

Maybank Kim Eng Securities Limited

Interim financial statements

30 June 2018



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") was incorporated under License No. 117/GP-UBCK dated 3 January 2014 and Amended License No. 30/GPDC-UBCK dated 17 April 2018, 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 in Ho Chi Minh City, Ha Noi and other provinces:

- ▶ Cho Lon Branch: Floor 1, 86 Tan Da, Ward 11, District 5, Ho Chi Minh City
- ▶ Phu Nhuan Branch: Floor 1, Tan Ha Phan Building, 465 Phan Xich Long, Phu Nhuan District, Ho Chi Minh City
- ▶ An Giang Branch: Floor 3, Nguyen Hue Shopping Center, 9/9 Tran Hung Dao, My Xuyen Ward, Long Xuyen City
- ▶ Dong Nai Branch: Room 303, Floor 3, NK Building, 208D Pham Van Thuan, Tan Tien District, Bien Hoa City, Dong Nai
- ▶ Ha Noi Branch: Floor 3A-06, Horison Building, 40 Cat Linh Street, Cat Linh Ward, Dong Da District, Ha Noi.

Main features of operation of the Company

Size of operation

As at 30 June 2018, the Company's charter capital and total assets amounted to VND1,056,110,000,000 and VND1,713,514,799,037 respectively.

Investment target

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.

Investment restrictions

The Company complies with regulations on investments under Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 promulgating the establishment and operation of securities companies and Circular No. 07/2016/TT-BTC dated 18 January 2016 amending and supplementing certain articles of Circular No. 210/2012/TT-BTC.

BOARD OF MEMBERS

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr. Ronnie Royston Fernandiz	Chairman	Appointed on 31 March 2014
Ms. Hamidah Binti Moris	Member	Appointed on 13 January 2014
Mr. Goh Cho Kiat Jeffrey	Member	Appointed on 13 January 2014
Mr. Alexander Panasko	Member	Appointed on 15 August 2016

Maybank Kim Eng Securities Limited

GENERAL INFORMATION (continued)

SUPERVISORY BOARD

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Mohamad Yasin Bin Abdullah	Chief Supervisor	Appointed on 28 February 2014
Ms. Nguyen Tuyet Van	Member	Appointed on 13 January 2014
Ms. Nguyen Thuy Nha Thu	Member	Resigned on 22 June 2018

MANAGEMENT

Members of the Management (according to the Amended Charter dated 13 June 2018) and the Chief Accountant of the Company during the period and at the date of the interim financial statements are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Kim Thien Quang	Chief Executive Officer	Appointed on 12 August 2015
Mr. Nguyen Van Manh	Deputy General Director	Resigned on 10 January 2018
Ms. Tran Thi Thu Hang	Chief Financial Officer	Appointed on 10 November 2014
Mr. Vu Gia Vinh	Head, Investment Banking and Advisory	Appointed on 24 June 2017
Ms. Le Hong Lien	Head, Institutional Research	Appointed on 01 November 2013
Ms. Nguyen Thi Bich Ngoc	Head, Operations	Appointed on 01 April 2018
Ms. Tran Thi Ngoc Huong	Chief Accountant	Appointed on 10 March 2014

LEGAL REPRESENTATIVE

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

AUDITOR

The auditor of the Company is 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 interim financial statements of the Company as at and for the six-month period ended 30 June 2018.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF 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, and of the interim results of its operations, its interim cash flows and its interim changes in 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 interim financial statements; and
- ▶ prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its 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 and for the six-month period ended 30 June 2018.

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 2018 and of the interim results of its operations, its interim cash flows and its interim changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidelines applicable to securities companies and statutory requirements relevant to preparation and presentation of interim financial statements.



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

Reference: 60994674/20426143-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 10 August 2018 and set out on pages 6 to 45 which comprise the interim statement of financial position as at 30 June 2018, the interim income statement, the interim cash flow statement 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 guidelines applicable to securities companies and statutory requirements relevant to the preparation and presentation of the interim financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the 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 Standards 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 2018, and of the interim results of its operations, its interim cash flows and its interim changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidelines applicable to securities companies and statutory requirements relevant to preparation and presentation of interim financial statements.



Ernst & Young Vietnam Limited
Nguyen Tuan Duong
Senior General Director
Audit Practicing Registration
Certificate No. 0893-2018-004-1

Ho Chi Minh City, Vietnam

10 August 2018

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

B01a-CTCK

Code	Items	Notes	30 June 2018 VND	31 December 2017 VND
100	A. CURRENT ASSETS		1,678,962,670,467	1,394,486,773,845
110	I. Financial assets		1,673,471,010,011	1,390,488,282,251
111	1. Cash and cash equivalents	4	249,020,450,403	54,318,151,865
111.1	a. Cash		69,020,450,403	24,318,151,865
111.2	b. Cash equivalents		180,000,000,000	30,000,000,000
112	2. Financial assets at fair value through profit and loss (FVTPL)	6.1	833,610	786,000
114	3. Loans	6.2	1,407,175,581,712	1,329,972,478,473
116	4. Provision for impairment of financial assets and mortgage assets	6.3	(6,213,557,055)	(6,443,557,055)
117	5. Receivables	7	12,510,690,704	11,132,948,824
117.1	5.1. Receivables from disposal of financial assets		-	518,190,000
117.2	5.2. Receivables and accruals from dividend and interest income		12,510,690,704	10,614,758,824
117.4	5.2.1. Accruals for undue dividend and interest income		12,510,690,704	10,614,758,824
118	6. Advances to suppliers		3,381,986,124	173,688,009
119	7. Receivables from services provided by the Company	7	1,426,891,152	981,565,225
122	8. Other receivables	7	6,225,783,559	409,871,108
129	9. Provision for impairment of receivables		(57,650,198)	(57,650,198)
130	II. Other current assets	8	5,491,660,456	3,998,491,594
131	1. Advances		516,859,756	100,904,123
133	2. Short-term prepaid expenses		4,974,800,700	3,897,587,471
200	B. NON-CURRENT ASSETS		34,552,128,570	36,245,151,459
220	III. Fixed assets		9,306,492,223	11,605,290,189
221	1. Tangible fixed assets	9	5,258,409,713	6,720,697,593
222	- Cost		39,892,460,036	40,097,244,476
223a	- Accumulated depreciation		(34,634,050,323)	(33,376,546,883)
227	2. Intangible fixed assets	10	4,048,082,510	4,884,592,596
228	- Cost		24,625,902,235	24,625,902,235
229a	- Accumulated amortization		(20,577,819,725)	(19,741,309,639)
240	IV. Constructions in progress		106,250,000	862,020,400
250	V. Other non-current assets		25,139,386,347	23,777,840,870
251	1. Long-term deposits, collaterals and pledges		2,633,337,540	2,657,337,540
252	2. Long-term prepaid expenses	11	2,027,894,569	1,493,332,926
253	3. Deferred tax assets	12	478,154,238	478,154,238
254	4. Deposits to Settlement Assistance Fund	13	20,000,000,000	19,149,016,166
270	TOTAL ASSETS		1,713,514,799,037	1,430,731,925,304

