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Maybank Kim Eng Securities Limited

Interim financial statements

30 June 2016

Maybank Kim Eng Securities Limited

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Maybank Kim Eng Securities Limited

GENERAL INFORMATION

THE COMPANY

Maybank Kim Eng Securities Limited ("the Company") is a one-member limited liability company incorporated under License No. 117/GP-UBCK dated 3 January 2014, which supersedes License No. 71/UBCK-GP granted by the State Securities Commission ("SSC") on 14 December 2007.

The principal activities of the Company are to provide brokerage services, securities trading, underwriting for share issues, custodian services, investment advisory services and margin trading services.

The Company's head office is located at Floor 4A - 15 + 16, Vincom Center Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City and its branches are located at Ho Chi Minh City, Ha Noi and other provinces:

- ▶ Cho Lon Branch: 1st Floor, 86 Tan Da, Ward 11, District 5, Ho Chi Minh City.
- ▶ Phu Nhuan Branch: 1st Floor, Ha Phan Building, 465 Phan Xich Long, Phu Nhuan District, Ho Chi Minh City.
- ▶ An Giang Branch: 3rd Floor, Nguyen Hue Shopping Center, 9/9 Tran Hung Dao, My Xuyen District, Long Xuyen City.
- ▶ Dong Nai Branch: 249 Ha Huy Giap, Town 4, Quyet Thang District, Bien Hoa City, Dong Nai.
- ▶ Ha Noi Branch: 3rd Floor, 14-16 Ham Long Building, Phan Chu Trinh Ward, Hoan Kiem District, Ha Noi.

BOARD OF MEMBERS

Members of the Board of Members of the Company during the period and at the date of these interim financial statements are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr Ronnie Royston Fernandiz	Chairman	Appointed on 31 March 2014
Mr Ong Cheow Kheng	Deputy Chairman	Resigned on 29 July 2016
Ms Ami Moris	Member	Appointed on 13 January 2014
Mr Jeffrey Goh Cho Kiat	Member	Appointed on 13 January 2014
Mr Goh Keat Jin	Member	Appointed on 18 December 2014

SUPERVISORY BOARD

Members of the Supervisory Board of the Company during the period and at the date of these interim financial statements are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr Mohamad Yasin bin Abdullah	Chief Supervisor	Appointed on 28 February 2014
Ms Nguyen Tuyet Van	Member	Appointed on 13 January 2014
Ms Quach Thanh Bao Tran	Member	Appointed on 3 August 2015

Maybank Kim Eng Securities Limited

GENERAL INFORMATION (continued)

MANAGEMENT AND CHIEF ACCOUNTANT

Members of the Company's management and Chief Accountant during the period and at the date of these interim financial statements are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr Kim Thien Quang	Chief Executive Officer	12 August 2015
Mr Nguyen Van Manh	Deputy General Director	1 September 2010
Ms Tran Thi Thu Hang	Chief Financial Officer	10 November 2014
Ms Tran Thi Ngoc Huong	Chief Accountant	10 March 2014

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of these interim financial statements is Mr Kim Thien Quang, the Chief Executive Officer.

AUDITOR

The auditors of the Company are Ernst & Young Vietnam Limited.

Maybank Kim Eng Securities Limited

REPORT OF MANAGEMENT

Management of Maybank Kim Eng Securities Limited ("the Company") is pleased to present this report and the Company's interim financial statements as at and for the six-month period ended 30 June 2016.

MANAGEMENT'S RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

Management of the Company is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Company, of its interim results of operation, its interim cash flows and its interim changes in owner's equity for the period. In preparing those interim financial statements, management is required to:

- ▶ select suitable accounting policies and apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the interim financial statement on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Management is responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy at any time, the interim financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

Management confirmed that the Company has complied with the above requirements in preparing the accompanying interim financial statements as at 30 June 2016.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Company as at 30 June 2016 and of its interim results of operations, its interim cash flows and its changes in owner's equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of interim financial statements.

On behalf of management:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2016

Reference: 60994674/18609013-SX

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To: The owner of
Maybank Kim Eng Securities Limited**

We have reviewed the accompanying interim financial statements of Maybank Kim Eng Securities Limited ("the Company") as prepared on 12 August 2016 and set out on pages 6 to 58 which comprise the interim statement of financial position as at 30 June 2016, the interim statement of comprehensive income, the interim statement of cash flows and the interim statement of changes in owner's equity for the six-month period then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of interim financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Company as at 30 June 2016, and its interim results of operations, its interim cash flows and interim changes in owner's equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of interim financial statements.

Ernst & Young Vietnam Limited



Dang Phương Ha
Deputy General Director
Audit Practicing Registration
Certificate No. 2400-2013-004-1

Ho Chi Minh City, Vietnam

12 August 2016

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the six-month period ended 30 June 2016

B01g-CTCK

VND

Code	Items	Note	Current period	Previous period (restated)
	I. OPERATING REVENUE			
01	1. Revenue from financial assets at fair value through profit and loss (FVTPL)	4.1	4,410,443,054	5,293,792,802
01.1	a. Gain from disposal of financial assets at FVTPL		65,600	-
01.2	b. Gain from revaluation of financial assets at FVTPL		1,047,510	-
01.3	c. Dividend, interest income from financial assets at FVTPL		4,409,329,944	5,293,792,802
03	2. Revenue from loans and receivables	4.1	41,079,635,403	44,350,426,516
06	3. Revenue from brokerage services	4.2	30,278,292,627	34,403,739,118
08	4. Revenue from advisory services	4.2	60,000,000	187,000,000
10	5. Revenue from securities custodian services	4.2	1,493,256,350	1,306,400,572
11	6. Other revenue	4.2	3,752,035,591	6,223,749,631
20	Total operating revenue		81,073,663,025	91,765,108,639
	II. OPERATION EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		(10,024,000)	(54,000)
21.1	a. Loss from disposal of financial assets at FVTPL		(10,024,000)	-
21.2	b. Loss from revaluation of financial assets at FVTPL		-	(54,000)
23	2. Borrowing costs, loss from loans and receivables	5	(7,966,405,807)	(3,105,509,968)
27	3. Expenses for brokerage services		(33,735,376,449)	(32,304,296,816)
29	4. Expenses for advisory services		(996,518,553)	(1,281,851,921)
31	5. Expenses for securities custodian services		(2,383,227,709)	(2,308,981,453)
40	Total operating expenses		(45,091,552,518)	(39,000,694,158)
	III. FINANCE INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		18,097,655	68,551,731
42	2. Non-fixed dividend and interest income		1,576,105,422	1,532,017,194
50	Total finance income	6	1,594,203,077	1,600,568,925

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)
for the six-month period ended 30 June 2016

B01g-CTCK

VND

Code	Items	Note	Current period	Previous period (restated)
	IV. FINANCE EXPENSES			
51	1. Realized and unrealized loss from changes in foreign exchange rates		(30,690,682)	(5,135,329)
60	Total finance expenses		(30,690,682)	(5,135,329)
62	VI. GENERAL AND ADMINISTRATIVE EXPENSES	7	(32,801,136,344)	(32,764,742,454)
70	VII. OPERATING PROFIT		4,744,486,558	21,595,105,623
	VIII. OTHER INCOME AND EXPENSES			
71	1. Other income		2,300,000	-
72	2. Other expenses		-	(206,870,526)
80	Total other operating profit		2,300,000	(206,870,526)
90	IX. PROFIT BEFORE TAX		4,746,786,558	21,388,235,097
91	1. Realized profit		4,746,786,558	21,388,235,097
92	2. Unrealized profit		-	-
100	X. CORPORATE INCOME TAX (CIT) EXPENSES		(1,061,508,414)	(4,781,596,154)
100.1	1. Current CIT expense	8	(1,061,508,414)	(4,781,596,154)
100.2	2. Deferred CIT expense	23	-	-
200	XI. PROFIT AFTER TAX		3,685,278,144	16,606,638,943
400	TOTAL COMPREHENSIVE INCOME		3,685,278,144	16,606,638,943

Prepared by:

Reviewed by:

Approved by:

Approved by:



