mrs. Choomsai Tantisawetrat, Executive Vice President of the Office of Board Secretarial, is the Company Secretary.

Directors who are representatives of major shareholders comprise of

- Mr. Chali Sophonpanich and Mrs. Nintira Sophonpanich represent Asia Sermkij Company Limited.
- Mr. Kongkiat Opaswongkam

### Authorized Directors

The name and number of Directors empowered to sign on behalf of the company are: the joint signatures of any two of the following four Directors with the Company's seal affixed, namely: Mr. Chali Sophonpanich, Mr. Kongkiat Opaswongkam, Mr. Patchara Surajaras, and Mr. Jirawat Lewprasert.

### The Scope and Responsibilities of the Board of Directors

1. To set the Company policies and to clearly identify the Company strategy, objective and business plans;
2. To supervise the Management such that the Management will effectively and efficiently proceed along the stipulated policies;
3. To oversee and ensure that the Company maintain an appropriate and efficient internal control and risk management system;
4. To approve matters deemed over and above responsibility of Executive Committee;
5. To consider and acknowledge conflicts of interest and related transactions with emphasis on following the Stock Exchange of Thailand guidelines;
6. To oversee and manage the Company in compliance with the laws, the Company's objects, the Company Articles of Association and the shareholders' resolutions.

In 2013, the record of directors' attendance in the Board of Director's Meeting and the other sub-committee meetings are available under "Corporate Governance" in page no 71.

### 3. The Executives

The Company's executives (according to the definition of the Notification in the Securities and Exchange Commission No.KorChor.17/2551) as at December 31, 2013 are as below.

- |                                 |                         |
|---------------------------------|-------------------------|
| 1. Mr. Kongkiat Opaswongkarn    | Chief Executive Officer |
| 2. Mr. Chali Sophonpanich       | Executive Director      |
| 3. Mr. Patchara Surajaras       | Executive Director      |
| 4. Mr. Jirawat Lewprasert       | Executive Director      |
| 5. Ms. Naruemol Art-amnuayvipas | Managing Director       |
| 6. Mr. Pithayain Assavanig      | Chief Finance Officer   |

### 4. The Company secretary

The Board of Directors has appointed Mrs. Choomsai Tantisawetrat, Executive Vice President of the Office of Board Secretarial, as the Company Secretary. She has all the qualifications with long experiences in the secretary field. The scope and responsibilities of the Company Secretary are as follows.

1. To arrange Shareholders' meetings and Board of Directors' meetings and ensure their compliance with applicable laws, the Company's regulations, and other relevant codes of conduct.
2. To prepare and keep a register of directors, notices calling for the Directors' meetings and minutes of the Directors' meetings, notices calling for the Shareholders' meetings and minutes of the Shareholders' meetings, as well as the Company's annual reports.
3. To keep reports on interest reported by the directors or the executives and submit a copy of the reports on interest in compliance with the laws.
4. To give advices and report to the directors on their scope and responsibilities in compliance with the laws and regulations of the Company's regulatory entities.
5. To be responsible for and prepare reports to disclose significant information and information obliged to be disclosed by the Company's regulatory entities.

### 5. The Remuneration of Directors and Executives

#### (1) Remuneration in cash

##### (A) Directors

- A sum of Baht 5,090,000 was paid to 9 company's directors in form of director fees and bonus. However, directors who are employee of the company shall be entitled only to director fees.
- The secretary to the Board of Directors received remuneration of Baht 90,000.
- A sum of Baht 680,000 was paid to 3 members of the Audit Committee in form of Audit Committee fees in 2013.
- A sum of Baht 500,000 was paid to 4 members of the Risk Management Committee in form of the Risk Management Committee fee in 2013.

Total remuneration paid to directors in 2013 was Bt6,360,000 with the following details:

Name	Position	Director fees			Director Bonus
		Board of Director	Audit Committee	Risk Management Committee	
Director					
Mr. Chali Sophonpanich	Chairman of the Board of Directors / Nomination Committee Member / Executive Director	360,000	-	-	-
Mr. Kongkiat Opaswongkarn	Chief Executive Officer / Nomination Committee Member	180,000	-	-	-
Mr. Michael David Roberts	Independent director / Remuneration Committee Member / Risk Management Committee Member	660,000	-	125,000	600,000
Mr. Virach Aphimeteetamrong	Independent director / Chairman of the Audit Committee / Nomination Committee Member / Risk Management Committee Member	300,000	280,000	125,000	650,000
Mr. Sopon Punyaratabundhu	Independent director / Audit Committee Member / Remuneration Committee Member / Nomination Committee Member / Chairman of the Risk Management Committee	300,000	200,000	125,000	600,000
Mr. Satit Chanjavanakul	Independent director / Audit Committee Member / Chairman of the Nomination Committee / Risk Management Committee Member	300,000	200,000	125,000	600,000
Mrs. Nintira Sophonpanich	Director / Advisor to the Executive Committee	180,000	-	-	-
Mr. Patchara Surajaras	Executive Director / Risk Management Committee Member	180,000	-	-	-
Mr. Jirawat Lewprasert	Executive Director	180,000	-	-	-
		2,640,000	680,000	500,000	2,450,000
Mrs. Choomsai Tantisawetrat	The Company Secretary	90,000			

(B) Executive Directors and Executives

Remuneration of 4 executive directors and 1 executive (According to the definition in the notification of the Capital Market Supervisory Board) of year 2013 in form of salary, bonus, provident fund and social security fund contributed by company was total Bt198,377,540.01.

(2) Other Remuneration - None -

# CORPORATE GOVERNANCE

## 1 Board of Directors' policy on corporate governance

The Board of Directors realizes the significance of good corporate governance which constitutes a foundation for a policy formulated to oversee the Company's operations. This policy encompasses the impartial treatment among shareholders and stakeholders; the role, responsibility, and independence of directors; information disclosure and transparency; internal controls and internal audits; risk management; business ethics; and policy compliance for the Board, the Management, and all employees. The policy on good corporate governance has been commenced as follows:

1. The Board must treat and communicate with shareholders on an equitable basis.
2. The Board must be mindful of the rights of all stakeholders and strives to promote a good understanding of and cooperation with the Company.
3. The Board conducts their duties with due regard for the best interests of the Company and shareholders. The Board also establishes a structure and procedure to clearly define and separate the role and responsibilities for the Board from those of shareholders and the Management.
4. The Board takes due care to ensure that the Management discloses Company reports and information which are accurate, timely, transparent and in conformance with the applicable laws and regulations.
5. The Board is responsible for establishing a structure to evaluate the performance of the Management with reference to management policy and effectiveness of the internal control system.
6. The Board establishes a Code of Business Conduct to provide guidelines for the Management and employees in running the Company's business in conformance with relevant laws as well as the highest standards of business ethics and generally accepted practices for the securities business.



## 2

## The Committee

The Board has set up various committees which are the Executive Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Management Committee, the Investment Committee, the Credit Committee, and the Equity Derivatives Committee to alleviate the burden of the Board in studying the details of each business and to perform their duties as clearly set forth. The Audit Committee and the Remuneration Committee comprise independent directors so they can perform their duties independently. Details concerning these committees are available as below:

### The Executive Committee

The Board of Directors appoints members of the Executive Committee. As at 31 December 2013, the Executive Committee is composed of 4 directors, namely

- |    |                           |                         |
|----|---------------------------|-------------------------|
| 1. | Mr. Kongkiat Opaswongkarn | Chief Executive Officer |
| 2. | Mr. Chali Sophonpanich    | Executive Director      |
| 3. | Mr. Patchara Surajaras    | Executive Director      |
| 4. | Mr. Jirawat Lewprasert    | Executive Director      |

#### Advisor to the Executive Committee

Mrs. Nintira Sophonpanich

#### The Scope and Responsibilities of the Executive Committee

1. Oversee the business operation of Company as directed by the Board of Directors;
2. Propose operation policies, operation plans, guidelines and budget for operating the business of the Company to the Board of Directors for approval;
3. Approve the expense larger than the Executive Directors, which must not exceed Bt30 million. The excess shall be proposed to the Board of Directors for approval;
4. Approve any activities concerning securities business within the scope assigned by the Board of Directors;
5. Appoint the authorized person to sign on Company's cheque or other payment documents, as well as documents concerning securities, bond, convertible bond, warrant, mutual fund, contract, and accounting, financial, and other general documents;
6. Distribute remuneration or compensation, which had been approved by the Board of Directors, to the employee or other persons who work for the Company;

7. Approve the appointment, transfer, or termination of the management level officer.

### The Audit Committee

The Audit Committee comprises 3 independent non-executive directors with possess full qualifications of Audit Committee as stated in the Notification of the Securities and Exchange Commission or Capital Market Supervisory Board or the Stock Exchange of Thailand. Each member of the Committee has a 3-year term. Following are the list of Audit Committee in 2013.

- |    |                             |                                 |
|----|-----------------------------|---------------------------------|
| 1. | Mr. Virach Aphimeteetamrong | Chairman of the Audit Committee |
| 2. | Mr. Sopon Punyaratabandhu   | Member of the Audit Committee   |
| 3. | Mr. Satit Chanjavanakul     | Member of the Audit Committee   |

Mr. Chirasak Ongpaibool, Senior Vice President of the Compliance and Audit Department, is secretary of the Committee

The area of responsibility and duties of the Audit Committee and its accountability to the Board of Directors of the Company are as under;

1. Review the interim and annual financial statements whether they present fairly, in all material aspects, the financial position and the results of operations in compliance with generally accepted accounting principles;
2. Review the disclosure of related party transactions, or transactions that may lead to matters of conflicting interest to comply with laws and regulations;
3. Review the adequacy of the internal control systems and effectiveness of the internal audit function;
4. Consider the independence of Internal Audit Department and give consent on the appointment, replacement, or dismissal of the head of Internal Audit Department or other departments responsible for such function;
5. Review the scope and performance of external auditors. Ensure that they are independent. Recommend the appointment of external auditors including auditing fee to the Board of Directors;
6. Review whether internal control recommendations, as made by the internal and external auditors, have been implemented by management;



7. Ensure that the Company maintains appropriate procedures to monitor the compliance with laws and regulations;
8. Review and assess the adequacy of risk management procedures and computer security system;
9. Report significant issues to the Board of Directors;
10. Publish the Audit Committee's report, signed by the Audit Committee's Chairman, in the Company's annual report;
11. Review the audit committee's charter to comply with regulatory requirements concerned and good corporate governance, and propose such to the Board of Directors for approval;
12. Report, without delay, any director's or management's misconduct identified by the external auditors and result of the Audit Committee's investigation to the SEC and the external auditors;
13. Carry out any other assignments requested by the Board of Directors and regulators.

The Audit Committee officially met 8 times during 2013 to consider and acknowledge the plans and operation results of the Compliance and Audit Department, and Risk Management Department. The meeting also discussed the changes in regulatory requirements, results of examination made by the regulatory agencies and summarized significant issues reported to the Board of Directors. This includes 1 meeting with the external auditors in absence of the management.

### The Remuneration Committee

As at 31 December 2013 the Remuneration Committee consists of 2 members;

1. Mr. Michael David Roberts
2. Mr. Sopon Punyaratabandhu

In 2013, the Committee had 2 times engaged in considering the remuneration of Directors, Executives, salary income and annual bonus of employees.

### The Nomination Committee

The Board of Directors has appointed the Nomination Committee which comprises 5 members, 3 of which are independent non-executive directors and the other 2 are the executive directors. Each member of the Committee has a 3-year term. Following are the list of the Nomination Committee in 2013.

- |                            |                                      |
|----------------------------|--------------------------------------|
| 1. Mr. Satit Chanjavanakul | Chairman of the Nomination Committee |
| 2. Mr. Chali Sophonpanich  | Member of the Nomination Committee   |

- |                                |                                    |
|--------------------------------|------------------------------------|
| 3. Mr. Kongkiat Opaswongkarn   | Member of the Nomination Committee |
| 4. Mr. Virach Aphimeteetamrong | Member of the Nomination Committee |
| 5. Mr. Sopon Punyaratabandhu   | Member of the Nomination Committee |

### The Scope and Responsibilities of the Nomination Committee

1. To set up selection criteria and appointment procedures for Board members;
2. To determine qualification of directorial candidates as well as select and nominate the qualified candidates for the Board's consideration, whether for new directors or re-appointment of existing directors;
3. To select and propose qualified candidates to be nominated as independent directors based on the criteria for independent directors as prescribed by the Company to the Board;
4. To consider and review in qualifications and performance of directors who retire by rotation and recommend to the Shareholders' Meeting on re-election of the directors retiring by rotation;
5. The Nomination Committee may seek expert advice on certain matters to enable them to fulfill their duties more efficiently;
6. To report on their performance of duties to the Board of Directors.

### The Risk Management Committee

The Risk Management Committee comprises 5 members, 4 of which are independent non-executive directors. Each member of the Committee has a 3-year term. Following are the list of the Risk Management Committee in 2013.

- |                                |   |
|--------------------------------|---|
| 1. Mr. Sopon Punyaratabandhu   | Chairman of the Risk Management Committee |
| 2. Mr. Virach Aphimeteetamrong | Member of the Risk Management Committee   |
| 3. Mr. Satit Chanjavanakul     | Member of the Risk Management Committee   |
| 4. Mr. Michael David Roberts   | Member of the Risk Management Committee   |
| 5. Mr. Patchara Surajaras      | Member of the Risk Management Committee   |

Mr. Natachai Boonyaprapatsara, Senior Vice President of the Market Risk Division, is secretary of the Committee

#### The Scope and Responsibilities of the Risk Management Committee

1. Oversight of the Company's risk governance structure;
2. Oversight of the Company's risk management framework and ensuring appropriate policies and practices in place to manage significant credit, market, operational, and certain other risks;
3. Reviewing the Company's risk limits and risk reports including Risk Appetite and make recommendations to the Board of Directors;
4. Ensuring the adequacy of the Company's capital, liquidity and funding for business operation;
5. Reviewing the performance of the Company's Chief Risk Officer (CRO).

#### Sub-committee

##### 1. Investment Committee

The Board of Directors appoints member of the Investment Committee. As at 31 December 2013 the Investment Committee comprises 4 members, namely

##### Chairman of the Committee

1. Mr. Kongkiat Opaswongkarn Chief Executive Officer

##### Member of the Committee

- |                            |                         |
|----------------------------|-------------------------|
| 2. Mr. Patchara Surajaras  | Executive Director      |
| 3. Mr. Jirawat Lewprasert  | Executive Director      |
| 4. Mr. Pithayain Assavanig | Chief Financial Officer |

##### Advisor to the Investment Committee

Mrs. Nintira Sophonpanich

Miss Jarunee Chansawang, Vice President of Investment Department, is Secretary to the Committee

#### The Scope and Responsibilities of the Investment Committee

1. To determine the Company's investment policy;
2. To monitor and ensure that the Company's investment portfolios comply with the prescribed policy;
3. To establish conditions and procedures governing the Company's investment;
4. To determine that proper risk control measures for the Company's portfolio investment are in place;
5. To determine and approve any investment, as proposed by the Investment Department, that does not comply with the investment policy.

##### 2. Equity Derivatives Committee

The Board of Directors appoints member of the Equity Derivatives Committee. As at 31 December 2013 the Equity Derivatives Committee comprises 6 members, namely

##### Chairman of the Committee

1. Mr. Kongkiat Opaswongkarn Chief Executive Officer

##### Member of the Committee

- |                                  |   |
|----------------------------------|---|
| 2. Mr. Patchara Surajaras        | Executive Director                                |
| 3. Mr. Jirawat Lewprasert        | Executive Director                                |
| 4. Ms. Naruemon Artamnuyvipas    | Managing Director                                 |
| 5. Mr. Pithayain Assavanig       | Chief Financial Officer                           |
| 6. Mr. Natachai Boonyaprapatsara | Senior Vice President of the Market Risk Division |

##### Advisor to the Committee

Mrs. Nintira Sophonpanich

Miss Yanissa Chunhaploy, Vice President of Equity Derivatives Department, is Secretary to the Committee

#### The Scope and Responsibilities of the Equity Derivatives Committee

1. Establish business operation principles in Equity Derivatives Business.
2. Control and provide guidelines in marketing and product according to business operation principles.
3. Consider approaches to risk control in equity derivatives business operations as well as improve the operations to suit various conditions.
4. Give consent equity derivatives business operations including sales and purchases to prevent risks.
5. Approve and provide feedback in entering into derivatives contracts that do not pass preliminary rules of risk control measures under the Committee's resolution. If the Sub-committee gives consent, it must report to the Board of Directors in the subsequent meeting or the Sub-committee may propose to the Board of Directors for approval as appropriate.
6. Approve the set-up of risk control system or information procurement system for business operations.
7. Approve measure of prevention in market risk, credit risk, operational risk, and other relevant areas

- including information leakage prevention system.
8. Provide feedback in annual business plans and budgets.
  9. Approve other special agenda related to the operations of equity derivatives business.

### 3. Credit Committee

The Executive Committee set up the Credit Committee comprising of Executives in the following division: Marketing, Research, Risk Control, Risk Management and Operations. As at 31 December 2013, the Credit Committee comprises 13 members, namely

#### Chairman of the Committee

1. Mr. Patchara Surajaras Executive Director

#### Member of the Committee

2. Mr. Jirawat Lewprasert Executive Director
3. Mrs. Pannipa Gulyanon Senior Executive Vice President,  
Operation Division
4. Mrs. Poranee Tongyen Executive Vice President,  
Research Division
5. Mrs. Vimol Chayaphunta Executive Vice President,  
Marketing Division 1
6. Mrs. Pimsucha Lertprapotekul Executive Vice President,  
Risk Control Division
7. Mrs. Jeeraphat Pimantip Executive Vice President,  
Wealth Plus Division
8. Mrs. Manee Sirinapapen Executive Vice President,  
Retail Brokerage Business
9. Mr. Chakkit Yantadilok Senior Vice President,  
Marketing Division 9
10. Mr. Kittit Choongphong Senior Vice President,  
Marketing Division 3
11. Miss Achara Suwanpuchai Senior Vice President,  
Risk Management Division
12. Miss Supaporn Amornkantkul Senior Vice President,  
Securities Operations Department

13. Mr. Natachai Boonyaprapatsara Senior Vice President of  
the Market Risk Division

Miss Yada Atsongkram First Vice President of Risk Management Division, is Secretary to the Credit Committee.

#### The scope and Responsibilities of the Credit Committee

1. To approve credit limits for securities trading in compliance with its authorization;
2. To review and approve credit line of all types of customer account;
3. To review and approve a list of securities, number of shares and margin rates that allow to buy or short selling in margin account;
4. To consider the interest rate for customers' deposited money and for lending money to customer of all types of accounts related to broking business;
5. To consider and specify the conditions and procedures for the new business activities;
6. To monitor operational problems and determine practices and guidelines including related regulations;
7. To acknowledge losses from trading transaction error.

### 4. IT Steering Committee

The IT Steering Committee consists of 9 members, namely

#### Chairman of the Committee

1. Mr. Patchara Surajaras Executive Director

#### Member of the Committee

2. Mr. Jirawat Lewprasert Executive Director
3. Mrs. Pannipa Gulyanon Senior Executive Vice President,  
Operation Division
4. Mr. Worawut Suvaphantvatana Executive Vice President,  
IT Support Division
5. Mrs. Jeeraphat Pimantip Executive Vice President,  
Wealth Plus Division
6. Mrs. Manee Sirinapapen Executive Vice President,  
Retail Brokerage Business



- |    |                            |  |
|----|----------------------------|--|
| 7. | Miss Achara<br>Suwanpuchai | Senior Vice President,<br>Risk Management<br>Division        |
| 8. | Mr. Chirasak Ongpaibool    | Senior Vice President,<br>Compliance and Audit<br>Department |

Mr. Somchai Sakwakin Assistant Vice President,  
Compliance and Audit Department is Secretary to this  
Committee

#### The scope and Responsibilities of the IT Steering Committee

1. To set the Company's Information Security Policy.
2. Consider and give consent on regulations and guidelines of the Company's information security.

### 3

## Procedure for nomination of directors and highest-level executives

In nomination of directors and the highest-level executive who is Chief Executive Officer, the Nomination Committee, which consists of three independent members out of five members, is responsible for considering, selecting, and screening individuals with appropriate qualifications according to the Company's rules, the regulations of the Securities and Exchange Commission, Capital Market Supervisory Board, and the Stock Exchange of Thailand. Once the selection process is complete, the Board of Directors will consider the approval or give consent and proceed to present to the shareholders' meeting for approval of appointment based on regulations and procedures as follows:

### The qualifications of directors

#### Independent Director

1. Holding shares not exceeding 0.5 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate major shareholder or controlling person which may have conflicts of interest. This also includes number of shares held by related persons of the independent director;
2. Neither being nor having been an executive director, employee, staff, or advisor who receives fixed salary, or a controlling person of the company, its parent company, subsidiary, affiliate, major shareholder or of a controlling person of the company unless the foregoing status has ended no less than two years. Such prohibited characteristic is not including the case that the independent directors having been a civil servant or adviser to government agency who holds a significant stake or is a controlling person of the company;

3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons of the company, or persons to be nominated as executive or controlling persons of the company or its subsidiary;
4. Not having nor ever having a business relationship with the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder or controlling person of any person having business relationship with the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company unless the foregoing relationship has ended not less than two years;
5. Neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, and not being a major shareholder, controlling person or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company unless the foregoing relationship has ended not less than two years;
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding Baht two million from the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, and neither being nor having been a major shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than two years;



7. Not being a director who has been appointed as a representative of the company's director, major shareholder, or shareholders who are related to the company's major shareholder;
8. Not operating any business that has the same characteristics or competition with business of the company or the company's subsidiary. And, not being a partner who has a say in any form of partnership, an executive director, an employee, a staff or an advisor who receives fixed salary, or holding shares more than one percent of the total number of voting rights in any other company that has the same characteristics or competition with business of the company or the company's subsidiary;
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the company's business affairs.

#### The Company Director

1. Must not be a person with prohibited qualifications as stated in Securities and Exchange Act, Public Company Limited Act, Agricultural Futures Trading Act and others concerned Act.
2. Must not be a person with prohibited qualifications as stated in the notification or rules and regulations of the Securities and Exchange Commission or Capital Market Supervisory Board or the Stock Exchange of Thailand or the Agricultural Futures Trading Commission or the Agricultural Futures Exchange of Thailand.
3. Having the qualifications according to the Company's rules and regulations and the Company's independent director qualifications.
4. Having suitable knowledge, abilities, skill, expertise and experience to help manage the Company's business.

#### Highest-level Executive Position

The highest-level executive position should be a person who has suitable knowledge, abilities, skill, expertise and experience to help manage the Company's business.

#### Election of directors

1. A shareholder shall have one vote for each share held;
2. In selecting the directors, the voting therefore may be for each of the candidates at a time or for all the candidates forming a group at a time or by any other means as may be deemed appropriate by the meeting of shareholders. But in the voting process, each shareholder shall be entitled to the manner of voting prescribed under 1. above but may not distribute the vote for any particular candidate or for the candidates forming the group;
3. Candidates shall be decided on the basis of the majority of the votes case. In case of a tie of votes, the chairman presiding over the meeting shall have the casting vote.

### Nomination of new director

1. In case of vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the Board of Directors shall elect a person who has qualifications and who possesses no prohibit attributes pursuant to the relevant provisions of the Public Limited Companies Act as the replacement director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months.

The replacement director shall hold office for the remaining term of office of the director whom he or she replaces. The resolution of the Board of Directors in electing replacement Director shall be by a vote of not less than three quarters of the number of director remaining.

2. In case the whole Board of Directors vacates office, the terminated Board of Directors shall remain in office to conduct the business of the company as necessary until the new Board of Directors takes office, unless the court order state otherwise.

In case of termination by court's order, the terminated Board of Directors shall call a shareholder meeting to

elect a new Board of Directors within one month of its date of termination by serving written notice calling a shareholder meeting not less than fourteen days prior to the date of the meeting.

3. In case of vacancies in the Board of Directors resulting in the number of directors being less than the number required for a quorum, the remaining directors may perform any act in the name of the Board of Directors only in matters relating to the calling of a shareholder meeting to elect directors to replace all the vacancies. Such meeting shall be held within one month of the date that the number of directors falls below the number required for a quorum. The replacement directors shall retain office only for the remaining terms of office of the directors whom they replace.

### Executive Committee

The Board of Directors is empowered to select the Executive Director.

### Independent Director

The nomination of Independent Directors is the same as that of the director.

## 4

## Oversight of the operations of subsidiary and affiliated company

The Company has established two subsidiaries in order to operate two types of businesses which are fund management business and financial advisory services. The Company only provides main policies and goals for its subsidiaries which in turn have autonomy in internal management such as marketing and investment strategies. Nevertheless, the Company appointed the representatives to be the directors of the subsidiaries in order to monitor the business performance, to provide useful feedback to the subsidiaries, and to attend the meetings as shareholders. These representatives must be approved by the Company's Board of Directors and are qualified in accordance with securities business executives regulations, conditions, and procedures as regulated by Capital Market Supervisory Board.

The Company has no investment in affiliated company.

As for investments in the two subsidiaries, the Company has mandated representatives as follows:

1. **Asset Plus Fund Management Company Limited** : The Company has appointed two representatives (1) Mrs. Porranee Tongyene, Senior Executive Vice President of Research Division and (2) Mr. Pithayain Assavanig, Chief Financial Officer.
2. **Asia Plus Advisory Company Limited** : The Company has appointed three representatives (1) Mr. Kongkiat Opaswongkarn (2) Mrs. Nintira Sophonpanich (3) Mr. Patchara Surajaras and another Management Officer Mr. Lec Sicoravit who has been transferred to take a position of President in order to oversee the operations of Asia Plus Advisory Company Limited.

## 5 Supervision of use of inside information

With regard to the control of use of inside information based on good corporate governance, the Company has established the written regulations in a form of instructions for all the Management executives and employees to acknowledge and practice. Furthermore, punishment has clearly been determined in case of any violations. Such regulations include the following:

1. Securities trading account opening of employees and accounts related to employees.
2. Approval prior to securities trading and sending trading orders by employees.
3. Securities and futures trading accounts that belong to employees' spouses, minor children and adopted minor children.
4. Regulations for the trading of securities of companies during the making of analysis report in order to make recommendations and disseminate information to investors.
5. Regulations for securities and futures trading conducted by the employees involved in private fund management.
6. Acknowledgement of inside information regarding securities under Watch List and Restricted List.
7. Securities trading of the Company, Committee members, executives, and employees who are involved in the Company's performance.
8. Term of securities held by employees.
9. Oversight and review of employees' securities trading.

Details related to the supervision of inside information use within the Company are seen in "Good Corporate Governance" Section 2 Equal Treatments for Shareholders on Page 61

## 6 Auditor remuneration

### Audit Fee

Asia Plus Securities Public Company Limited and its subsidiaries paid the audit fee of Baht 2,310,000 to EY Office Limited where the company's auditors are working. This amount comprised Baht 1,490,000 for auditing of the company and Baht 820,000 for auditing of subsidiaries.

### Non-audit fee

For this fiscal year, the company and its subsidiaries did not receive other kind of service from EY Office Limited where the auditors are working, and from the persons or the businesses concerned with the auditors and the company where they are working.



## 7

## Good corporate governance

Giving precedence to good corporate governance according to the corporate governance policy made by the Thai Institute of Directors Association and the Stock Exchange of Thailand, the Company has earned a score level "Very Good" since 2009. In 2013, the Company's business operations in accordance with the good corporate governance policy are summarized as follows:

### Section 1 Rights of shareholders

The Board is fully aware of the significance of all basic rights of shareholders, which are the rights to buy new shares, sell or transfer owned shares, the rights in division of profits, the rights to receive sufficient information about the Company's operation, the rights to participate and vote in shareholder meetings to elect or remove directors and to approve the appointment of independent auditors and also extend to voting on matters that affect the Company's business such as the appropriation of dividends, establishment and amendment in Articles of Association and Memorandum of Association, the increase or decrease of the Company's capital and approval of special transactions. The Company will not engage in any actions that may violate or undermine their rights. Furthermore, the Company encourages shareholders to fully exercise their rights and performed in compliance with the good corporate governance principles and guidelines about the rights of shareholders as follows:

- **The Right to attend Shareholder Meeting**

At the 2013 Annual General Meeting of Shareholders which was held on April 29, 2013, the company facilitated and encouraged all shareholders to attend the meeting and exercise their rights, detailed below:

#### Prior to the Meeting Day

1. *The Company ensures that shareholders receive information about the date, time, place, agenda consisting of objectives, rationale, and board's opinions, and the issues to be decided at the meeting prior to the meeting to provide the shareholders enough time to study the agenda items. Shareholders will also be informed of the rules and regulations of voting procedures.* The Company informed shareholders of

information about the shareholders' meeting through the Stock Exchange of Thailand and on the company's website: [www.asiaplus.co.th](http://www.asiaplus.co.th) more than 1 month prior to the Annual General Meeting of Shareholders. The Meeting notice with other supporting documents in Thai and English (For foreigners) were sent to shareholders more than 21 days prior to the Annual General Meeting of Shareholders. Moreover, the meeting notice was published in a Thai newspaper for at least 3 consecutive days and at least 3 days before the meeting date.

