

# **Maybank Kim Eng Securities Limited**

(previously known as Maybank Kim Eng Securities Joint Stock Company)

Report of management  
and audited financial statements

31 December 2013



# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

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# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

## GENERAL INFORMATION

### THE COMPANY

Maybank Kim Eng Securities Limited ("the Company"), previously known as Maybank Kim Eng Securities Joint Stock 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 issued by the State Securities Commission on 14 December 2007.

On 7 October 2013, the State Securities Commission issued Decision No. 610/QD-UBCK approving the transformation of the Company's ownership to a one-member limited liability company.

On 29 October 2013, the State Securities Commission issued Official Letter No. 7130/UBCK-QLKD approving the withdrawal of the Company from the list of public companies, effective from 21 October 2013.

The current 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<sup>th</sup>, 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.

### ORGANISATIONAL STRUCTURE

Members of the Board of Directors and the Board of Supervision for the period from 1 January 2013 to 12 January 2014 are:

#### *Board of Directors*

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr Le Minh Tam	Chairman	Appointed on 17 September 2013
Mr Shahrul Nazri Abdul Rahim	Chairman	Appointed on 27 July 2012
		Resigned on 17 September 2013
	Member	Appointed on 17 September 2013
Mr Francis Seow	Member	Resigned on 7 November 2013
		Appointed on 7 November 2013
		Appointed on 30 September 2013
Mr Jeffrey Goh Cho Kiat	Member	Appointed on 22 November 2012
Ms Ami Moris	Member	Appointed on 31 March 2012
Mr Ong Cheow Kheng	Member	Appointed on 27 July 2012
Mr Tan Pei San	Member	Resigned on 30 September 2013

#### *Board of Supervision*

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr Mohamad Yasin bin Abdullah	Chief Supervisor	Appointed on 22 October 2012
Mr Koh Boon Hann	Member	Appointed on 27 July 2012
Ms Nguyen Tuyet Van	Member	Appointed on 27 July 2012

# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

## GENERAL INFORMATION (continued)

### ORGANISATIONAL STRUCTURE (continued)

According to Decision of the Company's owner dated 13 January 2014 on the appointment of the Member's Council and the Board of Supervision for the first term (2014 - 2016), members of the Member's Council and the Board of Supervision from 13 January 2014 to the date of this report are:

#### ***Member's Council***

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr Le Minh Tam	Chairman	Appointed on 13 January 2014
Mr Francis Seow	Member	Appointed on 13 January 2014
Ms Ami Moris	Member	Appointed on 13 January 2014
Mr Jeffrey Goh Cho Kiat	Member	Appointed on 13 January 2014
Mr Ong Cheow Kheng	Member	Appointed on 13 January 2014

#### ***Board of Supervision***

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr Mohamad Yasin bin Abdullah	Member	Appointed on 13 January 2014
	Chief Supervisor	Appointed on 28 January 2014
Mr Koh Boon Hann	Member	Appointed on 13 January 2014
Ms Nguyen Tuyet Van	Member	Appointed on 13 January 2014

#### ***Management and Chief Accountant***

Members of management and Chief Accountant during the year and at the date of this report are:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr Nguyen Hoang Thien Truc	General Director	Appointed on 29 October 2013
Mr Le Minh Tam	General Director	Appointed on 19 December 2007 Resigned on 16 September 2013
Mr Nguyen Van Manh	Deputy General Director	Appointed on 1 September 2010
Mr Duong Cam Da	Deputy General Director	Appointed on 1 June 2011 Resigned on 31 October 2013
Ms Tran Thi Ngoc Huong	Chief Accountant	Appointed on 15 October 2012

### LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2013 to 16 September 2013 is Le Minh Tam, the General Director.

The legal representative of the Company for the period from 29 October 2013 to the date of this report is Nguyen Hoang Thien Truc, the General Director.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.



# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

## REPORT OF MANAGEMENT

Management of Maybank Kim Eng Securities Limited ("the Company"), previously known as Maybank Kim Eng Securities Joint Stock Company, is pleased to present this report and the financial statements of the Company as at and for the year ended 31 December 2013.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of the Company's results and cash flows for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then 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 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 which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the registered 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 fraud and other irregularities.

Management has confirmed that the Company has complied with the above requirements in preparing the accompanying financial statements as at and for the year ended 31 December 2013.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2013 and of the results of its operations, its cash flows and its changes in equity for the year then ended in accordance with the Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and with statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of management:



Nguyễn Hoàng Thiên Trúc  
General Director

Ho Chi Minh City, Vietnam

14 March 2014

Reference: 60994674/16378403

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Maybank Kim Eng Securities Limited ("the Company"), previously known as Maybank Kim Eng Securities Joint Stock Company, as prepared on 14 March 2014 and set out on pages from 6 to 38 which comprise the balance sheet as at 31 December 2013, the income statement, the cash flow statement and the statement of changes in equity for the year then ended and the notes thereto.

### *Management's Responsibility*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and with statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2013, and of the results of its operations, its cash flows and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and with the statutory requirements relevant to preparation and presentation of financial statements.

**Ernst & Young Vietnam Limited**



\_\_\_\_\_  
Nguyễn Xuân Đại  
Deputy General Director  
Audit Practising Registration  
Certificate No. 0452-2013-004-1

\_\_\_\_\_  
Nguyễn Chi Cương  
Auditor  
Audit Practising Registration  
Certificate No. 1103-2013-004-1

Ho Chi Minh City, Vietnam

14 March 2014

**Maybank Kim Eng Securities Limited**  
(previously known as Maybank Kim Eng Securities Joint Stock Company)

BALANCE SHEET  
as at 31 December 2013

B01-CTCK

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>704,724,385,645</b>	<b>551,432,898,785</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	4	<b>352,848,973,344</b>	<b>289,471,624,647</b>
111	1. Cash		248,840,102,337	130,426,805,096
112	2. Cash equivalents		104,008,871,007	159,044,819,551
<b>120</b>	<b>II. Short-term financial investments</b>	6	<b>4,074,400</b>	<b>20,519,300</b>
121	1. Short-term investments		4,074,400	20,519,300
129	2. Provision for short-term investments		-	-
<b>130</b>	<b>III. Short-term receivables</b>	7	<b>342,552,288,659</b>	<b>253,764,027,207</b>
132	1. Advances to suppliers		760,625,000	261,281,825
135	2. Receivables from securities trading activities		351,105,649,266	260,424,541,153
138	3. Other receivables		779,403,704	1,235,441,668
139	4. Provision for doubtful debts		(10,093,389,311)	(8,157,237,439)
<b>150</b>	<b>IV. Other current assets</b>		<b>9,319,049,242</b>	<b>8,176,727,631</b>
151	1. Short-term prepaid expenses	8.1	2,795,709,192	2,848,309,878
152	2. Value-added tax deductible		37,950,200	-
154	3. Tax and other receivables from the State	23	3,071,721,279	3,075,047,361
158	4. Other current assets	8.2	3,413,668,571	2,253,370,392
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>30,931,958,504</b>	<b>24,270,727,811</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>14,142,829,611</b>	<b>12,884,747,997</b>
221	1. Tangible fixed assets	9	11,484,886,859	10,536,026,368
222	- Cost		34,508,805,410	41,378,962,584
223	- Accumulated depreciation		(23,023,918,551)	(30,842,936,216)
227	2. Intangible fixed assets	10	2,480,797,489	1,418,433,229
228	- Cost		16,647,026,740	16,027,512,817
229	- Accumulated amortisation		(14,166,229,251)	(14,609,079,588)
230	3. Constructions in progress		177,145,263	930,288,400
<b>250</b>	<b>II. Long-term investments</b>		-	<b>2,066,149,800</b>
253	1. Long-term securities		-	2,066,149,800
254	- Available-for-sale securities	6	-	2,066,149,800
255	- Held-to-maturity securities		-	-
<b>260</b>	<b>III. Other long-term assets</b>		<b>16,789,128,893</b>	<b>9,319,830,014</b>
261	1. Long-term prepaid expenses	11	7,640,112,727	1,292,983,490
262	2. Deferred tax assets	23.3	-	1,377,830,358
263	3. Advance to Settlement Assistance Fund	12	9,149,016,166	6,649,016,166
<b>270</b>	<b>TOTAL ASSETS</b>		<b>735,656,344,149</b>	<b>575,703,626,596</b>



# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

BALANCE SHEET (continued)  
as at 31 December 2013

B01-CTCK

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>A. LIABILITIES</b>		<b>410,988,727,148</b>	<b>233,873,485,926</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>410,978,608,430</b>	<b>233,873,485,926</b>
311	1. Short-term loans and borrowings	13	153,580,661,454	34,090,712,455
312	2. Trade payables		533,000,446	58,928,645
313	3. Advances from customers		595,032,000	615,032,000
314	4. Statutory obligations	14	1,883,490,862	940,887,532
316	5. Accrued expenses	15	7,085,867,824	7,425,916,193
319	6. Other payables	16	110,869,634	292,124,936
320	7. Payables for securities trading	17	247,188,442,651	189,565,285,315
321	8. Dividend, principal and interest payables of bonds on behalf of customers		1,243,559	884,598,850
<b>330</b>	<b>II. Non-current liabilities</b>		<b>10,118,718</b>	-
335	1. Deferred tax liabilities	18	10,118,718	-
<b>400</b>	<b>B. OWNER'S EQUITY</b>		<b>324,667,617,001</b>	<b>341,830,140,670</b>
<b>410</b>	<b>I. Capital</b>		<b>324,667,617,001</b>	<b>341,830,140,670</b>
411	1. Share capital	19	300,000,000,000	300,000,000,000
415	2. Asset revaluation reserve		-	(2,298,112,650)
417	3. Investment and development fund		3,556,412,666	3,556,412,666
418	4. Financial reserve		3,556,412,667	3,556,412,667
420	5. Undistributed earnings		17,554,791,668	37,015,427,987
<b>440</b>	<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>735,656,344,149</b>	<b>575,703,626,596</b>

**Maybank Kim Eng Securities Limited**  
(previously known as Maybank Kim Eng Securities Joint Stock Company)

BALANCE SHEET (continued)  
as at 31 December 2013

B01-CTCK

**OFF BALANCE SHEET ITEMS**

VND

Code	ITEMS	Ending balance	Beginning balance
<b>006</b>	<b>1. Custody securities</b>	<b>3,189,320,940,000</b>	<b>3,077,092,200,000</b>
	<i>Included:</i>		
007	1.1. Trading securities	2,216,464,790,000	1,673,336,160,000
008	Trading securities of custody members	4,080,000	1,465,070,000
009	1.1.2. Trading securities of local investors	1,562,329,270,000	1,343,307,460,000
010	1.1.3. Trading securities of foreign investors	654,131,440,000	328,563,630,000
017	1.2. Mortgaged securities	972,856,150,000	897,186,510,000
019	1.2.2. Mortgaged securities of local investors	972,856,150,000	897,186,510,000
022	1.3. Temporarily blocked securities	-	506,569,530,000
024	1.3.1. Temporarily blocked securities of local investors	-	411,506,300,000
025	1.3.2. Temporarily blocked securities of foreign investors	-	95,063,230,000
<b>050</b>	<b>2. Custody securities of unlisted public companies</b>	<b>166,887,810,000</b>	<b>154,895,120,000</b>
	<i>Included:</i>		
051	2.1. Trading securities	165,497,770,000	99,643,940,000
053	2.1.1. Trading securities of local investors	164,467,070,000	74,626,740,000
054	2.1.2. Trading securities of foreign investors	1,030,700,000	25,017,200,000
056	2.2. Temporarily untradeable securities	-	1,322,400,000
058	2.2.1. Temporarily untradeable securities of local investors	-	1,322,400,000
061	2.3. Mortgaged securities	1,390,040,000	2,059,750,000
063	2.3.1. Mortgaged securities of local investors	1,390,040,000	2,059,750,000
066	2.4. Temporarily blocked securities	-	51,869,030,000
068	2.4.1. Temporarily blocked securities of local investors	-	51,869,030,000

Prepared by:

Reviewed by:

Approved by:



Dao Thi Ngoc Thuy  
Accountant



Tran Thi Ngoc Huong  
Chief Accountant



Nguyễn Hoàng Thiên Trúc  
General Director

Ho Chi Minh City, Vietnam

14 March 2014



**Maybank Kim Eng Securities Limited**  
(previously known as Maybank Kim Eng Securities Joint Stock Company)

INCOME STATEMENT  
for the year ended 31 December 2013

B02-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
<b>01</b>	<b>1. Revenue</b>		<b>115,825,099,136</b>	<b>164,228,982,036</b>
	<i>Including:</i>			
01.1	Revenue from brokerage services		55,922,440,820	62,073,189,658
01.2	Revenue from securities investments and capital contributions		13,593,226	148,402,610
01.3	Revenue from underwriting services		-	-
01.4	Revenue from securities issuance agency services		-	-
01.5	Revenue from finance advisory services		317,272,727	655,761,818
01.6	Revenue from custodian services		1,471,971,502	1,286,322,654
01.7	Revenue from trust auction activities		-	-
01.8	Revenue from assets for lease		699,863,635	990,377,826
01.9	Other revenue	20	57,399,957,226	99,074,927,470
<b>02</b>	<b>2. Deductions</b>		<b>-</b>	<b>-</b>
<b>10</b>	<b>3. Net revenue from operating activities</b>		<b>115,825,099,136</b>	<b>164,228,982,036</b>
<b>11</b>	<b>4. Operating expenses</b>	21	<b>(79,010,933,125)</b>	<b>(91,427,009,140)</b>
<b>20</b>	<b>5. Gross profit from operating activities</b>		<b>36,814,166,011</b>	<b>72,801,972,896</b>
<b>25</b>	<b>6. General and administrative expenses</b>	22	<b>(55,445,262,907)</b>	<b>(49,236,711,952)</b>
<b>30</b>	<b>7. Net (loss)/profit from operating activities</b>		<b>(18,631,096,896)</b>	<b>23,565,260,944</b>
31	8. Other income		322,931,818	586,174,660
32	9. Other expenses		(527,233,633)	(215,179,020)
<b>40</b>	<b>10. Other (loss)/profit</b>		<b>(204,301,815)</b>	<b>370,995,640</b>
<b>50</b>	<b>11. (Loss)/profit before tax</b>		<b>(18,835,398,711)</b>	<b>23,936,256,584</b>
<b>51</b>	<b>12. Current corporate income tax expense</b>	23.1	<b>(3,326,082)</b>	<b>(5,433,624,300)</b>
<b>52</b>	<b>13. Deferred income tax expense</b>	23.3	<b>(621,911,526)</b>	<b>(802,472,380)</b>
<b>60</b>	<b>14. Net (loss)/profit after tax</b>		<b>(19,460,636,319)</b>	<b>17,700,159,904</b>