Dao Thi Ngoc Thuy
Deputy Finance
Manager



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial
Officer



Kim Thien Quang
Chief Executive
Officer



Ho Chi Minh City, Vietnam

12 August 2016

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

BT02g-CTCK

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
100	A. CURRENT ASSETS		1,057,704,273,463	955,456,866,675
110	I. Financial assets		1,053,057,852,834	951,434,494,095
111	1. Cash and cash equivalents	9	44,231,594,283	235,764,069,456
111.1	a. Cash		1,231,594,283	30,764,069,456
111.2	b. Cash equivalents		43,000,000,000	205,000,000,000
112	2. Fair value through profit and loss (FVTPL) financial assets	11.1	54,003,672,000	1,585,700
114	3. Loans and receivables	11.2	960,406,203,810	715,743,953,794
116	4. Provision for impairment of financial assets and mortgage assets		(17,227,397,686)	(10,193,110,917)
117	5. Receivables	12	9,101,752,127	8,036,668,112
117.3	a. Receivables and accruals from dividend and interest income		9,101,752,127	8,036,668,112
119	6. Receivables from services provided by the Company	12	423,258,136	226,492,054
122	7. Other receivables	12	2,118,770,164	1,854,835,896
130	II. Other current assets	13	4,646,420,629	4,022,372,580
131	1. Advances		161,796,072	114,114,923
133	2. Short-term prepaid expenses		4,484,624,557	3,908,257,657
200	B. NON-CURRENT ASSETS		36,932,756,842	37,480,127,942
220	III. Fixed assets		16,273,842,910	15,384,461,494
221	1. Tangible fixed assets	14	10,663,166,354	12,922,380,719
222	a. Cost		42,900,010,853	42,841,010,853
223a	b. Accumulated depreciation		(32,236,844,499)	(29,918,630,134)
227	2. Intangible fixed assets	15	5,610,676,556	2,462,080,775
228	a. Cost		23,128,211,723	19,365,501,766
229a	b. Accumulated amortization		(17,517,535,167)	(16,903,420,991)
240	IV. Constructions in progress		706,866,000	3,036,558,957
250	V. Other non-current assets		19,952,047,932	19,059,107,491
251	1. Long-term deposits, collaterals and pledges		3,062,380,205	3,062,380,205
252	2. Long-term prepaid expenses	16	240,651,561	1,847,711,120
254	3. Deposits to Settlement Assistance Fund	17	16,649,016,166	14,149,016,166
270	TOTAL ASSETS		1,094,637,030,305	992,936,994,617

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2016

BT02g-CTCK

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
300	C. LIABILITIES		187,810,525,332	89,795,767,788
310	I. Current liabilities		187,757,108,673	89,742,351,129
311	1. Short-term borrowings and financial leases		95,570,000,000	26,000,000,000
312	1.1 Short-term borrowings	18	95,570,000,000	26,000,000,000
318	2. Payables for securities transaction activities	19	77,823,714,901	45,302,218,394
320	3. Short-term trade payables	20	4,613,509,310	1,792,969,507
321	4. Short-term advances from customers		475,832,000	475,832,000
322	5. Statutory obligations	21	2,254,513,933	3,611,470,132
323	6. Payables to employees		3,939,026,148	9,212,682,069
324	7. Employee benefits		158,490,366	73,666,864
325	8. Short-term accrued expenses	22	2,831,931,467	3,158,317,685
329	9. Other current liabilities		90,090,548	115,194,478
340	II. Non-current liabilities		53,416,659	53,416,659
356	1. Deferred tax liabilities	23	53,416,659	53,416,659
400	D. OWNER'S EQUITY	24	906,826,504,973	903,141,226,829
410	I. Owner's equity		906,826,504,973	903,141,226,829
411	1. Share capital		829,110,000,000	829,110,000,000
414	2. Charter capital supplementary reserve		5,254,677,055	5,071,202,193
415	3. Operational risk and financial reserve		5,254,677,056	5,071,202,194
417	4. Undistributed profit		67,207,150,862	63,888,822,442
417.1	a. Realized profit		67,207,150,862	63,888,822,442
440	TOTAL LIABILITIES AND OWNER'S EQUITY		1,094,637,030,305	992,936,994,617

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2016

BT02g-CTCK

OFF-BALANCE SHEET ITEMS

				Number of shares
Code	Items	Notes	Ending balance	Beginning balance (restated)
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
005	1. Foreign currencies (VND equivalent)	25.1	86,077,044	2,838,413,393
008	2. Financial assets of the Company listed/registered at Viet Nam Securities Depository ("VSD")	25.2	67	35
008.1	a. <i>Unrestricted financial assets</i>		67	35
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	1. Investors' financial assets listed/registered at VSD	25.3	587,247,732	511,489,676
021.1	- <i>Unrestricted financial assets</i>		559,284,099	484,014,632
021.2	- <i>Restricted financial assets</i>		9,974,396	8,363,100
021.3	- <i>Mortgage financial assets</i>		9,500,200	9,500,200
021.5	- <i>Financial assets awaiting lending</i>		8,489,037	9,611,744
022	2. Investors' non-traded financial assets deposited at VSD	25.4	1,517,106	9,678,006
022.1	- <i>Unrestricted and non-traded financial assets deposited at VSD</i>		1,517,106	8,892,656
022.2	- <i>Restricted and non-traded financial assets deposited at VSD</i>		-	785,350
023	3. Investors' awaiting financial assets	25.5	8,379,978	8,435,403

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2016

BT02g-CTCK

OFF-BALANCE SHEET ITEMS (continued)

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
026	4. Investors' deposits	25.6	212,634,298,301	176,991,784,920
027	5. Deposits for securities brokerage		107,468,685,760	104,755,870,834
027.1	- Investors' deposits for securities trading activities managed by the Company		107,468,685,760	104,755,870,834
	6. Investors' collective deposits for securities trading activities		96,005,369,972	30,167,024,115
028	7. Investors' deposits for securities transaction clearing and settlement	25.6	9,160,242,569	42,068,889,971
028.1	- Domestic investors' deposits for securities transaction clearing and settlement		1,170,249,716	28,010,898,847
028.2	- Foreign investors' deposits for securities transaction clearing and settlement		7,989,992,853	14,057,991,124
030	8. Payables to investors – investors' deposits for securities trading activities managed by the Company	25.7	105,952,950,400	102,581,891,970
030.1	- Domestic investors' deposits for securities trading activities managed by the Company		72,393,064,540	81,803,009,465
030.2	- Foreign investors' deposits for securities trading activities managed by the Company		33,559,885,860	20,778,882,505
031	9. Payables to investors – investors' deposits for securities trading activities managed by commercial banks		105,165,612,541	72,235,914,086
031.1	- Domestic investors' deposits for securities trading activities managed by commercial banks		48,806,236,513	58,177,922,962
031.2	- Foreign investors' deposits for securities trading activities managed by commercial banks		56,359,376,028	14,057,991,124

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2016

BT02g-CTCK

OFF-BALANCE SHEET ITEMS (continued)

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
034	Investors' payables to the Company	25.9	960,406,203,810	715,743,953,794
035	Dividend, bond principal and interest payables	25.7	1,515,735,360	2,173,978,864

Prepared by:

Reviewed by:

Approved by:

Approved by:



Dao Thi Ngoc Thuy
Deputy Finance
Manager



Tran Thi Ngoc Huong
Chief Accountant

Chulm

Tran Thi Thu Hang
Chief Financial
Officer



Kim Quang
Chief Executive
Officer

Ho Chi Minh City, Vietnam

12 August 2016

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2016

B03g-CTCK

VND

Code	Items	Notes	Current period	Previous period (restated)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		4,746,786,558	21,388,235,097
02	2. Adjustments for:		5,896,274,992	1,114,077,362
03	- Depreciation and amortization	11.3	2,932,328,541	2,725,349,794
04	- Addition of provisions		7,034,286,769	99,721,606
06	- Accrued expenses, prepaid expenses		983,011,510	1,902,103,070
07	- Profits from investing activities	12	(4,533,651,424)	(6,122,177,137)
08	- Accrued interest expenses		(1,451,819,442)	(496,708,333)
09	- Others		932,119,038	3,005,788,362
30	3. Changes in operating assets and liabilities		(298,664,336,316)	55,059,133,320
31	Increase in FVTPL financial assets		(54,002,086,300)	(369,000)
33	(Increase)/decrease in loans		(244,662,250,016)	55,059,502,320
42	4. Operating (expenses)/income before changes in working capital		(288,021,274,766)	77,561,445,779
44	(Increase)/decrease in accrued interests of financial assets		(1,065,084,015)	1,223,737,493
45	Increase in receivables from services provided by the Company		(196,766,082)	(22,622,339)
47	Increase in other receivables		(4,407,152)	(1,133,091,778)
48	Increase in trade payables		2,820,539,803	-
50	Increase/(decrease) in statutory payables		607,750,788	(98,288,693)
51	Increase in other payables		26,897,273,818	31,876,749,978
52	Corporate income tax paid	8	(3,088,742,519)	(392,998,817)
54	Other payments for operating activities		(2,519,883,265)	(4,937,332,437)
60	Net cash flows (used in)/from operating activities		(264,570,593,390)	104,077,599,186

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF CASH FLOWS (continued)
for the six-month period ended 30 June 2016