2. *The Company will not engage in any actions that may restrict shareholders' access to the Company's information.* The Company does not allow a shareholder who is the Company's executive to unnecessarily add an agenda item without prior notice, especially a significant item from which shareholders need to study any relevant information before making a decision.

#### On the Meeting Day

1. *The Company will facilitate shareholders' participation in shareholder meetings and the exercise of their rights while avoiding any actions that may limit their opportunities to attend the meetings.* Registration for the meeting is arranged 2 hours prior to the commencement of the Annual General Meeting of shareholders and continues through to the end. A barcode system is used in addition to the regular registration to facilitate shareholders who come to the meeting in person but do not brought their barcodes. This system helps facilitate shareholders when attending the meeting.
2. *Directors of the Company realized the importance of attending the shareholder meeting and allocate adequate time for the shareholders to express their opinions and raise questions under each agenda item to which must be thoroughly and completely answered or clarified by the Chairman of a shareholder meeting, all attended directors and executives, and the Company's Auditors.* Moreover, the legal consultant and the representative from legal firm, who came to observe the meeting to ensure its transparency and compliance with the applicable laws and the Company's Articles of Association, took responsibilities in verifying the proxy forms, the forming of a quorum, and the vote counts on each agenda.



#### After the Meeting Day

*The Company submitted the resolutions of the Shareholder's meeting to the Stock Exchange of Thailand within 1 day after the meeting and the Company submitted the Minutes of the 2013 Annual General Meeting of Shareholders to the regulatory agencies within 14 days and also disclosed on the Company website [www.asiaplus.co.th](http://www.asiaplus.co.th) for shareholders to acknowledge. Moreover, the Company recorded the meeting on the video for future use.*

- **The Right to access information on the Company**

The Company updates significant information and information obliged to be disclosed by the Company's regulatory entities to shareholders by posting such information on its website on a regular and consistent basis and also via the SET's communication channel both in Thai and English versions.

- **Communication among the Company's shareholders**

The Company has no policy of preventing shareholders from communicating or coordinating with one another so shareholders can communicate one another freely.

## Section 2

### Equal treatment for shareholders

The Board oversees and ensures the impartiality of treatment and basic rights for all shareholders – major or minor, institutional or individual, or even foreign - in order to build investors' confidence in the Company. Therefore, the Company has formulated guidelines to preserve their rights as follows:

- **Shareholders meeting**

1. **Exercise of voting rights**

In case any shareholders are unable to attend a shareholder meeting, they may authorize other persons as their proxies to attend and vote at the meeting on their behalf. All documents and evidences that the attendant must present before attending the meeting are informed to all shareholders in order to protect their rights to attend the meeting. At the 2013 Annual General Meeting of shareholders, the Company had delegated Mr. Virach Aphimeteetamrong, Chairman of the Audit Committee who is the independent director, to act as their proxy. The Company also encourages shareholders to use a proxy form in which shareholders can specify their voting requirement. The form is enclosed with the

notice of the meeting sent to the shareholders, and it can also be downloaded from the Company's website. In addition, the Company also provided shareholders with the duty stamp to be sealed on the proxy form for their convenience.

The Company used ballots in voting for all the meeting agenda. Moreover, for the agenda of consideration and approval of the election of directors to replace those who retired by rotation, the Company gave the chance to shareholders to elect the directors individually.

Shareholders who arrive after the meeting has commenced are able to vote on the agenda item being considered provided that a resolution is not yet made. They shall constitute part of the quorum starting from the agenda item that they are in attendance and exercise their voting rights unless the meeting states otherwise.

2. **Expression of opinions and suggestions**

The Company treats all major and minor shareholders equitably. Any shareholders may voice their opinions to the meeting for consideration. Therefore, shareholders can express opinions or make recommendations to the Board of Directors or through the Company's website. In the past general shareholder meetings, most participants were minor shareholders who took an interest in keeping track of the Company's operations. They were given opportunities to freely express their opinions, which were found beneficial to the Company.

3. **Proposing the agenda and nominating a qualified candidate for the Company directorship for the 2013 Annual General Meeting of Shareholders**

The Board of Directors has set forth the policy encouraging all shareholders getting the equal and fair treatment by giving the chance for shareholders to propose the meeting agenda prior to the meeting and nominating qualified candidates who would be considered for a position in the Board of Directors in accordance with the Company's principles from October 1, 2013 to December 31, 2013, 3 months prior to the end of the fiscal year. The shareholders who wish to propose the agenda for the Annual General Meeting of Shareholders or nominate a qualified candidate for Company directorship must be the shareholder of the Company which can be either one shareholder or combined shareholders with holding minimum shares

from 5% of total voting rights of the Company and have continuously held those shares for at least 12 months by the date the shareholder proposes the agenda or director nominee. The Company's principles have been disclosed through the Company's website [www.asiaplus.co.th](http://www.asiaplus.co.th) and the Stock Exchange of Thailand. The shareholders who want to propose agenda for the annual general meeting of shareholders or nominate a qualified candidate for Company directorship can send the proposal and other required documents to the Office of Board of Secretariat & Office of the Chief Executive Officer unofficially through the e-mail [public\\_relations@asiaplus.co.th](mailto:public_relations@asiaplus.co.th) or fax no. +66 2285 1905 before sending the original proposal and other support documents to the Company within December 31, 2013. However, there were neither proposals on the meeting agenda nor any nominations for the director of the Company.

- **Preventive measures for misuse of inside information for own interest and measures for conflicts of interest**

The Company has established a policy to prevent executives from utilizing the Company's inside information for their own interests, both directly and indirectly. The Company has set regulations for transactions from which potential conflicts of interest may arise as follows:

1. The Board of Directors has approved the procedures of the related transactions between Company or subsidiaries to the directors or executives or related persons of the Company and subsidiaries for regular transactions or those supporting the regular transactions that fall under the general trade conditions. The prices and conditions are identical to those applicable to transactions executed with external parties. For other transactions, the procedures are in accordance with the regulations enforced by the Stock Exchange of Thailand and the Capital Market Supervisory Board. Moreover, the Audit Committee will review the rationale and necessity of the transactions on a quarterly basis. Details and values for each transaction are disclosed under "Related Transactions" and the Form 56-1.
2. The Company specifies that directors and executives including their spouses and minor children must report any changes in their securities holdings to the Office of the Securities and Exchange Commission (SEC) in accordance with Section 59 and Section 257 of the Securities Exchange Act B.E. 2535.

3. Criteria were set out to prevent utilization of non-disclosed information among the Company's differing business lines including marketing, wealth plus, investment banking, research, and investment. Through such measures, their scope of duties, lines of command and office space are clearly separated from one another.
4. The Company determines regulations and practices for the securities trading of the directors, executives, and employees in a written form, recently revised and effective since April 1, 2013. Such regulations and practices are officially announced to and therefore implemented by all employees, executives, and directors within the organization. This is to prevent any misuse of inside information and potential conflicts of interest. The main content encompasses the following:
  - The Company has a policy allowing the employees to trade securities or futures on the condition that the employees must open a trading account with the Company only and specify the account as "employee's account." To send trading orders, the employees are only allowed to do so with the officers appointed by the Company who are responsible for employees' accounts only. In addition, the appointed officers must report a trading transaction to the supervisors for approval within one working day. A time period for holding the securities is set for one day before it can be sold.
  - In case that the employees open private fund accounts with the Company, the employees must not give trading orders to the private fund managers but allow the managers the decision making power under the set investment framework. The contract must also be clearly specified as employee's account.
  - "Employee's account" encompasses spouses, minor children and adopted minor children.
  - The directors, executives and related entities are forbidden to purchase securities issued by the Company. This is to prevent any conflicts of interest and to demonstrate impartiality for the general public.
  - The employees and other persons who are related to the Company's operations that involve inside information on the securities under Watch List and Restricted List are forbidden to buy, sell, or transfer those securities, as stated and regulated in the prevention policy of insider trading.

- The Company's executives and employees who are involved in accounting information and financial statements that have not been publicly disclosed must not trade the Company's securities two weeks prior to the end of accounting period until the day of public disclosure. The Board of Directors' must not trade the Company's securities since the receipt of the Board of Directors' meeting documents on quarterly financial statements until the day of public disclosure.

The Compliance and Audit Department is responsible for ensuring compliance with the aforementioned regulations. Any non-compliance or misuse of inside information for own interests will be determined the penalties as the company's regulation which include written warnings, probation.

5. The Company has set out guidelines for the Company's directors and executives in disclosing the report on the interest of directors, the executives and the related person to the company. This information is used for the monitoring of the directors and executives' performance whether they have performed their fiduciary duties with careful consideration and integrity. In addition, there should be no transactions that may cause potential conflict of interest ascending to any transfer of benefits between the Company and its subsidiaries. However, the directors and executives of whom interests may coincide with the Company's transactions will not take part in any suggestions or decision-making process.
6. The Company has a clear and transparent shareholding structure and has no cross holdings by the major shareholders. Thus, there will be no conflicts of interest. The shareholding structure can be publicly viewed on the Company's website including the Company's annual report titled "Shareholders".

### Section 3 Roles of stakeholders

The Company realizes that its success and sustainability rest on a good relationship between the Company and all stakeholders including employees, counter – parties, creditors, customers, competitors, society, the public sector, and shareholders. Therefore, the Company is resolved to promoting mutual benefits and safeguarding the interests of each group of stakeholders fairly in compliance with the provisions of the relevant laws or agreements with the Company. The Company will not engage in any action that violates the rights of stakeholders.

In addition, the Company has expressed its intention in joining Thailand's Private Sector Collective Action Coalition Against Corruption organized by seven leading organizations which are Thai Institute of Directors Association, the Thai Chamber of Commerce, Joint Foreign Chambers of Commerce, Thai Listed Companies Association, The Thai Bankers' Association, Federation of Thai Capital Market, and The Federation of Thai Industries. This is for the purpose of encouraging transparency in business operations in the private sector. This project is supported by the Government and Office of the National Anti-Corruption Commission.

The Company's roles towards each group of stakeholders are as follows:





## Shareholders

One of the Company's ultimate goals is to ensure favorable and sustainable growth and competitiveness, with solid viability and due consideration to both current and future risks to ensure the highest value to our shareholders over the long term. The Company must operate its business with integrity, transparency, impartiality and diligence with the effective internal controls and risk management. The Company will not engage in any actions for personal gain and will exert its best effort in protecting its assets and reputation.

The Company encourages shareholders to exercise their rights, which are fundamental, and act as business owners; to raise concerns or suggestions relating to the Company's business operations; and to access any updated information on the Company via its website on a regular and consistent basis

## Employees

The employees are the resources of the highest value to the Company's progress and success. Consequently, the Company pledges to develop and boost employees' skills, knowledge, and understanding about the Company's diversified products for improving employees' potential so they can provide better services to clients and as a means to promote their career growth. This is one of the Company's business goals. In 2013, the Company provided more than 50 wide-ranging on-site and off-site training courses to employees to enhance their knowledge and develop their capabilities in their work and client service. The training courses were appropriately selected and diversified in alignment with the employees' operations. A teleconference system is also adopted in order to provide trainings, knowledge development, and new product introduction to employees in the head office and 17 branch offices in Bangkok and other provinces simultaneously.

In addition, the Company maintains safe, clean, and conducive working environment, and also promotes the employees' health by providing healthcare, annual physical check up, encouraging every employees to get vaccinated against 2009 H1N1 and arranging health-related training courses.

The Company treats all employees fairly and equally. The Company offers salary and benefits at a rate suitable for employees' qualifications and responsibilities and based on the individual employees' performance as assessed by joint criteria. The Company has also provided welfare packages for the employees such as the establishment of a provident fund, life and health insurance and dental care for employees.

In 2013, the Company has encouraged communication between the highest management executive which is Chief Executive Officer and employees at all levels by arranging for a communication channel via the Intranet system. This is for all the employees to learn about the Company's policies, activities, changes, or important developments undertaken within the organization. Additionally, this is to encourage employees' participation and proximity between management executives and employees. The employees will also receive management viewpoints and perspectives which are useful for their work and lifestyle.

## Customers

The Company is committed to clients by developing quality services and innovations and providing more service channels/options and clarifications on the risks involved in various financial products and services. The Company is also committed to clients' confidentiality and interests with utmost integrity and ethics. The Company maintains a complaint system which focuses on efficiency and justice. In addition, the Company has taken part in dispute settlement through arbitration scheme initiated by the Office of Securities and Exchange Commission.

The company values quality services above price competition. This is evidenced by net brokerage fee rate (excluding company's proprietary trading) at the end of 2013, commission fee stood at 0.1860%, higher than the average of listed securities companies at 0.1500%. The quality services also include development of technology application and new financial instruments that give higher returns on investment than a general deposit interest rate in order to increase alternatives for investors, such as Equity Link Notes and Exchange Traded Fund (ETF), new application development "ASP Smart" for Smart Phone and Tablet for access to real-time trading news and information to support the investment decisions.

In 2013 the Company has provided extensive training courses for customers, such as trading techniques for Derivatives Warrants, Exchange Traded Fund (ETF), Technical Online trading, Financial Statement analysis, Stock Valuation including the programs for stock analysis, etc. Moreover the Company organized an activities giving a chance for our clients – individual, asset fund management companies, institutional investors, and the retail investors to exchange ideas and information with executives of the listed companies which are that was picked by the company's analyst, such as "CEO Forum / Mini CEO Forum" which has been held for 3 times and "Listed Companies Meet Investors" forum that has been held for 8 times.

Added to the training courses and CEO forums are new technologies and workflow system that help to facilitate clients' transactions and supply information, analysis reports, and training videos, both updated and previous, that are posted on the company's website from which customers can download the files.

## Counter – parties and Creditors

The Company complies with all the terms and conditions prescribed in the agreements without any unethical gain or benefit. In 2013, there was no case of non-compliance with the terms and conditions as agreed upon with the counter-parties and creditors.

## Competitors

The Company conducts business within the rules of competition stipulated by the securities industry or the authorities. Emphasis is put on compliance with the criteria on the securities commission rate and remuneration for marketing officers; upholding the standard rules for competitions; not engaging in unethical means of acquiring information; and creating propaganda or unfair accusations to disrepute competitors. During the past year, the Company had no dispute over competition.

## Government Entities

The Company strictly monitors its operations to ensure its compliance with the laws, rules and regulations concerning its operations and to ensure that the Company does not violate those laws, rules and regulations of the supervisory entities. Moreover, the Anti-Money Laundering/Combating the Financing of Terrorism Committee (AML/CFT Committee) of the Company also review and set the policy, giving the guidelines about the automatic filtering rules and process, monitoring the suspected transaction and setting the appropriate penalties

## Community and Environment

The Company has given importance to social responsibility and environmental stewardship by encouraging the employees to reinforce and developing the society including the environment as following:

1. The Company's analysts serve as guest speakers, giving lectures on the capital market at various institutions such as the Stock Exchange of Thailand and universities.
2. The Company's executives serve as committee members at various associations and clubs, providing opinions and assisting in setting up rules and regulations governing the securities business.
3. The Company provides internship opportunities for students every year, allowing them to gain hands-on experience working in different departments.
4. The Company supports the activities dedicated to promoting Thai culture on various occasions such as Songkran festival.
5. The Company donates money and humanitarian aids to the unfortunate, charitable organizations, and those affected by disasters.
6. The company promotes the energy saving campaigns such as switching off the unneeded lights, using environmentally friendly office equipment, recycling, and reducing paper use and trash by adopting an intranet and workflow system for internal communication. At the same time, the company also sends confirmation reports to customers via email, which has received cooperation from 65% of the customers with currently active accounts.
7. The Company holds a painting competition with an objective to revive popularity of art in Thailand and encourage Thai artists, especially the new generation, to become widely known. 2013 is the third year that the competition was held, with 195 paintings of acrylic, oil colors, or mixed media on canvas from artists and students participating a year.

The Company has established channels for raising concerns or receiving complaints from customers through the "Complaint Box" and from employees through their supervisors. Other stakeholders can direct their complaints to the Company's website: [www.asiaplus.co.th](http://www.asiaplus.co.th) or send a letter to the Executive Director of the Company. The complaints will be investigated according to the established procedures and reported to the Board of Directors. All evidence and documents related to the complaints and names of the complainants will be kept confidential.

## Section 4

### Information disclosure and transparency

In 2013, the Company ensured the full disclosure of financial and non-financial information that was accurate, complete, timely, and transparent in accordance with the information disclosure rules and regulations stipulated by the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand. The Company has established a broad spectrum of dissemination channels to ensure easy access to the information including the Stock Exchange of Thailand's communication channels, the Annual Report, and Form 56-1. The information in both Thai and English versions is also available on the Company's website: [www.asiaplus.co.th](http://www.asiaplus.co.th), which is updated on a regular basis. In addition, the Company disclosed the unreviewed quarterly and unaudited annual financial statements beyond The Stock Exchange of Thailand's requirement to speed up financial information availability for investors. There has been no material difference noted between those unreviewed/ unaudited and reviewed/audited reports.

- **Quality of financial statements**

The Board of Directors is all in favor that the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as of December 31, 2013 are accurate and that appropriate accounting principles have been applied with due care and discretion. The financial statements have been prepared in conformity with the Thai Financial Reporting Standards. Also, the Company constituted the Audit Committee whose members possess knowledge, expertise, and experience needed for financial inspections and examinations of the accuracy of the financial reports. This guarantees the report's credibility and true reflection of the Company's operations.

- **Relations with investors**

The Company ensures that the disclosure of information is clear, accurate, transparent, reliable, and straightforward, providing information to all concerned parties in an equitable, complete, and timely manner in line with the principles of good corporate governance.

Chief Executive Officer, President, and Executive Director are authorized to hold press conference or public relation activities to disseminate news or important information of

the Company. However, they may delegate the duties to the relevant executive of each business line.

For greater convenience, investors, shareholders or interested persons can make inquiries or request the financial statements or further information at the e-mail address: [public\\_relations@asiaplus.co.th](mailto:public_relations@asiaplus.co.th) or Company's website : [www.asiaplus.co.th](http://www.asiaplus.co.th) or Call Center. In 2013, the investors, shareholders, or interested persons use these channels to contact or communicate to the Company.

In 2013, the Company presented the financial performance to analysts, investors and the press on a regular basis in a form of meeting activities which were arranged either by the Company or other agencies such as the Stock Exchange of Thailand. This session offered opportunity to analysts, the press, and investors to meet the Company executives and to inquire about the Company's operations and progress as well as educated investors. The activities include The Opportunity Day, Money Expo, SET in the City, CEO Forum, etc. In addition, the Company made regular and timely posting of information, the progress of the Company's operation, and the stock analysis on the Company's website for equal accessibility for all groups of stakeholders.

## Section 5

### Responsibilities of the Board of Directors

- **Structure of the Board**

As of 31 December 2013, the Board of Directors comprised 9 directors including 4 independent directors, 1 non-executive director, and 4 executive directors. The number and composition are determined in proportion to the size and requirements of the Company. The duties and responsibilities of the Board have been clearly defined under "Management Structure".

The number of independent directors must not be less than that advised in best practices issued by the Stock Exchange of Thailand and the Company. They all possess qualifications defined by the Capital Market Supervisory Board, as entailed in the "Procedure for nomination of directors and highest-level executives" in page 55 in which the independent board director must be independent from any influential sources that may compromise their independence and impartiality. Their number must also be sufficient to create a balance of power in the

Board, thereby preventing any director or group of directors from influencing the independent exercise of judgment of the Board and allowing every director to express their opinions freely. The Board appointed Mr. Virach Aphimeteetamrong, an independent director with knowledge and expertise in accounting and finance as the Chairman of the Audit Committee.

The Company also appointed Mrs. Choomsai Tantisawetrat, Executive Vice President of the Office of Board Secretarial Department, as the Company Secretary. She has all the qualifications with long experiences in the secretary field. Responsibilities of the Company Secretary appear under "Management Structure" in page 48.

- **Independence of the Board from the management**

The Chairman of the Board represents the Company's major shareholder having shareholdings of 13.55 percent of the paid-up capital. However, the Chairman of the Board and the Chief Executive Officer are not the same person. The Company has clearly defined the separate roles, authority, and scope of responsibilities of both positions to create a balance of power. The Chairman of the Board is responsible for setting the overall's Company policies whereas the Chief Executive Officer is responsible for leading the management team to achieve the policy implementation.

- **Composition of the Board**

The Board of Directors is composed of persons who have diverse knowledge, skills, expertise, experience, ability, leadership, and vision to help effectively manage the Company's business operations. A Director must devote sufficient time and effort to carry out duties to ensure the Company has a good management that is transparent and verifiable. This is to strengthen the confidence and trust of shareholders, investors, stakeholders, and other concerned parties. The Company does not limit the number of other Company boards on which non-management Directors serve. Therefore, the Directors must take into account the potential time commitment of attending the Company's board meetings to keep abreast of the Company's business operations and to perform his/her duties as the Company's Director efficiently. The Company directors serve as directors of no more than 5 public companies. Furthermore, any director who serves as a director of any other Company which is not an affiliate

or subsidiary of the Company, is required to disclose such information to the Company. The qualifications and directorship of each Director are shown under "Detail on Directors and Executives" and in Form 56-1.

The Chief Executive Officer and Chief Operating Officer oversee day-to-day operations, while Executive Officers serve as directors of no more than 2 public companies. This is to allocate adequate attention to all areas of the business, in accordance with the established objectives to achieve the highest economic value for shareholders. Moreover, the Chief Executive Officer and Chief Operating Officer are appointed as directors of the subsidiaries as the representatives of the Company.

- **Transparency in election of directors**

The Company adopts formal and transparent procedures for the election of Directors. The Nomination Committee is responsible for selecting persons who have the knowledge, ability and qualifications and suggesting to the Board of Directors to propose to the Shareholders' Meeting for election of the directors. The procedures are detailed under the "Procedure for nomination of directors and highest-level executives" in page 55.

- **The director's terms on the Board**

The Company has clearly defined the directors' terms on the Board. At every general meeting, one-third of the directors must retire from office. If the number is not a multiple of three, the number nearest to one-third must then retire. The directors who must retire in their first and second year after Company registration will engage in the draw to determine the name of retiree. For the subsequent year, the director who has served the longest term in that position shall retire. A retiring director is eligible for re-election.

The Company believes that each of its elected directors is a highly qualified individual who is respected for being knowledgeable, virtuous, moral and effective. If shareholders show confidence in a director by re-electing him or her, the Board of Directors will honor that decision. Therefore, the Company does not set a limit on consecutive terms of service by a director.

- **Efficiency of Board of Directors**

The Board is accountable to shareholders and oversees the operations of the Company. The Board has a

participatory role in defining the visions, strategies, goals, business plans and budgets to ensure that the Management fulfills business plans in an efficient and effective fashion. In addition, the Board clearly defines the duties and responsibilities of each committee and communicates such to the Executive Directors and all employees. The Executive Directors work closely with the government agencies and Association of Securities Companies, rendering opinions for changes in rules and regulations as well as competitive environments in the securities business.

The Board assigns the Chief Executive Officer and Executive Directors to arrange and maintain an efficient system of internal controls in the areas of finance, operations, and compliance with the laws and regulations. In addition, the Company also provides an audit mechanism and efficient balance system to protect and manage the capital of the shareholders and assets of the Company. An independent team takes responsibility for monitoring all transactions and reporting the internal control assessment to the Audit Committee in parallel with the Executive Directors accountable for the transaction.

The Company has established departments responsible for monitoring and auditing the internal control as follows:

1. **Compliance and Audit Department** is responsible for:
  - Being the center providing knowledge to and advice for employees of the Company in order for such person to comprehend and be capable of performing the duty in compliance with the rules, preparing compliance manual and arranging knowledge training related to such rules for employees of the Company.
  - Following up on rule amendment and reporting to the Audit Committee.
  - Identifying compliance risk associated with development or execution of new transaction of the Company.
  - Supervising employees of the Company to comply with the Company's rules and regulations.
  - Identifying and assessing factor that may cause non-compliance by the Company as necessary and appropriate and proposing respective solution.

- Examining or reviewing compliance of business operator and reporting the result of examination or review to the Board of Directors.
- Preparing annual compliance plan having details related to scope and period of examination and review of the units of the Company.
- Preparing and proposing annual compliance report to the Audit Committee and top executives of the Company and sending such report to the Office of the Securities and Exchange Commission.

The department performs the duties independently and report directly to the Audit Committee.

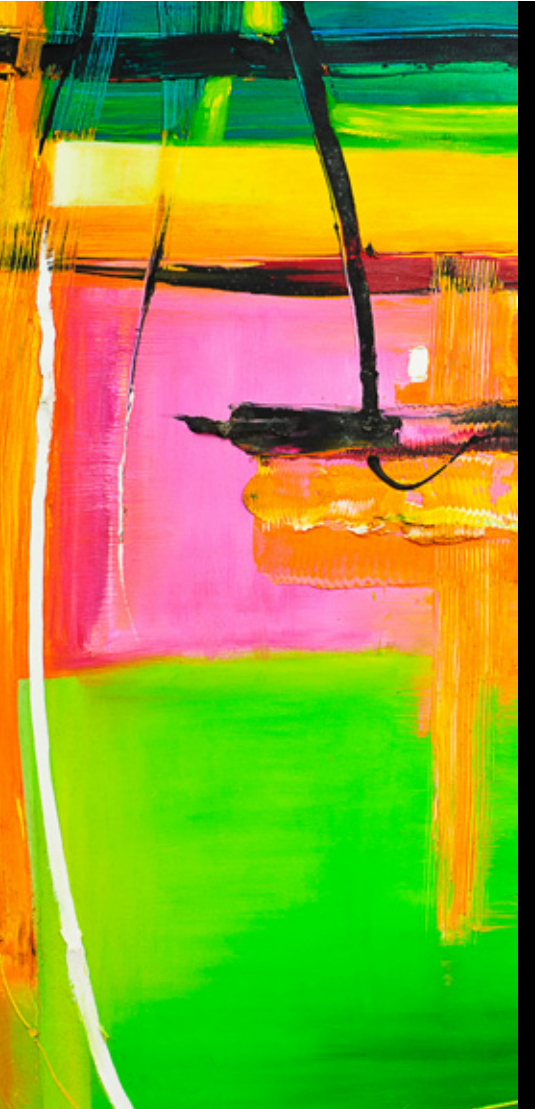
The Board of Directors appoints Mr. Chirasak Ongpaibool, Senior Vice President of Compliance and Audit Department, as the Head of Compliance. He has full qualifications as specified in the Notification of the Capital Market Supervisory Board.

2. **Risk Management Division** performs the Company's risk assessment, stipulates risk management policies, and oversees the process of risk management in different areas and ensures that the process is appropriate and in accordance with the Company's policy and government regulations. However, this does not include the management of market risk which is under the responsibility of Market Risk Division.

Moreover, Risk Management Division has established business succession plans by conducting annual testing to ensure the Company's continuous operations in case of an emergency. Contingency plans supporting unexpected circumstances such as riots and floods are also put in place.

In 2013, the Division has cooperated with Market Risk Division in initiating Enterprise Risk Management: ERM to enable the Company to efficiently allocate its resources in risk management at different levels.