Prepared by:

Reviewed by:

Approved by:



Dao Thi Ngoc Thuy  
Accountant



Tran Thi Ngoc Huong  
Chief Accountant



Nguyễn Hoàng Thiên Trúc  
General Director

Ho Chi Minh City, Vietnam  
14 March 2014

# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

## CASH FLOW STATEMENT

for the year ended 31 December 2013

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Net (loss)/profit before tax</b>		<b>(18,835,398,711)</b>	<b>23,936,256,584</b>
	<b>2. Adjustments for:</b>			
02	- Depreciation and amortisation	22	5,890,655,556	12,698,096,463
03	- Provisions		1,936,151,872	(807,597,848)
05	- Profits from investing activities		(9,122,595,147)	(10,359,902,648)
06	- Interest expense		4,546,621,509	10,123,764,398
08	<b>3. Operating (loss)/profit before changes in working capital</b>		<b>(15,584,564,921)</b>	<b>35,590,616,949</b>
09	- Increase/(decrease) in receivables		(89,032,584,831)	162,508,737,579
10	- Decrease in short-term investments		17,066,209	97,552,001
11	- Increase in payables (other than interest, corporate income tax)		55,829,146,798	141,899,429,065
12	- Increase in prepaid expenses		(6,294,528,551)	(307,551,506)
13	- Interest paid		(4,314,990,940)	(10,123,764,398)
14	- Corporate income tax paid		-	(8,060,121,569)
16	- Other cash outflows from operating activities		(3,660,298,179)	(1,679,297,025)
20	<b>Net cash flows (used in)/from operating activities</b>		<b>(63,040,754,415)</b>	<b>319,925,601,096</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase and construction of fixed assets and other long-term assets		(7,675,970,803)	(8,606,654,390)
22	2. Proceeds from disposals of fixed assets and other long-term assets		322,931,818	3,272,727
25	3. Payments for investments in other entities		(238,560)	-
26	4. Proceeds from sale of investments in other entities		1,978,562,000	-
27	5. Interest and dividends received		12,302,869,658	9,777,982,685
30	<b>Net cash flows from investing activities</b>		<b>6,928,154,113</b>	<b>1,174,601,022</b>



# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2013

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	1. Drawdown of borrowings		657,399,158,145	533,965,504,829
34	2. Repayment of borrowings		(537,909,209,146)	(658,740,239,737)
<b>40</b>	<b>Net cash flows from/(used in) financing activities</b>		<b>119,489,948,999</b>	<b>(124,774,734,908)</b>
<b>50</b>	<b>Net cash flows in the year</b>		<b>63,377,348,697</b>	<b>196,325,467,210</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>	4	<b>289,471,624,647</b>	<b>93,146,157,437</b>
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	4	<b>352,848,973,344</b>	<b>289,471,624,647</b>

Prepared by:

Reviewed by:

Approved by:



Dao Thi Ngoc Thuy  
Accountant



Tran Thi Ngoc Huong  
Chief Accountant



Nguyen Hoang Thien Truc  
General Director

Ho Chi Minh City, Vietnam

14 March 2014

**Maybank Kim Eng Securities Limited**  
(previously known as Maybank Kim Eng Securities Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2013

B05-CTCK

VND

ITEMS	Beginning balance		Movements				Ending balance	
	Previous year	Current year	Previous year		Current year		Previous year	Current year
			Increase	Decrease	Increase	Decrease		
1. Share capital	300,000,000,000	300,000,000,000	-	-	-	-	300,000,000,000	300,000,000,000
2. Asset revaluation reserve	(2,099,235,000)	(2,298,112,650)	(198,877,650)	-	-	2,298,112,650	(2,298,112,650)	-
3. Investment and development fund	2,671,404,671	3,556,412,666	885,007,995	-	-	-	3,556,412,666	3,556,412,666
4. Financial reserve	2,671,404,671	3,556,412,667	885,007,996	-	-	-	3,556,412,667	3,556,412,667
5. Undistributed earnings	21,085,284,074	37,015,427,987	17,700,159,904	(1,770,015,991)	-	(19,460,636,319)	37,015,427,987	17,554,791,668
<b>TOTAL</b>	<b>324,328,858,416</b>	<b>341,830,140,670</b>	<b>19,271,298,245</b>	<b>(1,770,015,991)</b>	<b>-</b>	<b>(17,162,523,669)</b>	<b>341,830,140,670</b>	<b>324,667,617,001</b>

Asset revaluation reserve comprises of changes in fair value of available-for-sale investments and related deferred tax.

Prepared by:

Reviewed by:



Dao Thi Ngoc Thuy  
Accountant

Tran Thi Ngoc Huong  
Chief Accountant

Nguyen Hoang Thien Truc  
General Director

Ho Chi Minh City, Vietnam

14 March 2014



# Maybank Kim Eng Securities Limited

(previously known as Maybank Kim Eng Securities Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS  
as at and for the year ended 31 December 2013

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## 1. CORPORATE INFORMATION

Maybank Kim Eng Securities Limited ("the Company"), previously known as Maybank Kim Eng Securities Joint Stock Company, is a one-member limited liability company incorporated pursuant to License No. 117/GP-UBCK dated 03 January 2014 which supersedes License No. 71/UBCK-GP issued by the State Securities Commission on 14 December 2007.

On 7 October 2013, the State Securities Commission issued Decision No. 610/QD-UBCK approving the transformation of the Company's ownership to a one-member limited liability company.

On 29 October 2013, the State Securities Commission issued Official Letter No. 7130/UBCK-QLKD approving the withdrawal of the Company from the list of public companies, effective from 21 October 2013.

The current 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<sup>th</sup>, 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 employees of the Company as at 31 December 2013 was 239 persons (31 December 2012: 282 persons).

As at 31 December 2013, the share capital of the Company was VND300,000,000,000.

## 2. BASIS OF PREPARATION

### 2.1 *Accounting Standards and System*

The financial statements of the Company expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System, accounting policies applicable to securities companies according to Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and Vietnamese Accounting Standards 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 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 balance sheet, income statement, cash flow statement, statement of changes in equity and related notes, including their uses 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, results of operations, cash flows and changes in equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Registered accounting documentation system*

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

**Maybank Kim Eng Securities Limited**  
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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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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.

**2.4 Accounting currency**

The Company maintains its accounting records in VND.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

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

**3.2 Receivables**

Receivables are initially recorded at cost and subsequently presented at cost in the following periods.

Receivables are subject to review for impairment based on their overdue status or estimated loss of undue receivables from economic entities which fall bankruptcy or are undergoing dissolution procedures; or from debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increase or decrease to the provision balance is recorded as "General and administrative expenses" in the income statement.

Provision for overdue receivables is made 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 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%

**3.3 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

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

When tangible fixed assets are sold or disposed, their costs and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.