B03g-CTCK

VND

Code	Items	Notes	Current period	Previous previous (restated)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	Purchase and construction of fixed assets, investment properties and other long-term assets	14, 15	(1,492,017,000)	(7,067,395,361)
65	Interest and dividends received		4,960,135,217	6,311,363,094
70	Net cash flow from/(used in) investing activities		3,468,118,217	(756,032,267)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
73	Drawdown of borrowings		190,141,793,419	82,230,117,662
74	Repayment of borrowings		(120,571,793,419)	(303,735,888,464)
80	Net cash flow from/(used in) financing activities		69,570,000,000	(221,505,770,802)
90	NET DECREASE IN CASH DURING THE PERIOD		(191,532,475,173)	(118,184,203,883)
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	9	235,764,069,456	399,642,000,498
102	Cash at banks at the beginning of the period:		235,764,069,456	399,642,000,498
102.1	Cash at banks for operation of the Company		30,764,069,456	2,532,000,498
102.2	Cash equivalents		205,000,000,000	397,110,000,000
103	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	44,231,594,283	281,457,796,615
104	Cash at banks at the end of the period:		44,231,594,283	281,457,796,615
104.1	Cash at banks for operation of the Company		1,231,594,283	23,457,796,615
104.2	Cash equivalents		43,000,000,000	258,000,000,000

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF CASH FLOWS (continued)
for the six-month period ended 30 June 2016

B03g-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

VND

Code	Items	Notes	Current period	Previous period
	I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS			
01	1. Cash receipt from disposal of securities on behalf of customers		7,216,321,922,512	8,031,121,655,731
02	2. Cash payment for acquisition of securities on behalf of customers		(7,236,059,115,107)	(8,034,835,467,985)
06	4. Cash payment from current accounts of customers		(8,102,995,067,170)	(8,715,981,770,040)
09	5. Cash receipt for settlement of securities transactions of customers		8,158,374,773,146	8,721,320,523,006
20	Net increase in cash during the period		35,642,513,381	1,624,940,712
30	II. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE BEGINNING OF THE PERIOD	25.6	176,991,784,920	211,489,569,722
32	1. The investors' deposits managed by the Company		104,755,870,834	72,908,030,271
34	2. The investors' collective deposits for securities trading activities		30,167,024,115	101,750,214,416
35	3. The investors' deposits for securities transaction clearing and settlement		42,068,889,971	36,831,325,035

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF CASH FLOWS (continued)
for the six-month period ended 30 June 2016

B03g-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS (continued)

VND

Code	Items	Notes	Current period	Previous period
40	III. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE END OF THE PERIOD	25.6	212,634,298,301	213,114,510,434
41	Cash at banks at the end of the period			
42	1. Investors' deposits managed by the Company for securities trading activities		107,468,685,760	75,711,832,249
44	2. Investors' collective deposits for securities trading activities		96,005,369,972	92,389,232,992
45	3. Investors' deposits for securities transaction clearing and settlement		9,160,242,569	45,013,445,193

Prepared by:

Reviewed by:

Approved by:

Approved by:



Dao Thi Ngoc Thuy
Deputy Finance
Manager



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Han
Chief Financial
Officer



Kim Thien Quang
Chief Executive
Officer

Ho Chi Minh City, Vietnam

12 August 2016

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF CHANGES IN OWNER'S EQUITY
for the six-month period ended 30 June 2016

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VND

ITEMS	Beginning balance		Increase/(decrease)				Closing balance	
	1 January 2015	1 January 2016	Previous period		Current period		30 June 2015	30 June 2016
			Increase	Decrease	Increase	Decrease		
A	1	2	3	4	5	6	7	8
I. CHANGES IN OWNER'S EQUITY								
1. Share capital	829,110,000,000	829,110,000,000	-	-	-	-	829,110,000,000	829,110,000,000
- Charter capital	300,000,000,000	300,000,000,000	-	-	-	-	300,000,000,000	300,000,000,000
- Supplemental capital	529,110,000,000	529,110,000,000	-	-	-	-	529,110,000,000	529,110,000,000
2. Charter capital supplementary reserve	3,611,260,239	5,071,202,193	830,331,946	-	183,474,862	-	4,441,592,185	5,254,677,055
3. Operational risk and Financial reserve fund	3,611,260,240	5,071,202,194	830,331,946	-	183,474,862	-	4,441,592,186	5,254,677,056
4. Undistributed profit	37,609,867,274	63,888,822,442	16,606,638,943	(1,660,663,892)	3,685,278,144	(366,949,724)	52,555,842,325	67,207,150,862
5. Distributed profit	37,609,867,274	63,888,822,442	16,606,638,943	(1,660,663,892)	3,685,278,144	(366,949,724)	52,555,842,325	67,207,150,862
TOTAL	873,942,387,753	903,141,226,829	18,267,302,835	(1,660,663,892)	4,052,227,868	(366,949,724)	890,549,026,696	906,826,504,973

Prepared by:



Dao Thi Ngoc Thuy
Deputy Finance Manager

Reviewed by:



Tran Thi Ngoc Huong
Chief Accountant

Approved by:



Tran Thi Thu Hang
Chief Financial Officer



Tran Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2016

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS
as at 30 June 2016 and for the six-month period then ended

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1. CORPORATE INFORMATION

Maybank Kim Eng Securities Limited ("the Company") is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the License No. 117/GP-UBCK dated 3 January 2014 which supersedes License No. 71/UBCK-GP granted by the State Securities Commission ("SSC") on 14 December 2007.

The principal activities of the Company are to provide brokerage services, securities trading, underwriting for share issues, custodian services, investment advisory services and margin trading services.

The Company's head office is located at Floor 4A-15+16, Vincom Center Dong Khoi, 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, and its branches are located in Ho Chi Minh City, Hanoi and other provinces.

Number of the Company's employees as at 30 June 2016 was 196 persons (31 December 2015: 210).

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

The interim financial statements of the Company (the "Company") expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System, the accounting policies applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014 providing guidance on accounting policies applicable to securities companies, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies, Vietnamese Accounting Standard No. 27 – Interim financial statements and other Vietnamese Accounting Standards as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the accompanying interim statement of comprehensive income, interim statement of financial position, interim statement of cash flows, interim statement of change in owner's equity and notes to the interim financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal Voucher system.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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2. BASIS OF PREPARATION (continued)

2.3 *Fiscal year*

The Company's fiscal year starts on 1 January and ends on 31 December.

The Company also prepares its interim financial statements for the six-month period ended 30 June each year.

2.4 *Interim financial statements*

The Company prepares its interim financial statements for the six-month period from 1 January to 30 June to submit to authorities in accordance with requirements of Circular No. 155/2015/TT-BTC dated 6 October 2015 issued by the Ministry of Finance.

2.5 *Accounting currency*

The Company maintains its accounting records in Vietnam Dong (VND).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Changes in accounting policies and disclosures*

On 30 December 2014, the Ministry of Finance issued Circular No. 210/2014/TT-BTC providing guidance on accounting policies applicable to securities companies ("Circular 210"). This Circular replaces Circular No. 95/2008/TT-BTC dated 24 October 2008 issued by the Ministry of Finance guiding accounting policies applicable to securities companies and Circular No. 162/2010/TT-BTC dated 20 October 2010 amending and supplementing MOF Circular No. 95/2008/TT-BTC. Circular 210 is applicable to fiscal years beginning on or after 1 January 2016. Circular 210 prescribes contents of accounting vouchers, system of accounting accounts as well as method of preparing and presenting the financial statements of securities companies.

Circular 210 leads to the following significant changes:

- ▶ Changes in name and content of the financial statements: balance sheet and income statement are renamed as statement of financial position and statement of comprehensive income respectively, statement of cash flows from brokerage and trust activities of investors is separately presented as a part of the basic financial statements.
- ▶ Financial assets are categorized into four groups: financial assets at fair value through profit and loss, available-for-sale financial assets, held-to-maturity investments and loans.
- ▶ Assets and liabilities of securities companies and investors (including deposits, securities investment and payable accounts) are separately managed.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *Changes in accounting policies and disclosures* (continued)

In addition, Circular 210 provides the guidance on measurement of financial assets as follows:

- ▶ Financial assets at fair value through profit and loss (FVTPL): are recognized at fair value in the statement of financial position of the Company. Difference arisen from the revaluation of these assets is recognized as revenue or expense from financial assets at FVTPL in the statement of comprehensive income.
- ▶ Available-for-sale (AFS) financial assets: are recognized at fair value. Any gain or loss arisen from revaluation of AFS financial assets is recognized directly in owner's equity (Other comprehensive income), except for loss from impairment of AFS financial assets.
- ▶ Held-to-maturity (HTM) financial assets: are recognized at amortized cost based on effective interest rate method.
- ▶ Loans: are recognized at amortized cost based on effective interest method.

However, as the prevailing Law on Accounting does not allow the use of fair value concept, financial assets which are supposed to be recognized at fair value as above will continue being recognized at cost less loss/provision for impairment (if any) for the six-month period ended 30 June 2016.

Circular 210 takes effect from 1 January 2016, except for the application of fair value recognition of financial assets which will be effective from 1 January 2017 in line with the effectiveness of Law on Accounting No. 88/2015/QH13.