3. **Market Risk Division** is a new division created in 2013 to oversee the management of market risk, to quantitatively analyze and manage risks in business operations for the current products and, more importantly, new potential products. Market Risk



Division has set a clear written policy on market risk management and implemented the policy in order to control market risk which consists of risk analysis, measurement of risk values, report design, market risk status report, and investigation and control of work process to be kept under appropriate risks. As a result of various working mechanisms being specified in the market risk management policy, Market Risk Division is, additionally, responsible for drafting different aspects of risk management policies and presenting to the Risk Management Committee for approval. The policies must also be regularly reviewed by conducting Enterprise Risk Management: ERM which is a fundamental policy covering market risk policy and other risk management policies such as credit risk and operational risk. This umbrella structure ensures the conformity, determines comprehensive operational procedures, risk examination, and risk reporting, especially at the operational level where risk limits may be violated. As for the final procedure, each business should be assessed on “adjusted return by combined risks per investment unit” in order for the Company to, ultimately, acquire good examination, maintain, and efficiently allocate funding. Moreover, Market Risk Division is a unit which mainly relies upon knowledge on “financial engineering.” This Division, therefore, is able to transfer knowledge to other divisions on financial innovations, statistical advice, econometrics, and advanced mathematic analyses.

- **Board of Directors meeting**

The Board of Director, the Executive Committee and the other Committees schedule meetings in 2013 as below.:

1. **The Board of Director** holds a meeting every month which are scheduled in advance. The Board also holds extra-ordinary meetings when they deem appropriate. One of the regular meetings agenda items is the Company’s operating results. The meetings allow for submission of the issue by each Director and free consideration and discussions of the issues. The Notice will be given to all Directors at least 7 days in advance.

The Chief Executive Officer and Executive Directors jointly define the meeting agendas, ensuring all



significant matters are included. Each director is free to submit an agenda item to the Board meetings.

When a new Director joins the Board, the Board will give the new Director an orientation, covering the Company's policy and corporate overview.

2. **The Audit Committee** schedules meeting at least 6 times a year;
  - The Audit Committee schedules meetings 4 times a year with the company's auditors to consider the company's quarterly and annual financial statements and propose audited financial statements to the Board of Director for approval. Besides, the Audit Committee also had a meeting with the company's auditors without the company's directors once.
  - The Audit Committee schedules meeting twice a year with the Internal Control and Internal Audit Unit to consider their working plans and acknowledge their assessments as well as the applicable laws and regulations and assessments of the external auditor.

Moreover, the Audit Committee also hold the extra-meeting for considering the other significant matters. The Audit Committee held 8 meetings in 2013.

3. **The Risk Management Committee** schedules meetings once every three months.
4. **The Nomination Committee** schedules meetings twice a year.
5. **The Remuneration Committee** schedules meetings twice a year.
6. **The Non-Executive Directors** which composed of 4 independent directors hold a special meeting among themselves to discuss issues related to the management, the meeting results was already informed to the Chief Executive Officer.





## Meeting attendance of the Board of Directors and other Committees in 2013

Name	Position	Board of Directors meeting	Executive Committee meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	Risk Management Committee meeting	Date of Appointment by Shareholder Meeting/Board
Mr. Chali Sophonpanich	Chairman of the Board of Directors / Nomination Committee Member / Executive Director	11/12	-	-	-	2/2	-	25 April 1988
Mr. Kongkiat Opaswongkarn	Chief Executive Officer / Nomination Committee Member	11/12	10/10	-	-	2/2	-	27 May 2004
Mr. Virach Aphimeteetamrong	Independent director / Chairman of the Audit Committee / Nomination Committee Member / Risk Management Committee Member	12/12	-	8/8	-	2/2	5/5	27 May 2004
Mr. Michael David Roberts	Independent director / Remuneration Committee Member / Risk Management Committee Member	12/12	-	-	2/2		5/5	16 January 1998
Mr. Sopon Punyaratabandhu	Independent director / Audit Committee Member / Remuneration Committee Member / Nomination Committee Member / Chairman of the Risk Management Committee	12/12	-	8/8	2/2	2/2	5/5	20 May 1999
Mr. Satit Chanjavanakul	Independent director / Audit Committee Member / Chairman of the Nomination Committee / Risk Management Committee Member	12/12	-	8/8	-	2/2	5/5	27 May 2004
Mrs. Nintira Sophonpanich	Director / Advisor to the Executive Committee	12/12	8/10	-	-	-	-	18 April 1994
Mr. Patchara Surajaras	Executive Director / Risk Management Committee Member	11/12	10/10	-	-	-	5/5	1 March 2001
Mr. Jirawat Lewprasert	Executive Director	12/12	10/10	-	-	-	-	11 April 1990

- Self evaluation for Board of Directors

The Board will conduct an annual self-evaluation to review, monitor, and assess the performance of the Board and the Management. The result of the assessment will be considered in the Board of Directors Meeting. In addition, the Remuneration Committee also conducted the annual performance assessment of the CEO for considering appropriate remuneration and other benefits.

- **Remuneration of directors and executives**

Annual remuneration for the Board of Directors was approved by shareholders at the Extraordinary Shareholders Meeting No.1/2004 dated May 27, 2004 at an amount not exceeding Baht 15 million. This took effect from the fiscal year 2004 onwards until the shareholders meeting determines otherwise. The Remuneration Committee considers the annual remuneration for the member of the Board of Directors within the fixed amount. The rate will be on a par with that of the industry and will be attractive enough to retain the directors with the desired qualifications. It will also be commensurate with additional assigned duties and responsibilities. Directors who serve as Audit Committee members and Risk Management Committee members are entitled to additional remuneration due to the extra duties.

Remuneration of the Executives corresponds to the Company's operating results, the performance of each individual management executive. The remuneration is considered by the Remuneration Committee. Details of directors and management remuneration as of December 31, 2013 are shown on item "Remuneration of Directors and Executives".

- **Self-development of directors and executives**

All of 9 Company's directors attended the Director Accreditation Program (DAP) and 3 of them attended the Director Certification Program (DCP) which was organized by the Thai Institute of Directors Association. Moreover, the Company provides training and activities to the directors, executives, and those involved with the supervision of the Company's business operations to enhance their efficiency and inform them about their roles and responsibilities as the Company's committees and executive officers. They are also equipped with knowledge about the Company's new financial products to ready them for the changing business environment. The training is offered both on-site and off-site.

Moreover, the Company also arranged a seminar where the Company's directors, executives, and manager of branch offices in Bangkok and other provinces joined to discuss about the Company's business strategy and how to accomplish the goal.



# CORPORATE SOCIAL RESPONSIBILITY 2013

As a security firm providing investors with brokerage, security trading, advisory and wealth management services to maximize our client's return on investment, the company must be trustworthy in terms of financial stability, business competency, compliance and integrity to ensure highest level of confidence of investors and our stakeholders on the company's business operation as well as its management. Security business also relies on the economic, financial and fiscal conditions of the country. The risk exposure against the financial crisis is higher than other businesses or industries. Therefore, it is necessary to operate on the ground of high social responsibility standard before any crisis occurs.

However, business operation has the objective to profit from the business and requires growth and stability. In order for business to grow sustainably, the organization depends not only on the profitability, but also on giving back to the society. To be socially responsible, it also includes caring for the environment as well as the society, given that the business is operated with high ethical standard and good corporate governance which would bring such business to a sustainable success.

In this regard, Asia Plus Securities Public Company Limited and its subsidiaries has a vision in the corporate social responsibility aspect as follow:

"To operate our business with the high ethical standard, good corporate governance and responsibility to our stakeholders and the environment"

Our objective is to grow our organization with sustainable development.

Our in-process business operation that reflects our responsibility to the society and the environment include:

- Operating with integrity and transparency
- Anti-corruption policy
- Respecting human rights and treating labor fairly
- Accountability to our customers
- Protecting the environment
- Community involvement
- Creating and promoting innovations in our operations with regards to the company's responsibility for society, environment and stakeholders.

## Operating with integrity and transparency

The company operates with integrity and would not do business that benefit from misconduct. This is to entrust our stakeholders that we commit to and comply with the company's guiding principles as follow:

- The company adheres to the industry's framework and government regulations on fair trading and competition especially all the rules and regulations relating to brokerage fee for listed securities, compensation for securities marketing officer, upholding the standard code of conduct for fair competition, not seeking any trading intelligence or secret of competitors through illegal means and not destroying competitor's reputation through negative accusation. In 2013, the company has no record of dispute relating to competitive trading matter.
- The company governs its operations to strictly abide by the laws and regulations to ensure that there is not action against the laws and regulations imposed by relevant regulators. In addition, the company has set up the Anti-Money Laundering / Combating the Financing of Terrorism sub-committee which has roles and responsibility to formulate and update policies to be in line with the current situation. The sub-committee also provides advice on the procedure and policy to screen relevant information and identify the suspicious behaviors as well as imposing the penalties for employees and officers who do not comply with the policies and codes.
- The company has set up policies and regulations to prevent the conflict of interest among board of directors, management, employees and stakeholders from approving any actions that may cause a conflict of interest. The company also has the appropriate approval process for related items through an audit committee with a complete information disclosure.

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## Anti-corruption policy

One of the company's principles is to operate with high ethical standard and good governance while committed to being responsible for all our stakeholders. The company also expresses its intention in the anti-corruption and anti-bribery actions in all forms as follows:

- The company signs the declaration of intent for the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), which is the program initiated with the joint efforts of seven leading organizations, namely the Thai Institute of Directors Association, the Thai Chamber of Commerce, the Joint Foreign Chambers of Commerce, the Thai Listed Companies Association, the Thai Bankers' Association, the Federation of Thai Capital Market Organizations and

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the Federation of Thai Industries and Tourism Council of Thailand.

- The company's anti-corruption policy has been applied to and required a full compliance from the management and employees of the company and all of its subsidiaries. This policy covers key subjects which include political contribution; charitable donation; gifts, monetary support, bribery/fraudulence and relationship with third parties; the Whistle blowing Policy against corruption, Bribery policy and Compliance Policy. The company has raised employee's awareness and implements the policies and procedures that are in line with the Anti-Money Laundering Act.
- The company has applied the information technological system to support the verification of financial institutions' clients known as the CDD Gateway System, which could effectively verify customer's data. This is in compliance with the Anti-Money Laundering / Combating the Financing of Terrorism.

### Respecting human rights and treating labor fairly

Employees are the valuable resources contributing to the growth and success of the company. The company treats its employees equally and fairly and provides a compensation scheme suitable with the knowledge, competency, responsibility and performance of each employee. The company has also improved the working environment and working conditions for employees to have a better living standard at the office so that they have the opportunity to demonstrate their capability, to be trained and increase their skills.

A series of the company's actions are as follows:

- Maintaining a good working environment to be safe, clean and well-organized as well as providing necessary tools to facilitate employee's work. In 2013, the company replaced all of its computers that were over five years old and Marketing & clients' computers used for Bisnews program at a total of 247 computers in order to support the operation of employees and Marketing department to be more efficient.
- Treating employees equally and fairly as well as providing a remuneration scheme that is suitable for each employee's knowledge, competency, responsibility and performance which is evaluated in accordance with the agreed criteria.
- Providing appropriate employee welfare such as providence funds, health and life insurance, medical care, annual health check-up, flu vaccination, etc. Particularly in 2013 the company has increased the welfare package by providing dental care and personal accident insurance for employees.
- Supporting initiatives that help enhance employee's morale, e.g. offering incentives to Marketing staff who achieve the highest total sales of derivatives including Derivative Warrants, ETF and TFEX; conducting an inter-department operating plan competition; organizing a New Year staff party, etc.
- The company uses the e-filing system for record management instead of keeping the paper document. The e-filing system is more efficient and makes it easier and more convenient to find and file documents.
- The company supports and promotes employees to develop the necessary skills as well as financial products and new technology that help improve our services for customers. Examples of our employee development programs include organizing various program trainings useful for customer services, subsidizing the application fees for staff to obtain the Derivative Investment Consultant License, conducting trainings to educate staff on new products and services e.g. Securities and Derivatives Internet Trading Seminar, Windows8 Training, Basic TFEX training, Financial Statement Analysis and Securities Evaluation, etc.
- Preventing any unjust action that may impact employee's job security.
- Respecting individual rights for the roles of supervisors and subordinates as well as peers; preventing accusation against employees without justification and protecting and promoting unity and teamwork in the company.
- The company has fair employment policy, respects human rights and labor rights in the workplace and embrace diversity, in which nationality, gender, age, religion or disability are not the criteria in our hiring process.
- The company has internal communication channels for the Chief Executive Officer to communicate with all employees. It has an intranet for staff to be informed of the company news, policies, updates, movements and other developments of the organization which has enhanced employee's engagement, enriched relationship between staff and management as well as promoted the sharing of management's vision and direction to staff to apply to their works.



### Accountability to our customers

The company applies the customer-centric approach to our operations by focusing on responding to customer's needs with a variety of products and services as well as committing to adding highest values to our services for customers. Our activations are as follow:

- Caring and taking responsibility for our customers, the company continues to develop new innovative solutions and channels to provide the better, faster and more convenient services. For example, the 'Pro8' trading program has been developed to facilitate and speed up investor's trading transaction. Other initiatives include 'ASP Smart' mobile application from which our clients can conveniently access to the company's analysis report and stocks information via smart phones or mobile devices.
- The company consistently develops new products and services to provide more investment options suitable for the market condition and tailored to different investor's risk and investment profile. We also ensure that our clients are informed of our services and the risks associated with each product. In 2013, the company introduced a range of innovative products namely the Exchange-Traded Fund (ETF) which could help investors diversify the risk from holding a single stock; securities borrowing and lending services for institution clients; and the issuance and offering of Derivative Warrants with the longest term in the Stock Exchange of Thailand which could reduce the risks involving time value, increase liquidity, potentially increase return on investment and reduce the burden in data tracking.
- The company takes privacy and confidentiality of customer information seriously, protects the benefits of customers with honesty and integrity, preventing employees from demanding any compensation or favor in return for performing their duties from our clients and treat all our customers fairly in accordance with our good corporate governance commitment. The company has set up a Customer Care Center to take care of complaints and provide resolutions in timely manner. In addition, the company has joined the Dispute Resolution and Arbitration Provision organized by the Securities and Exchange Commission.
- The company organizes trainings related to our products and services in order to ensure the clear understanding and confidence of our customers who wish to purchase such products or services. We also provide timely and comprehensive information, news and advice about our products and services based on facts and figures while ensuring that such information are not exaggerated nor create any misunderstanding or misinterpretation regarding the products or services.



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### Protecting the environment

Although our operations have little impact on the environment, the company is obliged to protecting the environment and finding the most efficient ways to maximize the benefits of the resources. Listed below are some of our initiatives:

- Raising awareness on the global-warming issue and promote initiatives to reduce the use of paper by sending reports and documents to our customers via email instead of sending in print via postage. The documents sent in electronic file are:
  - Transaction Confirmation Statement, sent for every transaction order
  - Asset Statement, sent every month

The company's request for the cooperation of our new and existing customers to choose to receive e-statement has a great response. The number of e-statements has increased from 50 to 65 per cent.

- Employees collaborated in energy-saving campaign by turning off lights when they are not in the room.

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### Community involvement

The company involves in the society and community development in various forms, namely

- Developing an internship program for university students in Thailand and from abroad
- Supporting and encouraging management and employees who are experts in various fields to share their knowledge and experiences as guest speakers in education institutions, seminars, public forums, etc.
- Organizing the Arts Competition Program for three consecutive years. In 2013, the competition was conducted under the theme "Globalization" with the objective to promote and enhance the popularity of Thai arts to the wider scope, to add value to Thai artist's works as well as to promote young emerging artists to the public. As for general public's benefits, this program could be a learning gateway and a sharing forum for interested people to learn and share idea about arts and its creation. This year, there were 195 pieces of paintings submitted to join the competition which is the highest number of submission ever.

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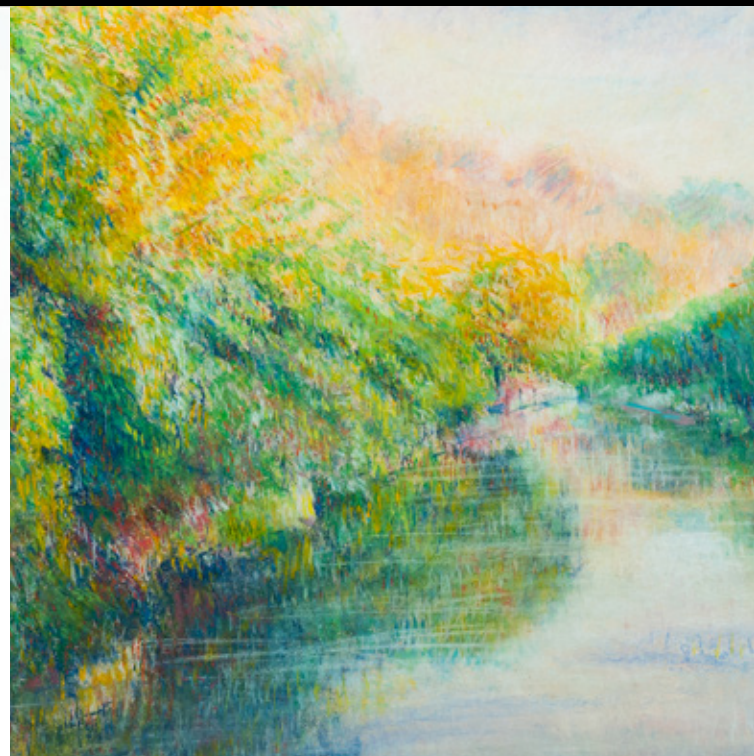
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## 07

### Creating and promoting innovations in our operations with regards to the company's responsibility for society, environment and stakeholders.

1. The company has created a new trading system "Pro8" which has various useful features; for example, the automatic order submission based on predefined investment conditions or the quick order feature that is faster and more convenient. This program can support investors in their decision making and shorten the trading time.
2. The company has developed "ASP Smart", an application for smartphone and tablet users to access to our researches, reports and other information. The application supports both iOS and Android systems. This application can better respond to customer's needs more timely with access to comprehensive range of information such as analysis, international index as well as other information that customers can select themselves. The information is beneficial to investors as it could support investment decision and provide more convenience and accessibility to information with a more advance technological tool.
3. The company has introduced "People Smart", a human resources information technological system which is employee online service center that helps facilitate employees in various personnel services, e.g. leave record management, over-time approval request, employment certificate request, etc. With the user-friendly interface, employees can access and manage their profile and other information themselves which makes it more and ensure accuracy of their personal information. The paperless system can also help save the environment.
4. The company has applied the cash management system to the operations of Finance department. This system helps employee reduce operating time and increase efficiency of the company's cash management.

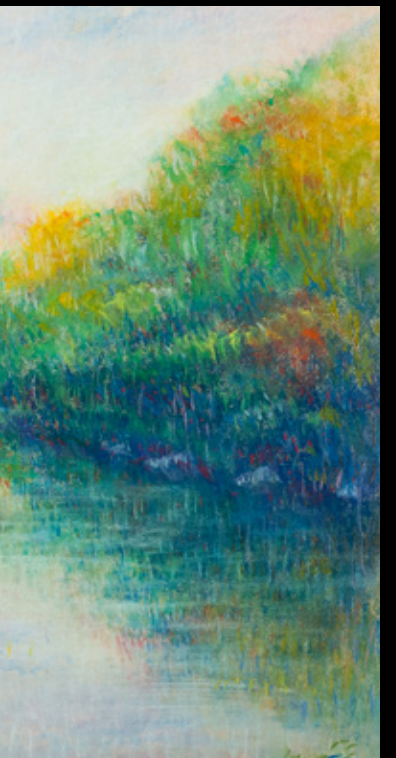




## Community services and environmental-saving activities

In 2013, the company implemented community and environmental projects as follows:

- On 26 October 2013, the company conducted an employee volunteering activity by renovating the medical room and donating medical equipment for the Disable Children Center at Srisangval School, which is a special school for students with physical disability of the Foundation for the Welfare of the Crippled under the Royal Patronage of H.R.H. the Princess Mother in Pakkred District, Nonthaburi province.
- The company donated CPU, computers and fax machines to the Foundation for the Welfare of the Crippled under the Royal Patronage of H.R.H. the Princess Mother.
- On 27 July 2013, employees offered personal donation, cash and in-kind items as well as provided lunch for the students of Wichawadee School in Nakonsawan province, which is a private school for orphans and underprivileged children.



## Other guidelines and practices for anti-corruption prevention

The company has a policy to conduct our business with compliance, integrity and good corporate governance. We are committed to taking responsibility to all of our stakeholders. Our commitment includes our signatory on the declaration of intent for the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) which is the program initiated with the joint efforts of seven leading organizations to promote the transparency of business conduct in the private sector. In addition, the company has put in place Anti-corruption, Anti-bribery and Whistle-Blowing policies which also include political contribution; charitable donation; gift, entertainment and facilitating payments to third-parties as well as reporting suspected misconducts. The company has provided in written and communicated the practice guidelines, information on how to report suspected non-compliance and punishment for the violation to all employees and management who are required to strictly comply with these policies.

# AWARDS IN 2013



## ADVISORY BROKER OF THE YEAR

Asia Award 2013 by the European magazine

Asia Plus Securities Public Company Limited was awarded “Advisory Broker of the Year – Asia Award 2013” from the European magazine, United Kingdom, which are a syndicated news partner of Thompson Reuters for the outstanding performance in Investment Banking business. The European magazine aims to identify the organizations that truly surpass and enhance the quality and nature of the industry in which they operate. The European’s Asia Awards highlight the excellence and the business practices that ought to serve as a model for businesses across the world.



## SAA AWARDS

for Analysts 2012

Asia Plus Securities Public Company Limited received 5 SAA Awards for Analysts from the Securities Analysts Association in recognition of our analysts and research teams with outstanding achievement in 2012. This award is Thailand's most important awards for analysts. At the award ceremony held on 2 April 2013, there were two awardees from Asia Plus Securities Public Company Limited, namely:

### Mr. Therdasak Thaveeteeratham

1. SAA Awards for Analysts 2012 by Retail Investors: Property & Construction Sector
2. SAA Awards for Analysts 2012 by Retail Investors: Strategist
3. SAA Awards for Analyst 2012: Popular Vote by Press

### Mr. Prasit Rattanakijkamol

1. SAA Awards for Analysts 2012 by Retail Investors: Derivatives
2. SAA Awards for Analysts 2012 by Institutional Investors: Derivatives

# INTERNAL CONTROL AND RISK MANAGEMENT

The Company has set up an internal control system in each work procedure in order to prevent errors and lessen the damage that may occur in a timely fashion. In addition, in 2013 the Company has established “the Risk Management Committee” in order to consolidate the risk management policies already existed in each line of work or business. This is to foster a holistic approach to risk management that is comprehensive and standard. A new approach to risk management which utilizes quantitative risk measurement has also been implemented resulting in a more efficient monitoring system.

In the Board of Directors meeting no.2/2014 on February 24, 2014 which all the 3 audit committee members attended, the Board of Directors has assessed the adequacy of internal control within the Company in 5 aspects:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The Board of Directors has concluded that in entirety, the Company has adequate and appropriate internal control and risk management. The Company has also set up a unit to examine and oversee its operations and risk management with an adequate number of personnel to efficiently operate as planned and follow guidelines.

The Company has arranged for representatives to join in the 2 subsidiary companies as committee members in order to closely monitor the performance. Additionally, the Company has formulated standardized regulations and procedures to efficiently protect and review the management of the Company and the subsidiary companies’ assets

## Head of Internal Control and Compliance Unit

The Audit Committee has approved the appointment of Mr. Chirasak Ongpaibool who received a Bachelor degree in Accounting and a Master of Business Administration from Chulalongkorn University; has over 20 years of work experience in the oversight of securities companies’ operations; and has gone through a training course approved by the SEC—for the position of Senior Vice President to lead the oversight of the Company’s operations effective on April 1, 2013.



# RELATED TRANSACTION

In year 2013, the Company had significant related transactions with some related parties that include shareholders and/or directors in common as follows.

## A General Transactions

### 1. Brokerage fee

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
1. Funds managed by BBL Asset Management Co.,Ltd. (Bangkok Bank Plc. holds stakes of 75.00% in BBL Asset Management Co.,Ltd.)	- Brokerage fee income - Securities business receivables - Securities business payables	12.3412 287.2238 -	8.0912 121.2668 26.7583	- Brokerage fee is a normal rate charged to other customers.
2. Funds and Private Funds managed by Asset Plus Fund Management Co.,Ltd. (Asset Plus) (Asia Plus 's current subsidiary)	- Brokerage fee income - Securities business payables	11.9535 11.6133	6.5437 4.0998	- Brokerage fee is a normal rate charged to other customers.
3. Private Funds managed by Asia Plus Securities Public Company Limited (ASP)	- Brokerage fee income - Securities business receivables - Securities business payables	0.2768 0.9091 6.6264	0.5214 0.1402 -	- Brokerage fee is a normal rate charged to other customers.
4. Asia Sermkij Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	- Brokerage fee income	-	0.0280	- Brokerage fee is a normal rate charged to other customers.
5. Chatubutr Holding Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	- Brokerage fee income	0.0323	-	- Brokerage fee is a normal rate charged to other customers.
6. Panichsawad Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	- Brokerage fee income	0.0213	0.0178	- Brokerage fee is a normal rate charged to other customers.
7. Rabin Holding Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	- Brokerage fee income	0.0434	-	- Brokerage fee is a normal rate charged to other customers.
8. Thai Incubator Dot Com Co.,Ltd. (Related by way of common director, Mr. Sopon Punyaratabandhu)	- Brokerage fee income	0.0082	-	- Brokerage fee is a normal rate charged to other customers.
9. City Realty Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	- Brokerage fee income	-	0.0726	- Brokerage fee is a normal rate charged to other customers.
10. Sathorn City Tower Property Fund (The Company holds 0.12% of stakes in Sathorn City Tower Property Fund)	- Brokerage fee income	0.0383	0.2702	- Brokerage fee is a normal rate charged to other customers.

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
11. TICON Industrial Connection Public Company Limited (Related by way of common director, Mr. Chali Sophonpanich)	- Brokerage fee income - Securities business payables	0.5873 -	0.5036 21.2533	- Brokerage fee is a normal rate charged to other customers.
12. Major shareholders, directors, the management and any parties who may have conflict of interest The Company's major shareholder	- Brokerage fee income	0.6204	1.9988	- Brokerage fee is a normal rate charged to other customers.
The Company's directors and executives	- Total brokerage fee income - Securities business receivables - Securities business payables	1.1683 12.6316 0.0339	1.1517 - -	- Brokerage fee is a normal rate charged to other customers.
The subsidiaries' directors and executives	- Total brokerage fee income	0.0056	0.0026	- Brokerage fee is a normal rate charged to other customers.

Remarks : Subsidiaries are Asset Plus Fund Management Co.,Ltd. and Asia Plus Advisory Co.,Ltd.

## 2. Underwriting fee

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
1. TICON Industrial Connection Public Company Limited (TICON) (- Mr. Chali Sophonpanich, the Company's chairman, represents the Company as the director of the Board of Directors of TICON. - Mr. Chali Sophonpanich together with his spouse hold stakes of 3.25% in TICON.)	- Underwriting fee for TGROWTH Property Fund	12.7095	-	- The fee structure is the same as what applicable to general customers.

## 3. Securities lending and borrowing fee

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
1. Major shareholders, directors, the management and any parties who may have conflict of interest The Company's directors and executives	- Securities lending and borrowing fee expense	0.0054	0.3021	- The fee structure is the same as what applicable to general customers.