**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.4 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or disposed, their costs and accumulated amortisation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

**3.5 Depreciation and amortisation**

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

Office renovation	3 - 6 years
Office equipment	3 - 5 years
Transportation	6 years
Others	3 - 5 years
Computer software	3 years

**3.6 Operating lease**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

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

**3.7 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised gradually to the income statement over the period for which the amount is paid or the period in which economic benefits are generated in relation to these expenses.

**3.3 Investments in securities**

According to Circular No. 95/2008/TT-BTC issued by the Ministry of Finance on 24 October 2008, securities companies are allowed to recognise investments in securities at either cost or fair value. Accordingly, the Company has applied the fair value method to recognise investments in securities.

**3.8.1 Short-term investments in securities**

Short-term investments in securities including trading securities are securities which either have maturity of less than one year or held for trading purposes. These securities are initially recorded at cost, including purchased costs plus (+) transaction costs (if any) such as brokerage and transaction fee, information fee, taxes, levies and banking fees, and are subsequently measured at fair value.

Changes in fair value are recognised in the income statement.

Accrued interest income is recognised as a deduction in the carrying value of trading securities for the portion incurred before the purchasing date and as an investment income for the amount incurred since the purchasing date.



**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.8 Investments in securities (continued)**

**3.8.2 Long-term investments in securities**

Long-term investments in securities comprise of available-for-sale securities.

Available-for-sale securities are non-derivative and not classified as neither held-to-maturity securities nor trading securities.

Available-for-sale securities are recognised at cost at the purchased date and measured at fair value subsequently. Changes in fair value are recognised in equity as "Asset revaluation reserve" and will be recognised in the income statement when the securities are sold.

Accrued interest received in the year is recognised as a deduction in the carrying value of available-for-sale securities for the amount incurred before the purchasing date and as an investment income for the amount incurred after the purchasing date.

**3.8.3 Fair value of trading securities and long-term investment securities**

Fair value of securities is determined for specific securities based on market prices.

The market prices of listed securities are determined based on the quoted prices on the stock markets (which are the average prices on the Hanoi Stock Exchange and the closing prices on the Ho Chi Minh City Stock Exchange) as at 31 December 2013.

The market prices of unlisted shares which are registered on the unlisted public companies market (UPCoM) are the average prices at the date of provision.

The market prices of unlisted shares which are not registered on the unlisted public companies market (UPCoM) are the average public price of quotations obtained from at least three reputable and large securities companies in the market.

Other securities that have no quoted prices are carried at cost.

**3.9 Payables and accruals**

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

**3.10 Employee benefits**

**3.10.1 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 17% 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 the Social Insurance Agency on a monthly basis.

**3.10.2 Accrual for severance pay**

The severance pay to employee is accrued at the end of each reporting year for all employees who have more than 12 months in service 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. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the income statement.

This accrued severance pay is used to settle the severance allowance to be paid to employee upon termination of their labour contract following the Labour Code.



**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.10 Employee benefits (continued)**

**3.10.3 Provision for retrenchment allowance**

Retrenchment allowance occurs as a result of a constructive obligation to restructure when the Company has a detailed and formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Retrenchment allowance is provided at the rate of one month's salary for each working year up to 31 December 2008 and the minimum amount for each employee is two months' salary in accordance with the Labour Code and related implementing guidance. Increases and decreases to the provision balance are recorded as general and administrative expense in the income statement.

**3.10.4 Unemployment benefits**

According to Circular No. 04/2009/TT-BLDTBXH providing guidance Decree No. 127/2008/ND-CP on unemployment insurance, since 1 January 2009, the Company is required to pay unemployment insurance at the rate of 1% of salary of employees who participate in the unemployment program and deduct 1% from each employee's basic salary to contribute to Unemployment Insurance Fund.

**3.11 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates quoted by commercial banks at the dates of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at exchange rates of banks where the Company maintains its accounts. Revenue or expenses in foreign currencies are converted into VND at exchange rates at the transaction dates. All foreign exchange differences arising from spot rates at transaction date and revaluation at balance sheet date are charged to the income statement.

**3.12 Revenue recognition**

Revenue is recognised 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 recognised:

*Revenue from brokerage services*

Revenue from brokerage services is recognised in the income statement when the securities transactions of customers have been processed.

*Revenue from securities investments*

Revenue from securities investments is determined by the difference between the selling prices and the average cost of securities sold.

*Dividend*

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

*Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

*Rendering of other services*

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

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.12 Revenue recognition (continued)**

*Rendering of other services (continued)*

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

**3.13 Cost of securities sold**

The Company applies the moving weighted average method to calculate cost of equity securities sold and the weighted average method to calculate long-term debt securities sold.

**3.14 Taxation**

*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 reporting date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised 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 tax*

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

Deferred tax liabilities are recognised 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 related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried 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, carried forward of unused tax credits and unused tax losses can be used, except:

- ▶ where the deferred tax assets arise 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.

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 deferred tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised 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 year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.



**Maybank Kim Eng Securities Limited**  
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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.14 Taxation (continued)**

*Deferred tax (continued)*

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 or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.15 Funds belonging to owner's equity**

The Company uses the annual profit after tax to create the funds in accordance with Circular No. 11/2000/TT-BTC issued by the Ministry of Finance dated 1 February 2000 as below:

	<i>Percentage of profit after tax</i>	<i>Maximum level</i>
Charter capital supplementary reserve	5%	10% of share capital
Compulsory reserve	5%	10% of share capital

Other funds belonging to owner's equity are created based on the resolution of management. The reserves and funds are created annually based on the annual audited financial statements.

**3.16 Appropriation of net profits**

Net profit after tax is available for appropriation to investors when the Company's result is profitable and when tax and other financial obligations are fulfilled. In addition, the Company is able to make payment for its debts and other due obligations after appropriation of profit.

**4. CASH AND CASH EQUIVALENTS**

	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	78,846,093	82,462,612
Cash at banks	349,894,807	219,845,655
Cash of investors	248,411,361,437	130,124,496,829
Cash equivalents	104,008,871,007	159,044,819,551
<b>TOTAL</b>	<b>352,848,973,344</b>	<b>289,471,624,647</b>

Cash equivalents represent deposits at banks with term of less than three months, of which VND70,000,000,000 was pledged to secure for loans at a commercial bank as at 31 December 2013.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**5. VALUE AND VOLUME OF TRADING RESULTS IN THE YEAR**

	<i>Trading volume in the year (unit)</i>	<i>Trading value in the year (VND)</i>
<b>a. Trading results of the Company</b>		
- Shares	422,886	13,448,890,000
<b>b. Trading results of the investors</b>		
- Shares	2,315,926,414	29,883,323,332,370
<b>TOTAL</b>	<b>2,316,349,300</b>	<b>29,896,772,222,370</b>

**6. FINANCIAL INVESTMENTS**

	<i>Quantity (Unit)</i>	<i>Cost</i>	<i>Compared with market value</i>		<i>Total market value</i>
			<i>Increase</i>	<i>Decrease</i>	
<b>Short-term investments</b>					
- Listed shares	408	3,868,206	1,229,694	(1,023,500)	4,074,400

# Maybank Kim Eng Securities Limited

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 6. FINANCIAL INVESTMENTS (continued)

Details of investments are as follows:

VND

Items	Cost		Increase/(decrease) compared with market value		Market value	
	Ending balance	Beginning balance	Ending balance	Beginning balance	Ending balance	Beginning balance
<b>I. Short-term investments</b>						
<i>Listed shares:</i>						
- Quang Ninh Construction & Cement JS Company (QNC)	3,868,206	20,934,415	206,194	(415,115)	4,074,400	20,519,300
- Drilling Mud JS Corporation (PVC)	1,430,500	1,430,500	(1,023,500)	(1,023,500)	407,000	407,000
- Baoviet Securities JS Company (BVS)	905,440	1,502,535	356,060	279,065	1,261,500	1,781,600
- Petro Vietnam Construction JS Corporation (PVX)	290,341	1,197,658	74,459	359,942	364,800	1,557,600
- Asia Commercial Bank (ACB)	236,414	9,650,340	141,586	(3,308,840)	378,000	6,341,500
- Financing and Promoting Technology Corporation (FPT)	212,028	2,608,020	115,572	733,480	327,600	3,341,500
- Refrigeration Electrical Engineering Corporation (REE)	197,050	321,650	132,650	206,350	329,700	528,000
- Bank for Foreign Trade of Vietnam (VCB)	187,980	57,120	167,220	42,480	355,200	99,600
- Sai Gon Thuong Tin Commercial JS Bank (STB)	144,663	915,950	69,737	444,050	214,400	1,360,000
- Vietnam Commercial JS Export Import Bank (EIB)	118,960	670,346	70,240	384,354	189,200	1,054,700
- Sai Gon Petrolimex Gas Taxi JS Company (PGT)	65,520	200,646	34,480	113,354	100,000	314,000
- Tien Len Steel Corporation Joint Stock Company (TLH)	43,050	330,050	51,450	60,950	94,500	391,000
- Bao Viet Holdings (BVH)	36,260	-	16,240	-	52,500	-
- Go Dang Seafood JSC (AGD)	-	94,500	-	(17,700)	-	76,800
- Ho Chi Minh City Foreign Trade Development and Investment Corporation (FDC)	-	1,825,600	-	1,224,400	-	3,050,000
<b>II. Long-term investments</b>						
<i>Listed shares:</i>						
- Ba Ria - Vung Tau House Development Joint Stock Company (HDC)	-	5,130,300,000	-	(3,064,150,200)	-	2,066,149,800
<b>TOTAL</b>	<b>3,868,206</b>	<b>5,151,234,415</b>	<b>206,194</b>	<b>(3,064,565,315)</b>	<b>4,074,400</b>	<b>2,086,669,100</b>



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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**7. SHORT-TERM RECEIVABLES**

**7.1 Short-term receivables**

Items	Notes	Beginning balance		Movements during the year		Ending balance		Provision
		Total	Overdue	Doubtful	Increase	Decrease	Total	
1. Advances to suppliers		261,281,825	-	-	32,743,155,914	(32,243,812,739)	760,625,000	-
2. Receivables from securities trading		260,424,541,153	-	10,240,716,005	13,257,688,173,170	(13,167,007,065,057)	351,105,649,266	10,093,389,311
- Margin financing contracts (a)		206,660,586,234	-	-	10,229,936,855,379	(10,124,832,954,229)	311,764,487,384	-
- Co-operation contracts in securities trading (b)		10,241,310,005	-	10,240,716,005	-	(147,920,694)	10,093,389,311	10,093,389,311
- Advances to investors (c)		43,382,328,221	-	-	3,020,086,002,709	(3,034,385,806,254)	29,082,524,676	-
- Other securities trading		140,316,693	-	-	7,665,315,082	(7,640,383,880)	165,247,895	-
3. Other receivables		1,235,441,668	-	-	11,725,955,918	(12,181,993,882)	779,403,704	-
- Interest of deposit		718,299,232	-	-	5,948,910,719	(6,415,871,812)	251,338,139	-
- Other short term receivables		517,142,436	-	-	5,777,045,199	(5,766,122,070)	528,065,565	-
<b>TOTAL</b>		<b>261,921,264,646</b>	-	<b>10,240,716,005</b>	<b>13,302,157,285,002</b>	<b>(13,211,432,871,678)</b>	<b>352,645,677,970</b>	<b>10,093,389,311</b>

(a) These include the receivables under securities margin trading contracts which are secured by investors' securities portfolio or assets. The contract duration is from 0 to 90 days and interest rate is 0.04% per day as at 31 December 2013.

(b) These represent the receivables under business co-operation contracts which are secured by investors' securities portfolio or assets. As required by the State Securities Commission, the Company terminated this service on 7 July 2012. The remaining balances pertain to bad debts in 2010 which were fully provided for allowance in accordance with the Company's accounting policies.

(c) These are cash advances paid temporarily to investors on the securities selling date. As at 31 December 2013, these advances bear an interest at rate of 0.04% per day calculated on the advance amount at the time of payment with the Vietnam Securities Depository.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**7. SHORT-TERM RECEIVABLES (continued)**

**7.2 Provision for doubtful receivables**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	8,157,237,439	8,964,835,287
Provision charged for the year	4,106,332,202	1,274,634,740
Reversal of provision during the year	(2,170,180,330)	(2,082,232,588)
<b>Ending balance</b>	<b>10,093,389,311</b>	<b>8,157,237,439</b>

**8. OTHER CURRENT ASSETS**

**8.1 Short-term prepaid expenses**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Expenditures for system maintenance	447,135,523	255,489,838
Advance for rental expenses	365,640,304	1,479,339,866
Other short term prepaid expenses	1,982,933,365	1,113,480,174
<b>TOTAL</b>	<b>2,795,709,192</b>	<b>2,848,309,878</b>

Movements of short-term prepaid expense in the year are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	2,848,309,878	1,564,622,583
Increase during the year	12,218,369,480	13,361,491,126
Amortisation during the year	(12,270,970,166)	(12,077,803,831)
<b>Ending balance</b>	<b>2,795,709,192</b>	<b>2,848,309,878</b>

**8.2 Other current assets**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Rental deposits	3,026,332,540	1,999,571,843
Advances	159,612,000	50,074,518
Other deposits	227,724,031	203,724,031
<b>TOTAL</b>	<b>3,413,668,571</b>	<b>2,253,370,392</b>



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## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### 9. TANGIBLE FIXED ASSETS

	Office renovation	Office equipment	Transportation	Others	VND Total
<b>Cost:</b>					
Beginning balance	7,409,985,197	28,483,349,439	3,052,011,905	2,433,616,043	41,378,962,584
Newly purchased	-	4,851,742,080	-	324,678,200	5,176,420,280
Disposals	(7,409,985,197)	(3,190,388,636)	-	(1,446,203,621)	(12,046,577,454)
Ending balance	-	30,144,702,883	3,052,011,905	1,312,090,622	34,508,805,410
<i>In which:</i>					
Fully depreciated	-	11,868,269,495	508,815,045	-	12,377,084,540
<b>Accumulated depreciation:</b>					
Beginning balance	7,409,985,197	19,994,545,973	1,980,973,775	1,457,431,271	30,842,936,216
Depreciation charged for the year	-	2,894,613,992	508,668,626	297,043,538	3,700,326,156
Disposals	(7,409,985,197)	(2,920,637,739)	-	(1,188,720,885)	(11,519,343,821)
Ending balance	-	19,968,522,226	2,489,642,401	565,753,924	23,023,918,551
<b>Net carrying amount:</b>					
Beginning balance	-	8,488,803,466	1,071,038,130	976,184,772	10,536,026,368
Ending balance	-	10,176,180,657	562,369,504	746,336,698	11,484,886,859