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2018

B01a-CTCK

Code	Items	Notes	30 June 2018 VND	31 December 2017 VND
300	C. LIABILITIES		482,615,328,836	464,169,970,505
310	I. Current liabilities		482,567,780,074	464,122,421,743
311	1. Short-term borrowings and financial leases		456,080,000,000	437,150,098,061
312	1.1 Short-term borrowings	14	456,080,000,000	437,150,098,061
318	2. Payables for securities transaction activities		3,358,450	634,160
320	3. Short-term trade payables	15	3,479,339,598	1,085,612,528
321	4. Short-term advances from customers		540,207,000	690,207,000
322	5. Statutory obligations	16	8,038,408,759	6,327,343,989
323	6. Payables to employees		9,959,865,912	13,677,279,590
324	7. Employee benefits		266,002,640	-
325	8. Short-term accrued expense	17	4,190,350,043	5,137,899,603
329	9. Other current liabilities		10,247,672	53,346,812
340	II. Non-current liabilities		47,548,762	47,548,762
356	1. Deferred tax liabilities	18	47,548,762	47,548,762
400	D. OWNER'S EQUITY	19	1,230,899,470,201	966,561,954,799
410	I. Owner's equity		1,230,899,470,201	966,561,954,799
411	1. Contributed capital		1,056,110,000,000	829,110,000,000
414	2. Capital supplementary reserve		10,106,654,099	8,245,955,589
415	3. Operational risk and financial reserve		10,106,654,098	8,245,955,589
417	4. Undistributed profit		154,576,162,004	120,960,043,621
417.1	4.1. Realized profit		154,535,576,794	120,959,933,341
417.2	4.2. Unrealized profit		40,585,210	110,280
440	TOTAL LIABILITIES AND OWNER'S EQUITY		1,713,514,799,037	1,430,731,925,304

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2018

B01a-CTCK

INTERIM OFF-BALANCE SHEET ITEMS

Code	Items	Notes	30 June 2018 VND	31 December 2017 VND
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
005	1. Foreign currencies (original currency) USD SGD	20.1	88,605 3,160	209,732 1,403
008	2. Financial assets listed/registered for trading at Viet Nam Securities Depository ("VSD") of the Company	20.2	120,000	60,000
	B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS			
021	1. Investors' financial assets listed/ registered at VSD	20.3	9,957,855,150,000	8,259,070,040,000
021.1	- Unrestricted financial assets		9,350,136,890,000	7,564,414,760,000
021.2	- Restricted financial assets		251,815,880,000	245,256,540,000
021.3	- Mortgage financial assets		281,650,000,000	310,218,940,000
021.5	- Financial assets awaiting for settlement		74,252,380,000	139,179,800,000
022	2. Investors' non-traded financial assets deposited at VSD	20.4	79,744,220,000	40,805,870,000
022.1	- Unrestricted and non-traded financial assets deposited at VSD		66,190,740,000	35,307,870,000
022.2	- Restricted and non-traded financial assets deposited at VSD		13,553,480,000	5,498,000,000
023	3. Investors' awaiting for arrival financial assets	20.5	104,026,610,000	135,110,620,000

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2018

B01a-CTCK

INTERIM OFF-BALANCE SHEET ITEMS (continued)

Code	Items	Notes	30 June 2018 VND	31 December 2017 VND
026	4. Investors' deposits	20.6	393,668,261,027	463,425,988,233
027	4.1. Investors' deposits for securities trading activities managed by the Company		239,868,265,627	202,457,063,633
028	4.2 Investors' collective deposits for securities trading activities		109,942,760,824	221,431,350,800
029	4.3 Investors' deposits for securities transaction clearing and settlement	20.6	43,857,234,576	39,537,573,800
029.1	- Domestic investors' deposits for securities transaction clearing and settlement		43,035,355,378	38,741,592,088
029.2	- Foreign investors' deposits for securities transaction clearing and settlement		821,879,198	795,981,712
031	5. Payables to investors - investors' deposits for securities trading activities managed by the Company	20.7	393,058,931,428	463,424,658,688
031.1	- Domestic investors' deposits for securities trading activities managed by the Company		272,877,841,491	331,459,893,935
031.2	- Foreign investors' deposits for securities trading activities managed by the Company		120,181,089,937	131,964,764,753
035	6. Dividend, bond principal and interest payables	20.7	609,329,599	1,329,545

Preparer:

Reviewer:

Approver:

Approver



Vo Hong Tuyet Nga
Accountant



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial Officer




Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

Maybank Kim Eng Securities Limited

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2018

B02a-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
	I. OPERATING REVENUE			
01	1. Revenue from financial assets at fair value through profit and loss (FVTPL)	21.1	4,688,594,848	4,454,491,958
01.1	a. Gain from disposal of financial assets at FVTPL		2,506,340	-
01.2	b. Gain from revaluation of financial assets at FVTPL		169,390	3,912,026
01.3	c. Dividend, interest income from financial assets at FVTPL		4,685,919,118	4,450,579,932
03	2. Revenue from loans and receivables	21.1	68,186,932,297	40,934,752,273
06	3. Revenue from brokerage services	21.2	68,486,280,712	35,690,334,113
08	4. Revenue from securities investment advisory services	21.2	2,537,393,139	-
09	5. Revenue from securities custodian services	21.2	2,410,123,118	1,515,705,097
10	6. Revenue from financial advisory services	21.2	490,454,546	-
11	7. Other revenue	21.2	3,283,934,709	1,966,237,046
20	Total operating revenue		150,083,713,369	84,561,520,487
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		88,795,313	3,179,710
21.1	a. Loss from disposal of financial assets at FVTPL		88,718,213	2,948,060
21.2	b. Loss from revaluation of financial assets at FVTPL		77,100	231,650
24	2. Provision expense for impairment of financial assets, loss from doubtful receivables and borrowing costs of loans	22	9,739,325,745	3,331,115,938
27	3. Expenses for brokerage services	23	51,761,445,036	34,123,685,738
29	4. Expenses for securities investment advisory services		7,787,649,867	-
30	5. Expenses for securities custodian services		3,864,320,502	2,709,774,880
31	6. Expenses for financial advisory services		1,254,607,455	1,742,183,340
40	Total operating expenses		74,496,143,918	41,909,939,606
	III. FINANCE INCOME			
41	1. Unrealized gain from changes in foreign exchange rates		45,275,568	22,503,889
42	2. Dividend and interest income from demand deposits		2,483,684,188	1,706,073,348
50	Total finance income	24	2,528,959,756	1,728,577,237