#### 4. Interest expense and gain from Structured Notes

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
1. Major shareholders, directors, the management and any parties who may have conflict of interest				
The Company's directors and executives	- Interest expense from Structured Notes	0.0162	-	- The fee structure is the same as what applicable to general customers.
	- Gain from Structured Notes	0.1819	-	

#### 5. Goods, services and other expenses

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
1. The Bangkok Club Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich, holding 3.89% of stakes in the Bangkok Club Co.,Ltd.)	<u>The Company</u> - Banquet and meeting room services - Member fee - Advance member renewal fee - Accrued expense <u>The Subsidiaries</u> - Banquet and meeting room services - Accrued expense	0.7317 0.0394 0.0147 - - 0.1936 -	0.5685 0.0384 - 0.0866 0.1308 0.0114	- The fee structure is the same as what applicable to general customers.
2. Metro Systems Corporation Public Company Limited (Related by way of common director, Mr. Virach Aphimeteetamrong)	<u>The Company</u> - Expense for goods and services - Accrued expense <u>The Subsidiaries</u> - Expense for goods and services	1.8583 0.0071 0.0693	3.9705 0.0729 0.2114	- The fee structure is the same as what applicable to general customers.
3. Bangkok Insurance Public Company Limited (Related by way of common director, Mrs. Nintira Sophonpanich)	<u>The Company</u> - Insurance fee <u>The Subsidiaries</u> - Insurance fee	0.9703 0.0764	0.9037 0.0493	- The fee structure is the same as what applicable to general customers.
4. Riverside Garden Marina Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	- Banquet and meeting room services for Annual General Meeting of Shareholders (Chatrui Hotel Riverside)	0.3448	0.2578	- At the rate agreed by each party upon price with reference to market price

## 6. Funds deposited at bank / interest on deposit / borrowing / fee

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
1. Bangkok Bank Public Company Limited (BBL) (- BBL holds stakes of 8.46% in the Company - Mrs. Nintira Sophonpanich, the Company's director, is a spouse of Mr. Chartsiri Sophonpanich, President of BBL.)	<u>The Company</u>			- The structure of interest on deposit/ borrowing/ fee applying to related transaction is the same as that applying to general customers/as stated in an agreement.
	- Money deposited at BBL in the name of the Company and on behalf of customers	21.0517	33.1898	
	- Interest on saving accounts in the name of the Company and on behalf of customer	0.1690	0.0959	
	- Accrued interest income	0.0012	0.0009	
	- Interest expense from borrowing	1.5644	1.1106	
	- Bank charges <sup>1/</sup>	6.8871	5.6935	
	- Overdraft line			
	• Credit limits	30.0000	30.0000	
	• Overdraft	-	-	
	- Short-term revolving loan line			
	• Credit limits	100.0000	100.0000	
	• Overdraft	-	-	
	- Transfer fee	0.0100	0.0122	
	<u>The Subsidiaries</u>			
	- Money deposited at BBL	5.4217	14.8502	
	- Interest on saving accounts	0.0385	0.0371	
	- Accrued interest income	0.0007	0.0025	
	- Bank charges <sup>1/</sup>	0.0728	0.0985	
	- Accrued interest expense	0.0002	-	

Remarks : <sup>1/</sup> Bank charges include transfer fees, bank cheque fee, information services fee, etc



## 7. Rental expenses / Common expenses

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
1. Bangkok Bank Public Company Limited (BBL) (- BBL holds stakes of 8.46% in the Company - Mrs. Nintira Sophonpanich, the Company's director, is a spouse of Mr. Chartsiri Sophonpanich, President of BBL.)	<u>The Company</u> - Rental expense for regional branches and safe box expense - Accrued expense - Advance rental payment for safe box - Deposits <u>The Subsidiaries</u> - Deposits	9.5897  0.5594 0.0043 1.5262 0.0025	9.6695  0.6164 0.0043 1.4051 0.0025	- The rental expense structure is the same as what applicable to general customers.
2. Narai Ruampipat Co.,Ltd. (Mr. Chali Sophonpanich, the Company's Chairman, is a director of Narai Ruampipat Co.,Ltd., holding stakes of 0%)	- Rental expense for 1 branch office - Accrued expense - Deposits	0.7952 - -	2.3910 0.0008 1.0912	- The rental expense structure is the same as what applicable to general customers.
3. Sathorn City Tower Juristic Person (Mr. Jirawat Lewprasert, the Company's executive director, represents the Company as director of the Board of Directors of Sathorn City Tower Juristic Person due to the Company's proprietorship of the third floor of Sathorn City Tower.)	<u>The Company</u> - Common expenses - Parking expense - Accrued expense - Deposits <u>The Subsidiaries</u> - Parking expense - Accrued expense	4.4729 2.2882 0.2732 0.1440  1.1416 0.1042	4.4537 1.8762 - 0.1440  0.7111 0.0004	- The fee structure is the same as what applicable to general customers.
4. Sathorn City Tower Property Fund (The Company holds 0.12% in such fund)	<u>The Company</u> - Rental expense for departments of Company 's Head Office - Accrued expense - Deposits <u>The Subsidiaries</u> - Rental expense - Accrued expense - Deposits	20.6623  0.3551 6.3946  12.7046 0.1666 2.6112	19.9416  0.2805 6.2924  12.2205 0.1681 2.5684	- The rental fee structure is the same as what applicable to general customers.

(Million Baht)

Related Parties / Relationship	Description	Value		Price / Fee
		Year 2013	Year 2012	
5. Emporium Tower Property fund (The Company holds 0.20% in such fund)	- Rental expense for 2 branch offices - Accrued expense - Deposits	3.8730 0.0232 0.8949	3.8116 0.0207 0.8949	- The rental fee structure is the same as what applicable to general customers.
6. City Realty Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	- Parking expense	0.0627	0.0296	- The rental fee structure is the same as what applicable to general customers.
7. Asia Warehouse Co.,Ltd. (Related by way of common director, Mr. Chali Sophonpanich)	<u>The Company</u> - Rental and Storage expense <u>The Subsidiaries</u> - Rental expense	1.0050 0.0468	0.8494 0.0306	- The fee structure is the same as what applicable to general customers.

Remarks : Rental expenses include lease, services, parking, utilities and property tax.

(Million Baht)

## 8. Other

Related Parties / Relationship	Description	Price / Fee
1. Major shareholders, directors, the management and any parties who may have conflict of interest The Company's directors and executives	As at 31 December 2013, the Company entered into forward contracts to reduce the foreign currency risk in respect of investment in foreign currencies for the clients' portfolio. The forward contracts to sell USD 2.0 million, JPY 60.1 million, Euro 0.4 million, CHF 0.2 million, GBP 0.3 million and HKD 0.9 million were on behalf of the Company's director.	- The service with no fee to general customers

## B

## Investment in related parties

			Value			(Million Baht)
Related Parties / Relationship	Description				Price / Fee	
		Year 2013	Year 2012	Increase (Decrease)		
1.	Bangkok Bank Public Company Limited (BBL) (- BBL holds stakes of 8.46% in the Company - Mrs. Nintira Sophonpanich, the Company's director, is a spouse of Mr. Chatsiri Sophonpanich, president of BBL.)	- Investment in common share - Dividend income	43.5442 4.9185	58.4389 7.0118	(14.8947) -	- Investment portion 0.03%
2.	Emporium Tower Property Fund (City Realty Co.,Ltd. where Mr. Chali Sophonpanich is the authorized director, holds stake of 31.90% in such fund.)	- Investment in common share - Dividend income	4.1000 1.0045	4.1000 0.9225	-	- Investment portion 0.20%
3.	Bangkok Garden Property Fund (City Realty Co.,Ltd. where Mr. Chali Sophonpanich is the authorized director, holds stake of 32.90% in such fund.)	- Investment in common share - Dividend income	0.7613 0.0442	0.7613 0.0381	-	- Investment portion 0.06%
4.	Sathorn City Tower Property Fund (City Realty Co.,Ltd. where Mr. Chali Sophonpanich is the authorized director, holds stake of 32.13% in such fund.)	- Investment in common share - Dividend income	0.0640 -	0.0640 -	-	- Investment portion 0.12%
5.	Bangkok Apartment Property Fund (Type B) (Mr. Chali Sophonpanich holds stake of 86.67% in such fund.)	- Investment in common share	1.0000	1.0000	-	- Investment portion 0.15%
6.	The Bangkok Club Co.,Ltd. (Mr. Chali Sophonpanich, the Company's chairman, is a director of the Bangkok Club Co.,Ltd., holding stakes of 3.89%)	- Investment in common share	1.2400	1.2400	-	- Investment portion 0.06%
7.	TICON Industrial Connection Public Company Limited (TICON) (- Mr. Chali Sophonpanich, the Company's chairman, represents the Company as the director of the Board of Directors of TICON. - Mr. Chali Sophonpanich together with his spouse hold stakes of 3.25% in TICON.)	- Investment in common share - Dividend income	17.2978 -	9.3150 -	7.9828	- Investment portion 0.11%
8.	Ticon Industrial Growth Leasehold Property Fund (TGROWTH) (- TICON holds 20.00% of stakes in TGROWTH. - Mr. Chali Sophonpanich, the Company's chairman, represents the Company as the director of the Board of Directors of TICON. - Mr. Chali Sophonpanich together with his spouse hold stakes of 3.25% in TICON.)	- Investment in common share	21.5210	-	21.5210	- Investment portion 0.39%

		Value			(Million Baht)
Related Parties / Relationship	Description				Price / Fee
		Year 2013	Year 2012	Increase (Decrease)	
9.	Asset Plus Institution Dividend Fund (The Company holds 99.99% of stakes in Asset Plus Fund Management Co.,Ltd. who manages this fund.)	- Investment in common share - Dividend income	- -	- 0.0028	- -
10.	Asset Plus Premium Dividend Fund (The Company holds 99.99% of stakes in Asset Plus Fund Management Co.,Ltd. who manages this fund.)	- Investment in common share - Dividend income	- -	- 0.4764	- -

### Necessity and rationale of related transactions

Related Transactions in the year 2012 and 2013 were deemed necessary and conducted reasonably in the normal course of business. These transactions involving brokerage incomes, fees, goods and services expenses, saving accounts, bank charges, interest expenses and rental expense (as detailed in A from 1-8) are considered normal business activities as the expenses of fee structure applying to related transactions is the same as that applying to general customers.

In relation to related transactions in investments (as described in B), these transactions had been approved by the Investment Committee, and the Board of Directors and effected with due authorization without any vote from common directors. The Company expects to continue carrying out such transactions in the future and shall ensure that transactions shall be effected at the prices and upon the conditions that will provide best benefits to the Company.

### Measures of related transaction approval

Related transactions in the future may cause conflict of interest. Therefore the Company will appoint an Audit Committee to review and consider whether it is necessary or rational to carry out such transactions. In case the Audit Committee is not well experienced in such transactions, the Company will assign independent experts or the Company's auditor make comments on those transactions. Such comments are attributed to approval of the Board of Directors. The related transactions should be beneficial to the company.

However, the Board of Directors must comply with the Securities and Exchange Act including rules, regulations, provisions and notices of the Securities and Exchange Commission. The Company must ensure its compliance with regulations of information disclosure concerning related transaction and proprietorship according to generally accepted accounting standards established by Federation of Accounting Professions. Upon approval, common directors, member of the Board of Directors, executive directors and/or member of other committees who involve in any transactions, they are not entitled to cast a vote in the meetings.

### Policy of related transactions

The company expects to continue carrying out such transaction in both A and B in the future as they mostly involve normal business activities and benefits of the Company. The Company's policy in relation to upcoming related transactions is to follow guidelines as stated in measures or procedures of related transaction.

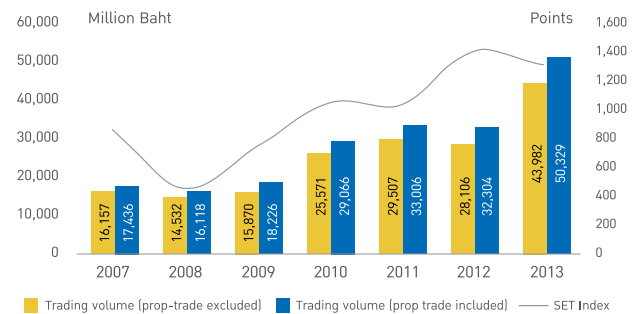
# MANAGEMENT DISCUSSION & ANALYSIS

(The consolidated financial statement dated 31 December 2013; the “Company” hereafter refers to “Asia Plus Securities Public Company Limited and subsidiaries”).

## Earnings and Financial Position in 2013

2013 was another good year of the Stock Exchange of Thailand (SET) and investors. Average daily trading volume was Bt43,982 million, increasing 36% from Bt32,304 million in 2012. However, domestic political issues in late 2013 was a key factor that dimmed investment sentiment, depressing the trading volume significantly, especially in December. At the end of the year, SET Index closed at 1,298.71 pts with total trading volume of Bt21.55 trillion, while average daily trading volume of the company equated to Bt3.6 billion.

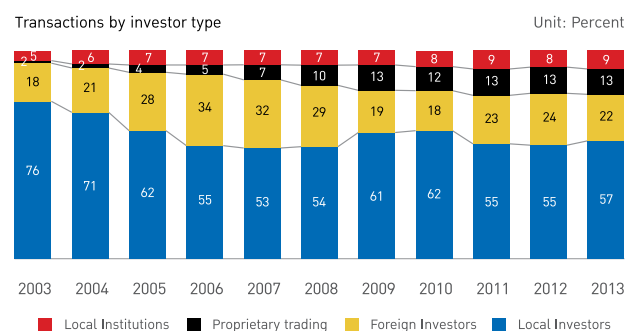
### Average Daily Trading Volume



Source: The Stock Exchange of Thailand (SET)

The company's clients consist of retail and institutional investors including both local and foreign institutions. In 2013, the proportion of retail investors and local and foreign institutional investors stood at 90.79%, versus 85.13% in the previous year, whereas proprietary trading decreased to 9.21%. Retail investors still accounted for most of the trading volume, increasing from 2012 to 57% (see the following chart).

### Transactions by Investor Type



Source: The Stock Exchange of Thailand (SET)

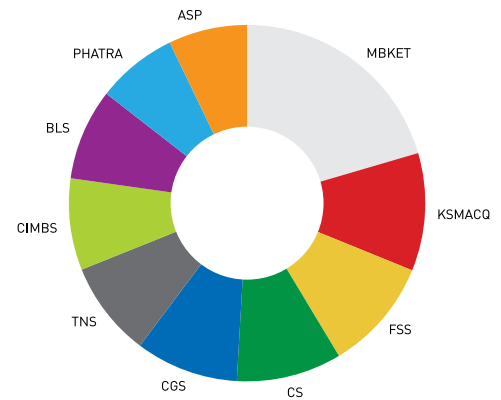


## Market Share of Securities Brokerage Business

Securities brokerage is still the Company's core business that has been in fierce competition. In 2013, the Company could capture market share of 4.14%, ranked number ten in the SET.

### Market Share of Securities Brokerage Business

Rank	Name	Value (Million Baht)	%
1	MBKET	2,486,590,180,835	11.86%
2	KSMACQ	1,296,409,723,131	6.19%
3	FSS	1,266,752,206,951	5.93%
4	CS	1,114,917,239,422	5.53%
5	CGS	1,070,610,178,021	5.41%
6	TNS	998,178,237,906	5.02%
7	CIMBS	961,981,590,746	4.82%
8	BLS	961,890,405,770	4.80%
9	PHATRA	945,386,880,636	4.25%
10	ASP	892,783,382,850	4.14%



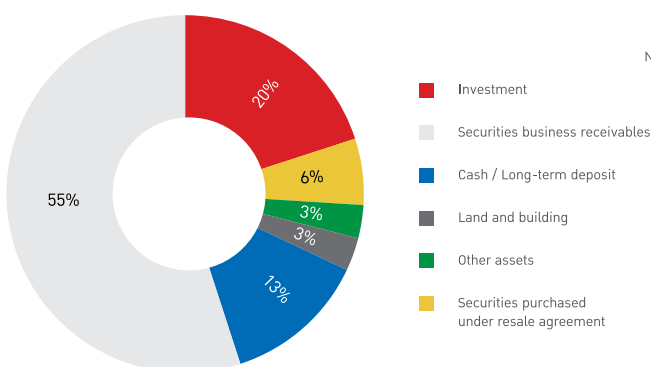
Source: The Stock Exchange of Thailand (SET)

## Statements of Financial Position Reflects Self-adjustment

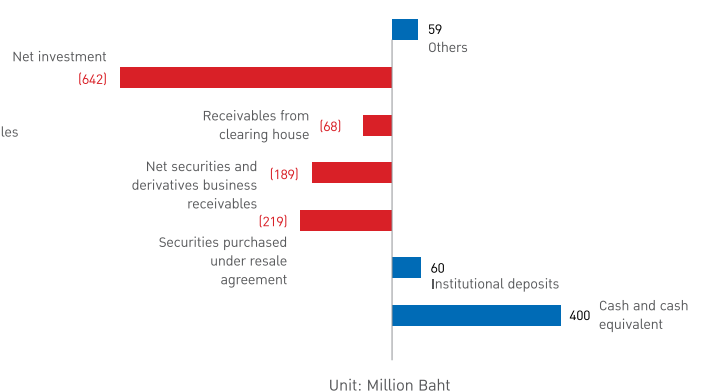
### Assets

According to the statements of financial position (consolidated financial statements) for 2013, the company's total assets at end-2013 stood at Bt7,686 million, down from Bt8,284 million in 2012. Net investments decreased Bt642 million and securities purchased under resale agreements decreased Bt219 million from 2012. However, cash and cash equivalent increased Bt400 million. This was a strategic adjustment to cope with the increasing risks in the stock market, by reducing risky assets and switching to low-risk liquidity assets for a better investment opportunities in future.

### Asset Structure of Bt7,686 Million in 2013 (Consolidated)



### Changes in Assets compared with 2012



Source: Financial Statement of Asia Plus Securities Public Company Limited

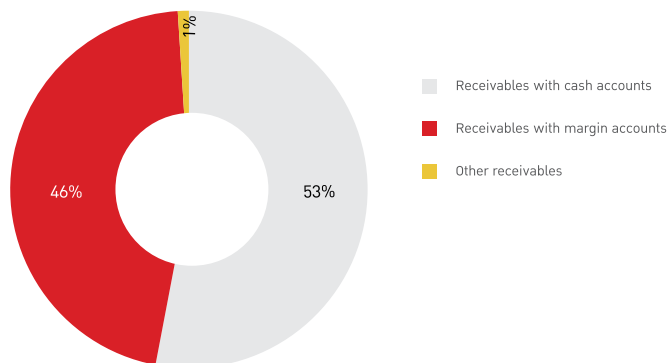
### Securities business receivables and derivatives business receivables

Owing to decreasing transaction volume at the end of the year and an impact of domestic political turmoil, securities business receivables and derivatives business receivables decreased from Bt4,409 million at end-2012 to Bt4,221 million at end-2013.

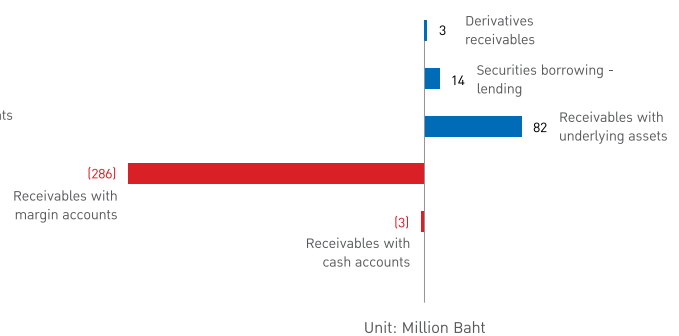
The items comprised receivables with cash accounts at 53%, receivables with margin accounts at 46%, and other receivables at 1%. Interestingly, receivables with margin accounts and receivables with cash accounts declined from the same period of last year by Bt286 million and Bt3 million respectively, reflecting a decreasing risk in the company's business which resulted in no additional allowance made for doubtful accounts in 2013.

The company assessed financial status of each receivable in order to to reserve allowance for doubtful accounts. This also considered settlement risk and the collateral value to comply with the Securities and Exchange Commission's guidelines regarding the debt repayment arrangement and provisioning. As at 31 December 2013, the company made the allowance for doubtful debt of Bt36 million, equal to that of 2012.

Securities Business Receivables of Bt4,221 Million in 2013 (Consolidated)



Changes in Securities Business Receivables and Derivatives Business Receivables

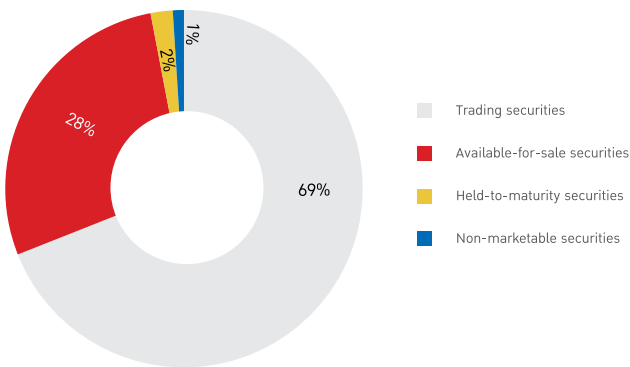




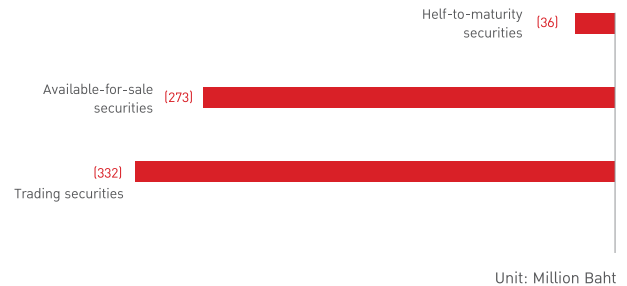
### Investment in debt securities and equity securities

The investment at end-2013 decreased Bt641 million from the same period of last year. The major fall of Bt332 million was in trading securities. The reasons were the decrease of investment in securities, the slide of the SET Index, the mark-to-market rule, and the recognition of profit/loss in the proprietary portfolio. Overall in 2013, the company booked a profit from investment of Bt341 million in the statement of comprehensive income. At the same time, available-for-sale securities decreased Bt273 million as a result of decreasing allowance for revaluation of securities and the sale of some securities. However, in terms of the investment strategy, proprietary investment expanded significantly in 2013. The proportion of investment in global equity securities was increased from 26% to 49%; the proportion of investment in local equity securities, was decreased from 54% to 31%; while the proportion of investment in debt securities remained the same at 20% due to decreasing interest rate.

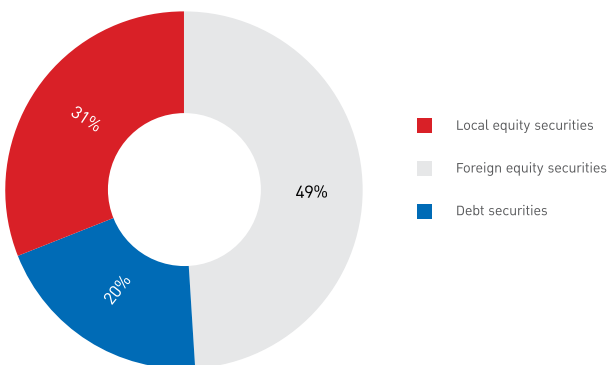
Investment Structure of Bt1,503 Million in 2013 (Consolidated)



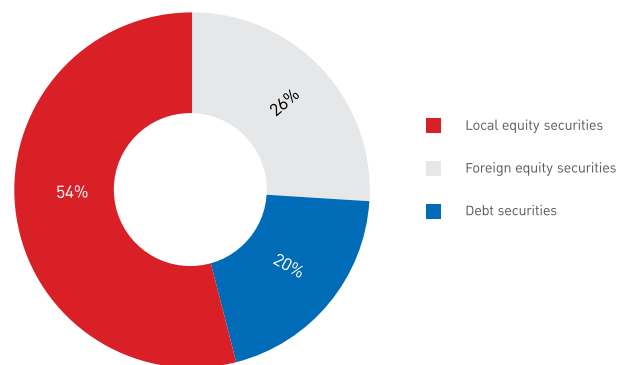
Changes in Investment



Proprietary Portfolio Structure at End-2013



Proprietary Portfolio Structure at End-2012

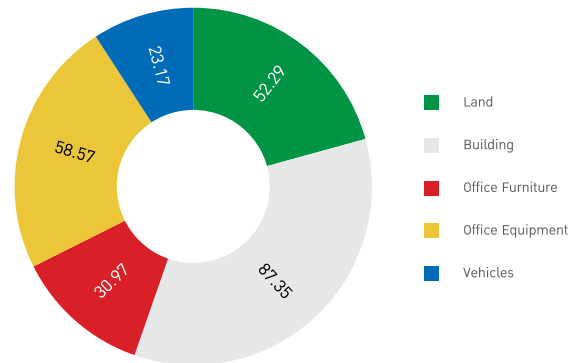


## Premises and equipment

The value of land is measured at its cost while building and equipment value is measured from the cost less accumulated depreciation and allowance for impairment loss (if any). Building and equipment depreciation is calculated by a straight-line method based on the service life of the asset.

As at 31 December 2013, net value of the company's premises and equipment was Bt252 million; Bt52 million was for land Bt87 million, building Bt31 million, office furniture Bt59 million, office equipment, and Bt23 million for vehicles.

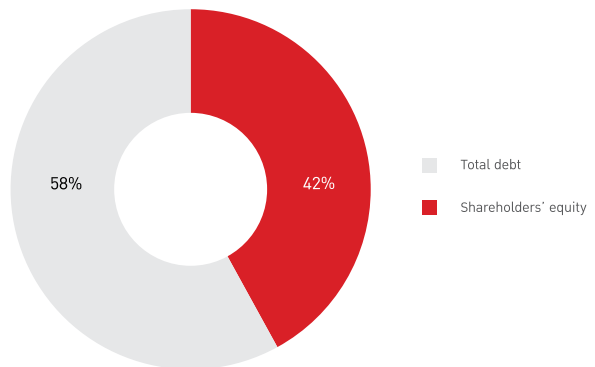
## Premises and Equipment Structure



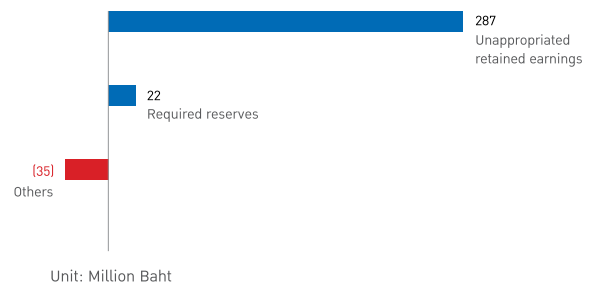
## Capital Base Ready for Future growth

Because of slow down in securities trading in late 2013, outstanding debt concerning securities and derivatives trading lowered, resulting in a change in the capital structure. Total debt dropped from 50% in 2012 to 42%, while shareholders' equity rose to 58%. At end-2013, net shareholders' equity stood at Bt4,435 million, versus Bt4,161 million in 2012, which was sufficient for planned business expansion in the future. The changes in debt and shareholders' equity are detailed as follows.

## Capital Structure



## Changes in Shareholders' Equity



Source: Financial Statement of Asia Plus Securities Public Company Limited



## Debt

Total debt at end-2013 was Bt3,251 million, decreasing Bt872 million from the same period of last year. Securities business payables and derivatives business payables decreased Bt1,291 million, owing to a Bt1,365 million decrease in payables with cash accounts, whereas payables of securities borrowing and lending transactions increased Bt58 million. Securities sold under repurchase agreements decreased Bt219 million, mainly private debt securities. Payables to clearing house increased Bt412 million. Accrued expense increased Bt198 million. Provision for long-term employee benefits rose slightly by Bt10 million in accordance with the accounting standard.

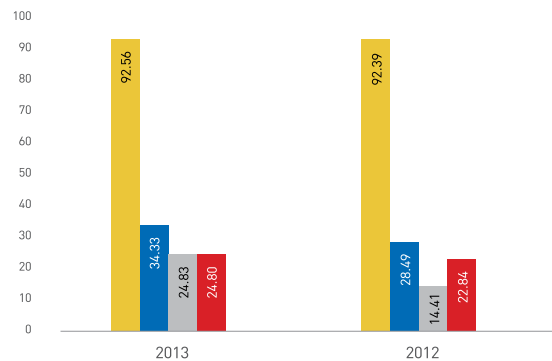
## Shareholders' Equity

Despite a large dividend payment of Bt758 million in 2013, which was 2012 annual dividend payment of Bt337 million and 2013 interim dividend payment of Bt421 million, shareholders' equity at end-2013 was still as high as Bt4,435 million, increasing Bt274 million from 2012. Unappropriated retained earnings increased Bt287 million; reserve requirement increased Bt22 million; while other components of owners' equity decreased Bt34 million because of mark-to-market of available-for-sale assets.

## Profitability

In 2013, the company had a net profit of Bt1,067 million, surging 82% from 2012, or earnings per share (EPS) of Bt0.51. Gross profit margin was 93%, while net profit margin was 34%. Return on equity was 25% and return on investment was 25%.