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## 10. INTANGIBLE FIXED ASSETS

	VND
	<u>Computer software</u>
<b>Cost:</b>	
Beginning balance	16,027,512,817
Newly purchased	1,542,028,460
Transferred from constructions in progress	1,710,665,200
Disposals	<u>(2,633,179,737)</u>
Ending balance	<u>16,647,026,740</u>
<i>In which:</i>	
Fully amortised	13,052,048,670
<b>Accumulated amortisation:</b>	
Beginning balance	14,609,079,588
Amortisation charged for the year	2,190,329,400
Disposals	<u>(2,633,179,737)</u>
Ending balance	<u>14,166,229,251</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>1,418,433,229</u>
Ending balance	<u>2,480,797,489</u>

## 11. LONG-TERM PREPAID EXPENSES

	VND	VND
	<u>Ending balance</u>	<u>Beginning balance</u>
Office renovation expenses	3,623,664,793	959,905,169
Office equipment expenses	<u>4,016,447,934</u>	<u>333,078,321</u>
<b>TOTAL</b>	<b><u>7,640,112,727</u></b>	<b><u>1,292,983,490</u></b>

Movements of long-term prepaid expense in the year are as follows:

	VND	VND
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	1,292,983,490	2,065,032,197
Increase during the year	8,649,621,007	1,354,850,456
Amortisation during the year	<u>(2,302,491,770)</u>	<u>(2,126,899,163)</u>
<b>Ending balance</b>	<b><u>7,640,112,727</u></b>	<b><u>1,292,983,490</u></b>



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**12. ADVANCE TO SETTLEMENT ASSISTANCE FUND**

Advance to Settlement Assistance Fund represents deposits at the Vietnam Securities Depository.

According to Decision No. 60/2004/QĐ-BTC dated 15 July 2004 and Decision No. 72/2005/QĐ-BTC dated 21 October 2005 issued by the Ministry of Finance and Decision No. 17/QĐ-TTLK dated 2 April 2008 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million and make an annual additional contribution of 0.01% of total value trading of dealing and brokered securities in prior year but not exceed VND2,500 million per year.

Movements of advance to Settlement Assistance Fund during the year are as follows:

	VND
Initial contribution	120,000,000
Additional contribution as of 31 December 2012	6,524,975,804
Interest allocated in 2008	4,040,362
<b>Balance as at 31 December 2012</b>	<b>6,649,016,166</b>
Additional contribution in the year of 2013	1,797,362,630
Interest received in the year of 2013	702,637,370
<b>Balance as at 31 December 2013</b>	<b>9,149,016,166</b>

**13. SHORT-TERM LOANS AND BORROWINGS**

	Ending balance	Beginning balance
Bank overdraft (i)	10,280,661,454	34,090,712,455
Borrowings from Maybank Kim Eng Holdings Limited (ii)	63,300,000,000	-
Borrowings from Malayan Banking Berhad - Hanoi Branch (iii)	76,000,000,000	-
Borrowings from Malayan Banking Berhad - Ho Chi Minh Branch (iii)	4,000,000,000	-
	<b>153,580,661,454</b>	<b>34,090,712,455</b>

- (i) This account represents bank overdraft obtained from a local bank to finance daily operations of the Company. The loan bears interest at the floating rate which is determined by the bank from time to time and is secured by the receivables from securities trading accounts of customers and margin loans.
- (ii) This is a borrowing in USD from Maybank Kim Eng Holdings Limited to finance for securities trading operation. The borrowing bears interest of either 1.5% per annum plus interest of short-term deposit with maturity of one month applied by a local commercial bank or 1.5% per annum plus cost of funding whichever is higher.
- (iii) These two borrowings bear interest of 1.5% per annum plus basic interest rate prescribed by the the State Bank of Vietnam.

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**14. STATUTORY OBLIGATIONS**

	<i>Beginning balance</i>	<i>Payables in the year</i>	<i>Paid in the year</i>	<i>VND Ending balance</i>
Personal income tax of investors	402,479,180	12,693,132,193	(11,692,892,027)	1,402,719,346
Personal income tax of the employees	404,889,233	8,032,953,639	(7,996,112,169)	441,730,703
Corporate income tax of investors	9,130,962	865,373,735	(852,808,520)	21,696,177
Value added tax	107,313,896	543,238,114	(650,552,010)	-
Foreign contractor withholding tax	17,074,261	272,405,039	(272,134,664)	17,344,636
Other taxes	-	13,000,000	(13,000,000)	-
<b>TOTAL</b>	<b>940,887,532</b>	<b>22,420,102,720</b>	<b>(21,477,499,390)</b>	<b>1,883,490,862</b>

**15. ACCRUED EXPENSES**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
13 <sup>th</sup> salary accrual	3,145,098,064	5,008,786,241
Brokerage fee payables to the State Securities Commission	925,282,806	481,977,637
Accrual for professional fees	533,593,500	358,050,000
Other accrued expenses	2,481,893,454	1,577,102,315
<b>TOTAL</b>	<b>7,085,867,824</b>	<b>7,425,916,193</b>

**16. OTHER PAYABLES**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Trade union fee	-	82,884,575
Other payables	110,869,634	209,240,361
<b>TOTAL</b>	<b>110,869,634</b>	<b>292,124,936</b>

**17. PAYABLES FOR SECURITIES TRADING**

This account represents deposits of investors in the Company's account for securities trading.

**18. DEFERRED TAX LIABILITIES**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
<b>Deferred tax liabilities</b>		
Depreciation of fixed assets	10,118,718	-

Deferred tax liabilities are recognised in respect of temporary differences of the useful life of fixed assets between the Company's accounting policies and Circular No. 45/2013/TT-BTC of the Ministry of Finance.



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**19. OWNER'S EQUITY**

**19.1 Share capital**

	Amounts as per establishment and operation license		%	VND Contributed charter capital
Maybank Kim Eng Holdings Limited	300,000,000,000		100	300,000,000,000

**20. OTHER REVENUE**

	Current year	Previous year
Revenue from margin trading activities	37,122,685,229	56,184,023,511
Interest income from bank deposits	11,711,908,993	10,367,979,207
Revenue from advances to investors	4,762,153,023	20,607,264,633
Revenue from business co-operation contracts	-	9,613,764,013
Other revenue	3,803,209,981	2,301,896,106
<b>TOTAL</b>	<b>57,399,957,226</b>	<b>99,074,927,470</b>

**21. OPERATING EXPENSES**

	Current year	Previous year
Staff cost	37,161,122,296	42,667,350,672
Brokerage expenses	9,369,050,102	10,272,829,836
Office rental	7,830,227,020	9,148,504,064
Agency commission	4,558,795,129	4,561,680,899
Interest expenses	4,546,621,509	10,123,764,398
Cost of securities trading	3,162,820,456	13,326,800
Depreciation and amortisation	2,258,352,582	3,003,148,695
Securities custody fee	2,146,512,045	2,485,124,020
Material and tool expenses	477,164,228	1,299,410,232
Advisory services	103,385,204	131,353,787
Other expenses	7,396,882,554	7,720,515,737
<b>TOTAL</b>	<b>79,010,933,125</b>	<b>91,427,009,140</b>

**22. GENERAL AND ADMINISTRATIVE EXPENSES**

	Current year	Previous year
Staff cost	27,293,264,667	22,635,379,841
Office renovation expenses	5,190,871,070	2,981,840,063
Office rental	3,717,616,143	2,227,856,270
Depreciation and amortisation	3,632,302,974	9,694,947,768
Office supplies	550,612,474	532,109,292
Taxes and other fees	67,528,034	47,212,298
Provision/(reversal of provision) for doubtful debts	1,936,151,872	(807,597,848)
Other expenses	13,056,915,673	11,924,964,268
<b>TOTAL</b>	<b>55,445,262,907</b>	<b>49,236,711,952</b>

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**23. CORPORATE INCOME TAX (CIT)**

**23.1 Current corporate income tax expense**

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.