The Company has applied changes in accounting policies retrospectively and restated the comparative figures of previous period in accordance with Circular 210's requirements as presented in Note 26.5.

3.2 *Standards and regulations issued but not yet taken effect*

On 20 November 2015, the National Assembly of Vietnam passed the Law on Accounting No. 88/2015/QH13 ("the new Accounting Law"). The new Accounting Law extends its governing scope to electronic accounting documents and allows the application of fair value concept for some types of assets and liabilities whose value frequently varies in line with market fluctuation, provided that the fair value of these assets and liabilities can be reliably determined. The new Accounting Law takes effect from 1 January 2017.

3.3 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

Cash deposited by customers for securities trading and cash deposited by securities issuers are presented on the off-balance sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.4 Financial assets at fair value through profit and loss (FVTPL)**

Financial assets recognized at fair value through profit and loss are financial assets that satisfy either of the following conditions:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - there is evidence of a recent actual pattern of short-term profit-taking; or
 - it is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:
 - The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognising gains or losses on a different basis; or
 - The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial assets at FVTPL are initially recognized at cost and subsequently recognized at cost less the reduction in the fair value of these financial assets as the prevailing Law on Accounting does not allow the use of fair value basis.

The loss arising from the reduction in the fair value of financial assets at FVTPL is recognized in "Loss from revaluation of financial assets at FVTPL" in the interim statement of comprehensive income. The positive difference arising from the revaluation of the financial assets at FVTPL in comparison with previous period is recognized in "Gain from revaluation of financial assets at FVTPL" in the interim statement of comprehensive income.

Transaction costs relating to the purchase of the financial assets at FVTPL are recognized when incurred as expenses for proprietary trading in the interim statement of comprehensive income.

3.5 Loans

Loans are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:

- a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair, value through profit or loss statements;
- b) The amounts categorized by the entity as available for sale upon initial recognition; or
- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

Loans are recognized initially at cost. After initial recognition, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest rate ("EIR").

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Loans (continued)

Amortized cost of loans is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility (if any).

Loans are classified into 5 groups in accordance with qualitative and quantitative method prescribed in Circular 210.

Loans shall be classified into the groups with lower risk in cases where customers have made full repayment of the principals and interests under the initial repayment term (for overdue loans) or under restructured repayment term (for restructured loans); and at the same time satisfy the following conditions: there are documents which prove that customers have made the repayments; and the Company has sufficient grounds to assess that the customers have full capability to fully and timely repay the remaining principals and interests.

Loans shall be classified into the groups with higher risks in the following cases:

- ▶ There are disadvantage changes in the environment and business sector (such as natural calamities, epidemics, economic environment, etc.) which directly impact on the customers' capability of customers to make repayments;
- ▶ Criteria of profitability, solvency, ratio of debts on capital, cash flow, capability of customers to make repayments have continuously declined or experienced significant changes resulting to the tendency of decline in 3 consecutive times of assessment and loan classification;
- ▶ Customers fail to fully, honestly and timely provide financial information at the request of the Company for purpose of assessing the repayment capability of customers;
- ▶ Loans, which have been classified into Group 2, Group 3, Group 4 for 1 year or more, do not satisfy the conditions to be reclassified into the groups with lower risk.
- ▶ Loans of which acts of credit extension have been administratively sanctioned as prescribed by law.

3.6 Provision for impairment of loans

Provision for impairment of loans includes general provision and specific provision, specifically:

- ▶ Specific provision is created on the net exposure of each loan.
- ▶ General provision is made for credit losses which have not been identified during the loan classification and specific provision process.

In accordance with Circular 210, the Company shall make and maintain specific provision and general provision for loans as follows:

- ▶ General provision is created at 0.75% of total balance of loans which are classified in groups 1 to 4.
- ▶ Specific provision is created on the net exposure of each loan using fixed provision rates as follows:

Group	Name	Specific provision rate
1	Current	0%
2	Special Mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Derecognition of financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- ▶ The rights to receive cash flows from the asset have expired;
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.8 *Receivables*

Receivables are recorded at cost.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the provision balance are recorded as "*General and administrative expenses*" in the interim statement of comprehensive income.

The Company has made provision for doubtful receivables in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

<i>Overdue period</i>	<i>Provision rate</i>
From over six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

3.9 *Fixed assets*

Fixed assets are stated at cost less accumulated amortization. The cost of fixed asset comprises of its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim statement of comprehensive income as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim statement of comprehensive income.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Office equipment	5 years
Transportation and vehicles	6 years
Other tangible assets	5 years
Computer softwares	5 years

3.11 Operating lease

Rentals respective to operating leases are charged to the interim income statement on a straight-line basis over the term of the lease.

3.12 Prepaid expenses

Prepaid expenses included short-term and long-term prepaid expenses on the interim statements of financial position and be allocated in the prepaid period matched with its economic benefits.

The following types of expenses are recorded as prepaid expenses to allocate from 1 to 22 months in interim statement of comprehensive income:

- ▶ Office improvement expenses;
- ▶ Office rental; and
- ▶ Office tools expenses.

3.13 Borrowings

Borrowings are announced and presented by the original principals at the end of the period.

3.14 Payables and accrued expenses

Payables and accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.15 Employee benefits

3.15.1 Post employment benefits

Post employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 18% of an employee's basic salary on a monthly basis. The Company has no further obligation to fund the post employment benefits of its employees, other than the liability to pay Social Insurance Agency on a monthly basis.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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3. SUMMARY OF SIGNIFICANT ACCOUNTINGS POLICIES (continued)

3.15 *Employee benefits* (continued)

3.15.2 *Voluntary resignation benefits*

The severance pay to employees is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to 31 December 2008 at the rate of one - half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the labour Code, the law on Social Insurance and related implementing guidance. Since 1 January 2009, the monthly average salary for calculating severance allowances will be adjusted at the end of each reporting period according to the average salary of the six-month period up to the time of reporting. The increase or decrease to the accrued amount other than actual payment to employee will be taken to the interim statement of comprehensive income. The accrued severance allowance is used to pay severance benefits to employees upon termination of employment contracts under the Labor Law.

3.15.3 *Unemployment allowance*

According to Circular No. 04/2009/TT-BLĐTBXH and Decree No. 127/2008/NĐ-CP, from 1 January 2009, the Company is required to pay the unemployment insurance at 1% of salary fund of employees who engage in the unemployment insurance program and deduct 1% from each employee's basic salary to contribute to the Unemployment Insurance Fund.

3.16 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the period, monetary balances denominated in foreign currencies are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly.
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the period and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the period are taken to the interim statement of comprehensive income.

3.17 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from brokerage services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

Revenue from trading of securities

Revenue from trading of securities is determined by the difference between the selling price and the weighted average cost of securities sold.

3. SUMMARY OF SIGNIFICANT ACCOUNTINGS POLICIES (continued)

3.17 Revenue recognition (continued)

Interest income

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares which only the number of shares is updated.

Other revenues from rendering services

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

Other income

Revenues from irregular activities other than turnover-generating activities are recorded to other incomes as stipulated by VAS 14 – "Revenue and other income", including: Revenues from asset liquidation and sale; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which had been written off and included in the preceding period expenses; payable debts which are now recorded as revenue increase as their owners no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues.

3.18 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.19 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the interim statement of financial position.

Current income tax is charged or credited to the interim statement of comprehensive income, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Corporate income tax (continued)

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the interim balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the interim statement of comprehensive income, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.20 Owner's equity

Contributed capital from shareholders

Contributed capital from stock issuance is recorded in account charter capital at par value.

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

Unrealized profit of the period is the total differences between gain or loss arisen from revaluation of FVTPL financial assets or other financial assets through profit and loss in the interim statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.20 Owner's equity (continued)**

Realized profit during the period is the net difference between total revenue and income, and total expenses in the statement of comprehensive income of the Company, except for gain or loss arisen from revaluation of financial assets recognized in unrealized profit.

Reserves

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves if accumulated loss no longer exists:

	<i>Percentage of profit after tax</i>	<i>Maximum balance</i>	<i>Usage</i>
Capital Supplementary Reserve	5%	10% of charter capital	To supplement the Company's charter capital
Financial Reserve	5%	10% of charter capital	To offset the losses and damages that may incur during the company's course of business

Other reserves are created in accordance with the owner's decision.

These reserves are created annually based on the annual income statement.