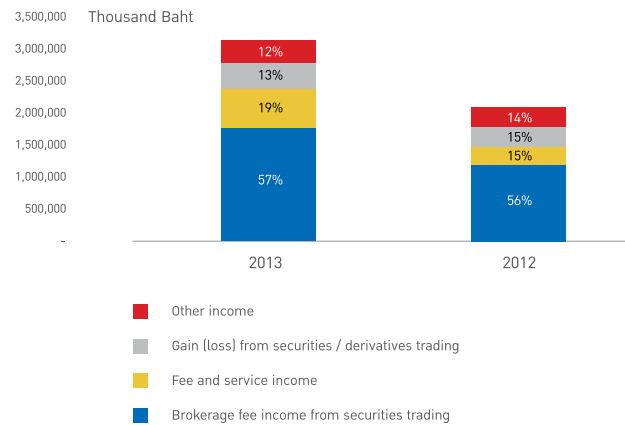
■ Gross profit margin ■ Net profit margin ■ Return on equity ■ Return on investment



Source: Financial Statement of Asia Plus Securities Public Company Limited

The company had a net profit of Bt1,067 million in 2013. Total income was Bt3,109 million, increasing Bt1,033 million or 50% from last year. This was mainly because brokerage fee income from securities and derivatives trading grew from Bt605 million to Bt1,764 million. A continuous rally of SET Index in the first half of 2013, and a Bt280 million increase in fee and service income. Similarly, margin loan interest income rose Bt56 million; gains from derivatives trading rose Bt50 million; interest and dividend income increased Bt32 million; and gains from proprietary investment increased Bt18 million. Other income, on the other hand, slid slightly by Bt9 million. The increasing income resulted from an increase of the proportion of investment by local and institutional investors. Nevertheless, the company is still holding to a strategy of income distribution, focusing on more diverse businesses in order to compensate for the brokerage fee income resulting from the rising of fierce competition.

### Higher brokerage fee income and fee and service income led to changes in income structure

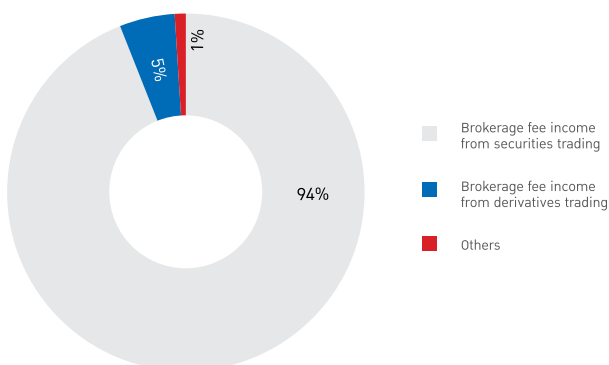


Source: Financial Statement of Asia Plus Securities Public Company Limited

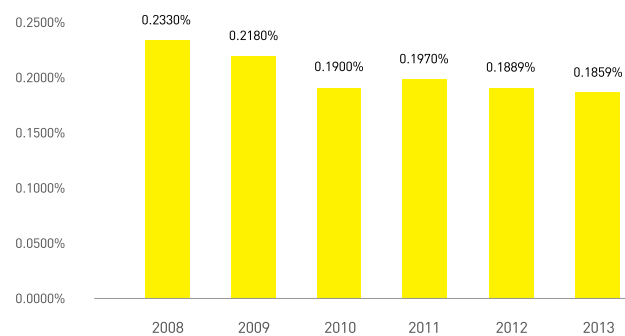
### Brokerage fee income from securities and derivatives trading

Brokerage fee income in 2013 grew 52% to Bt1,764 million because of an increase of the proportion of investment in Thailand by some retail and institutional investors that directly boosted the company's market share to 4.14%. Positive signs are from securities and derivatives brokerage fee income and other brokerage fee income that escalated from the prior year. Furthermore, the company has launched new products and expanded client base both locally and internationally. Brokerage fee charge in 2013 dropped slightly to 0.18%.

### Brokerage Fee Income Structure



### Net Brokerage Fee Charge

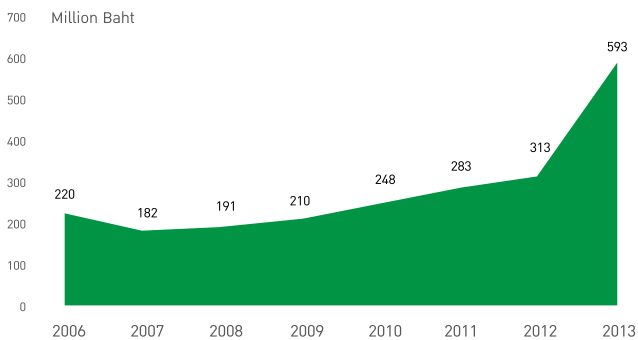


Source: Financial Statement of Asia Plus Securities Public Company Limited

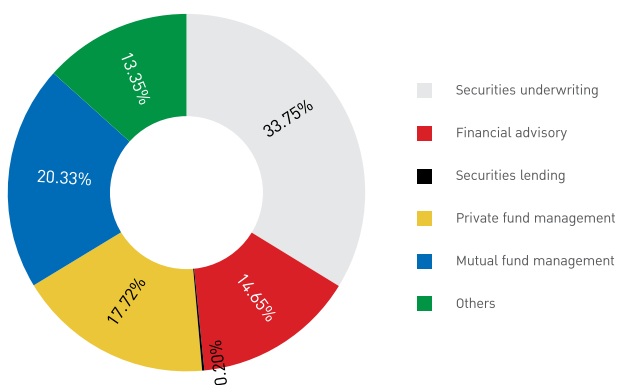
## Fee and service income

Since 2007, fee and service income has been rising continuously along with the company's strategy adjustment. In 2013, the income gained 90% to Bt593 million. Underwriting income accounted for 34% of the total fee and service income; income from the financial advisory business was 15%; income from the private fund management business was 18%; and income from the mutual fund management business was 20%. The company has also planned to increase income from other businesses, including global investment, wealth plus, investment banking, and derivatives, which would help boost fee and service income growth in the future.

### Fee Income Growth (Consolidated)



### Structure of Brokerage Fee Income from Securities Trading



Source: Financial Statement of Asia Plus Securities Public Company Limited

## Gains from securities and derivatives trading

Although the SET Index at the beginning of the year and at the year-end 2013 was not significantly different, with SET Index falling 93 pts in total. The difference between the high and the low was large at 368 pts. Given the volatile Index movement, gains from securities and derivatives trading increased from Bt321 million in 2012 to Bt389 million in 2013. This was the main contribution to the increase in the net profit.

## Interest and dividend income

Return on interest and dividend increased in late 2013, despite of slowing economy. The interest and dividend income in 2013 was Bt186 million, up from Bt154 million in 2012, reflecting quality investment of the company. In addition, local and international policy interest rates had been stable in 2013.

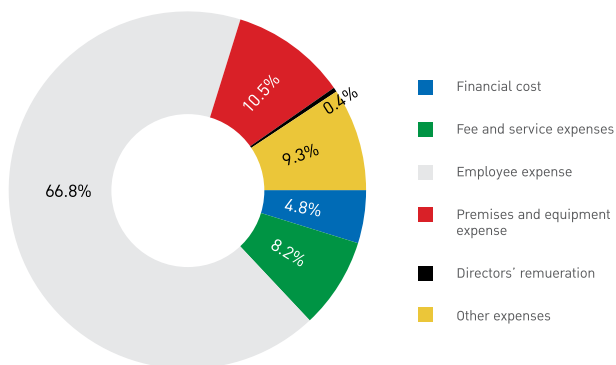
## Interest on margin loans

Interest on margin loans increased 51% from Bt111 million in 2012 to Bt167 million in 2013, but did not result in any bad debt, reflecting effective management.

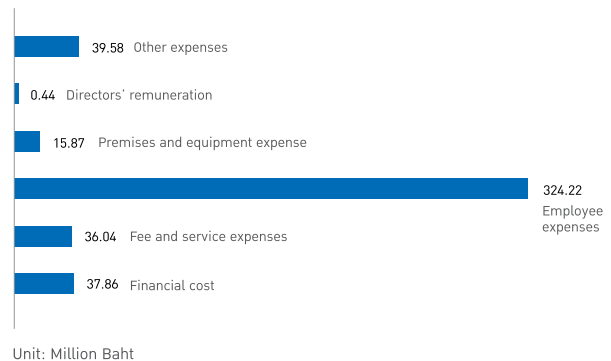


## Operating expense increased from continued business expansion

Expense Structure in 2013



Changes in Expenses: 2013 versus 2012



Source: Financial Statement of Asia Plus Securities Public Company Limited

In 2013, the company marched forward with aggressive business expansion, especially in the businesses that could generate income, aiming at balancing income distribution in order to expand client base and boost income and profit growth in the long run. However, due to this strategy, operating expenses could not decrease significantly in the short term. Overall, the company had total expenses of Bt1,770 million, increasing Bt454 million or 35% from 2012.

The structure of expenses showed no significant change from 2012; 65% of the total expenses was still employee expense, which was up Bt323 million from 2012 as a result of market influences.

Regarding cash flow, the company had considerably high liquidity. The statement of cash flow showed that in 2013 the company had positive operating cash flow of Bt674 million and positive investing cash flow of Bt484 million. These factors allow the company to embrace any business opportunities in the future.

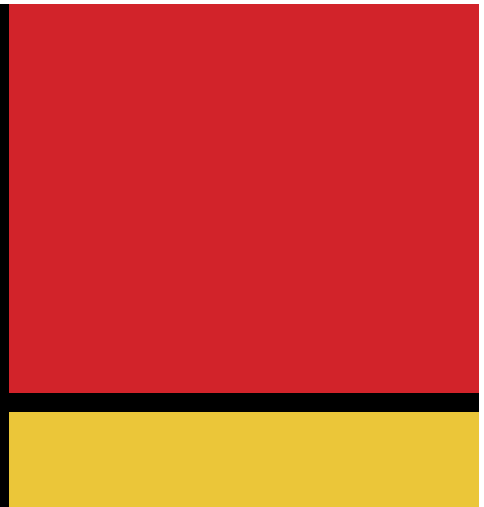
### Factors and influences on future financial position

The slowing economy and sluggish earnings of listed companies which reflected the market recession will depress average daily transaction volume and thus brokerage fee income. Therefore, the company has to balance and distribute the income base by focusing on asset management service and investment in global assets that provide good return. Moreover, the company will have to expand the derivatives and investment banking businesses, as well as seek an opportunity to make cross selling with other services.

The company is focusing on technology improvement to boost efficiency and cost control. This will reduce operational risks and financial risks, as well as investment risks to some extent, and improve its competitive position.

Furthermore, the company has also emphasised on widening the knowledge and understanding of financial innovation of both customers and employees. Training is key to preparing staff for business expansion and new business activities. The company continues to offer knowledge to customers and investors to help them to understand the company's financial products and enhance investment returns. These factors should result in the company's continuous growth.

Additionally, with a highly experienced and professional management team, the company is committed to remaining the industry leader, offering the full range of financial services in the fast-evolving globalization era.





# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

## FOR FINANCIAL STATEMENTS

The Board of Directors of Asia Plus Securities Public Company Limited is responsible for the consolidated financial statements of the Company and its subsidiaries, including financial information appearing in the 2013 Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles in Thailand with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent certified auditors who have given their unqualified opinions, which reflected fair and transparent financial position and operating performance that is useful information for shareholders and general investors.

The Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets in order to prevent fraud or materially irregular operation.

In this regard, the Board of directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing and working with internal and external auditors on the financial reports, financial statements and a quarterly and yearly basis, internal control, related transactions including compliance, as appeared in the report of the Audit Committee which is presented in this annual report.

The Board of Directors believed that the company has a satisfactory level of internal control systems and internal audit and can reasonably assure that the financial reports of the company and its subsidiary as at December 31, 2013 are reliable and prepared in line with generally accepted accounting principles and relevant rules and regulations



**Mr. Chali Sophonpanich**  
Chairman



**Mr. Kongkiat Opaswongkarn**  
Chief Executive Officer

# REPORT OF RISK MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2013

The Risk Management Committee, which was established in 2013, consists of 4 independent directors and 1 executive director being Mr. Sopon Punyaratabandhu (Chairman), Dr. Virach Aphimeteetamrong, Mr. Satit Chanjavanakul, Mr. Michael David Roberts, and Dr. Patchara Surajaras.

The main responsibilities of the Committee as described in the Risk Management Committee Charter are to oversee risk governance structure including risk management policies and practices, and to ensure the adequacy of risk capital, liquidity and financing.

The Enterprise Risk Management Policy has been approved by Committee and the Board of Directors during 2013. The Enterprise Risk Management Policy is an enterprise-wide, integrated risk management policy, under which risks are grouped into different types and their business impacts are assessed taken into account measures for risk mitigation.

The Risk Management Committee met 5 times in 2013. The Head of Market Risk Division, Head of Risk Management Division, and Head of Compliance and Audit Department also attended the meetings. At its meetings, the committee discussed key risks and measures to mitigate risk as well as the capital adequacy, liquidity, funding, and the NCR ratio.

In 2014 the Committee plans to have the company fully implemented enterprise-wide risk management in line with the Enterprise Risk Management Policy.



Mr. Sopon Punyaratabandhu  
Chairman of  
the Risk Management Committee

# REPORT OF THE AUDIT COMMITTEE

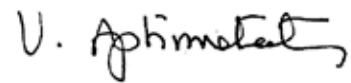
FOR THE YEAR ENDED DECEMBER 31, 2013

The Audit Committee which has been appointed by the Board of Directors comprises independent directors qualified under requirements of the Stock Exchange of Thailand and possess knowledge and experience in finance, accounting and business management. In 2013, chairman of the audit committee was Dr. Virach Aphimeteetamrong and the other committee members were Mr. Sapon Punyaratabandhu and Mr. Satit Chanjavanakul.

The Audit Committee performed its duties in accordance with the scope of duties and responsibilities as delegated by the Board of Directors and as set in its Audit Committee charter. In 2013 the committee held 8 meetings with the external auditors, the management, and the audit and compliance departments including one meeting with the external auditors in absence of the management as the following issues:

1. Reviewed the quarterly, half-year and annual financial statements and related financial reports. The committee agreed with the external auditor's opinions that the financial statements present fairly, in all material aspects, the financial position and the results of operations in compliance with generally accepted accounting principles, including the accounting laws, and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, and is reliable with sufficient disclosure. The committee also reviewed related party transactions for arms-length and adequate disclosure.
2. Considered and approved operation plans of the Compliance and Audit Department, and acknowledged the results of assessment of the adequacy of internal control systems and the compliance with regulatory requirements.
3. Participated as members of Risk Management Committee.
4. Considered performance and independent of the external auditor, and the audit fee, and recommended the Board of Directors to propose to the shareholders to appoint the EY Office Limited as the external auditors for the year 2013.

The committee is of an opinion that management observe good corporate governance, the financial statements present fairly, in all material aspects, the financial position and the results of operations in compliance with generally accepted accounting principles with sufficient disclosure on related party transactions, and the company has established adequate internal control systems and risk management and has complied with regulatory requirements concerned.



**Dr. Virach Aphimeteetamrong**

Chairman of the Audit Committee

12 February 2014



# FINANCIAL STATEMENTS

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED

# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of Asia Plus Securities Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statement of comprehensive income, changes in owners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and I have also audited the separate financial statements of Asia Plus Securities Public Company Limited for the same period.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

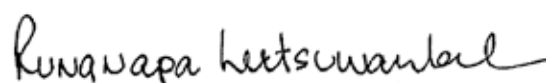
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asia Plus Securities Public Company Limited and its subsidiaries and of Asia Plus Securities Public Company Limited as at 31 December 2013, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

## Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.



**Rungrapa Lertsuwankul**

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 24 February 2014

# STATEMENTS OF FINANCIAL POSITION

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As at 31 December 2013 and 2012

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 [Restated]	1 January 2012	31 December 2013	31 December 2012 [Restated]	1 January 2012
<b>Assets</b>							
Cash and cash equivalents	7	848,306,672	447,971,017	1,392,168,045	715,430,205	357,052,050	1,340,188,636
Deposits at financial institutions	8	140,002,131	80,002,089	120,002,042	-	-	-
Securities purchased under resale agreements	9	499,605,648	718,154,319	197,587,044	499,605,648	718,154,319	197,587,044
Receivables from Clearing House	10	1,988,371	69,965,650	587,019,452	1,988,371	69,965,650	587,019,452
Securities and derivatives business receivables - net	11	4,221,063,146	4,409,810,037	2,521,930,247	4,221,063,146	4,409,810,037	2,521,930,247
Derivatives assets	12	18,390,503	8,705,313	4,657,513	18,390,503	8,705,313	4,657,513
Investments - net	13	1,502,658,920	2,144,390,743	1,243,869,118	1,502,658,920	2,134,390,743	1,233,869,118
Investments in subsidiaries	14	-	-	-	112,706,997	112,706,917	112,706,917
Property, plant and equipment - net	15	252,347,617	237,471,438	233,168,498	235,438,248	220,172,437	221,042,223
Intangible assets - net	16	20,173,357	19,489,408	19,232,794	16,175,379	15,980,607	15,169,439
Deferred tax assets	4,17	3,150,255	2,539,719	2,654,960	-	-	-
Other assets	18	178,530,559	145,037,934	123,082,999	141,116,059	109,961,820	87,743,576
<b>Total assets</b>		<b>7,686,217,179</b>	<b>8,283,537,667</b>	<b>6,445,372,712</b>	<b>7,464,573,476</b>	<b>8,156,899,893</b>	<b>6,321,914,165</b>

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



# STATEMENTS OF FINANCIAL POSITION (CONTINUED)

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As at 31 December 2013 and 2012

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Liabilities and owners' equity							
Liabilities							
Borrowings from financial institutions		-	-	1,190,092	-	-	1,190,092
Securities sold under repurchase agreements	19	499,604,678	718,154,319	197,597,027	499,604,678	718,154,319	197,597,027
Payables to Clearing House	20	1,075,984,718	663,775,544	28,814,697	1,075,984,718	663,775,544	28,814,697
Securities and derivatives business payables	21	926,118,564	2,217,462,384	1,683,793,432	926,118,564	2,217,462,384	1,683,793,432
Derivatives liabilities	12	48,615,261	11,011,274	21,402,747	48,615,261	11,011,274	21,402,747
Debt issued and borrowings		-	-	99,256,075	-	-	99,256,075
Provision for long-term employee benefits	22	97,793,154	87,831,901	69,200,508	83,349,870	75,189,381	55,942,676
Provision	23	4,400,000	4,400,000	4,400,000	4,400,000	4,400,000	4,400,000
Deferred tax liabilities	4,17	20,016,002	22,359,223	1,419,784	20,016,002	22,359,223	1,419,784
Corporate income tax payables		75,305,212	89,709,733	77,550,848	66,107,892	85,772,735	70,981,429
Accrued expenses		478,315,582	280,657,767	260,950,785	403,271,863	243,724,965	218,150,066
Other liabilities	24	24,692,884	27,145,996	22,747,101	21,954,499	24,696,341	21,172,412
Total liabilities		3,250,846,055	4,122,508,141	2,468,323,096	3,149,423,347	4,066,546,166	2,404,120,437
Owners' equity							
Share capital							
Authorised share capital							
2,521,945,020 ordinary shares of Baht 1 each		2,521,945,020	2,521,945,020	2,521,945,020	2,521,945,020	2,521,945,020	2,521,945,020
Issued and paid-up share capital							
2,105,656,044 ordinary shares of Baht 1 each		2,105,656,044	2,105,656,044	2,105,656,044	2,105,656,044	2,105,656,044	2,105,656,044
Additional paid-in capital		1,139,183,677	1,139,183,677	1,139,183,677	1,139,183,677	1,139,183,677	1,139,183,677
Other components of owners' equity	13.6	50,507,557	85,459,897	58,542,030	50,507,557	85,459,897	58,542,030
Retained earnings							
Appropriated							
Statutory reserve	25	252,194,502	229,831,801	200,123,434	252,194,502	229,831,801	200,123,434
Unappropriated		887,829,344	600,898,107	473,544,431	767,608,349	530,222,308	414,288,543
Total owners' equity		4,435,371,124	4,161,029,526	3,977,049,616	4,315,150,129	4,090,353,727	3,917,793,728
Total liabilities and owners' equity		7,686,217,179	8,283,537,667	6,445,372,712	7,464,573,476	8,156,899,893	6,321,914,165

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

(Mr. Patchara Surajaras)  
Director

(Mr. Jirawat Lewprasert)  
Director



# STATEMENTS OF COMPREHENSIVE INCOME

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
<b>Revenues</b>					
Brokerage fees	27	1,764,019,008	1,159,415,197	1,769,461,712	1,163,325,441
Fees and services income	28	593,347,348	312,924,709	259,178,436	71,424,622
Gain on securities		341,631,739	323,421,063	341,631,739	323,421,063
Gain (loss) on derivatives		47,310,440	(2,604,056)	47,310,440	(2,604,056)
Interest and dividend		186,119,363	154,301,822	209,891,456	177,071,934
Interest on margin loans		167,094,700	110,648,878	167,094,700	110,648,878
Other income		9,674,909	18,576,505	10,800,123	16,635,973
<b>Total revenues</b>		<b>3,109,197,507</b>	<b>2,076,684,118</b>	<b>2,805,368,606</b>	<b>1,859,923,855</b>
<b>Expenses</b>					
Finance costs		85,699,963	47,841,058	85,699,963	47,841,058
Fees and services expenses		144,865,547	108,824,463	161,365,594	96,240,873
Operating expenses					
Personnel expenses		1,181,762,691	857,546,419	996,615,991	724,938,303
Premises and equipment expenses		185,507,036	169,639,363	157,408,444	144,242,664
Directors' remuneration		6,852,500	6,412,000	6,360,000	4,310,000
Other expenses		164,884,316	125,449,393	129,391,839	102,266,947
Bad debt and doubtful accounts (Reversal)		121,400	(21,716)	121,400	(21,716)
<b>Total expenses</b>		<b>1,769,693,453</b>	<b>1,315,690,980</b>	<b>1,536,963,231</b>	<b>1,119,818,129</b>
Profit before income tax expenses		1,339,504,054	760,993,138	1,268,405,375	740,105,726
Income tax expenses	17	(272,173,940)	(174,592,671)	(250,620,457)	(163,076,417)
<b>Profit for the year</b>		<b>1,067,330,114</b>	<b>586,400,467</b>	<b>1,017,784,918</b>	<b>577,029,309</b>

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

# STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Other comprehensive income:					
Gain (loss) on re-measuring available-for-sale investments	13.6	(43,690,425)	33,283,261	(43,690,425)	33,283,261
Actuarial losses on defined benefit plan	22	-	(10,259,018)	-	(12,819,960)
Income tax relating to components of other comprehensive income	17	8,738,085	(4,313,591)	8,738,085	(3,801,402)
Total other comprehensive income for the year		(34,952,340)	18,710,652	(34,952,340)	16,661,899
Total comprehensive income for the year		1,032,377,774	605,111,119	982,832,578	593,691,208
Earnings per share					
Basic earnings per share					
Profit for the year	30	0.51	0.28	0.48	0.27

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



(Mr. Patchara Surajaras)  
Director



(Mr. Jirawat Lewprasert)  
Director

# STATEMENTS OF CHANGES IN OWNERS' EQUITY

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

(Unit: Baht)

	Note	Consolidated financial statements					
		Issued and paid-up share capital	Additional paid-in capital	Other components of owners' equity		Retained earnings	
				Other comprehensive income	Gain (loss) on re-measuring available-for-sale investments	Appropriated - Statutory reserve	Unappropriated
							Total
<b>Balance as at 31 December 2011 - as previously reported</b>		2,105,656,044	1,139,183,677	73,541,610		200,123,434	3,975,814,440
Cumulative effect of change in accounting policy for income taxes	4	-	-	(14,999,580)		-	1,235,176
<b>Balance as at 31 December 2011 - as restated</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>58,542,030</b>		<b>200,123,434</b>	<b>3,977,049,616</b>
<u>Change during the year</u>							
Dividend paid	26	-	-	-		-	(421,131,209)
Appropriation retained earnings	25	-	-	-		29,708,367	(29,708,367)
Total comprehensive income for the year (restated)		-	-	26,917,867		-	605,111,119
<b>Balance as at 31 December 2012 - as restated</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>85,459,897</b>		<b>229,831,801</b>	<b>4,161,029,526</b>
<b>Balance as at 31 December 2012 - as previously reported</b>		2,105,656,044	1,139,183,677	106,824,871		229,831,801	4,180,849,030
Cumulative effect of change in accounting policy for income taxes	4	-	-	(21,364,974)		-	(19,819,504)
<b>Balance as at 31 December 2012 - as restated</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>85,459,897</b>		<b>229,831,801</b>	<b>4,161,029,526</b>
<u>Change during the year</u>							
Dividend paid	26	-	-	-		-	(758,036,176)
Appropriation retained earnings	25	-	-	-		22,362,701	(22,362,701)
Total comprehensive income for the year		-	-	(34,952,340)		-	1,032,377,774
<b>Balance as at 31 December 2013</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>50,507,557</b>		<b>252,194,502</b>	<b>4,435,371,124</b>

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

# STATEMENTS OF CHANGES IN OWNERS' EQUITY (CONTINUED)

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

(Unit: Baht)

	Note	Separate financial statements					
		Issued and paid-up share capital	Additional paid-in capital	Other components of owners' equity	Retained earnings		Total
					Other comprehensive income	Gain (loss) on re-measuring available-for-sale investments	
<b>Balance as at 31 December 2011 - as previously reported</b>		2,105,656,044	1,139,183,677	73,541,610		200,123,434	3,919,213,512
Cumulative effect of change in accounting policy for income taxes	4	-	-	(14,999,580)		-	(1,419,784)
<b>Balance as at 31 December 2011 - as restated</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>58,542,030</b>		<b>200,123,434</b>	<b>3,917,793,728</b>
<u>Change during the year</u>							
Dividend paid	26	-	-	-		-	(421,131,209)
Appropriation retained earnings	25	-	-	-		29,708,367	(29,708,367)
Total comprehensive income for the year (restated)		-	-	26,917,867		-	593,691,208
<b>Balance as at 31 December 2012 - as restated</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>85,459,897</b>		<b>229,831,801</b>	<b>4,090,353,727</b>
<b>Balance as at 31 December 2012 - as previously reported</b>		2,105,656,044	1,139,183,677	106,824,871		229,831,801	4,112,712,950
Cumulative effect of change in accounting policy for income taxes	4	-	-	(21,364,974)		-	(22,359,223)
<b>Balance as at 31 December 2012 - as restated</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>85,459,897</b>		<b>229,831,801</b>	<b>4,090,353,727</b>
<u>Change during the year</u>							
Dividend paid	26	-	-	-		-	(758,036,176)
Appropriation retained earnings	25	-	-	-		22,362,701	(22,362,701)
Total comprehensive income for the year		-	-	(34,952,340)		-	982,832,578
<b>Balance as at 31 December 2013</b>		<b>2,105,656,044</b>	<b>1,139,183,677</b>	<b>50,507,557</b>		<b>252,194,502</b>	<b>4,315,150,129</b>

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

# CASH FLOW STATEMENTS

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Profit before income tax expenses	1,339,504,054	760,993,138	1,268,405,375	740,105,726
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid for) operating activities :-				
Depreciation and amortisation	43,942,421	40,448,101	37,267,560	34,761,633
Bad debt and doubtful accounts (reversal)	121,400	(21,716)	121,400	(21,716)
Gain from reclassification of investments	(2,197,104)	(21,750,387)	(2,197,104)	(21,750,387)
Gain from changing in fair value of derivatives assets	(9,685,190)	(4,047,800)	(9,685,190)	(4,047,800)
Loss (gain) from changing in fair value of derivatives liabilities	16,648,056	(3,041,533)	16,648,056	(3,041,533)
Gain from disposal of available-for-sale securities	(48,556,863)	(22,619,023)	(48,556,863)	(22,619,023)
Gain from disposal of held-to-maturity debt securities	(71,720)	(870,722)	(71,720)	(870,722)
Gain from changing in fair value of trading investments	(33,423,872)	(71,814,016)	(33,423,872)	(71,814,016)
Loss (gain) from changing in fair value of borrowing securities	(10,609,769)	1,895,137	(10,609,769)	1,895,137
Gain on disposal of property, plant and equipment and intangible assets	(2,185,991)	(2,776,167)	(3,075,204)	(428,059)
Long-term employee benefits expenses	10,677,503	8,372,375	8,876,739	6,426,745
Interest and dividend income	(186,119,363)	(154,301,822)	(209,891,456)	(177,071,934)
Interest on margin loans income	(167,094,700)	(110,648,878)	(167,094,700)	(110,648,878)
Finance costs	85,699,963	47,841,058	85,699,963	47,841,058
Profit from operating activities before changing in operating assets and liabilities	1,036,648,825	467,657,745	932,413,215	418,716,231
Decrease (increase) in operating assets				
Deposits at financial institutions	(60,000,042)	39,999,953	-	-
Securities purchased under resale agreements	218,548,671	(520,567,275)	218,548,671	(520,567,275)
Receivables from Clearing House	67,977,279	517,053,802	67,977,279	517,053,802
Securities and derivatives business receivables	355,720,191	(1,777,209,196)	355,720,191	(1,777,209,196)
Investments in trading securities	174,490,087	(1,137,095,297)	174,490,087	(1,137,095,297)
Other assets	(16,421,370)	(18,445,992)	(14,620,020)	(18,751,821)