Maybank Kim Eng Securities Limited

INTERIM INCOME STATEMENT (continued)
for the six-month period ended 30 June 2018

B02a-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
	IV. FINANCE EXPENSES			
51	1. Unrealized loss from changes in foreign exchange rates		4,782,648	18,459,231
60	Total finance expenses		4,782,648	18,459,231
62	VI. GENERAL AND ADMINISTRATIVE EXPENSES	25	31,777,922,606	32,445,636,694
70	VII. OPERATING PROFIT		46,333,823,953	11,916,062,193
	VIII. OTHER INCOME AND EXPENSES			
71	1. Other income		260,854,545	-
80	Total other operating profit		260,854,545	-
90	IX. PROFIT BEFORE TAX		46,594,678,498	11,916,062,193
91	1. Realized profit		46,554,093,288	11,912,381,817
92	2. Unrealized profit		40,585,210	3,680,376
100	X. CORPORATE INCOME TAX (CIT) EXPENSES		9,257,163,096	2,457,552,378
100.1	1. Current CIT expenses	26	9,257,163,096	2,457,552,378
200	XI. PROFIT AFTER TAX		37,337,515,402	9,458,509,815
400	TOTAL COMPREHENSIVE INCOME		37,337,515,402	9,458,509,815

Preparer:

Reviewer:

Approver:



Vo Hong Tuyet Nga
Accountant



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial Officer



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

Maybank Kim Eng Securities Limited

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2018

B03b-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		46,594,678,498	11,916,062,193
02	2. Adjustments for:		(7,253,944,434)	(8,460,708,837)
03	- Depreciation and amortization	9,10	2,437,987,966	2,535,106,704
04	- Provisions	6.3	(230,000,000)	2,476,133,269
07	- Profits from investment activities		(6,690,567,441)	(5,646,680,613)
08	- Accrued interest income		(12,510,690,704)	(8,680,250,866)
09	- Other adjustments		9,739,325,745	854,982,669
10	3. Increase in non-monetary expenses		77,100	231,650
11	Loss from revaluation of financial assets at FVTPL		77,100	231,650
18	4. Decrease in non-monetary income		(169,390)	(3,912,026)
19	Gain from revaluation of financial assets at FVTPL		(169,390)	(3,912,026)
30	5. Operating losses before changes in working capital		(96,049,520,245)	(206,849,402,308)
31	Decrease in financial assets at FVTPL		44,680	25,592,076
33	Increase in loans		(77,203,103,239)	(206,133,658,503)
35	Decrease in receivables from disposal of financial assets	7	518,190,000	-
36	Decrease in receivables and accrued dividends, interests of financial assets		10,614,758,824	8,494,917,614
37	Increase in receivables from services rendered by the Company		(445,325,927)	(295,039,796)
39	Increase in other receivables		(9,024,210,566)	(1,935,034,564)
40	Increase in other assets		(415,955,633)	(319,682,600)
41	Increase in accrued expenses (excluded interest expenses)		(1,555,681,085)	(120,366,911)
42	(Increase)/decrease in prepaid expenses		(886,419,472)	439,578,739
43	Corporate income tax paid	16	(6,319,105,304)	(4,933,381,232)
44	Interest expenses paid		(9,131,194,220)	(883,155,493)
45	Increase in trade payables		2,393,727,070	980,018,394
46	Increase in accruals for employees' benefits		266,002,640	38,420,000
47	(Decrease)/increase in statutory obligations (excluded CIT paid)		(1,226,993,022)	1,431,505,271
48	Decrease in payables to employees		(3,717,413,678)	(2,179,403,196)
50	(Decrease)/increase in other payables		(190,374,850)	96,081,703
51	Other receivables from operating activities		273,533,537	-
52	Other payments for operating activities		-	(1,555,793,810)
60	Net cash used in operating activities		(56,708,878,471)	(203,397,729,328)

Maybank Kim Eng Securities Limited

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2018

B03b-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	Purchase and construction of fixed assets	9	(108,775,000)	(660,928,000)
62	Proceed from disposal of fixed assets, investment properties and other long-term assets		30,854,545	-
65	Interest and dividends from long-term investments received		5,559,195,525	4,702,474,423
70	Net cash from investing activities		5,481,275,070	4,041,546,423
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
71	Proceeds from share issuance, capital contribution from the owner	19	227,000,000,000	-
73	Drawdown of borrowings	14	2,063,691,421,268	240,344,695,834
73.2	Others		2,063,691,421,268	240,344,695,834
74	Repayment of borrowings	14	(2,044,761,519,329)	(128,020,171,284)
74.3	Others		(2,044,761,519,329)	(128,020,171,284)
80	Net cash from financing activities		245,929,901,939	112,324,524,550
90	NET INCREASE/(DECREASE) IN CASH DURING THE PERIOD		194,702,298,538	(87,031,658,355)
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	54,318,151,865	168,073,202,957
101.1	Cash		24,318,151,865	13,573,202,957
101.2	Cash equivalents		30,000,000,000	154,500,000,000
103	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	249,020,450,403	81,041,544,602
103.1	Cash		69,020,450,403	6,541,544,602
103.2	Cash equivalents		180,000,000,000	74,500,000,000

Maybank Kim Eng Securities Limited

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2018

B03b-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

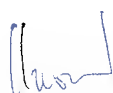
Code	Items	Notes	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
	I. Cash flows from brokerage and trust activities of the customers			
01	1. Cash receipt from disposal of securities on behalf of customers		14,426,249,463,420	9,048,779,091,380
02	2. Cash payment for acquisition of securities on behalf of customers		(14,986,771,829,148)	(9,327,205,121,857)
07	3. Cash receipt for settlement of securities transactions of customers		16,661,676,319,093	10,638,599,861,312
08	4. Cash payment for settlement of securities transactions of customers		(16,168,507,288,544)	(10,313,426,029,884)
11	5. Custodian fee paid		(2,404,392,027)	(1,508,958,393)
20	Net increase in cash during the period		(69,757,727,206)	45,238,842,558
30	II. Cash and cash equivalents of the customers at the beginning of the period	20.6	463,425,988,233	285,298,816,070
32	1. Investors' deposits managed by the Company for securities trading activities		202,457,063,633	196,914,298,070
33	2. Investors' collective deposits for securities trading activities		221,431,350,800	74,741,210,925
34	3. Investors' deposits for securities transaction clearing and settlement		39,537,573,800	13,643,307,075
40	III. Cash and cash equivalents of the customers at the end of the period	20.6	393,668,261,027	330,537,658,628
42	1. Investors' deposits managed by the Company for securities trading activities		239,868,265,627	164,355,997,128
43	2. Investors' collective deposits for securities trading activities		109,942,760,824	115,547,811,090
44	3. Investors' deposits for securities transaction clearing and settlement		43,857,234,576	50,633,850,410