3.21 Appropriation of net profits

Net profit after tax is available for appropriation to the owner after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3.22 Nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014 and Circular No. 146/2014/TT-NHNN dated 31 December 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balance.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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4. OPERATING REVENUE

4.1 Dividend, interest income from FVTPL financial assets, loans and receivables

	Current period VND	Previous period VND
From FVTPL financial assets	4,410,443,054	5,293,792,802
- Interest income from bank deposits	4,409,294,444	5,293,792,802
- Dividend for FVTPL financial assets	35,500	-
- Others	1,113,110	-
Loans and receivables	41,079,635,403	44,350,426,516
- Interest from margin loans	39,897,094,547	41,348,758,903
- Interest from advances to customers	1,182,540,856	3,001,667,613
Total	45,490,078,457	49,644,219,318

4.2 Revenue other than gain/loss from financial assets

	Current period VND	Previous period VND
Brokerage commission revenue	30,278,292,627	34,403,739,118
Corporate finance advisory fee	60,000,000	187,000,000
Custodian and nominees fees	1,493,256,350	1,306,400,572
Others	3,752,035,591	6,223,749,631
- Rental income from third parties	234,000,000	252,000,000
- Reserch fee and other fee income	3,518,035,591	5,971,749,631
Total	35,583,584,568	42,120,889,321

5. BORROWING COSTS, LOSS FROM LOANS AND RECEIVABLES

	Current period VND	Previous period VND
General provision for margin loans	7,034,286,769	99,721,606
Borrowing costs	565,487,751	2,150,065,048
- Margin activities	565,487,751	666,188,899
- Advance to customers activities	-	1,483,876,149
Other expenses	366,631,287	855,723,314
Total	7,966,405,807	3,105,509,968

In accordance with Circular 210, general provision is made at 0.75% of total balance of loans.

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6. FINANCE INCOME

	<i>Current period VND</i>	<i>Previous period VND</i>
Foreign exchange rate differences	18,097,655	68,551,731
- Realized gain from foreign exchange rate differences	621,606	68,551,731
- Unrealized gain from foreign exchange rate differences	17,476,049	-
Interest income from demand deposits	1,576,105,422	1,532,017,194
Total	1,594,203,077	1,600,568,925

7. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current period VND</i>	<i>Previous period VND</i>
Bonus and welfare	17,383,897,700	18,322,525,432
External services expense	10,318,031,750	10,285,881,479
Depreciation and amortization expense	2,380,609,728	2,057,182,189
Social security, health insurance, unemployment insurance and union fee	2,096,046,328	1,398,103,190
Expenses related to instruments and tools	465,838,676	638,637,152
Office supplies expense	66,513,213	61,449,868
Others	90,198,949	963,144
Total	32,801,136,344	32,764,742,454

8. CORPORATE INCOME TAX

The Company has the obligations to pay the Corporate Income Tax ("CIT") at a rate of 20% of taxable profits.

The Company's tax reporting will be subject to inspection by the tax authorities. Because the application of laws and regulations on taxes on different types of transactions can be interpreted in different ways, the tax amounts presented on the interim financial statements can be changed by the final decision of the tax authorities.

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit reported in the interim income statements due to the exclusion of income or expense items that are taxable or deductible in other periods, as well as non-taxable or non-deductible items.

Under the prevailing tax regulations, corporate income tax is calculated and settled at the end of the financial year.

8. CORPORATE INCOME TAX (continued)

The current corporate income tax provision for the period is presented as below:

	<i>Current period VND</i>	<i>Previous period VND</i>
Profit before tax	4,746,786,558	21,388,235,097
Add:		
- Non-deductible expenses	103,339,949	-
Estimated taxable profits	4,850,126,507	21,388,235,097
Estimated current income tax	970,025,301	4,705,411,722
Income tax of previous periods	91,483,113	76,184,432
Total income tax expenses	1,061,508,414	4,781,596,154
Income tax payable/(receivable) at the beginning of the period	1,964,706,987	(2,446,325,712)
Income tax paid during the period	(3,088,742,519)	(392,998,817)
Income tax (receivable)/payable at the end of the period	(62,527,118)	1,942,271,625

9. CASH AND CASH EQUIVALENTS

	<i>Current period VND</i>	<i>Previous period VND</i>
Cash		
- Cash on hand	52,327,944	42,747,755
- Cash at banks for operation of the Company	1,170,168,343	28,247,092,953
- Cash for securities transaction clearing and settlement	9,097,996	2,474,228,748
Cash equivalents		
- Term deposits with maturity of 3 months or less	43,000,000,000	205,000,000,000
Total	44,231,594,283	235,764,069,456

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10. VALUE AND VOLUME OF TRADING RESULTS IN THE PERIOD

	<i>Trading volume in the period (unit)</i>	<i>Trading value in the period (VND)</i>
a. Trading results of the Company		
- Shares	20,372	743,833,700
b. Trading results of the investors		
- Shares	1,174,518,815	16,322,189,245,380
Total	1,174,539,187	16,322,933,079,080

11. FINANCIAL ASSETS

11.1 Fair value through profit and loss (FVTPL) financial assets

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost VND</i>	<i>Fair value VND</i>	<i>Cost VND</i>	<i>Fair value VND</i>
Listed shares	3,672,000	3,672,000	1,585,700	1,585,700
Term deposits	54,000,000,000	54,000,000,000	-	-
Total	54,003,672,000	54,003,672,000	1,585,700	1,585,700

Term deposits represent six-month bank deposits which are pledged as collaterals of bank loans at Bank for Investment and Development of Vietnam ("BIDV").

11. FINANCIAL ASSETS (continued)**11.2 Loans and receivables**

	Ending balance VND			Beginning balance VND		
	Cost	Provision	Fair value	Cost	Provision	Fair value
1. Margin loans	938,004,624,106	7,034,286,769	930,870,615,731	678,886,104,227	-	678,786,382,621
2. Receivables from advances to customers	12,308,190,393	-	12,308,190,393	26,764,460,256		26,764,460,256
3. Other loans	10,093,389,311	10,193,110,917	-	10,093,389,311	10,193,110,917	-
	960,406,203,810	17,227,397,686	943,178,806,124	715,743,953,794	10,193,110,917	705,550,842,877

During the period, the Company has classified loans and receivables into margin loans, receivables from advance to customers and other loans and receivables. General provision is made at 0.75% of total balance of loans that are classified into group 1 in accordance with Circular 210.

Other loans are the loans under the business cooperation contracts secured by portfolio of securities or assets of investors. In accordance with the regulations of State Securities Commission of Vietnam, the Company has ceased these transactions since 7 July 2012. The above-mentioned receivables are related to doubtful debts of the Company arising in 2010. The Company has made specific provision of 100% consistent with the accounting policies of the Company.

Determining the fair value of financial assets

The fair value of financial assets was reflected at the value that the financial assets are traded in the prevailing transactions between involved parties, excluding the cases that financial assets are sold or liquidated.

The Company uses the following methods and assumptions to estimate fair value:

- The fair value of listed shares are determined based on published price at the date of the interim financial statements.
- The fair value of term deposits, deposit loans, cash advances of selling securities and investment cooperation approximates their carrying value, which is cost less provision, due to short-term maturities of these instruments.

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11. FINANCIAL ASSETS (continued)**11.3 Provision for impairment of financial assets**

	Ending balance VND	Beginning balance VND
Specific provision for loans	10,193,110,917	10,193,110,917
General provision for loans	7,034,286,769	-
	17,227,397,686	10,193,110,917

12. RECEIVABLES

	Ending balance VND	Beginning balance VND
Receivables and accruals from dividend and interest income	9,101,752,127	8,036,668,112
- Accrued interest from margin loans	7,638,272,720	6,724,174,144
- Accrued interest from term deposits	1,451,819,442	1,254,819,444
- Accrued interest from advances to customers	11,659,965	57,674,524
Receivables from services provided by the Company	423,258,136	226,492,054
- Custodian fees receivable from investors	396,858,136	226,492,054
- Office rental fees	26,400,000	-
Other receivables	2,118,770,164	1,854,835,896
- Receivable from related parties (Note 26.1)	1,275,803,600	-
- Income tax overpaid	62,527,118	-
- Others	780,439,446	1,854,835,896
Total	11,643,780,427	10,117,996,062

13. OTHER CURRENT ASSETS

	Ending balance VND	Beginning balance VND
Advances	161,796,072	114,114,923
Short-term prepaid expenses	4,484,624,557	3,908,257,657
- System maintenance	2,434,501,046	2,831,921,612
- Prepaid rental	248,356,886	272,532,256
- Other short-term prepaid expenses	1,801,766,625	803,803,789
Total	4,646,420,629	4,022,372,580

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14. TANGIBLE FIXED ASSETS

	<i>Office equipment</i> VND	<i>Transportation and vehicles</i> VND	<i>Others</i> VND	<i>Total</i> VND
Cost				
Beginning balance	38,476,908,326	3,052,011,905	1,312,090,622	42,841,010,853
Newly purchased	59,000,000	-	-	59,000,000
Ending balance	38,535,908,326	3,052,011,905	1,312,090,622	42,900,010,853
Accumulated depreciation				
Beginning balance	(25,921,689,423)	(2,943,531,219)	(1,053,409,492)	(29,918,630,134)
Depreciation charge	(2,142,455,560)	(92,983,445)	(82,775,360)	(2,318,214,365)
Ending balance	(28,064,144,983)	(3,036,514,664)	(1,136,184,852)	(32,236,844,499)
Net carrying amount				
Beginning balance	12,555,218,903	108,480,686	258,681,130	12,922,380,719
Ending balance	10,471,763,343	15,497,241	175,905,770	10,663,166,354

The cost of tangible fixed assets that are fully depreciated but still being used at 30 June 2016 are VND20,150,766,729 (31 December 2015: VND17,482,129,851).