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

# CASH FLOW STATEMENTS (CONTINUED)

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Increase (decrease) in operating liabilities				
Borrowings from financial institutions	-	(1,190,092)	-	(1,190,092)
Securities sold under repurchase agreements	(218,549,641)	520,557,292	(218,549,641)	520,557,292
Payables to Clearing House	412,209,174	634,960,847	412,209,174	634,960,847
Securities and derivatives business payables	(1,280,736,940)	531,760,240	(1,280,736,940)	531,760,240
Derivatives liabilities	20,955,931	(7,349,940)	20,955,931	(7,349,940)
Debt issued and borrowings	-	(100,000,000)	-	(100,000,000)
Paid long-term employee benefits	(716,250)	-	(716,250)	-
Accrued expenses	197,657,815	19,706,982	159,546,898	25,574,899
Other liabilities	(4,582,793)	4,153,002	(4,871,522)	3,244,653
<b>Cash flows from (used in) operating activities</b>	<b>903,200,937</b>	<b>(826,007,929)</b>	<b>822,367,073</b>	<b>(910,295,657)</b>
Cash received from interest and dividend	137,296,068	117,138,380	132,259,740	112,751,852
Cash paid for interest expenses	(85,697,074)	(47,083,558)	(85,697,074)	(47,083,558)
Cash paid for income tax	(280,794,132)	(145,692,697)	(263,890,435)	(131,147,074)
<b>Net cash flows from (used in) operating activities</b>	<b>674,005,799</b>	<b>(901,645,804)</b>	<b>605,039,304</b>	<b>(975,774,437)</b>
<b>Cash flows from investing activities</b>				
Cash paid for investment in subsidiary	-	-	(80)	-
Cash received from dividend of long-term investments	13,108,653	16,753,109	13,108,653	16,753,109
Cash received from dividend of subsidiaries	-	-	29,499,977	27,499,979
Interest received from investments in debt securities	18,787,993	16,667,003	18,633,473	16,366,181
Cash paid for purchase of available-for-sale securities	(145,492,448)	(462,219,334)	(145,492,448)	(462,219,334)
Cash received from disposal of available-for-sale securities	616,576,990	678,494,084	616,576,990	678,494,084
Cash received from disposal of held-to-maturity debt securities	26,571,720	30,870,722	26,571,720	30,870,722
Cash received from held-to-maturity debt securities	10,000,000	140,000,000	-	140,000,000
Cash paid for acquisition of property, plant and equipment and intangible assets	(63,052,634)	(44,821,021)	(50,910,488)	(34,427,365)
Cash received from disposal of property, plant and equipment and intangible assets	7,865,758	2,835,422	3,387,230	431,684
<b>Net cash flows from investing activities</b>	<b>484,366,032</b>	<b>378,579,985</b>	<b>511,375,027</b>	<b>413,769,060</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(758,036,176)	(421,131,209)	(758,036,176)	(421,131,209)
<b>Net cash flows used in financing activities</b>	<b>(758,036,176)</b>	<b>(421,131,209)</b>	<b>(758,036,176)</b>	<b>(421,131,209)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>400,335,655</b>	<b>(944,197,028)</b>	<b>358,378,155</b>	<b>(983,136,586)</b>
Cash and cash equivalents at beginning of the year	447,971,017	1,392,168,045	357,052,050	1,340,188,636
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<b>848,306,672</b>	<b>447,971,017</b>	<b>715,430,205</b>	<b>357,052,050</b>

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

# CASH FLOW STATEMENTS (CONTINUED)

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Supplemental cash flows information</b>				
Non-cash items:				
Purchases of equipment and intangible assets recorded as liabilities	2,602,388	472,707	2,602,388	472,707
Increase (decrease) in gain on re-measuring available-for-sale investments	(43,690,425)	33,283,261	(43,690,425)	33,283,261
Transfer of trading securities to available-for-sale securities (at cost)	191,422,364	369,994,614	191,422,364	369,994,614
Actuarial losses on defined benefit plan	-	10,259,018	-	12,819,960

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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For the years ended 31 December 2013 and 2012

## 1. General information

- 1.1 Asia Plus Securities Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its registered address is at 175, 3/1 Floor, Sathorn City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok. On 18 March 2013, the Company ceased the operation at Royal City Avenue branch. Consequently, as at 31 December 2013, the Company has 17 branches in total (2012: 18 branches).

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

1. Securities businesses under type Kor securities license which the Ministry of Finance granted to the Company on 13 November 2008. In accordance with this license, the Company is allowed to undertake several securities business activities as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Underwriting
5. Securities borrowing and lending
6. Private fund management
7. Mutual fund management
8. Venture capital management

However, the Company has yet to operate the business activities in No.7 and No.8. The Company will be able to operate such businesses when the Office of the Securities and Exchange Commission completes an inspection of the Company's work systems and personnel as stipulated in the Ministerial regulation concerning granting of approval for undertaking securities business.

2. Derivatives businesses under type Sor-1 securities license which the Office of the Securities and Exchange Commission granted to the Company on 29 July 2009. This licenses the Company to undertake several derivatives business activities as follows:

1. Derivatives broker
2. Derivatives dealer
3. Derivatives advisor
4. Derivatives fund manager

However, the Company has yet to operate the business activities in No.3 and No.4. The Company will be able to operate such businesses when the Office of the Securities and Exchange Commission completes an inspection of the Company's work systems and personnel as stipulated in the Ministerial regulation concerning granting of approval for undertaking securities business.

3. The Office of the Securities and Exchange Commission has permitted the Company to operate as a financial advisor for 5 years from 15 June 2010 to 14 June 2015.
  4. On 23 February 2012, the Agricultural Futures Trading Commission issued a futures trading broker license. And on 24 October 2012, the Office of Agricultural Futures Trading Commission approved the Company to conduct its business operations with respect to futures trading broker from 24 October 2012 onwards.
- 1.2 Asset Plus Fund Management Company Limited which is the Company's subsidiary, operates its business in Thailand and undertakes securities business licenses as follows:
1. Mutual fund management
  2. Private fund management
  3. Limited Broker Dealer Underwriter
  4. Derivatives fund manager
- 1.3 Asia Plus Advisory Company Limited is a subsidiary of the Company, 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 for 5 years from 25 June 2013 to 24 June 2018.
- 1.4 The Annual General Meeting of the Company's shareholders, held on 1 April 2008, passed a resolution to approve to issue and offer of up to Baht 1,000 million or the equivalent in other currencies of debentures and/or structured notes and/or other types of debentures, in order to enable the Company to engage in new business that provides income generating opportunities.

In addition, the Extraordinary General Meeting of Shareholders No. 1/2010 held on 19 November 2010 passed a resolution to approve the increase in the limit of the issuance and the offering of the Company's debentures and/or structured notes and/or other types of debentures in order to facilitate the expansion in new business areas. The total value offered will not exceed Baht 3,000 million or equivalent in any other foreign currencies, offering for sale in Thailand and/or overseas to general public and/or specific investors and/or institutional investors in accordance with the Notification of the Securities and Exchange Commission all of which may be issued and offered for sale within one time or several times as the Company may deem appropriate.

## 2. Basis for 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 in conjunction with the Notifications of the Office of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor Thor/Khor/Nor. 53/2553 dated 15 December 2010.

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 such financial statements in Thai language.

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 Asia Plus Securities Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") as follows:

(Unit: Percent)

Company's name	Nature of business	Country of incorporate	Percentage of shares held by the Company	
			2013	2012
Asset Plus Fund Management Co., Ltd.	Fund management	Thai	100	100
Asia Plus Advisory Co., Ltd.	Financial advisory	Thai	100	100

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date that when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material outstanding balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

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

## 3. New accounting standards

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

### (a) Accounting standards that became effective in the current accounting year

#### Accounting standards:

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

#### Financial Reporting Standard:

TFRS 8	Operating Segments
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#### Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

#### Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

### TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the accounting records and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4.

### (b) Accounting standards that will become effective in the future

Accounting Standards:		Effective date
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Charges in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		Effective date
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		Effective date
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

Financial Reporting Standard Interpretations:		Effective date
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

#### 4. Cumulative effect of the change in accounting policy due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the change described in Note 3 to their significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in owners' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
<b>Statements of financial position</b>						
Increase in deferred tax assets	3,150	2,540	2,655	-	-	-
Increase in deferred tax liabilities	20,016	22,359	1,420	20,016	22,359	1,420
Decrease in other components of owners' equity	(12,627)	(21,365)	(15,000)	(12,627)	(21,365)	(15,000)
Increase (decrease) in unappropriated retained earnings	(4,239)	1,546	16,235	(7,389)	(994)	13,580

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Statements of comprehensive income</b>				
Increase in income tax expenses	5,785	16,741	6,394	17,138
Decrease in profit for the year	(5,785)	(16,741)	(6,394)	(17,138)
Decrease in basic earnings per share (Baht)	(0.003)	(0.008)	(0.003)	(0.008)
<b>Other comprehensive income:</b>				
Actuarial losses on defined benefit plan	-	2,052	-	2,564
Decrease in loss on re-measuring available-for-sale investments (decrease in gain)	8,738	(6,365)	8,738	(6,365)

## 5. Significant accounting policies

### 5.1 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

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 and registrar fees are calculated as a percentage of the net assets of the funds managed by the Company and subsidiary and recognised as income when services have been rendered.

(c) Interest on margin loans

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

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

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

(d) Gain (loss) on securities trading

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

(e) Gain (loss) on derivatives trading

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

(f) Interest and dividend on investments

Interest on investments is recognised as interest accrued based on the effective rate method. Dividend from investments is recognised when the right to receive the dividends is established.

(g) Expenses

Fee and service expenses and operating expenses are recognised on an accrual basis.

## 5.2 Interest on borrowings

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

## 5.3 Cash and cash equivalents

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

## 5.4 Deposits at financial institutions

Deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with a maturity of more than 3 months or with a maturity of 3 months or less, but the Company and the subsidiaries intend to maintain these investments in the same form, and deposit subject to restriction.

## 5.5 Recognition and amortisation of customers assets

Cash received from customers of cash accounts, credit balance accounts and derivatives trading are recorded as assets and liabilities of the Company for the internal control purposes. At the end of the reporting period, the Company excludes these amounts from both assets and liabilities and presents only the assets which belong to the Company.

## 5.6 Securities borrowing and lending

The Company records its obligations to return borrowed securities which has been sold as short selling or lent as "Securities borrowing and lending payables" in the statements of financial position. At the end of the reporting period, the balance of securities borrowing payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gains or losses arising from such adjustment are included in profit or loss. Securities lent to customers are recorded as "Securities borrowing and lending receivables" in the statements of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as "Collateral receivables" or "Collateral payables". Fees on securities borrowing and lending are recognised on an accrual basis over the term of lending.

## 5.7 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) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).
- e) Investments in subsidiaries 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 as at the last working day of the year. The fair value of unit trusts is determined from their net asset value as at the end of the reporting period.

Loss on impairment (if any) of investments in available-for-sale securities, 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 and its subsidiaries reclassify 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 components 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.

## 5.8 Receivables from Clearing House

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

## 5.9 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 receivables, collateral receivables (which comprise cash placed as security with securities lenders) and securities sold under repurchase agreements receivables 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 Company has provided an allowance for doubtful accounts based on a review of debtors' repayment capability, taking into consideration the risk of recovery and the value of collateral. An allowance will be set aside for doubtful debts that their collateral are not fully covered and/or debtors cannot be recovered in full. Such debt classifications and provisions are made in accordance with the following criteria:

- a) Debt classified as bad debt is defined as follows:
- (1) Debts which the Company has made effort to follow up, but could not collect the repayment. The Company has written them off in accordance with tax law.
  - (2) Debts which the Company 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.

## 5.10 Property, plant and equipment and depreciation

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

Depreciation of building and equipment are calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Condominium unit	30	Years
Building	20	Years
Furniture, fixtures and office equipment	3 and 5	Years
Motor vehicles	5	Years

Depreciation is included in determining income.

No depreciation provided on land and assets under installation.

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

## 5.11 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (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 assets 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.

Amortisation of intangible assets are calculated by reference to their cost on straight-line basis over the following estimated useful lives:

Golf membership	10	Years
Software	5	Years
Securities business license fee		
Underwriting	5	Years
Mutual fund management	5	Years
Private fund management	5	Years
Futures Exchange membership fee	5	Years

### 5.12 Impairment of assets

At the end of each reporting year, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

### 5.13 Securities purchased under resale agreements/Securities sold under repurchase agreements

The Company enters into purchase of securities under agreements to resale securities at certain dates in the future at a fixed price. Securities purchased under resale agreements presented as assets in the statements of financial position are stated at amounts paid for the purchase of those securities.

The difference between the purchase and sale considerations is recognised on an accrual basis over the year of the transaction and is included in interest income.

The Company enters into sales of securities under agreements to repurchase securities at certain dates in the future at a fixed price. Securities sold under repurchase agreements presented as liabilities in the statements of financial position are stated at amounts received from the sale of those securities.

The difference between the sale and purchase considerations is recognised on an accrual basis over the year of the transaction and is included in finance costs.

### 5.14 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 trade made through the Thailand Futures Exchange, and net payable to foreign securities trade settlement with overseas brokers.

### 5.15 Securities and derivatives business payables

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

### 5.16 Structured notes

The Company's structured notes are offered to customers or business associates of the Company, who are institutional investors or high net worth investors, through private placements. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission, and the underlying assets are securities listed on the Stock Exchange of Thailand.

The notes are recorded at amortised cost, adjusted by the discount on the notes. The discount is amortised by the effective rate method with the amortised amount presented as finance costs in profit or loss.

Embedded derivatives are recorded as derivative assets/liabilities at fair value and the changes in fair value are recorded in profit or loss. In determining the fair value, the Company uses a valuation technique and theoretical model. The input to the model is derived from observable market and conditions that include liquidity, dividend, interest rate, underlying price and volatility of underlying asset.

### 5.17 Long-term leases

Leases of property, plant and equipment of which substantial risks and rewards of ownership are not transferred to lessee are classified as operating leases.

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

### 5.18 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.

### 5.19 Provisions

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

### 5.20 Foreign currency

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 are measured using the functional currency of that entity.

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

Exchange gains and losses are included in determining income.

## 5.21 Financial derivatives

### Futures contracts

Obligation under derivatives business which the Company enters into for trading purpose is regarded as the Company's commitments. Cash collateral amounts pledged as security for derivatives trading are recorded as receivable at TCH. Gains (losses) from changes in the fair value of derivatives are included in profit or loss. The fair value of derivatives is based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

### Option contracts

The Company recorded the premium paid (long position) and the premium received (short position) under options contracts as at trade date as derivative assets and derivative liabilities, respectively. Gains or losses from changes in the fair value of the premium under option contracts are included in profit or loss. Fair value is determined based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

### Forward contracts

Forward contracts are recorded as the Company's commitments. As at the end of the reporting period, the outstanding forward contracts are valued at fair value and the changes in fair value are recorded in profit or loss.

### Derivative warrants

Derivative warrants which are issued by the Company are recorded as liabilities items and the changes in fair value are recorded in profit or loss. The fair value of derivative warrants is based on the latest offer price of the last working day of the year as quoted on the Stock Exchange of Thailand.

## 5.22 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 a provident fund. 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 they 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, based on actuarial techniques, using the projected unit credit method.

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

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

At each reporting date, the Company 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 owners' equity if the tax relates to items that are recorded directly to owners' equity.

## 6. 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 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 subsidiary treat available-for-sale equity investments, held-to-maturity debt securities and non-marketable equity 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 for securities business receivables

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

**Property plant and equipment/Depreciation**

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

In addition, the management is required to review property, plant and 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.

**Intangible assets**

The initial recognition and measurement of 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 employee 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.

**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.

**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 exercises 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 long-term volatility of financial instruments.

**Litigation**

The Company has contingent liabilities as a result of litigation. The Company's management has exercised judgment to assess the potential results of the litigation, and the estimated contingent liabilities are recorded provision as at the end of the reporting period. However, the actual results may differ from the estimates.



## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash on hand, short-term deposits and notes receivables with maturity within three months	5,758,135	3,574,363	5,625,258	3,483,444
Less: Deposits and notes receivables of customers' account	(4,909,828)	(3,126,392)	(4,909,828)	(3,126,392)
<b>Total</b>	<b>848,307</b>	<b>447,971</b>	<b>715,430</b>	<b>357,052</b>

## 8. Deposits at financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Fixed deposit with maturity within three months but intends to continue holding in the same form	140,002	80,002	-	-
<b>Total</b>	<b>140,002</b>	<b>80,002</b>	<b>-</b>	<b>-</b>

## 9. Securities purchased under resale agreements

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Government securities	24,485	-
Private sector debt securities	475,121	718,154
<b>Total</b>	<b>499,606</b>	<b>718,154</b>

## 10. Receivables from Clearing House

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Receivables from Clearing House	41,869	35,572
Receivables from overseas securities companies	1,636	53,562
Less: Receivables from Clearing House for customers' account	(41,517)	(19,168)
<b>Receivables from Clearing House - net</b>	<b>1,988</b>	<b>69,966</b>

## 11. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
<b>Securities business receivables</b>		
Cash accounts	2,207,527	2,209,535
Credit balance accounts	1,911,916	2,197,635
Collateral receivables	82,417	-
Securities borrowing and lending receivables	13,877	62
Other receivables	36,213	36,415
Total securities business receivables	4,251,950	4,443,647
Less: Allowance for doubtful accounts	(35,742)	(35,620)
Securities business receivables - net	4,216,208	4,408,027
<b>Derivatives business receivables</b>		
Derivatives business receivables	4,855	1,783
<b>Securities and derivatives business receivables - net</b>	<b>4,221,063</b>	<b>4,409,810</b>

11.1 As at 31 December 2013, the Company has customer accounts approximately Baht 36 million (2012: Baht 36 million) on which the Company ceased accruing interest income.

11.2 The Company 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 2013 and 2012, securities business receivables are classified as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements					
	2013			2012		
	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts
Normal debts	4,216	-	4,216	4,408	-	4,408
Doubtful debts	36	(36)	-	36	(36)	-
<b>Total</b>	<b>4,252</b>	<b>(36)</b>	<b>4,216</b>	<b>4,444</b>	<b>(36)</b>	<b>4,408</b>

## 11.3 Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Balance - beginning of the year	35,620	35,674
Add: Allowance for doubtful accounts	182	-
Less: Reversal of allowance for doubtful accounts	(60)	(15)
Bad debt written-off	-	(39)
Balance - end of the year	35,742	35,620

## 12. Derivatives assets/liabilities

(Unit: Thousand Baht)

Type of derivatives	Consolidated and Separate financial statements			
	Fair value			
	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Forward contracts	18,390	32,255	8,705	2,070
Derivative warrants	-	16,360	-	8,941
Total	18,390	48,615	8,705	11,011

Forward contracts

Notional amount of forward contracts are specified in Note 34.

Derivative warrantsLiabilities

As at 31 December 2013 derivative warrants had notional amount totally Baht 564 million (2012: Baht 51 million) which was calculated from exercise price multiplied by number of potential shares that might be exercised. However, settlement method of the above derivative warrants was cash settlement between closing price and exercise price of underlying assets at the last trading date. Generally, derivative warrants mature within 1 year.

The Company's issuance of derivative warrants exposes to the risk of changes in values of underlying securities. The Company manages the risk by using a computer model to monitor the volatility of the price of the underlying securities to help determine its trading strategy. In addition, the Company is exposed to liquidity risk when it wishes to trade the underlying securities. However, the Company manages the risk by selecting the underlying securities that have sufficiently high liquidity.

## 13. Investments

### 13.1 Cost and fair value

(Unit: Thousand Baht)

	Consolidated financial statements			
	2013		2012	
	Cost/ Cost amortised	Fair value	Cost/ Cost amortised	Fair value
<b>Trading securities</b>				
Equity securities				
Listed securities - local	257,537	239,551	756,335	777,076
Listed securities - overseas	639,866	765,716	506,981	560,966
Add: Changes in fair value of securities	107,864	-	74,726	-
Equity securities - net	1,005,267	1,005,267	1,338,042	1,338,042
Debt securities				
Private sector debt securities	37,000	37,255	37,000	36,969
Add (less): Changes in fair value of securities	255	-	(31)	-
Debt securities - net	37,255	37,255	36,969	36,969
Total trading securities - net	1,042,522	1,042,522	1,375,011	1,375,011
<b>Available-for-sale securities</b>				
Equity securities				
Listed securities	146,106	187,962	286,960	374,734
Unit trusts - local	5,925	23,976	5,925	16,023
Unit trusts - overseas	15,253	16,290	-	-
Add: Changes in fair value of securities	60,944	-	97,872	-
Equity securities - net	228,228	228,228	390,757	390,757
Debt securities				
Government securities	-	-	50,419	50,441
Private sector debt securities	193,000	195,190	93,000	94,988
Overseas debt securities	-	-	153,032	159,975
Add: Changes in fair value of securities	2,190	-	8,953	-
Total debt securities - net	195,190	195,190	305,404	305,404
Total available-for-sale securities - net	423,418	423,418	696,161	696,161
<b>Held-to-maturity debt securities</b>				
Private sector debt securities	27,200	28,222	63,700	64,806
Total held-to-maturity debt securities	27,200	28,222	63,700	64,806
<b>Other investments</b>				
Equity securities	10,028		10,028	
Less: Allowance for loss on impairment	(509)		(509)	
Other investments - net	9,519		9,519	
<b>Total investments - net</b>	<b>1,502,659</b>		<b>2,144,391</b>	

(Unit: Thousand Baht)

	Separate financial statements			
	2013		2012	
	Cost/ Cost amortised	Fair value	Cost/ Cost amortised	Fair value
<b>Trading securities</b>				
Equity securities				
Listed securities - local	257,537	239,551	756,335	777,076
Listed securities - overseas	639,866	765,716	506,981	560,966
Add: Changes in fair value of securities	107,864	-	74,726	-
Equity securities - net	1,005,267	1,005,267	1,338,042	1,338,042
Debt securities				
Private sector debt securities	37,000	37,255	37,000	36,969
Add (less): Changes in fair value of securities	255	-	(31)	-
Debt securities - net	37,255	37,255	36,969	36,969
Total trading securities - net	1,042,522	1,042,522	1,375,011	1,375,011
<b>Available-for-sale securities</b>				
Equity securities				
Listed securities	146,106	187,962	286,960	374,734
Unit trusts - local	5,925	23,976	5,925	16,023
Unit trusts - overseas	15,253	16,290	-	-
Add: Changes in fair value of securities	60,944	-	97,872	-
Equity securities - net	228,228	228,228	390,757	390,757
Debt securities				
Government securities	-	-	50,419	50,441
Private sector debt securities	193,000	195,190	93,000	94,988
Overseas debt securities	-	-	153,032	159,975
Add: Changes in fair value of securities	2,190	-	8,953	-
Total debt securities - net	195,190	195,190	305,404	305,404
Total available-for-sale securities - net	423,418	423,418	696,161	696,161
<b>Held-to-maturity debt securities</b>				
Private sector debt securities	27,200	28,222	53,700	54,734
Total held-to-maturity debt securities	27,200	28,222	53,700	54,734
<b>Other investments</b>				
Equity securities	10,028		10,028	
Less: Allowance for loss on impairment	(509)		(509)	
Other investments - net	9,519		9,519	
<b>Total investments - net</b>	<b>1,502,659</b>		<b>2,134,391</b>	

## 13.2 Fair value of investments in debt securities which have obligations are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Securities sold under repurchase agreements		
Trading securities	500,299	725,935
Collateralised investments		
Available-for-sale securities	-	6,192
Securities borrowed but has yet to be transferred	2,427	-
<b>Total</b>	<b>502,726</b>	<b>732,127</b>

## 13.3 As at 31 December 2013 and 2012, the Company's debt securities (book value) can be classified by the remaining year to maturities as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements				
	2013				
	Year to maturity				Total
	Within 1 year	1 - 5 years	Exceed 5 years	No maturity	
<b>Trading securities</b>					
Private sector debt securities	37,255	-	-	-	37,255
<b>Available-for-sale securities</b>					
Private sector debt securities	100,224	-	94,966	-	195,190
<b>Held-to-maturity debt securities</b>					
Private sector debt securities	-	27,200	-	-	27,200
<b>Total</b>	<b>137,479</b>	<b>27,200</b>	<b>94,966</b>	<b>-</b>	<b>259,645</b>

(Unit: Thousand Baht)

	Consolidated financial statements				
	2012				
	Year to maturity				Total
	Within 1 year	1 - 5 years	Exceed 5 years	No maturity	
<b>Trading securities</b>					
Private sector debt securities	-	36,969	-	-	36,969
<b>Available-for-sale securities</b>					
Government securities	40,122	10,319	-	-	50,441
Private sector debt securities	-	-	94,988	-	94,988
Overseas debt securities	-	-	93,972 *	66,003 **	159,975
<b>Held-to-maturity debt securities</b>					
Private sector debt securities	36,500	27,200	-	-	63,700
<b>Total</b>	<b>76,622</b>	<b>74,488</b>	<b>188,960</b>	<b>66,003</b>	<b>406,073</b>

(Unit: Thousand Baht)

	Separate financial statements				
	2012				
	Year to maturity				Total
	Within 1 year	1 - 5 years	Exceed 5 years	No maturity	
<b>Trading securities</b>					
Private sector debt securities	-	36,969	-	-	36,969
<b>Available-for-sale securities</b>					
Government securities	40,122	10,319	-	-	50,441
Private sector debt securities	-	-	94,988	-	94,988
Overseas debt securities	-	-	93,972 *	66,003 **	159,975
<b>Held-to-maturity debt securities</b>					
Private sector debt securities	26,500	27,200	-	-	53,700
<b>Total</b>	<b>66,622</b>	<b>74,488</b>	<b>188,960</b>	<b>66,003</b>	<b>396,073</b>

\* The certain balance of USD 1.0 million represented the investments in debt securities in foreign currency which the issuer of debt securities determined the condition of early redemption.

\*\* The balance represented the investments in debt securities in foreign currencies amounting to USD 1.0 million and GBP 0.7 million. The issuers of debt securities have the call option to repay the principal at the earliest repayment date within 4 - 5 years commencing from the reporting date.

However, the Company entered into forward contracts to hedge the exposure to foreign currency risk.

13.4 During the year 2013, the Company sold the investment in held-to-maturity debt securities which has book value of Baht 26.5 million (2012: Baht 30.0 million). The Company realised gain from selling of such investment amounting to Baht 0.07 million (2012: Baht 0.87 million) in profit or loss.