Preparer:



Vo Hong Tuyet Nga
Accountant

Reviewer:



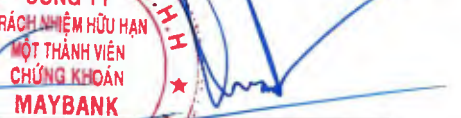
Tran Thi Ngoc Huong
Chief Accountant

Approver:



Tran Thi Thu Hang
Chief Financial Officer

Approver:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF CHANGES IN OWNER'S EQUITY
for the six-month period ended 30 June 2018

B04a-CTCK

ITEMS	Beginning balance		Increase/(decrease)				Ending balance	
	1 January 2017 VND	1 January 2018 VND	Previous period		Current period		30 June 2017 VND	30 June 2018 VND
			Increase VND	Decrease VND	Increase VND	Decrease VND		
A	1	2	3	4	5	6	7	8
I. CHANGES IN OWNER'S EQUITY								
1. Contributed capital	829,110,000,000	829,110,000,000	-	-	227,000,000,000	-	829,110,000,000	1,056,110,000,000
- 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	-	-	227,000,000,000	-	529,110,000,000	756,110,000,000
2. Capital supplementary reserve	6,241,666,840	8,245,955,589	476,642,488	-	1,860,698,510	-	6,718,309,328	10,106,654,099
3. Operational risk and financial reserve	6,241,666,841	8,245,955,589	476,642,486	-	1,860,698,509	-	6,718,309,327	10,106,654,098
4. Undistributed profit	84,957,186,088	120,960,043,621	9,458,509,815	(953,284,974)	37,337,515,402	(3,721,397,019)	93,462,410,929	154,576,162,004
TOTAL	926,550,519,769	966,561,954,799	10,411,794,789	(953,284,974)	268,058,912,421	(3,721,397,019)	936,009,029,584	1,230,899,470,201

Preparer:



Vo Hong Tuyet Nga
Accountant

Reviewer:



Tran Thi Ngoc Huong
Chief Accountant


Approver:



Tran Thi Thu Hang
Chief Financial Officer



Approver:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018

1. CORPORATE INFORMATION

Maybank Kim Eng Securities Limited ("the Company") was incorporated under the Law on Enterprise of Vietnam pursuant to the License No. 117/GP-UBCK dated 3 January 2014 and Amended License No. 30/GPDC-UBCK dated 17 April 2018, which supersedes License No. 71/UBCK-GP granted by the State Securities Commission ("SSC") on 14 December 2007.

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, Ha Noi and other provinces.

The Company has 175 employees as at 30 June 2018 (31 December 2017: 168 employees).

Main features of operation of the Company

Size of operation

As at 30 June 2018, the Company's charter capital and total assets amounted to VND1,056,110,000,000 and VND1,713,514,799,037 respectively.

Investment target

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.

Investment restrictions

The Company complies with regulations on investments under Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 promulgating the establishment and operation of securities companies and Circular No. 07/2016/TT-BTC dated 18 January 2016 amending and supplementing certain articles of Circular No. 210/2012/TT-BTC.

2. BASIS OF PREPARATION

2.1 ***Applied accounting standards and system***

The interim financial statements of the Company expressed in Vietnam dong ("VND") are prepared in accordance with the Vietnamese Enterprise Accounting System, the accounting regulations and guidance applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Appendix 2 and Appendix 4 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies, asset management companies and Vietnamese Accounting Standards No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standard issued by the Ministry of Finance as per:

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

2. BASIS OF PREPARATION (continued)

2.1 *Applied accounting standards and system* (continued)

Items or balances required by Circular 334/2016/TT-BTC dated 27 December 2016 and Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance that are not shown in these interim financial statements indicate nil balance.

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Interim financial statements*

The Company prepares its interim financial statements for the six-month period from 1 January to 30 June for reporting to the 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 *Statement on the compliance with Vietnamese Accounting Standards and Systems*

Management confirms that the Company has complied with the Vietnamese Accounting Standards and Vietnamese Enterprise Accounting Systems in preparing the financial statements.

Accordingly, the accompanying interim statement of financial position, interim income statement, interim cash flow statement, interim statement of change in owners' equity and notes to interim the financial statements, including their utilisation 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 interim financial position, interim income statement, interim cash flow statement, interim statement of change in owners' equity and notes to interim the financial statements in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

3.2 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Company in preparation of the interim financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2017 and the interim financial statements for the six-month period ended 30 June 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 interim 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 (acquisition cost of the assets excluding transaction cost arising from the purchase) and subsequently recognized at fair value.

Increase in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous period is recognized into the interim income statement under "Gain from revaluation of financial assets at FVTPL". Decrease in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous period is recognized into the interim income statement under "Loss from revaluation of financial assets at FVTPL".

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

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 interim income 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).

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 for impairment or uncollectibility (if any).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Loans (continued)

Provision is made for loans based on their overdue status according to Circular No. 228/2009/TT-BTC as presented in *Note 3.9* or estimated loss from the uncertainty in collectability of these loans.

3.6 Market value/fair value of financial assets

Market value/fair value of the securities is determined on the following basis:

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For unlisted securities registered for trading on UPCoM, their market prices are their average closing prices on the trading day preceding the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest interim financial report date.
- ▶ The market price for unlisted securities and securities unregistered for trading on UPCoM used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions at the latest date preceding in the revaluation date.

For provision purpose, market value is determined in accordance with the Circular No.146/2014/TT-BTC.

For securities which do not have reference prices from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at the assessment date.

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; or
- ▶ 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 initial carrying amount of the asset and the maximum amount that the Company is required to pay.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.8 Reclassification of financial assets***Reclassification when selling financial assets other than FVTPL*

When selling financial assets other than FVTPL, securities companies are required to reclassify those financial assets to financial assets at FVTPL. The difference arising from the revaluation of financial assets AFS which recognized in "Gain/(loss) from revaluation of financial assets AFS" will be recognized as corresponding revenue or expenses at the date of reclassification of financial assets AFS.