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 balance sheet date.

The current corporate income tax expense is calculated as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>(Loss)/profit before tax</b>	<b>(18,835,398,711)</b>	<b>23,936,256,584</b>
<b>Adjustments to accounting profit</b>		
<i>Adjustment to increases</i>		
- Non-deductible expenses	1,117,929,802	410,734,741
- Accrued expenses for the year	3,358,719,800	-
<i>Adjustment to decreases</i>		
- Provision for doubtful debts	(2,447,171,232)	(1,767,014,739)
- Reversal of accrued expense of 2012 subject to tax finalization 2012	(2,386,441,053)	-
- Additional depreciation in respect of differences of useful life of fixed assets	(40,474,872)	-
- Dividends	(305,670)	(128,302,710)
- Unpaid accrued salary expense	-	(2,995,343,598)
- Reversal of provision for doubtful debts and retrenchment allowance	-	(956,700,857)
<b>Current taxable (loss)/profit</b>	<b>(19,233,141,936)</b>	<b>18,499,629,421</b>
CIT expense at rate of 25%	-	4,624,907,355
Adjustment for under accrual of tax from prior year	3,326,082	808,716,945
<b>Estimated current CIT expense</b>	<b>3,326,082</b>	<b>5,433,624,300</b>
CIT receivable at the beginning of the year	(3,075,047,361)	(448,550,092)
CIT paid during the year	-	(8,060,121,569)
<b>CIT receivable at the end of the year</b>	<b>(3,071,721,279)</b>	<b>(3,075,047,361)</b>

**23.2 Loss carried forward**

According to current tax regulations, the Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five (5) years subsequent to the year in which the loss is incurred.

As at 31 December 2013, the Company is entitled to carry tax loss carried forward of VND19,233,141,936 to offset against future taxable profit. Details are as follows:

VND				
<i>Originating year</i>	<i>Can be utilised up to</i>	<i>Tax loss amount</i>	<i>Utilised up to 31 December 2013</i>	<i>Unutilised at Forfeited 31 December 2013</i>
2013	2018	19,233,141,936	-	19,233,141,936



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**23. CORPORATE INCOME TAX (CIT) (continued)**

**23.3 Deferred corporate income tax**

The Company has recognised deferred corporate income tax liabilities and deferred corporate income assets. Details of their movement in current year and previous year are as follows:

VND

	<i>Balance sheet</i>		<i>Income statement</i>		<i>Owner's equity</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
<b>Deferred tax assets</b>						
Provision for bad debts	-	611,792,808	(611,792,808)	(643,653,147)	-	-
Provision for impairment of long-term investments	-	766,037,550	-	(158,819,233)	(766,037,550)	(78,891,450)
	<u>-</u>	<u>1,377,830,358</u>				
<b>Deferred tax liabilities</b>						
Depreciation of fixed assets	10,118,718	-	(10,118,718)	-	-	-
	<u>10,118,718</u>	<u>-</u>				
<b>Net deferred tax</b>			<u>(621,911,526)</u>	<u>(802,472,380)</u>	<u>(766,037,550)</u>	<u>(78,891,450)</u>

**24. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties during the year were as follows:

VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amounts</i>
Maybank Kim Eng Holdings Limited (MBKEH)	Parent company	Borrowings received Borrowings paid Interest paid	126,480,000,000 63,180,000,000 980,809,500
Maybank Kim Eng Securities Private Limited	Subsidiary of MBKEH	Commission paid Brokerage fee received	794,810,235 41,974,023
Maybank Kim Eng Securities (Thailand) Public Company Limited	Subsidiary of MBKEH	Brokerage fee received	1,255,500
Kim Eng Securities Limited (Hong Kong)	Subsidiary of MBKEH	Brokerage fee received	14,803,953
Malayan Banking Berhad - Hanoi Branch	Ultimate parent company	Borrowings received Term deposits Interest paid	76,000,000,000 22,000,000,000 140,413,342
Malayan Banking Berhad - Ho Chi Minh Branch	Ultimate parent company	Borrowings received Term deposits Term deposits received Interest received Interest paid	4,000,000,000 42,067,198,182 31,324,854,599 1,112,212,489 14,816,590

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**24. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties at the balance sheet date are as follows:

			VND
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivable/ (Payable)</i>
Maybank Kim Eng Securities Private Limited	Subsidiary of MBKEH	Commission fee	(18,351,634)
Maybank Kim Eng Holdings Limited	Parent company	Borrowings Interest	(63,300,000,000) (307,241,000)
Maybank Investment Bank Berhad	Subsidiary of ultimate parent company	Other receivables	94,545,220
Kim Eng Securities Limited (Hong Kong)	Subsidiary of MBKEH	Other payable	(211,478,433)
Malayan Banking Berhad - Hanoi Branch	Ultimate parent company	Borrowings Interest Term deposits	(76,000,000,000) (59,135,464) 22,000,000,000
Malayan Banking Berhad - Ho Chi Minh Branch	Ultimate parent company	Borrowings Interest Term deposits Term deposits' interest	(4,000,000,000) (1,205,479) 10,742,343,583 32,227,031

**Transactions with other related parties during the year:**

	VND
Remuneration to members of management	<u>5,389,794,808</u>

**25. OPERATING LEASE COMMITMENTS**

The Company leases offices for its head office and branches under operating lease agreements.

The minimum lease commitments under the operating lease agreements at the reporting date are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	8,699,901,244	2,097,239,478
From 1 to 5 years	31,812,572,134	-
<b>Total</b>	<b><u>40,512,473,378</u></b>	<b><u>2,097,239,478</u></b>



**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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 controls in place to create 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.

The management reviews and agrees policies for managing each of these risks which are summarised below.

***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risks: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, short-term investments and available-for-sale investments.

The sensitivity analyses have been prepared on the basis that the amount of net debts, the ratio of fixed to floating interest rates of the debts and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the sensitivity of available-for-sale debt instruments in the balance sheet and the relevant items in the income statement items are affected by the assumptions of changes in respective market risks. This analysis is made based on the financial assets and financial liabilities held as at 31 December 2013.

***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 rates which are favorable for its purposes within its risk management limits.

A sensitivity analysis is not performed for interest rate risk for year ended 31 December 2013 as most of the Company's loans and borrowings have fixed interest rate at reporting date.