13.5 As at 31 December 2013 and 2012, investments held by the Company exceeding 10 percent of the issued share capital of the investee are as follows:

(Unit: Thousand Baht)

Company's name	Type of business	2013			2012		
		Cost	Net investment	Percentage of shareholding	Cost	Net investment	Percentage of shareholding
				(Percent)			(Percent)
<b>Ordinary shares</b>							
Bangkok SMBC Consulting Co., Ltd.	Venture capital	500	500	10	500	500	10



## 13.6 Unrealised gains (loss) on re-measuring available-for-sale investments

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012 (Restated)
Balance - beginning of the year	85,460	58,542
Changes during the year due to		
Revaluation (before net of income tax)	(11,539)	43,351
Sale (before net of income tax)	(32,152)	(10,068)
Income tax	8,738	(6,365)
Balance - end of the year	50,507	85,460

## 14. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Type of investments	Separate financial statements							
		Paid-up share capital		Voting rights		Carrying amount based on the cost method		Dividend received for the year	
		2013	2012	2013	2012	2013	2012	2013	2012
				(Percent)	(Percent)				
Asset Plus Fund Management Co., Ltd.	Ordinary shares	100	100	100	100	98	98	22	20
Asia Plus Advisory Co., Ltd.	Ordinary shares	15	15	100	100	15	15	7	7
Total						113	113	29	27

## 15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Building	Furniture & fixtures	Office equipment	Motor vehicles	Total
<b>At cost:</b>						
1 January 2012	52,298	258,869	196,964	391,169	53,224	952,524
Acquisition	-	-	8,531	18,363	11,500	38,394
Disposal	-	-	(1,506)	(22,091)	(8,681)	(32,278)
Write-off	-	-	(2,222)	(4,419)	-	(6,641)
31 December 2012	52,298	258,869	201,767	383,022	56,043	951,999
Acquisition	-	-	11,950	28,903	17,500	58,353
Disposal	-	-	(3,308)	(11,140)	(21,992)	(36,440)
Write-off	-	-	(4,433)	(1,515)	-	(5,948)
31 December 2013	52,298	258,869	205,976	399,270	51,551	967,964
<b>Accumulated depreciation:</b>						
1 January 2012	-	153,910	172,701	350,967	41,778	719,356
Depreciation charged for the year	-	8,805	6,300	13,836	5,021	33,962
Disposal	-	-	(1,505)	(22,088)	(8,625)	(32,218)
Write-off	-	-	(2,192)	(4,380)	-	(6,572)
31 December 2012	-	162,715	175,304	338,335	38,174	714,528
Depreciation charged for the year	-	8,805	7,343	14,940	6,821	37,909
Disposal	-	-	(3,308)	(11,138)	(16,430)	(30,876)
Write-off	-	-	(4,430)	(1,515)	-	(5,945)
31 December 2013	-	171,520	174,909	340,622	28,565	715,616
<b>Net book value:</b>						
31 December 2012	52,298	96,154	26,463	44,687	17,869	237,471
31 December 2013	52,298	87,349	31,067	58,648	22,986	252,348

Depreciation included in premises and equipment expenses in profit or loss for the year:

2012	33,962
2013	37,909

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Building	Furniture & fixtures	Office equipment	Motor vehicles	Total
<b>At cost:</b>						
1 January 2012	52,298	258,869	167,463	378,269	40,137	897,036
Acquisition	-	-	8,314	17,083	3,561	28,958
Disposal	-	-	(1,506)	(22,091)	(449)	(24,046)
Write-off	-	-	(2,222)	(4,385)	-	(6,607)
31 December 2012	52,298	258,869	172,049	368,876	43,249	895,341
Acquisition	-	-	11,904	28,111	7,756	47,771
Disposal	-	-	(3,312)	(11,339)	(11,752)	(26,403)
Write-off	-	-	(4,433)	(1,515)	-	(5,948)
31 December 2013	52,298	258,869	176,208	384,133	39,253	910,761
<b>Accumulated depreciation:</b>						
1 January 2012	-	153,910	152,892	340,437	28,755	675,994
Depreciation charged for the year	-	8,805	4,105	13,065	3,795	29,770
Disposal	-	-	(1,505)	(22,088)	(449)	(24,042)
Write-off	-	-	(2,192)	(4,361)	-	(6,553)
31 December 2012	-	162,715	153,300	327,053	32,101	675,169
Depreciation charged for the year	-	8,805	5,143	14,004	4,372	32,324
Disposal	-	-	(3,308)	(11,165)	(11,752)	(26,225)
Write-off	-	-	(4,430)	(1,515)	-	(5,945)
31 December 2013	-	171,520	150,705	328,377	24,721	675,323
<b>Net book value:</b>						
31 December 2012	52,298	96,154	18,749	41,823	11,148	220,172
31 December 2013	52,298	87,349	25,503	55,756	14,532	235,438

**Depreciation included in premises and equipment expenses in profit or loss for the year:**

2012	29,770
2013	32,324

As at 31 December 2013, certain equipments had been fully depreciated but were still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 477 million (2012: Baht 497 million) (The Company only: Baht 453 million (2012: Baht 471 million)).

## 16. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Golf membership	Software	Futures exchange membership fee	Total
<b>At cost:</b>				
1 January 2012	4,765	59,992	5,000	69,757
Acquisition	-	6,673	-	6,673
31 December 2012	4,765	66,665	5,000	76,430
Acquisition	-	6,829	-	6,829
Disposal	(158)	-	-	(158)
31 December 2013	4,607	73,494	5,000	83,101
<b>Accumulated amortisation:</b>				
1 January 2012	2,453	43,071	5,000	50,524
Amortisation charged for the year	304	6,113	-	6,417
31 December 2012	2,757	49,184	5,000	56,941
Amortisation charged for the year	291	5,739	-	6,030
Disposal	(43)	-	-	(43)
31 December 2013	3,005	54,923	5,000	62,928
<b>Net book value:</b>				
31 December 2012	2,008	17,481	-	19,489
31 December 2013	1,602	18,571	-	20,173

Amortisation included in premises and equipment expenses in profit or loss for the year:

2012	6,417
2013	6,030

(Unit: Thousand Baht)

	Separate financial statements			
	Golf membership	Software	Futures exchange membership fee	Total
<b>At cost:</b>				
1 January 2012	4,765	52,731	5,000	62,496
Acquisition	-	5,748	-	5,748
31 December 2012	4,765	58,479	5,000	68,244
Acquisition	-	5,268	-	5,268
Disposal	(158)	(23)	-	(181)
31 December 2013	4,607	63,724	5,000	73,331
<b>Accumulated amortisation:</b>				
1 January 2012	2,453	39,874	5,000	47,327
Amortisation charged for the year	304	4,632	-	4,936
31 December 2012	2,757	44,506	5,000	52,263
Amortisation charged for the year	291	4,649	-	4,940
Disposal	(43)	(4)	-	(47)
31 December 2013	3,005	49,151	5,000	57,156
<b>Net book value:</b>				
31 December 2012	2,008	13,973	-	15,981
31 December 2013	1,602	14,573	-	16,175

Amortisation included in premises and equipment expenses in profit or loss for the year:

2012	4,936
2013	4,940

As at 31 December 2013, certain intangible assets had been fully amortised but were still in use. The gross carrying amount (before deducting accumulated amortisation) of those intangible assets amounted to approximately Baht 59 million (2012: Baht 51 million) (The Company only: Baht 46 million (2012: Baht 43 million)).

## 17. Income tax

### 17.1 Deferred tax assets / liabilities

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

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
<b>Deferred tax assets</b>						
Unrealised loss on re-measuring derivatives liabilities	3,720	391	1,149	3,720	391	1,149
Allowance for impairment on available-for-sale securities	-	-	2,430	-	-	2,430
Unrealised loss on re-measuring borrowing securities	-	394	18	-	394	18
Unrealised loss on re-measuring futures contracts	-	1,402	302	-	1,402	302
Provision for long-term employee benefits	19,559	17,566	13,841	16,670	15,038	11,189
Provision	880	880	880	880	880	880
Other liabilities	240	-	-	-	-	-
Amortisation of intangible assets	253	344	451	232	332	448
<b>Total</b>	<b>24,652</b>	<b>20,977</b>	<b>19,071</b>	<b>21,502</b>	<b>18,437</b>	<b>16,416</b>
<b>Deferred tax liabilities</b>						
Unrealised gain on re-measuring derivatives assets	3,678	1,741	1,071	3,678	1,741	1,071
Unrealised gain on re-measuring available-for-sale securities	12,627	21,365	17,804	12,627	21,365	17,804
Unrealised gain (loss) on transfer of investments	1,832	2,751	(1,702)	1,832	2,751	(1,702)
Unrealised gain on re-measuring trading securities	21,624	14,939	663	21,624	14,939	663
Unrealised gain on re-measuring borrowing securities	1,754	-	-	1,754	-	-
Unrealised gain on re-measuring futures contracts	3	-	-	3	-	-
<b>Total</b>	<b>41,518</b>	<b>40,796</b>	<b>17,836</b>	<b>41,518</b>	<b>40,796</b>	<b>17,836</b>
<b>Deferred tax assets - net</b>	<b>3,150</b>	<b>2,540</b>	<b>2,655</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities - net</b>	<b>20,016</b>	<b>22,359</b>	<b>1,420</b>	<b>20,016</b>	<b>22,359</b>	<b>1,420</b>

## 17.2 Income tax expenses

Income tax expenses for the year ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 [Restated]	2013	2012 [Restated]
<b>Current income tax:</b>				
Current income tax charge	266,389	157,852	244,226	145,938
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	5,785	16,741	6,394	17,138
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>272,174</b>	<b>174,593</b>	<b>250,620</b>	<b>163,076</b>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for year ended 31 December 2013 and 2012 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Accounting profit before tax (before eliminate transactions)	1,368,822	787,248	1,268,405	740,106
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	273,764	181,067	253,681	170,224
Effects of changes in the applicable tax rates	-	(2,149)	-	(2,209)
Effects of:				
Non-deductible expenses	6,344	3,737	4,873	3,123
Tax exempted revenue	(7,934)	(8,062)	(7,934)	(8,062)
Total	(1,590)	(4,325)	(3,061)	(4,939)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>272,174</b>	<b>174,593</b>	<b>250,620</b>	<b>163,076</b>



### 17.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 [Restated]	2013	2012 [Restated]
Deferred tax relating to				
Actuarial loss on defined benefit plan	-	2,052	-	2,564
(Gain) loss on re-measuring available-for-sale investments	8,738	(6,365)	8,738	(6,365)
	<b>8,738</b>	<b>(4,313)</b>	<b>8,738</b>	<b>(3,801)</b>

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company and its subsidiaries have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

### 18. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deposits	20,128	20,689	17,288	17,967
Payments of securities clearing fund	66,567	58,931	66,567	58,931
Prepaid expenses	10,786	9,071	8,695	6,855
Fees and services income receivables	34,177	35,063	3,255	6,888
Securities deposit	5,420	5,400	5,420	5,400
Interest receivables	28,837	11,890	27,715	11,385
Others	12,616	3,994	12,176	2,536
<b>Total</b>	<b>178,531</b>	<b>145,038</b>	<b>141,116</b>	<b>109,962</b>

## 19. Securities sold under repurchase agreements

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Government securities	24,484	-
Private sector debt securities	475,121	718,154
<b>Total</b>	<b>499,605</b>	<b>718,154</b>

## 20. Payables to Clearing House

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Payables to Clearing House	1,075,418	655,595
Payables to overseas securities companies	567	8,181
<b>Total</b>	<b>1,075,985</b>	<b>663,776</b>

## 21. Securities and derivatives business payables

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
<b>Securities business payables</b>		
Cash accounts	829,359	2,194,523
Collateral payables	15,553	-
Securities borrowing and lending payables	79,167	21,114
Add: Accrued interest expenses	16	13
Securities business payables	924,095	2,215,650
<b>Derivatives business payables</b>		
Derivatives business payables	2,024	1,812
<b>Securities and derivatives business payables</b>	<b>926,119</b>	<b>2,217,462</b>

## 22. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	87,832	69,201	75,189	55,942
Current service cost	7,164	5,437	5,869	4,042
Interest cost	3,513	2,935	3,008	2,385
Benefit paid during the year	(716)	-	(716)	-
Actuarial losses	-	10,259	-	12,820
Defined benefit obligation at end of year	97,793	87,832	83,350	75,189

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	7,164	5,437	5,869	4,042
Interest cost	3,513	2,935	3,008	2,385
Total expense recognized in profit or loss	10,677	8,372	8,877	6,427

The above expensed are included in personnel expense in profit or loss.

Total actuarial gains and losses recognized in the other comprehensive income of the Company and its subsidiaries as at 31 December 2013 amounted to Baht 10.3 million (2012: Baht 10.3 million) (The Company only: Baht 12.8 million 2012: Baht 12.8 million).

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Discount rate	4.0	4.0	4.0	4.0
Future salary increase rate	3.0 - 3.5	3.0 - 3.5	3.5	3.5
Staff turnover rate (depending on age)	0 - 75	0 - 75	0 - 30	0 - 30

Amounts of defined benefit obligation for the current and previous four years are as follows:

(Unit: Million Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	98	83	-	-
Year 2012	88	75	7	2
Year 2011	69	56	-	-
Year 2010	61	50	-	-
Year 2009	74	64	-	-

## 23. Provision

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Legal case	4,400	4,400

## 24. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Withholding tax payable	3,688	7,563	3,642	6,817
Value added tax payable	5,981	8,467	4,717	6,778
Others	15,024	11,116	13,595	11,101
<b>Total</b>	<b>24,693</b>	<b>27,146</b>	<b>21,954</b>	<b>24,696</b>

## 25. 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 share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 26. Dividend

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividend for 2011	Annual General Meeting of the shareholders on 19 April 2012	252,679	0.12
Interim dividend for 2012	Board of Directors' meeting on 22 August 2012	168,452	0.08
<b>Total</b>		<b>421,131</b>	<b>0.20</b>
Final dividend for 2012	Annual General Meeting of the shareholders on 29 April 2013	336,905	0.16
Interim dividend for 2013	Board of Directors' meeting on 20 August 2013	421,131	0.20
<b>Total</b>		<b>758,036</b>	<b>0.36</b>

## 27. Brokerage fees

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Brokerage fees from securities business	1,659,986	1,073,026	1,659,986	1,073,026
Brokerage fees from derivatives business	80,497	71,783	80,497	71,783
Other brokerage fees	23,536	14,606	28,979	18,516
<b>Total</b>	<b>1,764,019</b>	<b>1,159,415</b>	<b>1,769,462</b>	<b>1,163,325</b>

## 28. Fees and services income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Underwriting fee	200,259	43,190	200,259	43,190
Financial advisory fee	86,908	70,683	25,955	4,587
Securities lending fee	1,162	2,576	1,162	2,576
Private fund management fee	105,166	71,739	17,870	9,590
Mutual fund management fee	120,647	94,141	-	-
Registrar fee	31,386	19,114	-	-
Arranger fee	40,989	10,045	7,102	10,045
Other	6,830	1,437	6,830	1,437
<b>Total</b>	<b>593,347</b>	<b>312,925</b>	<b>259,178</b>	<b>71,425</b>

## 29. Provident fund

The Company and its employees, and the subsidiaries and its employees have jointly established provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and employees of each company contributed to the funds monthly at the rate of 4-8 percent of basic salary. The funds, which have managed by BBL Asset Management Public Company Limited will be paid to employees upon termination in accordance with the fund rules.

During the years 2013 and 2012, the Company and the subsidiaries contributed to the funds as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Contributions to provident funds	30	28	24	23

## 30. Earnings per share

Basic earnings per share is determined by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2013	2012 [Restated]	2013	2012 [Restated]
Profit for the year (Thousand Baht)	1,067,330	586,400	1,017,785	577,029
Weighted average number of ordinary shares (Thousand shares)	2,105,656	2,105,656	2,105,656	2,105,656
Earnings per share (Baht/share)	0.51	0.28	0.48	0.27

### 31. Related party transactions

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
Asset Plus Fund Management Co., Ltd.	Subsidiary
Asia Plus Advisory Co., Ltd.	Subsidiary
Bangkok Bank Plc.	Shareholder and close family member of the Company's director holds a position of director
BBL Asset Management Co., Ltd.	Bangkok Bank Plc. is its major shareholder.
Funds managed by BBL Asset Management Co., Ltd.	Managed by BBL Asset Management Co., Ltd.
Funds managed by Asset Plus Fund Management Co., Ltd.	Managed by Asset Plus Fund Management Co., Ltd.
Funds managed by the Company	Managed by the Company
Asia Sermkij Co., Ltd.	Common directors
Chatrian Holding Co., Ltd.	Common directors
Thai Incubator Dot Com Co., Ltd.	Common directors
City Realty Co., Ltd.	Common directors
City Villa Co., Ltd.	Common directors
TICON Industrial Connection Plc.	Common directors
TICON Industrial Growth Leasehold Property Fund	TICON Industrial Connection Plc. is its major unitholder.
Bangkok Club Co., Ltd.	Common directors
Metro Systems Corporation Plc.	Common directors
Narai Ruampipat Co., Ltd.	Common directors
Asia Warehouse Co., Ltd.	Common directors
Sathorn City Tower Juristic Person	Common directors
Chatubutr Holding Co., Ltd.	Common directors
Panichsawad Co., Ltd.	Common directors
Bangkok Insurance Plc.	Common directors
Copperwired Co., Ltd.	Common directors
Riverside Garden Marina Co., Ltd.	Common directors
Sukhumvit City Mall Group Co., Ltd.	Common directors



During the years, the Company and the subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, are based on commercial term as the ordinary course of business.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2013	2012	2013	2012	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Service fee income	-	-	5,443	3,910	Price stated in contract
Dividend income	-	-	29,500	27,500	Normal rate declared
Other income	-	-	2,677	2,373	Agreed upon basis
Other expenses	-	-	330	258	Agreed upon basis
Service fee expenses	-	-	39,566	2,111	Agreed upon basis
Sales of assets	-	-	194	-	Agreed upon basis
Transactions with related parties					
Brokerage fees	25,302	16,049	25,302	16,049	Normal rate charged to ordinary customers
Fee and service income	12,709	-	12,709	-	Price stated in contract
Dividend income	5,967	8,452	5,967	8,452	Normal rate declared
Interest income	208	133	169	96	Market rate
Premises and equipment expenses	57,632	56,938	43,676	43,926	Price stated in contract
Bank charges	6,960	5,792	6,887	5,693	Normal rate charged to ordinary customers
Other expenses	1,979	1,540	1,716	1,409	Normal rate charged to ordinary customers
Interest expenses	1,564	1,111	1,564	1,111	Market rate
Purchase of assets	1,041	2,910	1,041	2,699	Market price
Transactions with the directors of the Company's group and their close family members					
Brokerage fee	1,794	3,153	1,794	3,153	Normal rate charged to ordinary customers
Fee and service expenses	5	302	5	302	Normal rate charged to ordinary customers
Interest expenses	16	-	16	-	Price stated in contract
Gain on structured notes	182	-	182	-	Price stated in contract

The balances of accounts as at 31 December 2013 and 2012 between the Company, subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Subsidiaries</b>				
(Eliminated from the consolidated financial statements)				
Fees and services income receivables	-	-	123	174
Other assets	-	-	75	75
<b>Related parties</b>				
Deposits at financial institutions in the name of Company and on behalf of customers	26,473	48,040	21,052	33,190
Securities business receivables	288,133	121,407	288,133	121,407
Accrued interest income	2	3	1	1
Deposits	11,573	12,399	8,960	9,828
Other assets	302	743	289	743
Securities business payables	18,240	52,111	18,240	52,111
Accrued expenses	1,482	1,173	1,211	1,005
Other liabilities	7	84	7	73
<b>Transactions with the directors of the Company's group and their close family members</b>				
Securities business receivables	12,632	-	12,632	-
Securities business payables	34	-	34	-

The Company has overdraft facilities Baht 30 million and short-term revolving loan facilities totaling Baht 100 million with a bank which is related company. As at 31 December 2013 and 2012, the Company has not drawn down such facilities.

During the year 2013, the Company had movements of borrowings from a related company as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	Balance as at 1 January 2013	During the year		Balance as at 31 December 2013
		Increase	Decrease	
<b>Borrowings</b>				
Bangkok Bank Plc.	-	2,740,000	(2,740,000)	-

Borrowings from a related company are charged interest at rate 2.4 - 2.9 percent per annum.

The outstanding balances of investments in related companies as at 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
<u>Equity securities</u>		
Bangkok Bank Plc.	43,544	58,439
Bangkok Club Co., Ltd.	1,240	1,240
TICON Industrial Connection Plc.	17,298	9,315
TICON Industrial Growth Leasehold Property Fund	21,521	-
The Bangkok Garden Property Fund	761	761
Sathorn City Tower Property Fund	64	64
Bangkok Apartment Property Fund	1,000	1,000
The Emporium Tower Property Fund	4,100	4,100
<b>Total</b>	<b>89,528</b>	<b>74,919</b>
Add: Change in fair value of securities	65,892	96,910
<b>Net</b>	<b>155,420</b>	<b>171,829</b>

During the years, the Company purchased and sold unit trusts of funds managed by Asset Plus Fund Management Company Limited, a subsidiary of the Company. Purchase and sales prices were made at the net asset value, which was the normal price charged to ordinary investors. The details are as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements			
	2013		2012	
	Purchase	Sales	Purchase	Sales
Asset Plus Smart Equity Fund	-	-	-	13
Asset Plus Premium Dividend Fund	-	-	-	10
Asset Plus BRIC Fund	-	-	-	18

#### Management benefits

During the years, the Company and the subsidiaries had management expenses presented as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term benefits	222,055	147,495	196,378	125,908
Retirement benefits	6,584	5,019	5,032	4,452
<b>Total</b>	<b>228,639</b>	<b>152,514</b>	<b>201,410</b>	<b>130,360</b>

## 32. Commitments and contingent liabilities

### 32.1 Commitments

- 1) The Company and its subsidiaries had entered into several operating lease agreements in respect of the lease of area in the building and vehicles. The terms of the agreements are generally between 1 year and 5 years. Such agreements are non-cancellable.

As at 31 December 2013 and 2012, future minimum lease payments required under these non-cancellable operating leases agreements and service agreements were as follows.

(Unit: Million Baht)

Payable:	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
In up to 1 year	50	39	38	33
In over 1 and up to 5 years	52	22	39	18

As at 31 December 2013, Baht 72 million of the commitments of the Company and the subsidiaries are obligations under lease agreements and service agreements with related companies (2012: Baht 49 million) (The Company only: Baht 49 million (2012: Baht 42 million)).

- 2) As at 31 December 2013 and 2012, the Company 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) As at 31 December 2013 and 2012, the Company has commitment 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 derivatives contract transacted.
- 4) As at 31 December 2013 and 2012, the Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licenses for securities brokerage at the rate of 0.0007 - 0.0018 percent of its trading volume. For commission received from securities trading, underwriting and others which the Company has licenses, the fee is charged at the rate of 1 percent per annum of income from the aforesaid activities. Since 1 July 2013, the fee is charged at the rate of 0.1 percent per annum for commission received from securities trading of funds. The minimum total fee is Baht 500,000 per annum.
- 5) As at 31 December 2013 and 2012, the Company has commitments regarding payments for clearing the fund of the Agricultural Futures Exchange of Thailand at the higher rate of Baht 5 per contract or a minimum Baht 3,000 per month, until the cumulative contribution paid and the initial contribution of Baht 5 million altogether reach Baht 15 million.
- 6) As at 31 December 2013 and 2012, the subsidiary has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to mutual fund management and private fund management at the rate of 0.0005 - 0.005 percent of the net assets of the Funds, and as a mutual fund registrar and for the sale and repurchase of fund units, at the rate of 1 percent of its registrar fee income. The minimum total fee payable are Baht 500,000 per annum.

- 7) As at 31 December 2013 and 2012, the Company has commitments in respect of futures contracts traded through the Thai Futures Exchange as detailed below.

	Consolidated and Separate financial statements			
	2013			
	Long position		Short position	
	Number of contracts	Cost (Thousand Baht)	Number of contracts	Cost (Thousand Baht)
Single Stock Futures	-	-	1,208	2,176
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,208</b>	<b>2,176</b>

	Consolidated and Separate financial statements			
	2012			
	Long position		Short position	
	Number of contracts	Cost (Thousand Baht)	Number of contracts	Cost (Thousand Baht)
Single Stock Futures	-	-	19,599	134,394
Gold Futures	40	48,971	-	-
<b>Total</b>	<b>40</b>	<b>48,971</b>	<b>19,599</b>	<b>134,394</b>

- 8) As at 31 December 2013 and 2012, the Company has commitments in respect of issuance and offer of derivative warrants in the Stock Exchange of Thailand.
- 9) As at 31 December 2013 and 2012, the Company had commitments in respect of entering into forward contracts as detailed in Note 34.
- 10) As at 31 December 2013, the Company had commitments of Baht 2 million in respect of uncalled portion of investments in a company (2012: Baht 2 million).
- 11) As at 31 December 2013, the subsidiary has commitment amounting to Baht 0.6 million under a software licensing agreement and computer program lease agreement and other services (2012: Baht 2 million).

## 32.2 Contingent liabilities

### 32.2.1 Bank guarantees

As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 2 million (2012: Baht 2 million), issued by a bank on behalf of the Company in respect of certain performance bonds required in the normal course of business of the Company.

### 32.2.2 Litigation

As at 31 December 2013 and 2012, the following significant lawsuits had been filed against the Company.

- 1) There is pending litigation in Chonburi Provincial Court since 1994. The Company was sued for the offence of disseminating news concerning information under the Securities and Exchange Act B.E. 2535. In November 2006, the Appeal Court dismissed the Company. The case is under consideration of the Supreme Court. The Company's management believes that the Company will not suffer losses from this case.
- 2) The Company has also been claimed since 1994 for tortuous act seeking damages for Baht 38 million. The court temporarily suspended the case pending for the outcome of the case above. The Company's management believes that the Company will not suffer losses from this case.
- 3) In September 2005, the Company has been claimed as the second defendant for tortuous act seeking damages for Baht 30 million. The Court of First Instance and the Appeal Court dismissed the lawsuit against the Company and the case is currently under consideration by the Supreme Court. The Company's management believes that the Company will not suffer losses from this case.
- 4) In August 2006, the Company has been claimed for tortuous act seeking damages for Baht 4 million. The Court of First Instance ordered the Company to pay the amount claimed by the plaintiff, but the Appeal Court subsequently reversed this decision and dismissed the lawsuit. The case is under consideration of the Supreme Court. The Company has recorded a provision of Baht 4 million for such losses.
- 5) In April 2010, the Company has been claimed for tortuous act seeking damages for Baht 2 million. The Court of First Instance and the Appeal Court dismissed the case, and it is now under consideration by the Supreme Court. The Company's management believes that the Company will not suffer losses from this case.

### 33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organized into business units based on its products and services and have the following four reportable segments:

- The securities and derivatives brokerage segment, which provides brokering services for both local and foreign investors
- The investment banking segment, which provides financial advisory services and underwriting services
- The fund management segment, which provides fund management services and investments in unit trusts
- The investment trading segment, which provides buys, sells and exchanges securities in its own accounts, as a regular business activity.

The Company and its subsidiaries have combined the back office, equity derivatives, Wealth Plus, and treasury operating segments and presented them as single reportable segment called "Other segments". Since such operating segments do not meet the quantitative thresholds as set out in the financial reporting standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, income taxes of the Company and its subsidiaries are managed on a Group basis and are not allocated to operating segments.

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

Below is the financial information of the Company and its subsidiaries for the years ended 31 December 2013 and 2012 which are classified by segments as follows:

(Unit: Million Baht)

	Securities and derivatives brokerage segment		Investment banking segment		Fund management segment		Investment trading segment		Other segments		Eliminations		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012 (Re-stated)
Revenue from external customers	1,647	1,111	344	128	239	176	338	309	236	133	-	-	2,804	1,857
Inter-segment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	1,647	1,111	344	128	239	176	338	309	236	133	-	-	2,804	1,857
Interest income	-	-	4	2	4	4	13	19	284	194			305	219
Finance costs	-	-	1	-	-	-	31	33	54	15			86	48
Depreciation and amortisation	15	15	2	2	5	4	-	-	22	19			44	40
Segment operating income	601	374	187	30	54	30	216	187	281	140			1,339	761
Unallocated expenses:														
Income tax expenses													(272)	(175)
Profit for the year													1,067	586

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 December 2013 and 2012:

(Unit: Million Baht)

	Securities and derivatives brokerage segment	Investment banking segment	Fund management segment	Investment trading segment	Other segments	Consolidated financial statements
<b>Segment assets</b>						
At 31 December 2013	101	174	218	1,303	5,890	7,686
At 31 December 2012	65	96	180	1,829	6,114	8,284

For the year 2013 and 2012, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of the entity's revenues. Almost customers of the Company and its subsidiaries are local customers.

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 segment.



## 34. Financial instruments

### 34.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at financial institutions, securities purchased under resale agreements, receivables from Clearing House, securities and derivatives business receivables, derivatives assets, investments in debt securities, fees and services income receivables, securities sold under repurchase agreements, payables to Clearing House, securities and derivatives business payables and derivatives liabilities. The financial risks associated with these financial instruments and how they are managed in described below.

#### Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to deposits at financial institutions, securities purchased under resale agreements, receivables from Clearing House, securities and derivatives business receivables, derivatives assets, investments in debt securities and fees and services income receivables. The management manages the risk 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 Company also reviews customers' credit lines continuously. To control risk in lending for securities purchase, the Company evaluates the customers' financial status and ability to repay as well as the customers' current trading patterns. The Company also limits the list of securities that can be purchased on margin, and considers the securities fundamentals and liquidity. In addition, the Company limits the amount of securities that can be purchased and its concentration in any particular securities.