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15. INTANGIBLE FIXED ASSETS

	<i>Computer software</i> <i>VND</i>
Cost	
Beginning balance	19,365,501,766
Increase	3,762,709,957
- Newly purchased	1,433,017,000
- Transferred from constructions in progress	2,329,692,957
Ending balance	23,128,211,723
Accumulated amortization	
Beginning balance	(16,903,420,991)
Amortization charged	(614,114,176)
Ending balance	(17,517,535,167)
Net carrying amount	
Beginning balance	2,462,080,775
Ending balance	5,610,676,556

The cost of intangible fixed assets that are fully depreciated but still being used are VND15,154,341,540 (31 December 2015: VND15,154,341,540).

16. LONG-TERM PREPAID EXPENSES

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Office renovation	145,591,505	740,815,965
Office equipment	95,060,056	1,106,895,155
Total	240,651,561	1,847,711,120

17. ADVANCES TO SETTLEMENT ASSISTANCE FUND

Advances to settlement assistance fund represent amounts deposited at Vietnam Securities Depository.

According to Decision No. 57/QĐ-VSD dated 28 May 2012 issued by the General Director of the Vietnam Securities Depository and Decision No. 87/2007/QĐ-BTC dated 22 October 2007 by the Minister of Finance regarding the issuance of regulations on the registration, custody, clearing and settlement of securities, and Circular No. 43/2010/TT-BTC dated 25 March 2010 regarding the amendment and supplement of the regulations, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND2.5 billion per annual.

Movements of the advances to settlement assistance fund during the period are as follows:

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Beginning balance	14,149,016,166	11,649,016,166
Annual addition	2,500,000,000	2,500,000,000
Ending balance	16,649,016,166	14,149,016,166

18. SHORT-TERM BORROWINGS

	<i>Interest rate %/year</i>	<i>Beginning balance VND</i>	<i>Additional borrowings during the period VND</i>	<i>Repayment during the period VND</i>	<i>Ending balance VND</i>
Bank loans					
Short-term loans and overdrafts	3,05 – 7,00	<u>26,000,000,000</u>	<u>190,141,793,419</u>	<u>(120,571,793,419)</u>	<u>95,570,000,000</u>

Short term loans is used to supplement the capital for business operations. Bank overdrafts which are secured by the term deposits are used to finance the daily operating activities of the Company.

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19. PAYABLES FOR SECURITIES TRANSACTION ACTIVITIES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Payable to Stock Exchanges	77,818,909,233	45,302,218,394
Payable to Vietnam Securities Depository	4,805,668	-
Total	77,823,714,901	45,302,218,394

20. SHORT-TERM TRADE PAYABLES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Velocity Technology Solution - SAP provider	2,903,983,128	1,756,951,128
Payables to related parties	1,689,436,801	19,468,870
Other payables	20,089,381	16,549,509
Total	4,613,509,310	1,792,969,507

21. STATUTORY OBLIGATIONS

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Personal income tax	1,736,778,397	1,204,318,582
- <i>Personal income tax of the employees</i>	406,820,673	331,302,299
- <i>Personal income tax of the investors</i>	1,329,957,724	873,016,283
Foreign contractor	276,575,963	248,559,531
Corporate income tax of the Company	-	1,964,706,987
Corporate income tax of the investors	206,531,616	75,725,566
Value added tax	34,627,957	118,159,466
Total	2,254,513,933	3,611,470,132

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21. STATUTORY OBLIGATIONS (continued)

<i>No.</i>	<i>Items</i>	<i>Beginning balance VND</i>	<i>Payable VND</i>	<i>Paid VND</i>	<i>Ending balance VND</i>
1	Personal income tax	1,204,318,582	10,947,535,263	(10,415,075,448)	1,736,778,397
	- <i>Personal income tax of the employees</i>	331,302,299	4,230,667,504	(4,155,149,130)	406,820,673
	- <i>Personal income tax of the investors</i>	873,016,283	6,716,867,759	(6,259,926,318)	1,329,957,724
2	Foreign contractor withholding tax	248,559,531	508,637,161	(480,620,729)	276,575,963
3	Corporate income tax	2,040,432,553	1,849,067,078	(3,745,495,133)	144,004,498
	- <i>Corporate income tax of the Company</i>	1,964,706,987	1,061,508,414	(3,088,742,519)	(62,527,118)
	- <i>Corporate income tax of the investors</i>	75,725,566	787,558,664	(656,752,614)	206,531,616
4	Value added tax	118,159,466	368,900,085	(452,431,594)	34,627,957
	Total	3,611,470,132	13,674,139,587	(15,093,622,904)	2,191,986,815

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22. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Transaction costs	998,269,585	527,813,831
Accrued expenses	726,708,405	1,166,319,642
Meeting and conference fees	405,000,000	617,500,000
Professional fees	325,186,122	591,247,500
Custody fees	280,783,900	243,353,379
Accrued expenses	95,983,455	12,083,333
Total	2,831,931,467	3,158,317,685

23. DEFERRED TAX LIABILITY

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Deferred tax liability		
Depreciation of fixed assets	53,416,659	53,416,659

Deferred tax liability pertains to a temporary difference on depreciation rate of fixed assets between the Company's accounting policies and Circular No. 45/2013/TT-BTC dated 25 April 2013 and Decision No. 1173/2013/QĐ-BTC dated 21 May 2013 issued by the Ministry of Finance guiding the management, use and depreciation of fixed assets.

Movements of the deferred tax liability during the period are as follows:

	<i>Interim statement of financial position</i>		<i>Interim statement of comprehensive income</i>	
	<i>Beginning balance VND</i>	<i>Ending balance VND</i>	<i>Current period VND</i>	<i>Previous period VND</i>
Deferred tax liability				
Depreciation of fixed assets	53,416,659	53,416,659	-	-

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24. OWNER'S EQUITY

	<i>Contributed capital VND</i>	<i>Investment and development reserve VND</i>	<i>Financial reserve VND</i>	<i>Undistributed earnings VND</i>	<i>Total VND</i>
Beginning balance	829,110,000,000	5,071,202,193	5,071,202,194	63,888,822,442	903,141,226,829
- Net profit for the period	-	-	-	3,685,278,144	3,685,278,144
- Profit appropriations	-	183,474,862	183,474,862	(366,949,724)	-
Ending balance	829,110,000,000	5,254,677,055	5,254,677,056	67,207,150,862	906,826,504,973

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25. DISCLOSURE OF 0 ACCOUNTS**25.1 Foreign currencies (VND equivalent)**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
USD	82,585,499	2,835,052,452
SGD	3,491,545	3,360,941
Total	86,077,044	2,838,413,393

25.2 Financial assets of the Company listed/registered at Vietnam Securities Depository("VSD")

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Unrestricted financial assets	670,000	350,000

25.3 Investors' financial assets listed/ registered at VSD

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Unrestricted financial assets	5,592,840,990,000	4,840,146,320,000
Restricted financial assets	99,743,960,000	83,631,000,000
Mortgage financial assets	95,002,000,000	95,002,000,000
Financial assets awaiting lending	84,890,370,000	96,117,440,000
Total	5,872,477,320,000	5,114,896,760,000

25.4 Investors' non-traded financial assets deposited at VSD

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Unrestricted and non-traded financial assets deposited at VSD	15,171,060,000	88,926,560,000
Restricted and non-traded financial assets deposited at VSD	-	7,853,500,000
Total	15,171,060,000	96,780,060,000

25.5 Investors' awaiting financial assets

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Shares	83,799,780,000	84,354,030,000

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25. DISCLOSURE OF 0 ACCOUNT (continued)**25.6 Investors' deposits**

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Investors' deposits for securities trading activities managed by the Company	107,468,685,760	104,755,870,834
- <i>Domestic investors' deposits for securities trading activities managed by the Company</i>	73,908,799,900	83,976,988,329
- <i>Foreign investors' deposits for securities trading activities managed by the Company</i>	33,559,885,860	20,778,882,505
Investors' collective deposits for securities trading activities	96,005,369,972	30,167,024,115
Investors' deposits for securities transaction clearing and settlement	9,160,242,569	42,068,889,971
- <i>Domestic investors' deposits for securities transaction clearing and settlement</i>	1,170,249,716	28,010,898,847
- <i>Foreign investors' deposits for securities transaction clearing and settlement</i>	7,989,992,853	14,057,991,124
Total	212,634,298,301	176,991,784,920