***Foreign 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).

Risk due to exchange rate's fluctuation of the Company is not significant.

***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.

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (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 margin receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

***Trade receivables***

Customer credit risk is managed by the Company based on its established policies, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed based on individual credit limits which are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. The Company has maintained strict control over its outstanding receivables and has a credit control department to minimise credit risk. The margin call is conducted on time and complies with the nature of the margin product.

In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

***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 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.

***Liquidity risk***

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

The Company monitors its liquidity risk by maintain 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.



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**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***Liquidity risk*** (continued)

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

				VND
	<i>On demand</i>	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>Total</i>
<b>31 December 2013</b>				
Short-term loans and borrowings	-	153,580,661,454	-	153,580,661,454
Payables to securities transactions	247,188,442,651	-	-	247,188,442,651
Accrued expenses				
- <i>Brokerage fee payables to the Stock Exchange</i>	925,282,806	-	-	925,282,806
- <i>Professional fees</i>	533,593,500	-	-	533,593,500
- <i>Other expenses</i>	1,899,843,494	-	-	1,899,843,494
	<b>250,547,162,451</b>	<b>153,580,661,454</b>	<b>-</b>	<b>404,127,823,905</b>
<b>31 December 2012</b>				
Short-term loans and borrowings	-	34,090,712,455	-	34,090,712,455
Payables to securities transactions	189,565,285,315	-	-	189,565,285,315
Accrued expenses				
- <i>Brokerage fee payables to the Stock Exchange</i>	481,977,637	-	-	481,977,637
- <i>Professional fees</i>	358,050,000	-	-	358,050,000
- <i>Other expenses</i>	1,546,413,416	-	-	1,546,413,416
	<b>191,951,726,368</b>	<b>34,090,712,455</b>	<b>-</b>	<b>226,042,438,823</b>

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.

***Collateral***

The Company pledges its receivables from securities trading accounts of customers and margin loans to secure for an overdraft loan obtained from a local bank (*Note 13*).

The Company held customers' securities as collaterals for the trading receivables from customers include margin financing contracts, co-operation contracts in securities trading as at 31 December 2013.

The Company pledged term deposits of VND70,000,000,000 to secure for loans at a commercial bank as at 31 December 2013 (*Note 4*).

The Company deposited term deposits of VND1,265,400,000 to secure for a foreign currency swap contract at a commercial bank as at 31 December 2013 (*Note 13*).

**27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC**

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation of financial statements and disclosures of financial instruments ("Circular 210") which is effective from financial years beginning on or after 1 January 2011.

Because Circular 210 only provides guidance for the presentation and disclosures of financial instruments, the concepts of financial assets, financial liabilities and other related concepts presented in the following are only applied for the disclosure of this note. The assets, liabilities and equity of the Company have been recognised and accounted for in accordance with the Vietnamese Accounting Standards and Accounting System.

The following shows the additional presentation and disclosure of financial instruments as required by Circular 210.

***Financial assets***

Financial assets of the Company under the Circular 210 comprise cash, deposits at credit institutions, trading and investment securities, receivables and other assets under monetary derivative contracts.

According to Circular 210, financial assets are classified appropriately, for the purpose of explanation in the financial statements, into one of the following categories:

- *Financial asset recognised at fair value through profit or loss:*  
is one that satisfies either of the following conditions:
  - a) Being classified as held for trading. A financial asset will be classified as securities held for trading if:
    - ✓ It is purchased or created mainly for the purpose of resale/redemption in a short term;
    - ✓ There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
    - ✓ It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
  - b) Upon initial recognition, the entity categorises the financial asset as such reflected at fair value through profit or loss.
- *Held-to-maturity investments:*  
are non-derivative financial assets with fixed or identifiable payments and fixed maturity years which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:
  - a) Financial assets that, upon initial recognition, were categorised as such recognised at fair value through profit or loss;
  - b) Financial assets already categorised as available for sale;
  - c) Financial assets that meet the definitions of loans and receivables.
- *Loans and receivables:*  
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 categorised as such recognised at fair value through profit or loss;
  - b) The amounts categorised by the entity as available for sale upon initial recognition; or



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## 27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC (continued)

### **Financial assets** (continued)

#### ▪ *Loans and receivables:* (continued)

- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorised as available for sale.

#### ▪ *Available-for-sale assets:*

are non-derivative financial assets determined as available for sale or not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets recognised at fair value through profit or loss.

### **Financial liabilities**

Financial liabilities of the Company under the Circular 210 consist of borrowings, payables and other liabilities under monetary derivative contracts.

According to Circular 210, financial liabilities are classified appropriately, for the purpose of explanation in the financial statements, into one of the following categories:

#### ▪ *Financial liabilities recognised at fair value through profit or loss*

are ones that meet either of the following conditions:

- a) Being classified as held for trading. A financial liability will be classified as securities held for trading if:
  - ✓ It is purchased or created mainly for the purpose of resale/redemption in a short term;
  - ✓ There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
  - ✓ It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
- b) Upon initial recognition, the entity categorises the financial liability as such reflected at fair value through an profit or loss.

#### ▪ *Financial liabilities determined at amortised cost*

Financial liabilities not categorised as such recorded at fair value through profit or loss will be classified as such determined at amortised cost.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption were used to estimate the fair values:

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC (continued)**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements.

	Carrying amount		Fair value		VND
	Ending balance	Beginning balance	Ending balance	Beginning balance	
<b>Financial assets</b>					
Financial assets at fair value through profit or loss					
- <i>Held for trading securities</i>					
Listed shares	4,074,400	20,519,300	4,074,400	20,519,300	
Trade receivable and other receivables	342,552,288,659	253,581,294,546	(*)	(*)	
Available-for-sales financial assets					
- <i>Available-for-sale securities</i>					
Listed shares	-	2,066,149,800	-	2,066,149,800	
Cash and cash equivalents	352,848,973,344	289,471,624,647	352,848,973,344	289,471,624,647	
<b>Total</b>	<b>695,405,336,403</b>	<b>545,139,588,293</b>			
<b>Financial liabilities</b>					
Loans and borrowings	153,580,661,454	34,090,712,455	(*)	(*)	
Payables to securities transactions	247,189,686,210	190,449,884,165	(*)	(*)	
Accrued liabilities	3,358,719,800	2,386,441,053	3,358,719,800	2,386,441,053	
<b>Total</b>	<b>404,129,067,464</b>	<b>226,927,037,673</b>			

(\*) The fair value of these financial assets and liabilities cannot be determined because there is no specific guidance of fair value determination under the Vietnamese Accounting Standards and Accounting System.





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## 27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC (continued)

The fair value of the financial assets and liabilities represent the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption are used to estimate the fair values:

- ▶ Fair value of cash, short-term deposits payables and accrued expenses approximate their carrying amounts mainly due to the short-term maturities of these instruments.
- ▶ Fair value of quoted held for trading securities is derived from quoted market prices in active markets.

## 28. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which could require adjustments or disclosures in the financial statements.

Prepared by:

Reviewed by:

Approved by:



Dao Thi Ngoc Thuy  
Accountant



Tran Thi Ngoc Huong  
Chief Accountant



Nguyễn Hoàng Thiên Trúc  
General Director

Ho Chi Minh City, Vietnam

14 March 2014