Reclassification due to change in purpose or ability to hold

Securities companies are required to reclassify financial assets to their applicable categories if their purpose or ability to hold has changed, consequently:

- ▶ Non-derivative financial assets at FVTPL or financial assets that are not required to classify as financial asset at FVTPL at the initial recognition can be classified as loans and other receivables or as cash and cash equivalents if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed.
- ▶ Due to changes in purposes or ability to hold, some HTM investments are required to be reclassified into AFS financial assets. The difference arising from revaluation between carrying value and fair value are recognized under "Gain/loss from revaluation of assets at fair value" in owners' equity.

3.9 Receivables

Receivables are initially recorded at cost and subsequently always presented 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 income statement.

The Company has made provision for doubtful receivables in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC amending and supplementing Circular 228/2009/TT-BTC. 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%

3.10 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 income statement as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.10 Fixed assets (continued)**

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 income statement.

3.11 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 software	5 years

3.12 Operating lease

Whether an agreement is determined as a property lease agreement depends on the nature of the agreement at the beginning; whether the implementation of the agreement depends on the use of a certain asset and whether the agreement includes clauses on the use rights of the asset.

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

3.13 Prepaid expenses

Prepaid expenses include short-term and long-term prepaid expenses on the interim statement of financial position and are amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as prepaid expenses and are amortized from one (1) to thirty six (36) months in interim income statement:

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

3.14 Borrowings

Borrowings are announced and presented at cost of the balance at the end of the accounting period.

3.15 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Employee benefits

3.16.1 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 Labour 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 17.5% of an employee's basic monthly salary, salary-related allowances and other supplements. Other than that, the Company has no further obligation relating to post-employment benefits.

3.16.2 Unemployment allowance

According to prevailing regulations, the Company is required to pay the unemployment insurance at 1% of salary fund of employees who engage in the unemployment insurance program and to deduct 1% from each employer's basic salary to contribute to the Unemployment Insurance Fund.

3.17 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 income statement.

3.18 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.

Interest income

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

3. SUMMARY OF SIGNIFICANT ACCOUNTINGS POLICIES (continued)

3.18 Revenue recognition (continued)

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.

3.19 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.

3.20 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods 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 report date.

Current income tax is charged or credited to the interim income statement, 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.

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 interim 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).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Corporate income tax (continued)

Deferred income tax (continued)

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 profit or loss, 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.

3.21 Owner's equity

Contributed capital from shareholders

Contributed capital is recorded in account charter capital at par value.

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

Unrealised profit of the period is the difference between gain and loss arisen from revaluation of financial assets at FVTPL or other financial assets through profit and loss in the interim income statement and foreign exchange different.

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

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period ended

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Owner's equity (continued)

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:

	<u>Percentage of profit after tax</u>	<u>Maximum balance</u>
Charter capital supplementary reserve	5%	10% of charter capital
Operational risk and financial reserve	5%	10% of charter capital

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

3.22 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.

4. CASH AND CASH EQUIVALENTS

	<u>30 June 2018</u> <u>VND</u>	<u>31 December 2017</u> <u>VND</u>
Cash		
- Cash on hand	46,784,388	31,623,972
- Cash at banks for operation of the Company	68,569,889,543	24,261,361,151
- Cash for securities transaction clearing and settlement	403,776,472	25,166,742
Cash equivalents		
- Term deposits with maturity of 3 months or less	180,000,000,000	30,000,000,000
Total	249,020,450,403	54,318,151,865

Cash equivalents represent term deposits at commercial joint-stock banks with interest rate ranging from 5.0% to 5.5% per annum.

5. VALUE AND VOLUME OF TRADING IN THE PERIOD

	<u>For the six-month period ended</u> <u>30 June 2018</u>		<u>For the six-month period ended</u> <u>30 June 2017</u>	
	<u>Trading volume</u> <u>(unit)</u>	<u>Trading value</u> <u>(VND)</u>	<u>Trading volume</u> <u>(unit)</u>	<u>Trading value</u> <u>(VND)</u>
a. The Company				
- Shares	40,116	8,456,934,438	26,540	604,430,924
b. Investors				
- Shares	1,464,206,543	29,206,612,580,730	1,360,687,148	20,215,615,703,975
Total	1,464,246,659	29,215,069,515,168	1,360,713,688	20,216,220,134,899

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period ended

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6. FINANCIAL ASSETS

6.1 Financial assets at fair value through profit/loss (FVTPL)

	30 June 2018		31 December 2017	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	741,320	833,610	675,720	786,000

6.2 Loans

	30 June 2018			31 December 2017		
	Cost VND	Provision VND	Net carrying value VND	Cost VND	Provision VND	Net carrying value VND
1. Margin loans	1,399,533,232,237	4,591,431,022	1,394,941,801,215	1,240,230,340,446	4,821,431,022	1,235,408,909,424
2. Advances to customers	6,020,223,442	-	6,020,223,442	88,120,011,994	-	88,120,011,994
3. Other loans	1,622,126,033	1,622,126,033	-	1,622,126,033	1,622,126,033	-
	1,407,175,581,712	6,213,557,055	1,400,962,024,657	1,329,972,478,473	6,443,557,055	1,323,528,921,418

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 and were fully provided for allowance.

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 the price announced at reporting date.

The fair value of margin 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.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
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6. FINANCIAL ASSETS (continued)

6.3. Provision for impairment of financial assets and mortgage assets

	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
Beginning balance	6,443,557,055	13,093,563,871
Provision made during the period (Note 22)	-	2,441,543,150
Reversal of provision during the period	(230,000,000)	-
Ending balance	6,213,557,055	15,535,107,021

7. RECEIVABLES

	30 June 2018 VND	31 December 2017 VND
Receivables from disposal of financial assets	-	518,190,000
Receivables and accruals from dividend and interest income	12,510,690,704	10,614,758,824
- Accrued interest from margin loans	11,992,298,063	10,319,689,805
- Accrued interest from term deposits	509,890,410	137,500,000
- Accrued interest from advances to customers	8,502,231	157,569,019
Receivables from services provided by the Company	1,426,891,152	981,565,225
- Custodian fees receivable from investors (Note 20.8)	706,191,894	387,822,747
- Brokerage fee receivables	470,805,529	593,742,478
- Advisory and auction fee receivables	249,893,729	-
Other receivables	6,225,783,559	409,871,108
- Receivables from related parties (Note 27.1)	6,050,721,319	-
- Other receivables	175,062,240	409,871,108
Total	20,163,365,415	12,524,385,157