25.7 Payables to investors

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Payables to investors - Investors' deposits for securities trading activities managed by the Company	105,952,950,400	102,581,891,970
- <i>Domestic investors</i>	72,393,064,540	81,803,009,465
- <i>Foreign investors</i>	33,559,885,860	20,778,882,505
Payables to investors - Investors' deposits for securities trading activities managed by commercial banks	105,165,612,541	72,235,914,086
- <i>Domestic investors</i>	48,806,236,513	58,177,922,962
- <i>Foreign investors</i>	56,359,376,028	14,057,991,124
Dividend, bond principal and interest payables	1,515,735,360	2,173,978,864
Total	212,634,298,301	176,991,784,920

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25. DISCLOSURE OF 0 ACCOUNT (continued)

25.8 Investors' payables for services provided by the Company

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Custodian fees payables (Note 12)	396,858,136	226,492,054

25.9 Investors' payables to the Company

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Loan principal payables of margin loans	938,004,624,106	678,886,104,227
Loan principal payables of advance to customers	12,308,190,393	26,764,460,256
Other payables	10,093,389,311	10,093,389,311
Total	960,406,203,810	715,743,953,794

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26. OTHER INFORMATION**26.1 Related party transactions**

Significant transactions with related parties during the period are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current period VND</i>	<i>Previous period VND</i>
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings Borrowings paid Interest expenses	100,544,000,000 22,474,000,000 33,381,021	64,050,000,000 64,050,000,000 381,959,480
Maybank Kim Eng Securities Pte. Ltd	Subsidiary of MBKEH	Commission fee Marketing fee Brokerage fee received	1,401,713,550 410,409,780 452,492,530	1,002,754,394 447,341,096 10,470,037
Maybank Kim Eng Securities (Thai Land) Public Company Ltd	Subsidiary of MBKEH	Brokerage fee received	154,900,181	68,533,144
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Borrowings Borrowings paid Interests and related services paid Interest received Bank fee paid	15,000,000,000 30,000,000,000 218,896,456 979,606 1,811,595	- 50,000,000,000 288,888,891 3,083,740 -
Maybank Kim Eng Research Pte. Ltd	Related party	Research fee received Research fee paid	1,159,821,455 340,799,331	1,052,180,949 351,207,751
Maybank Kim Eng Holding Limited (MBKEH)	Parent company	Borrowings paid Interest paid	- -	107,113,000,000 283,910,146
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Borrowings paid Interest paid	- -	80,000,000,000 813,027,778
Management		Salary and bonus	2,390,068,249	3,038,620,000

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26. OTHER INFORMATION (continued)

26.1 Related party transactions (continued)

Significant receivables/(payables) with related parties at the end of the period are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings Interest payable	(78,070,000,000) (52,791,449)	- -
Maybank Kim Eng Research Pte. Ltd	Related party	Research fee receivable Research fee payable	1,275,803,600 (323,759,364)	- -
May Bank Kim Eng Securities Pte. Ltd	Subsidiary of Maybank Kim Eng Holdings	Commission payable Marketing fee payable	(977,057,278) (388,620,159)	(19,468,870) -
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Borrowings	-	(15,000,000,000)

26.2 Operating lease commitments

The Company leases offices for its head office and branches under operating lease agreements. The future minimum lease commitments under the operating lease agreements at the end of the period are as follows:

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Less than 1 year	11,260,742,140	11,535,527,090
From 1 to 5 years	12,048,157,835	17,512,128,905
Total	23,308,899,975	29,047,655,995

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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26. OTHER INFORMATION (continued)

26.3 *Purposes and policies of financial risk management*

Financial liabilities of the Company mainly comprised of loans and borrowings, trade payables and other payables. Primary purpose of financial liabilities is to finance main business operation of the Company. The Company possesses loans, receivables from customers and other receivables, cash on hand and short-term deposit incurring directly from business operation of the Company. The Company does not hold or issue any derivative instruments.

The Company is exposed to market risk, credit risk and liquidity risk in its daily operation.

Risk management is integral to the whole business of the Company. The Company has a system of control in place to achieve an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include receivables from securities trading, deposits and available-for-sale investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cooperation contracts, customer receivables, cash and short-term deposits. These investments are mainly short term in nature and they are not held for speculative purposes.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain relevant interest policies, which are favorable for its purposes within its risk management limits.

A sensitivity analysis is not performed for the interest rate risk as the Company's exposure to interest-rate risk is minimal at the reporting date.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's accounting currency).

Foreign exchange risk of the Company is minimal.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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26. OTHER INFORMATION (continued)

26.3 *Purposes and policies of financial risk management* (continued)

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities.

Risk due to uncertainty about values of the investment securities of the Company is not significant.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (mainly for margin receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's risk management department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the interim balance sheet at each reporting dates are the carrying amounts as illustrated in Note 11. The Company evaluates the concentration of credit risk in respect to bank deposits is low.

Loans and advances to customers

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin and advance payments to customers. The Company conducts the customer assessment and appraisal for determining credit and advance limits prior to the signing of margin advance payment contracts. Also, the Company periodically examines customers' financial position in order to make appropriate and timely adjustments for margin ratio and credit limits.

The Company regularly monitors the receivables that has not been collected yet. The analysis of the possibility provision is made at the reporting date for each large customers. Moreover, the Company maintains strict control of outstanding receivables and established a credit control department to minimize credit risk. Activities to warning margin call of the customer is made on time and in compliance with the nature of margin trading products.

Due to the aforementioned point of view and the fact that trade receivables are allocated to a diverse amount of customers, there is no significant credit risk.

Apart from financial assets that the Company made provision as mentioned in Note 11, the Company's management assessed that all financial assets are neither past due nor impaired as they are related to recognized and credit worthy counter parties, except for overdue receivables but not impaired as at 30 June 2016.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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26. OTHER INFORMATION (continued)

26.3 Purposes and policies of financial risk management (continued)

Credit risk (continued)

	Neither past due nor impaired VND	Past due but not impaired				Impaired VND	Total VND
		Less than 3 months VND	3 – 6 months VND	6 – 12 months VND	Over 1 year VND		
30 June 2016							
Term deposits	97,000,000,000	-	-	-	-	-	97,000,000,000
Loans	950,312,814,499	-	-	-	-	10,093,389,311	960,406,203,810
Other financial assets	11,581,253,309	-	-	-	-	-	11,581,253,309
TOTAL	1,058,894,067,808	-	-	-	-	10,093,389,311	1,068,987,457,119

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulties in meeting financial obligations due to the shortage of funds. The Company's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintaining a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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26. OTHER INFORMATION (continued)

26.3 Purposes and policies of financial risk management (continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Overdue VND	On demand VND	Up to 1 year VND	1 - 5 years VND	Up to 5 years VND	Total VND
30 June 2016						
Financial assets						
Financial assets at fair value through profit or loss	-	3,672,000	54,000,000,000	-	-	54,003,672,000
Loans	10,093,389,311	-	950,312,814,499	-	-	960,406,203,810
Receivable from securities transaction activities	-	-	423,258,136	-	-	423,258,136
Other receivables	-	-	11,157,995,173	-	-	11,157,995,173
Cash and cash equivalents	-	44,231,594,283	-	-	-	44,231,594,283
Total	10,093,389,311	44,235,266,283	1,015,894,067,808	-	-	1,070,222,723,402
Financial liabilities						
Short-term borrowings	-	17,500,000,000	78,070,000,000	-	-	95,570,000,000
Payables from securities trading activities	-	77,823,714,901	-	-	-	77,823,714,901
Trade creditors	-	-	4,613,509,310	-	-	4,613,509,310
Accrued expenses	-	-	2,831,931,467	-	-	2,831,931,467
Other payables	-	-	90,090,548	-	-	90,090,548
Total	-	95,323,714,901	85,605,531,325	-	-	180,929,246,226
Net liquidity difference	10,093,389,311	(51,088,448,618)	930,288,536,483	-	-	889,293,477,176

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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26. OTHER INFORMATION (continued)

26.3 *Purposes and policies of financial risk management* (continued)

Liquidity risk (continued)

The Company assessed the concentration of risk with respect to refinancing its debts and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

26.4 *Capital management*

The Company complies with the requirements of the State Securities Commission of Vietnam (SSC) on financial safety ratio. Accordingly, the Company manages and controls financial safety ratio at no less than 150% and simultaneously establishes back-up plans in case this ratio falls below 150%. The Company prepares its financial safety ratio report and submits to the SSC on a monthly basis.