The investment in debt instruments is determined on the basis of the firm financial status of issuing institutions and their instruments being rated at acceptable rating by the reputable credit rating agencies.

In addition, the Company and its subsidiaries do not have high concentration of credit risk of retail client since it has a large customer base. As at 31 December 2013 and 2012, the maximum exposure to credit risk is limited to the carrying amounts as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Financial assets</b>				
Deposits at financial institutions in the name of Company and on behalf of customers	5,757,664	3,388,556	5,624,819	3,297,726
Securities purchased under resale agreements	499,606	718,154	499,606	718,154
Receivables from Clearing House	1,988	69,966	1,988	69,966
Securities and derivatives business receivables	4,221,063	4,409,810	4,221,063	4,409,810
Derivatives assets	18,390	8,705	18,390	8,705
Investment in debt securities	259,645	406,073	259,645	396,073
Fees and services income receivables	34,177	35,063	3,255	6,888

### Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to deposits at financial institutions, securities purchased under resale agreements, securities business receivables - credit balance accounts, investments in debt securities and securities sold under repurchase agreements. However, since the Company and its subsidiaries' financial assets and liabilities are short-term in nature and 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 2013 and 2012 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										
	2013										
	Outstanding balances of financial instruments									Interest rate (Percent per annum)	
	Floating interest rate	Repricing or maturity dates					Non- performing debt	No interest	Total		
At call		Within 1 year	1 - 5 years	Over 5 years	No maturity	Floating rate				Fixed rate	
<u>Financial instruments - assets</u>											
Cash and cash equivalents	131	388	280	-	-	-	-	49	848	0.10 - 0.75	2.25 - 3.15
Deposits at financial institutions	-	-	140	-	-	-	-	-	140	-	3.05 - 3.30
Securities purchased under resale agreements	-	-	500	-	-	-	-	-	500	-	2.87 - 3.90
Receivables from Clearing House	-	-	-	-	-	-	-	2	2	-	
Securities and derivatives business receivables	1,912	-	-	-	-	-	36	2,309	4,257	5.45 - 12.00	-
Derivatives assets	-	-	-	-	-	-	-	18	18	-	-
Investments in debt securities	-	-	-	165	95	-	-	-	260	-	4.55 - 5.80
Fees and services income receivables	-	-	-	-	-	-	-	34	34	-	-
<u>Financial instruments - liabilities</u>											
Securities sold under repurchase agreements	-	-	500	-	-	-	-	-	500	-	2.87 - 3.90
Payable to Clearing House	-	-	-	-	-	-	-	1,076	1,076	-	-
Securities and derivatives business payables	-	-	-	-	-	-	-	926	926	-	-
Derivatives liabilities	-	-	-	-	-	-	-	49	49	-	

(Unit: Million Baht)

	Separate financial statements										
	2013										
	Outstanding balances of financial instruments									Interest rate (Percent per annum)	
	Floating interest rate	Repricing or maturity dates					Non- performing debt	No interest	Total		
At call		Within 1 year	1 - 5 years	Over 5 years	No maturity						
<u>Financial instruments - assets</u>											
Cash and cash equivalents	119	330	220	-	-	-	-	46	715	0.10 - 0.75	2.25 - 3.15
Securities purchased under resale agreements	-	-	500	-	-	-	-	-	500	-	2.87 - 3.90
Receivables from Clearing House	-	-	-	-	-	-	-	2	2	-	-
Securities and derivatives business receivables	1,912	-	-	-	-	-	36	2,309	4,257	5.45 - 12.00	-
Derivatives assets	-	-	-	-	-	-	-	18	18	-	-
Investments in debt securities	-	-	-	165	95	-	-	-	260	-	4.55 - 5.80
Fees and services income receivables	-	-	-	-	-	-	-	3	3	-	-
<u>Financial instruments - liabilities</u>											
Securities sold under repurchase agreements	-	-	500	-	-	-	-	-	500	-	2.87 - 3.90
Payable to Clearing House	-	-	-	-	-	-	-	1,076	1,076	-	-
Securities and derivatives business payables	-	-	-	-	-	-	-	926	926	-	-
Derivatives liabilities	-	-	-	-	-	-	-	49	49	-	-

(Unit: Million Baht)

	Consolidated financial statements										
	2012										
	Outstanding balances of financial instruments									Interest rate (Percent per annum)	
	Floating interest rate	Repricing or maturity dates					Non- performing debt	No interest	Total		
At call		Within 1 year	1 - 5 years	Over 5 years	No maturity						
<u>Financial instruments - assets</u>											
Cash and cash equivalents	40	35	279	-	-	-	-	94	448	0.625 - 0.75	2.50 - 3.05
Deposits at financial institutions	-	-	80	-	-	-	-	-	80	-	2.00 - 3.20
Securities purchased under resale agreements	-	-	718	-	-	-	-	-	718	-	3.91 - 6.42
Receivables from Clearing House	-	-	-	-	-	-	-	70	70	-	
Securities and derivatives business receivables	2,197	-	-	-	-	-	36	2,212	4,445	5.45 - 8.00	-
Derivatives assets	-	-	-	-	-	-	-	9	9	-	-
Investments in debt securities	-	-	77	74	189	66	-	-	406	-	3.00 - 8.40
Fees and services income receivables	-	-	-	-	-	-	-	35	35	-	-
<u>Financial instruments - liabilities</u>											
Securities sold under repurchase agreements	-	-	718	-	-	-	-	-	718	-	3.91 - 6.42
Payable to Clearing House	-	-	-	-	-	-	-	664	664	-	-
Securities and derivatives business payables	-	-	-	-	-	-	-	2,217	2,217	-	-
Derivatives liabilities	-	-	-	-	-	-	-	11	11	-	

(Unit: Million Baht)

	Separate financial statements										
	2012										
	Outstanding balances of financial instruments									Interest rate (Percent per annum)	
	Floating interest rate	Repricing or maturity dates					Non- performing debt	No interest	Total	Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years	No maturity					
Financial instruments - assets											
Cash and cash equivalents	19	-	247	-	-	-	-	91	357	0.625 - 0.75	3.05
Securities purchased under resale agreements	-	-	718	-	-	-	-	-	718	-	3.91 - 6.42
Receivables from Clearing House	-	-	-	-	-	-	-	70	70	-	-
Securities and derivatives business receivables	2,197	-	-	-	-	-	36	2,212	4,445	5.45 - 8.00	-
Derivatives assets	-	-	-	-	-	-	-	9	9	-	-
Investments in debt securities	-	-	67	74	189	66	-	-	396	-	4.25 - 8.40
Fees and services income receivables	-	-	-	-	-	-	-	7	7	-	-
Financial instruments - liabilities											
Securities sold under repurchase agreements	-	-	718	-	-	-	-	-	718	-	3.91 - 6.42
Payable to Clearing House	-	-	-	-	-	-	-	664	664	-	-
Securities and derivatives business payables	-	-	-	-	-	-	-	2,217	2,217	-	-
Derivatives liabilities	-	-	-	-	-	-	-	11	11	-	-

### Liquidity Risk

The Company may be exposed to liquidity risk due to securities and derivatives business receivables, of which the Company may not be able to obtain settlement, and due to investments, which the Company may not be able to dispose at the expected prices due to volatility in the market. However, these financial assets are considered highly liquid assets, as reflected in the Company's net capital ratio which is higher than the mandatory minimum requirement of 7 percent. The Company also has sufficient credit lines from various financial institutions to finance its operations.

The periods of time from the end of the reporting period to the maturity dates of financial instruments as at 31 December 2013 and 2012 are as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	2013						
	Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non performing debt	Total
<b>Financial instruments - assets</b>							
Cash and cash equivalents	568	280	-	-	-	-	848
Deposits at financial institutions	-	140	-	-	-	-	140
Securities purchased under resale agreements	-	500	-	-	-	-	500
Receivables from Clearing House	-	2	-	-	-	-	2
Securities and derivatives business receivables	-	2,309	-	-	1,912	36	4,257
Derivatives assets	-	18	-	-	-	-	18
Investments in debt securities	-	-	165	95	-	-	260
Fees and services income receivables	-	34	-	-	-	-	34
<b>Financial instruments - liabilities</b>							
Securities sold under repurchase agreements	-	500	-	-	-	-	500
Payable to Clearing House	-	1,076	-	-	-	-	1,076
Securities and derivatives business payables	-	926	-	-	-	-	926
Derivatives liabilities	-	49	-	-	-	-	49

(Unit: Million Baht)

	Separate financial statements						
	2013						
	Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non performing debt	Total
<b>Financial instruments - assets</b>							
Cash and cash equivalents	495	220	-	-	-	-	715
Securities purchased under resale agreements	-	500	-	-	-	-	500
Receivables from Clearing House	-	2	-	-	-	-	2
Securities and derivatives business receivables	-	2,309	-	-	1,912	36	4,257
Derivatives assets	-	18	-	-	-	-	18
Investments in debt securities	-	-	165	95	-	-	260
Fees and services income receivables	-	3	-	-	-	-	3
<b>Financial instruments - liabilities</b>							
Securities sold under repurchase agreements	-	500	-	-	-	-	500
Payable to Clearing House	-	1,076	-	-	-	-	1,076
Securities and derivatives business payables	-	926	-	-	-	-	926
Derivatives liabilities	-	49	-	-	-	-	49

(Unit: Million Baht)

	Consolidated financial statements						
	2012						
	Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non performing debt	Total
<b>Financial instruments - assets</b>							
Cash and cash equivalents	169	279	-	-	-	-	448
Deposits at financial institutions	-	80	-	-	-	-	80
Securities purchased under resale agreements	-	718	-	-	-	-	718
Receivables from Clearing House	-	70	-	-	-	-	70
Securities and derivatives business receivables	-	2,212	-	-	2,197	36	4,445
Derivatives assets	-	9	-	-	-	-	9
Investments in debt securities	-	77	74	189	66	-	406
Fees and services income receivables	-	35	-	-	-	-	35
<b>Financial instruments - liabilities</b>							
Securities sold under repurchase agreements	-	718	-	-	-	-	718
Payable to Clearing House	-	664	-	-	-	-	664
Securities and derivatives business payables	-	2,217	-	-	-	-	2,217
Derivatives liabilities	-	11	-	-	-	-	11

(Unit: Million Baht)

	Separate financial statements						
	2012						
	Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Non performing debt	Total
<b>Financial instruments - assets</b>							
Cash and cash equivalents	110	247	-	-	-	-	357
Securities purchased under resale agreements	-	718	-	-	-	-	718
Receivables from Clearing House	-	70	-	-	-	-	70
Securities and derivatives business receivables	-	2,212	-	-	2,197	36	4,445
Derivatives assets	-	9	-	-	-	-	9
Investments in debt securities	-	67	74	189	66	-	396
Fees and services income receivables	-	7	-	-	-	-	7
<b>Financial instruments - liabilities</b>							
Securities sold under repurchase agreements	-	718	-	-	-	-	718
Payable to Clearing House	-	664	-	-	-	-	664
Securities and derivatives business payables	-	2,217	-	-	-	-	2,217
Derivatives liabilities	-	11	-	-	-	-	11

### Foreign currency risk

The Company is exposed to significant foreign currency risk in respect of investments in foreign currencies. The Company seeks to reduce this risk by entering into forward contracts when it considers appropriate. Generally, the forward contracts mature within 1 year.

As at 31 December 2013 and 2012, outstanding balances of the Company's financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currencies	Consolidated and Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	7.9	15.5	-	1.5	32.81	30.63
Pound Sterling	1.1	1.3	-	0.1	53.92	49.35
Hong Kong Dollar	30.8	44.6	0.5	-	4.23	3.95
Japanese Yen	363.9	24.0	-	23.3	0.31	0.35
Swiss Franc	1.0	-	-	-	36.70	33.85
Korea Won	289.0	955.0	-	134.0	0.03	0.03
Euro	4.2	1.0	-	-	45.02	40.56
Singapore Dollar	0.2	1.9	-	-	25.88	25.03

Forward contracts outstanding as at 31 December 2013 and 2012 are summarised below.

Consolidated and Separate financial statements				
2013				
Foreign currencies		Amount		Contractual exchange rate
The Company buy	The Company sell	The Company buy	The Company sell	
		(Million)	(Million)	
Baht	US Dollar	442.0	14.0	29.64 - 32.61 Baht per 1 US Dollar
Baht	Hong Kong Dollar	7.8	1.9	3.90 - 4.14 Baht per 1 Hong Kong Dollar
Baht	Euro	120.3	2.9	40.53 - 44.30 Baht per 1 Euro
Baht	Pound Sterling	18.2	0.4	47.25 - 53.42 Baht per 1 Pound Sterling
Baht	Japanese Yen	194.1	611.8	0.31 - 0.33 Baht per 1 Japanese Yen
Baht	Swiss Franc	5.3	0.2	32.65 - 33.30 Baht per 1 Swiss Franc

As at 31 December 2013, the Company entered into forward contracts to sell USD 8.2 million, Euro 2.4 million and JPY 353.0 million to reduce the foreign currency risk in respect of investment in foreign currencies for the Company's portfolio. The remaining are the forward contracts which the Company entered into in order to reduce the foreign currency risk in respect of investment in foreign currencies for the clients' portfolio. These included forward contracts to sell USD 2.0 million, JPY 60.1 million, Euro 0.4 million, CHF 0.2 million, GBP 0.3 million and HKD 0.9 million which were on behalf of a related party.

Consolidated and Separate financial statements				
2012				
Foreign currencies		Amount		Contractual exchange rate
The Company buy	The Company sell	The Company buy	The Company sell	
		(Million)	(Million)	
Baht	US Dollar	556.1	17.8	30.78 - 31.93 Baht per 1 US Dollar
Baht	Hong Kong Dollar	10.6	2.7	3.96 - 4.02 Baht per 1 Hong Kong Dollar
Baht	Euro	7.9	0.2	38.83 - 41.65 Baht per 1 Euro
Baht	Pound Sterling	32.7	0.7	49.05 Baht per 1 Pound Sterling
Japanese Yen	US Dollar	23.3	0.3	86.01 Japanese Yen per 1 US Dollar
US Dollar	Singapore Dollar	0.3	0.3	0.81 US Dollar per 1 Singapore Dollar

As at 31 December 2012, the Company entered into forward contracts to sell USD 14.1 million and GBP 0.7 million to reduce the foreign currency risk in respect of investment in foreign currencies for the Company's portfolio. The remaining are the forward contracts which the Company entered into in order to reduce the foreign currency risk in respect of investment in foreign currencies for the clients' portfolio. These included forward contracts to sell USD 1.0 million which were on behalf of a related party.

#### Financial derivatives instruments

As of 31 December 2013 and 2012, the fair values of financial derivatives which is the Company's commitments as presented in the Company's accounts are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	2013			
	Remaining year before maturity date			Total
	1 - 6 months	6 months - 1 year	Over 1 year	
Single Stock Futures Short position	2,160	-	-	2,160

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	2012			
	Remaining year before maturity date			Total
	1 - 6 months	6 months - 1 year	Over 1 year	
Single Stock Futures Short position	-	141,113	-	141,113
Gold Futures Long position	48,680	-	-	48,680



**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. Diversifying portfolios, after studying available information and analytical research could ease some investment risks.

**34.2 Fair value 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 the statements 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 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 statements of financial position, including deposits at financial institutions, which are considered to approximate their respective carrying value since the financial instruments are predominantly subject to market interest rates. Financial instruments that have standard terms and conditions which are traded on an active and liquid market, such as investments in debt securities and derivatives, have their fair values determined by the quoted market price. The fair values of securities purchased under resale agreements and receivables from Clearing House present at book values since the maturity dates are in short-term period. The fair values of securities and derivatives business receivables and fee and services income receivables present at book value after deducting of allowance for doubtful accounts. The fair value of derivatives assets are determined by quoted market price.

**b) Financial liabilities**

The fair values of securities sold under repurchase agreements, payables to Clearing House and securities and derivatives business payables present at book value since the maturity dates are in short-term period. The fair values of derivatives liabilities are determined by quoted market price.

As at 31 December 2013 and 2012, there are no material differences between the book value of financial instruments and their fair values.

**35. Capital management**

The primary objectives of the Company's capital management is to ensure that it has appropriate financial structure, to preserve the ability to continue its business as a going concern and to maintain net capital adequacy in accordance with the Notifications of the Office of the Securities and Exchange Commission.

### 36. Events after the reporting period

On 24 February 2014, the Meeting of the Company's Board of Directors passed resolutions as follows:

- 1) Propose the payment of a dividend for the year 2013 of Baht 0.4 per share. However, since the Board of Directors previously approved an interim dividend from profit of the year 2013 amounting to Baht 0.2 per share, the Board will propose the remaining dividend payment of Baht 0.2 per share, amounting to Baht 421.1 million, for approval by the Annual General Meeting of the Company's shareholders for the year 2014.
- 2) Approve the proposal of the restructuring plan of the Company, for consideration by the Annual General Meeting of the shareholders to be held on 28 April 2014. The restructuring plan involves setting up a new subsidiary in which the Company will hold 99.99 percent of shares and changing the status of the Company from a securities business company to a holding company. The objective of the restructuring is to increase flexibility to expand business of the Company.

### 37. Reclassification

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2012		As at 31 December 2012	
	As reclassified	As previously reported	As reclassified	As previously reported
Personnel expenses	857,546	858,806	724,938	726,198
Directors' remuneration	6,412	5,152	4,310	3,050

The reclassifications had no effect to previously reported profit or shareholders' equity.

### 38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2014.

# BRANCHES

## Head Office

3/F, Sathorn City Tower, 175 South Sathorn Road, Telephone +66 2285 1666, +66 2285 1888, +66 2680 1111  
Tungmahamek, Sathorn, Bangkok 10120 Facsimile +66 2285 1901

## Bangkok Branches

### Phapphachai

1/F, Phapphla Chai Building 2,  
9/1 Sua Pa Road, Khwang Pom Prap,  
Pom Prap Sattru Phai, Bangkok 10100

#### Manager

Mrs. Suntaree Maturapojanakul  
Mrs. Anong Tienprasertkij  
Mr. Parinya Manotphinyo

Telephone +66 2623 1520-6

Facsimile +66 2623 1539, +66 2623 1578,  
+66 2623 1597, +66 2623 1582,  
+66 2623 2876, +66 2627 5302

### Emporium

10/4 F, Emporium Tower,  
622 Sukhumvit 24 Road, Khlong Tan,  
Khlong Toei, Bangkok 10110

#### Manager

Miss Naphachanok Pornpiboon

Telephone +66 2664 8999

Facsimile +66 2664 9799

### Ngamwongwan

Room 12/1, 12/F, The Mall Shopping Centre  
(Ngamwongwan), 30/39-50, Ngamwongwan Road,  
Bang Khen, Mueang Nonthaburi,  
Nonthaburi 11000

#### Manager

Miss Vipavee Sumontecharat

Telephone +66 2550 0955

Facsimile +66 2550 0966

### Lat Phrao

Room 1213, 1214, 12/F, Central Plaza Lat Phrao,  
1693 Phahonyothin Road, Chatuchak,  
Chatuchak, Bangkok 10900

#### Manager

Mrs. Kanokporn Subanajouy

Telephone +66 2937 0295, +66 2937 0455

Facsimile +66 2937 0315, +66 2937 0465

### Siam

Unit B2, 10/F Siam Tower,  
989 Rama I Road, Pathum Wan,  
Pathum Wan, Bangkok 10330

#### Manager

Mr. Thiti Lertprasertsilp  
Miss Pipattra Theeratthep

Telephone +66 2670 9999, +66 2263 8499

Facsimile +66 2670 9995-6

## Provincial Branches

### Khon Kaen

4/F, BBL Na-Mueang Road Branch Building,  
680/12 Na-Mueang Road, Naimueang,  
Mueang Khon Kaen, Khon Kaen 40000

**Manager**  
Mr. Surabun Javatanakun

**Telephone** +66 4332 2101-04  
**Facsimile** +66 4332 2120, +66 4332 2105

### Chanthaburi

4/F, BBL Tha-Chalaep Road Branch Building,  
197 Tha-Chalaep Road, Talat Chanthaburi,  
Mueang Chanthaburi, Chanthaburi 22000

**Manager**  
Mr. Veerasak Kumsaranee  
Mr. Sakon Kaewkao

**Telephone** +66 3932 2135-38  
**Facsimile** +66 3935 1636

### Surat Thani

4/F, BBL Chon Kasem Road Branch Building,  
337/20 Chon Kasem Road, Talat,  
Mueang Surat Thani, Surat Thani 84000

**Manager**  
Mr. Weerachai Tainmeephol

**Telephone** +66 7728 3631-3,  
+66 7721 6500  
**Facsimile** +66 7721 6522

### Si Racha

7/F, BBL Si Racha Branch Building,  
98 Sukhumvit Road, Si Racha,  
Si Racha, Chon Buri 20110

**Manager**  
Mrs. Rung-A-Roon Pongkasame

**Telephone** +66 3832 2755  
**Facsimile** +66 3877 1426

### Chiang Mai

164/44-45 Chang Klarn Road, Chang Klarn,  
Mueang Chiang Mai, Chiang Mai, 50100

**Manager**  
Miss Mayuree Pornputtipun

**Telephone** +66 5327 3716-20  
**Facsimile** +66 5327 3714

### Hat Yai

7/F, BBL Hat Yai Branch Building,  
39 Niphat U-thit 2 Road, Hat Yai,  
Hat Yai, Songkhla 90110

**Manager**  
Mrs. Orawan Petchmunee

**Telephone** +66 7426 2000-2,  
+66 7435 2500-3  
**Facsimile** +66 7426 2009

## Provincial Branches

### Phitsanulok

3/F, BBL Phitsanulok Branch Building,  
262/24 Baromtriloknart Road, Nai Mueang,  
Mueang Phitsanulok, Phitsanulok 65000

**Manager**  
Mr. Yothin Santiwongdech  
Mrs. Manee Thangjai

**Telephone** +66 5521 7833-37  
**Facsimile** +66 5521 7851

### Udon Thani

3/F, BBL Phosi Road Branch Building,  
227 Phosi Road, Mark Kheng,  
Mueang Udon Thani, Udon Thani 41000

**Manager**  
Mrs. Chamairuadee  
Apiwattanaporn

**Telephone** +66 4232 6999, +66 4221 1411  
**Facsimile** +66 4232 6995

### Chiang Rai

3/F, BBL Ha Yaek Phokhun Mengrai Branch Building,  
866/18 Super Highway (Asia Routh1) Road,  
Rob Wieng, Mueang Chiang Rai,  
Chiang Rai 57000

**Manager**  
Miss Wiphada Wisanwattana

**Telephone** +66 5360 0788,  
+66 5374 2851-2,  
+66 5371 9583  
**Facsimile** +66 5374 2858

### Lampang

3/F, BBL Chat Chai Road Branch Building,  
341/3 Boonwas (Chat Chai) Road, Suan dok,  
Mueang Lampang, Lampang 52100

**Manager**  
Mr. Chaiya Saisingthong

**Telephone** +66 5432 3935-39  
**Facsimile** +66 5432 3934

### Pattaya

MOOKS Residence & Offices, M Floor  
222/99 Moo 9, Chalermprakiat Road,  
Nong Prue, Bang Lamung,  
Chon Buri, 20150

**Manager**  
Mr. Chirapan Suwannawat  
Miss Aornusa  
Chuawattanasathaporn

**Telephone** +66 3841 2400-05  
**Facsimile** +66 3841 9014

### Nakhon Sawan

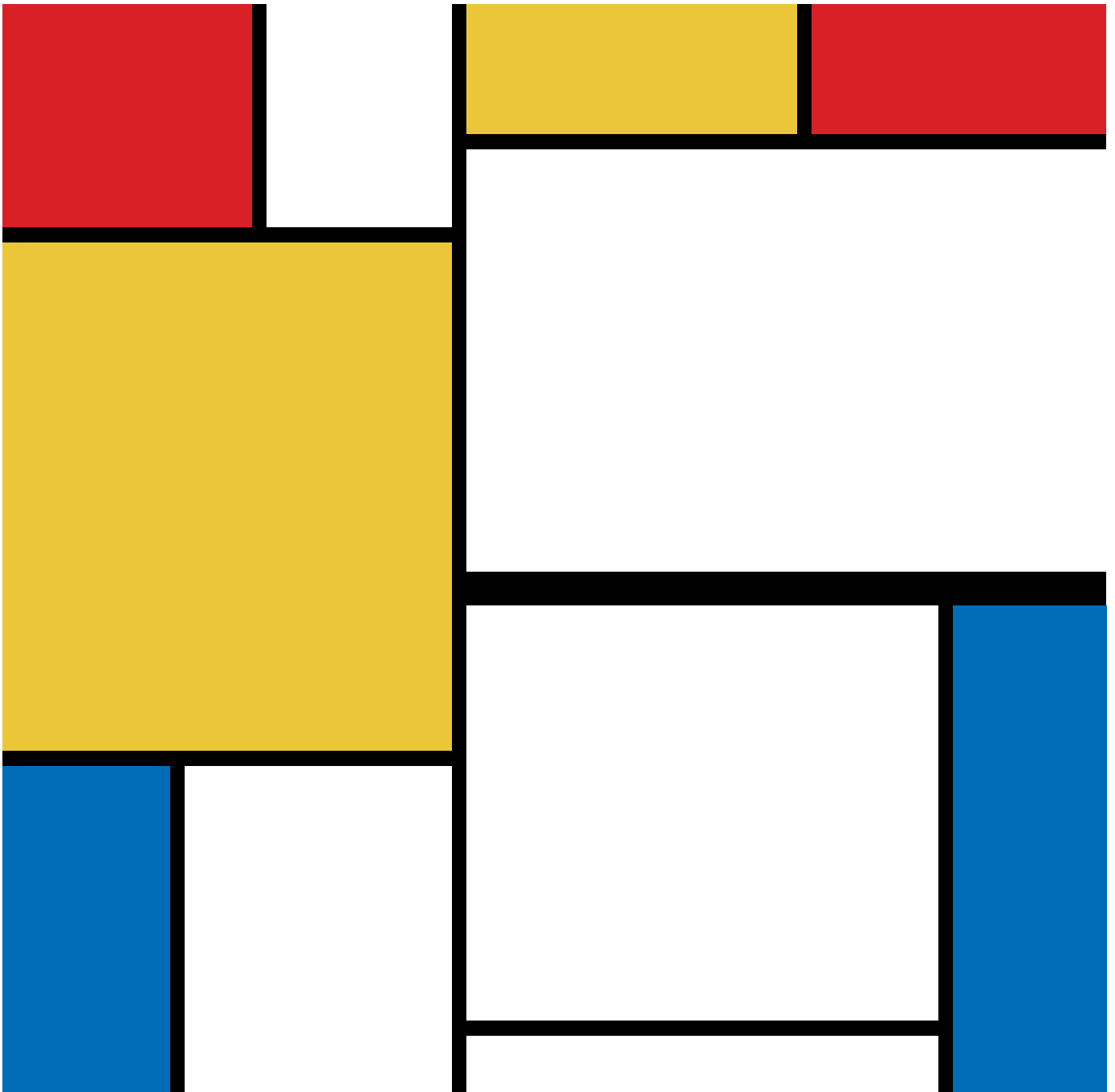
3/F, BBL Nakhon Sawan Branch Building,  
154/1 Sawanwithi Road, Pak Nam Pho,  
Mueang Nakhon Sawan,  
Nakhon Sawan 60000

**Manager**  
Mr. Narachen Prankwiset

**Telephone** +66 5631 2412, +66 5622 7966  
**Facsimile** +66 5631 2420

# BALANCE OF DIVERSITY

ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED





บริษัทหลักทรัพย์  
เอเชีย พลัส จำกัด (มหาชน)

เลขที่ 175 ชั้น 3 อาคารสารชิตีทาวเวอร์ ถนนสาทรใต้  
แขวงทุ่งมหาเมฆ เขตสาทร กรุงเทพมหานคร 10120  
โทรศัพท์ : 0 2285 1666, 0 2285 1888, 0 2680 1111  
โทรสาร : 0 2285 1901

Asia Plus Securities  
Public Company Limited

3<sup>rd</sup> Floor, Sathorn City Tower,  
175 South Sathorn Road, Tungmahamek,  
Sathorn, Bangkok 10120  
Tel : 0 2285 1666, 0 2285 1888, 0 2680 1111  
Fax : 0 2285 1901



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