8. OTHER CURRENT ASSETS

	30 June 2018 VND	31 December 2017 VND
Advances	516,859,756	100,904,123
Short-term prepaid expenses	4,974,800,700	3,897,587,471
- System maintenance	2,942,434,887	2,848,926,773
- Office equipment	342,079,505	-
- Prepaid rental	206,992,628	252,645,056
- Other short-term prepaid expenses	1,483,293,680	796,015,642
Total	5,491,660,456	3,998,491,594

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9. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets during the period are as follows:

	<i>Office equipment</i> VND	<i>Transportation and vehicles</i> VND	<i>Others</i> VND	<i>Total</i> VND
Cost				
1 January 2018	36,134,689,909	3,052,011,905	910,542,662	40,097,244,476
Newly purchased	44,425,000	-	64,350,000	108,775,000
Transfer from construction in progress	-	-	30,415,000	30,415,000
Disposal	(292,730,940)	-	(51,243,500)	(343,974,440)
30 June 2018	35,886,383,969	3,052,011,905	954,064,162	39,892,460,036
Accumulated depreciation				
1 January 2018	(29,457,282,740)	(3,052,011,905)	(867,252,238)	(33,376,546,883)
Depreciation charged	(1,565,402,979)	-	(36,074,901)	(1,601,477,880)
Disposal	292,730,940	-	51,243,500	343,974,440
30 June 2018	(30,729,954,779)	(3,052,011,905)	(852,083,639)	(34,634,050,323)
Net carrying amount				
1 January 2018	6,677,407,169	-	43,290,424	6,720,697,593
30 June 2018	5,156,429,190	-	101,980,523	5,258,409,713

The cost of tangible fixed assets that are fully depreciated but still in use as at 30 June 2018 is VND24,022,929,455 (31 December 2017: VND24,092,684,215).

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10. INTANGIBLE FIXED ASSETS

Movements of intangible fixed assets during the period are as follows:

	<i>Computer software</i> <i>VND</i>
Cost	
1 January 2018 and 30 June 2018	24,625,902,235
Accumulated amortization	
1 January 2018	(19,741,309,639)
Amortization charged	(836,510,086)
30 June 2018	(20,577,819,725)
Net carrying amount	
1 January 2018	4,884,592,596
30 June 2018	4,048,082,510

The cost of intangible fixed assets that are fully depreciated but still in use as at 30 June 2018 is VND16,211,786,292 (31 December 2017: VND15,105,786,292).

11. LONG-TERM PREPAID EXPENSES

	<i>30 June 2018</i> <i>VND</i>	<i>31 December 2017</i> <i>VND</i>
Office equipment	-	1,493,332,926
System maintenance	1,233,912,370	-
Office improvement	793,982,199	-
Total	2,027,894,569	1,493,332,926

12. DEFERRED TAX ASSETS

	<i>30 June 2018</i> <i>VND</i>	<i>31 December 2017</i> <i>VND</i>
Deferred tax assets		
Provision for margin loans	478,154,238	478,154,238

Deferred tax assets pertains to a temporary difference on provision of margin loans between the Company's accounting policies and Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad receivable debts and warranty for products, goods and construction works at enterprises.

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12. DEFERRED TAX ASSETS (continued)

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

	<i>Statement of financial position</i>		<i>Income statement</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
Deferred tax assets				
Specific provision for margin loans	478,154,238	478,154,238	-	-

13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

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

According to Decision No. 27/QD-VSD dated 13 March 2015 issued by the General Director of the Vietnam Securities Depository providing guidance on management and usage of Settlement Assistance Fund, 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 annum. The maximum contribution to Settlement Assistance Fund is VND20 billion for custody members is a securities company providing trading securities and brokerage activities.

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

	<i>30 June 2018</i>	<i>31 December 2017</i>
	<i>VND</i>	<i>VND</i>
Beginning balance	19,149,016,166	16,649,016,166
Addition in the period	850,983,834	2,500,000,000
Ending balance	20,000,000,000	19,149,016,166

14. SHORT-TERM BORROWINGS

	<i>31 December 2017</i>	<i>Borrowings during the period</i>	<i>Repayment during the period</i>	<i>30 June 2018</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
Short-term loans and overdrafts	437,150,098,061	2,063,691,421,268	(2,044,761,519,329)	456,080,000,000

These borrowings include short-term loans denominated in USD from a foreign bank with interest rates from 3.35% p.a. to 3.75% p.a. used to supplement the capital for business operations.

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15. SHORT-TERM TRADE PAYABLES

	30 June 2018 VND	31 December 2017 VND
Payables to related parties (Note 27.1)	3,432,844,890	791,354,375
Other payables	46,494,708	294,258,153
Total	3,479,339,598	1,085,612,528

16. STATUTORY OBLIGATIONS

Items	31 December 2017 VND	Payables VND	Paid VND	30 June 2018 VND
Personal income tax	3,492,848,979	21,620,467,122	(22,655,504,745)	2,457,811,356
- Of the employees	878,435,619	8,951,524,911	(9,046,129,880)	783,830,650
- Of the investors	2,614,413,360	12,668,942,211	(13,609,374,865)	1,673,980,706
Foreign contractor withholding tax	110,810,284	1,271,306,690	(1,031,022,341)	351,094,633
Corporate income tax	2,667,649,811	13,424,742,433	(10,909,887,501)	5,182,504,743
- Of the Company	1,770,807,753	9,257,163,096	(6,319,105,304)	4,708,865,545
- Of the investors	896,842,058	4,167,579,337	(4,590,782,197)	473,639,198
Value added tax	56,034,915	383,370,181	(392,407,069)	46,998,027
Total	6,327,343,989	36,699,886,426	(34,988,821,656)	8,038,408,759

17. SHORT-TERM ACCRUED EXPENSE

	30 June 2018 VND	31 December 2017 VND
Transaction costs	1,359,828,195	2,107,472,964
Accrued expenses	964,569,029	1,731,338,143
Accrued interest expenses	1,076,101,601	467,970,076
Professional fees	340,390,878	418,892,500
Custody fees	449,460,340	412,225,920
Total	4,190,350,043	5,137,899,603

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18. DEFERRED TAX LIABILITY

	30 June 2018 VND	31 December 2017 VND
Deferred tax liability		
Depreciation of fixed assets	47,548,762	47,548,762

Deferred tax liability pertains to a temporary difference on depreciation rate of fixed assets between the Company's accounting policies and Circular No. 45/2014/TT-BTC dated 25 April 2013 and Decision No. 1173/2013/QD-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>Statement of financial position</i>		<i>Income statement</i>	
	30 June 2018 VND	31 December 2017 VND	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
Deferred tax liability				
Depreciation of fixed assets	47,548,762	47,548,762	-	-