In accordance with Circular No. 226/2010/TT-BTC and Circular No. 165/2012/TT-BTC amending and supplementing a number of articles of Circular No. 226/2010/TT-BTC on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios, the Company's financial safety ratio is calculated using the following formula:

Financial safety ratio (%) = (Liquid Capital/Total exposures to risks) * 100%

Liquid Capital = Assets – Liabilities – Decrease adjustments to Equity + Increase adjustments to Equity

Total exposures to risks = Market risk + Credit risk + Operational risk

Accordingly, financial safety ratio of the Company as at 30 June 2016 is 1,149%.

26.5 *Corresponding figures*

In 2016, due to changes in accounting policies and requirements for financial statement preparation and presentation in accordance with Circular 210, certain corresponding figures on the financial statements for the previous period have been reclassified to be comparable with those for the current period.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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26. OTHER INFORMATION (continued)

26.5 Corresponding figures

Extract from the interim statement of comprehensive income

		Beginning balance (Reported) VND	Restatement VND	Beginning balance (Restated) VND
	Description			
Gain from financial assets at fair value through profit and loss (FVTPL) (*)	[1]	-	5,293,792,802	5,293,792,802
Gain from loans and receivables (*)	[1]	-	44,350,426,516	44,350,426,516
Revenue from advisory services	[1]	1,239,180,949	(1,052,180,949)	187,000,000
Revenue from securities custodian	[1]	1,303,599,672	2,800,900	1,306,400,572
Revenue from assets for lease (**)	[1]	252,000,000	(252,000,000)	-
Other revenue (**)	[1]	56,167,157,825	(56,167,157,825)	-
Other operating income	[1]	-	6,223,749,631	6,223,749,631
Net revenue from operating activities (**)	[1]	93,365,677,564	(93,365,677,564)	-
Total operating revenue (*)	[1]		91,765,108,639	91,765,108,639

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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26. OTHER INFORMATION (continued)

26.5 Corresponding figures (continued)

Extract from the interim statement of comprehensive income (continued)

	Description	Beginning balance (Reported) VND	Restatement VND	Beginning balance (Restated) VND
OPERATION EXPENSES	[2]	(36,563,088,639)	(2,437,605,519)	(39,000,694,158)
<i>In which:</i>				
Operating expenses (**)	[2]	(36,563,088,639)	36,563,088,639	-
Loss from financial assets at fair value through profit and loss (FVTPL) (*)	[2]	-	(54,000)	(54,000)
Borrowing costs, loss from loans and receivables	[2]	-	(3,105,509,968)	(3,105,509,968)
Expenses for brokerage services	[2]	-	(32,304,296,816)	(32,304,296,816)
Expenses for advisory services	[2]	-	(1,281,851,921)	(1,281,851,921)
Expenses for securities custodian services	[2]	-	(2,308,981,453)	(2,308,981,453)
Realized and unrealized gain from changes in foreign exchange rates	[2]	-	68,551,731	68,551,731
Non-fixed dividend and interest income	[2]	-	1,532,017,194	1,532,017,194
Realized and unrealized loss from changes in foreign exchange rates	[2]	-	(5,135,329)	(5,135,329)
Gross profit from operating activities (**)	[1]	56,802,588,925	(56,802,588,925)	-
General and administrative expenses	[2]	(35,207,483,302)	2,442,740,848	(32,764,742,454)
Operating profit		21,595,105,623	-	21,595,105,623
PROFIT BEFORE TAX		21,388,235,097	-	21,388,235,097

(*) New items in the statement of financial position as required by Circular 210.

(**) Items which were no longer presented in the statement of financial position in accordance with Circular 210.

Details about adjustments in main items are as follows :

[1] Reclassify operating revenues in accordance with Circular 210

[2] Reclassify operating expenses in accordance with Circular 210

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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26. OTHER INFORMATION (continued)

26.5 Corresponding figures (continued)

Extract from interim statement of financial position

		Previous period (Reported) VND	Restatement VND	Previous period (Restated) VND
	Description			
A. CURRENT ASSETS		1,135,511,031,800	(180,054,165,125)	955,456,866,675
Cash		207,755,854,376	(176,991,784,920)	30,764,069,456
Short-term financial investments (**)	[3]	1,585,700	(1,585,700)	-
Fair value through profit and loss (FVTPL) financial assets (*)	[4]	-	1,585,700	1,585,700
Receivables from securities trading activities (**)	[4]	722,752,294,516	(722,752,294,516)	-
Loans (*)	[4]	-	715,743,953,794	715,743,953,794
Other receivables	[4]	3,109,655,340	(1,254,819,444)	1,854,835,896
Provision for doubtful debts (**)	[5]	(10,193,110,917)	10,193,110,917	-
Provision for impairment of financial assets and mortgage assets (*)	[5]	-	(10,193,110,917)	(10,193,110,917)
Receivables from services provided by the Company (*)	[5]	-	226,492,054	226,492,054
Receivables and accruals from dividend and interest income (*)	[5]	-	8,036,668,112	8,036,668,112
Other receivables	[6]	7,084,752,785	(3,062,380,205)	4,022,372,580
B. NON-CURRENT ASSETS	[6]	34,417,747,737	3,062,380,205	37,480,127,942
Other non-current assets	[6]	15,996,727,286	3,062,380,205	19,059,107,491
TOTAL ASSETS		1,169,928,779,537	(176,991,784,920)	992,936,994,617

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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26. OTHER INFORMATION (continued)

26.5 Corresponding figures (continued)

Extract from interim statement of financial position (continued)

		Previous period (Reported) VND	Restatement VND	Previous period (Restated) VND
	Description			
C. LIABILITIES		266,787,552,708	(176,991,784,920)	89,795,767,788
Short-term trade payables	[7]	1,773,500,637	19,468,870	1,792,969,507
Accrued expenses	[7]	12,370,999,754	(12,370,999,754)	-
Payables to employees	[8]	19,468,870	9,193,213,199	9,212,682,069
Payables for securities transaction activities	[3]	220,120,024,450	(174,817,806,056)	45,302,218,394
Dividend, principal and interest payables of bonds on behalf of customers (**)	[3]	2,173,978,864	(2,173,978,864)	-
Employee benefits	[8]	-	73,666,864	73,666,864
Short-term accrued expenses		-	3,158,317,685	3,158,317,685
Other current liabilities	[8]	188,861,342	(73,666,864)	115,194,478
TOTAL LIABILITIES AND OWNERS' EQUITY		1,169,928,779,537	(176,991,784,920)	992,936,994,617

(*) New items in the statement of financial position as required by Circular 210.

(**) Items which were no longer presented in the statement of financial position in accordance with Circular 210.

Details about adjustments in main items are as follows:

- [3] Reclassify investors' deposits from on-balance sheet to off-balance sheet
- [4] Reclassify investment portfolio in accordance with Circular 210
- [5] Reclassify receivables in accordance with Circular 210
- [6] Reclassify other assets in accordance with Circular 210
- [7] Reclassify loans and borrowings in accordance with Circular 210
- [8] Reclassify employee benefits in accordance with Circular 210

26. OTHER INFORMATION (continued)**26.5 Corresponding figures** (continued)*Extract from the interim statement of cash flows:*

<i>Items</i>	<i>Previous period (Reported) VND</i>	<i>Restatement VND</i>	<i>Previous period (restated) VND</i>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
Cash at banks at the beginning of the period:	611,131,570,220	(211,489,569,722)	399,642,000,498
- <i>Cash at banks for operation of the Company</i>	214,021,570,220	(211,489,569,722)	2,532,000,498
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
Cash at banks at the end of the period:	494,572,307,049	(213,114,510,434)	281,457,796,615
- <i>Cash at banks for operation of the Company</i>	236,572,307,049	(213,114,510,434)	23,457,796,615

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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26. OTHER INFORMATION (continued)

26.5 Corresponding figures (continued)

Extract from the interim statement of investors' cash flows:

Items	Previous period (Reported) VND	Restatement VND	Previous period (restated) VND
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
Cash at banks at the beginning of the period:	-	211,489,569,722	211,489,569,722
- The investors' deposits managed by the Company	-	72,908,030,271	72,908,030,271
- The investors' collective deposits for securities trading activities	-	101,750,214,416	101,750,214,416
- The investors' deposits for securities transaction clearing and settlement	-	36,831,325,035	36,831,325,035
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
Cash at banks at the end of the period:	-	213,114,510,434	213,114,510,434
- Investors' deposits managed by the Company for securities trading activities	-	75,711,832,249	75,711,832,249
- Investors' collective deposits for securities trading activities	-	92,389,232,992	92,389,232,992
- Investors' deposits for securities transaction clearing and settlement	-	45,013,445,193	45,013,445,193

27. EVENTS SINCE THE INTERIM BALANCE SHEET DATE

There have been no significant events occurring after the interim balance sheet date that have affected or may significantly affect the operations of the Company and the results of its operations or the state of affairs of the Company which could require adjustments or disclosures in the interim financial statements.

Prepared by:

Reviewed by:

Approved by:

Approved by:



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Ho Chi Minh City, Vietnam

12 August 2016