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19. OWNER'S EQUITY

	<i>Contributed capital VND</i>	<i>Capital supplementary reserve VND</i>	<i>Operational risk and financial reserve VND</i>	<i>Undistributed profit VND</i>	<i>Total VND</i>
1 January 2018	829,110,000,000	8,245,955,589	8,245,955,589	120,960,043,621	966,561,954,799
- Supplement the capital for the period	227,000,000,000	-	-	-	227,000,000,000
- Net profit for the period	-	-	-	37,337,515,402	37,337,515,402
- Profit appropriations	-	1,860,698,510	1,860,698,509	(3,721,397,019)	-
30 June 2018	1,056,110,000,000	10,106,654,099	10,106,654,098	154,576,162,004	1,230,899,470,201

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20. DISCLOSURE OF OFF-BALANCE SHEET ITEMS

20.1 Foreign currencies (original currency)

	30 June 2018	31 December 2017
USD	88,605	209,732
SGD	3,160	1,403
Total	91,765	211,135

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

	30 June 2018 VND	31 December 2017 VND
Unrestricted financial assets	120,000	60,000

20.3 Investors' financial assets listed/registered at VSD

	30 June 2018 VND	31 December 2017 VND
Unrestricted financial assets	9,350,136,890,000	7,564,414,760,000
- Shares	9,350,136,890,000	7,564,414,760,000
Restricted financial assets	251,815,880,000	245,256,540,000
Mortgage financial assets	281,650,000,000	310,218,940,000
Financial assets awaiting to settlement	74,252,380,000	139,179,800,000
Total	9,957,855,150,000	8,259,070,040,000

20.4 Investors' non-traded financial assets deposited at VSD

	30 June 2018 VND	31 December 2017 VND
Unrestricted and non-traded financial assets deposited at VSD	66,190,740,000	35,307,870,000
Restricted and non-traded financial assets deposited at VSD	13,553,480,000	5,498,000,000
Total	79,744,220,000	40,805,870,000

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20. DISCLOSURE OF OFF-BALANCE SHEET ITEMS (continued)

20.5 Investors' awaiting for arrival financial assets

	30 June 2018 VND	31 December 2017 VND
Shares	104,026,610,000	135,110,620,000

20.6 Investors' deposits

	30 June 2018 VND	31 December 2017 VND
Investors' deposits for securities trading activities managed by the Company	239,868,265,627	202,457,063,633
- Domestic investors' deposits	123,607,865,690	100,326,989,380
- Foreign investors' deposits	116,260,399,937	102,130,074,253
Investors' collective deposits for securities trading activities	109,942,760,824	221,431,350,800
- Domestic investors' deposits	106,843,950,022	192,392,642,012
- Foreign investors' deposits	3,098,810,802	29,038,708,788
Investors' deposits for securities transaction clearing and settlement	43,857,234,576	39,537,573,800
- Domestic investors' deposits	43,035,355,378	38,741,592,088
- Foreign investors' deposits	821,879,198	795,981,712
Total	393,668,261,027	463,425,988,233

20.7 Payables to investors

	30 June 2018 VND	31 December 2017 VND
Investors' deposits for securities trading activities managed by the Company	393,058,931,428	463,424,658,688
- Domestic investors	272,877,841,491	331,459,893,935
- Foreign investors	120,181,089,937	131,964,764,753
Dividend, bond principal and interest payables	609,329,599	1,329,545
Total	393,668,261,027	463,425,988,233

20.8 Investors' payables for services provided by the Company

	30 June 2018 VND	31 December 2017 VND
Stadia fee payable (Note 7)	6,191,894,494	7,822,777,747

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21. OPERATING REVENUE

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

	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
From FVTPL financial assets	4,688,594,848	4,454,491,958
- Interest income from term deposits	4,685,899,118	4,450,579,932
- Dividends	20,000	-
- Others	2,675,730	3,912,026
Loans and receivables	68,186,932,297	40,934,752,273
- Interest from margin loans	66,706,213,337	39,742,240,292
- Interest from advances to customers	1,480,718,960	1,192,511,981
Total	72,875,527,145	45,389,244,231

21.2 Revenue other than gain/loss from financial assets

	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
Brokerage commission revenue	68,486,280,712	35,690,334,113
Securities investment advisory services	2,537,393,139	-
Custodian revenue	2,410,123,118	1,515,705,097
Financial advisory revenue	490,454,546	-
Others	3,283,934,709	1,966,237,046
- Rental income from third parties	90,000,000	90,000,000
- Research fee and other fee income	3,193,934,709	1,876,237,046
Total	77,208,186,224	39,172,276,256

22. INTEREST EXPENSES, LOSS FROM DOUBTFUL RECEIVABLES AND BORROWING COSTS OF LOANS AND RECEIVABLES

	For the six-month period ended 30 June 2018 VND	For the six-month period ended 30 June 2017 VND
Interest expenses	9,739,325,745	854,982,669
Provision for margin loans (Note 6.3)	-	2,441,543,150
Provision for impairment of other receivables	-	34,590,119
Total	9,739,325,745	3,331,115,938

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23. EXPENSES FOR BROKERAGE SERVICES

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Personnel expenses, bonus and welfare expenses	29,217,815,855	19,684,992,620
External services expenses	21,022,479,039	13,155,054,014
Social insurance, health insurance, unemployment insurance and union fee	1,040,692,457	941,140,619
Depreciation and amortization expenses	359,462,519	293,539,528
Office supplies expenses	80,536,168	9,679,299
Expenses related to instruments and tools	40,458,998	39,279,658
Total	51,761,445,036	34,123,685,738

24. FINANCE INCOME

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Interest income from demand deposits	2,483,684,188	1,706,073,348
Unrealized foreign exchange rate differences	45,275,568	22,503,889
Total	2,528,959,756	1,728,577,237

25. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Personnel expenses, bonus and welfare expenses	16,515,153,999	18,524,254,220
External services expenses	10,886,445,901	9,405,595,900
Depreciation and amortization expenses	2,078,525,447	2,241,567,176
Social security, health insurance, unemployment insurance and union fee	2,055,635,132	2,078,571,363
Expenses related to instruments and tools	188,219,445	80,731,370
Office supplies expenses	43,587,682	44,270,665
Others	10,355,000	70,646,000
Total	31,777,922,606	32,445,636,694

26. 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 financial statements can be changed by the final decision of the tax authorities.

Current corporate income tax

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

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

	<i>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Profit before tax	46,594,678,498	11,916,062,193
CIT under tax rate 20% applicable for the Company	9,318,935,699	2,383,212,438
Adjustments to increase	(61,772,603)	74,339,940
- Previous period adjustments	(61,772,603)	74,339,940
CIT expense in the period	9,257,163,096	2,457,552,378

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27. OTHER INFORMATION

27.1 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>For the six-month period ended 30 June 2018 VND</i>	<i>For the six-month period ended 30 June 2017 VND</i>
Maybank Kim Eng Holdings Limited	Parent company	Borrowings	1,160,015,000,000	-
		Borrowings paid	1,158,715,000,000	-
		Interest paid	2,031,482,895	-
		Accrued interest	573,250,000	-
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings	796,414,000,000	113,565,000,000
		Borrowings paid	750,018,000,000	44,630,000,000
		Interest paid	4,424,526,730	425,153,008
		Accrued interest	464,969,472	231,954,878
Maybank Kim Eng Securities Pte. Ltd	Subsidiary of Maybank Kim Eng Holdings	Commission paid	3,371,259,872	1,046,716,392
		Marketing fee paid	-	61,174,195
		Brokerage fee received	1,746,779,084	19,372,985
		Commission fee received	2,537,393,139	-
Maybank Kim Eng Securities (Thai Land) Public Company Ltd	Subsidiary of Maybank Kim Eng Holdings	Brokerage fee received	474,389,319	493,007,534
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Interest received	1,439,932	57,383,267
		Bank fee paid	49,025,868	1,012,000
Maybank Kim Eng Research Pte. Ltd	Related party	Research fee received	3,193,934,709	1,876,237,046
		Research fee paid	885,796,793	273,831,091
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Accrued swap fee expenses	30,000,000	178,000,000
		Swap fee paid	1,337,400,000	188,000,000
		Interest received	155,189,041	-
Maybank Investment Bank Berhad	Related party	Brokerage commission fee	1,296,870,295	-
Management		Income	2,453,783,434	2,853,195,379

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27. OTHER INFORMATION (continued)

27.1 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>30 June 2018 VND</i>	<i>31 December 2017 VND</i>
Maybank Kim Eng Holdings Limited	Parent company	Borrowings Accrued interest	(228,000,000,000) (544,587,500)	(226,700,000,000) (86,268,872)
Maybank International Labuan Branch	Subsidiary of ultimate parent company	Borrowings Accrued interest	(228,080,000,000) (464,969,472)	(181,684,000,000) (205,856,295)
Maybank Kim Eng Research Pte. Ltd	Related party	Research fee receivables Research fee payables	3,513,328,180 (841,506,952)	- -
Malayan Banking Berhad -Hanoi Branch	Branch of ultimate parent company	Swap fee payables	(30,000,000)	(132,000,000)
May Bank Kim Eng Securities Pte.Ltd	Subsidiary of Maybank Kim Eng Holdings	Commission payables Commission receivables	(1,356,223,371) 2,537,393,139	(791,354,375) -
Maybank Investment Bank Berhad	Related party	Brokerage commission payables	(1,235,114,567)	-
Maybank Kim Eng Securities (Thailand) Public Company Ltd	Subsidiary of Maybank Kim Eng Holdings	Trading securities payables	(17,266,725)	(196,543,410)

27.2 Operating lease commitments

The Company currently leases its offices under the operating lease contracts. The future rental payables as stated in the rental contracts at the end of the period are as follows:

	<i>30 June 2018 VND</i>	<i>31 December 2017 VND</i>
Less than 1 year	4,601,696,116	8,203,832,836
From 1 to 5 years	10,027,025,236	7,404,754,484
Total	14,628,721,352	15,608,587,320

27. OTHER INFORMATION (continued)

27.3 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.

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, and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and securities 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 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.

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 equity price fluctuation of the Company is not significant.

27. OTHER INFORMATION (continued)

27.3 Purposes and policies of financial risk management (continued)

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 loans to customers) 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 Treasury 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 4*. 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 6*, the Company's management assessed that all financial assets are neither past due nor impaired as they are related to recognized and credit worthy counterparties, except for overdue loans but not impaired as at 30 June 2018.

Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period ended

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27. OTHER INFORMATION (continued)

27.3 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 2018							
Term deposits	180,000,000,000	-	-	-	-	-	180,000,000,000
Loans	1,400,962,024,657	-	-	-	-	6,213,557,055	1,407,175,581,712
Other financial assets	19,868,440,320	179,625,000	-	-	-	115,300,095	20,163,365,415
TOTAL	1,600,830,464,977	179,625,000	-	-	-	6,328,857,150	1,607,338,947,127

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 to be adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2018 and for the six-month period ended

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27. OTHER INFORMATION (continued)

27.3 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 2018						
FINANCIAL ASSETS						
Cash and cash equivalents	-	69,020,450,403	180,000,000,000	-	-	249,020,450,403
Financial assets at fair value through profit or loss	-	833,610	-	-	-	833,610
Loans	6,213,557,055	-	1,400,962,024,657	-	-	1,407,175,581,712
Receivables from securities trading activities	179,625,000	-	1,247,266,152	-	-	1,426,891,152
Other receivables	115,300,095	-	18,621,174,168	-	-	18,736,474,263
Total	6,508,482,150	69,021,284,013	1,600,830,464,977	-	-	1,676,360,231,140
FINANCIAL LIABILITIES						
Short-term borrowings	-	-	456,080,000,000	-	-	456,080,000,000
Payables from securities trading activities	-	3,358,450	-	-	-	3,358,450
Short-term trade payables	-	-	3,479,339,598	-	-	3,479,339,598
Accrued expenses	-	-	4,190,350,043	-	-	4,190,350,043
Other payables	-	-	10,247,672	-	-	10,247,672
Total	-	3,358,450	463,759,937,313	-	-	463,763,295,763
Net liquidity difference	6,508,482,150	69,017,925,563	1,137,070,527,664	-	-	1,212,596,935,377

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.

27. OTHER INFORMATION (continued)

Capital management

Liquid capital ratio measures Company's financial security, reflecting the ability to meet its financial obligations and its ability to compensate for the risks incurred during operations of Company.

This ratio is calculated and disclosed in the financial safety ratio report on a monthly basis and complied with the requirements of Circular No. 87/2017/TT-BTC dated 15 August 2017 issued by the Ministry of Finance on financial safety ratios and remedies applicable to securities companies that fail to meet the stipulated financial safety ratios. Accordingly, the Company manages and controls the liquid capital ratio not less than 180%.

As at 30 June 2018, the Company's liquid capital ratio is 1,542.53%

28. EVENTS AFTER THE REPORTING DATE

There have been no significant events occurring after the reporting date which could require adjustments or disclosures to be made in the interim financial statements.

Preparer:

Reviewer:

Approver:

Approver:



Vo Hong Tuyet Nga
Accountant



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial Officer



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

10 August 2018