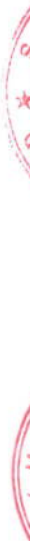


Maybank Kim Eng Securities Limited

Financial statements

31 December 2016



Maybank Kim Eng Securities Limited

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Independent auditor's report	4 - 5
Statement of financial position	6 - 9
Statement of profit or loss	10 - 11
Statement of cash flows	12 - 15
Statement of changes in owner's equity	16
Notes to the financial statements	17 - 54

Maybank Kim Eng Securities Limited

GENERAL INFORMATION

THE COMPANY

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

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

The Company's head office is located at Floor 4A - 15 + 16, Vincom Center Dong Khoi, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City and its branches are located 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: 249 Ha Huy Giap, Town 4, Quyet Thang District, Bien Hoa City, Dong Nai
- ▶ Ha Noi Branch: Floor 3, 14-16 Ham Long Building, Phan Chu Trinh Ward, Hoan Kiem District, Ha Noi.

BOARD OF MEMBERS

Members of the Board of Members of the Company during the year and at the date of the financial statements are as follows:

<u>Name</u>	<u>Title</u>	<u>Date of appointment/resignation</u>
Mr Ronnie Royston Fernandiz	Chairman	Appointed on 31 March 2014
Mr Ong Cheow Kheng	Deputy Chairman	Resigned on 29 July 2016
Ms Hamidah Binti Moris	Member	Appointed on 13 January 2014
Mr Goh Cho Kiat Jeffrey	Member	Appointed on 13 January 2014
Mr Goh Keat Jin	Member	Resigned on 15 August 2016
Mr Alexander Panasko	Member	Appointed on 15 August 2016

Members of the current Board of Members of the Company were re-appointed for the second term of office (2017 - 2019) on 30 December 2016 according to the Owner's Decision No. 05/2016/QDCSH.

SUPERVISORY BOARD

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

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

Members of the current Supervisory Board of the Company were re-appointed for the second term of office (2017 - 2019) on 30 December 2016 according to the Owner's Decision No. 05/2016/QDCSH.

Maybank Kim Eng Securities Limited

GENERAL INFORMATION (continued)

MANAGEMENT AND CHIEF ACCOUNTANT

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

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

LEGAL REPRESENTATIVE

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

AUDITORS

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

Maybank Kim Eng Securities Limited

REPORT OF MANAGEMENT

Management of Maybank Kim Eng Securities Limited ("the Company") is pleased to present this report and the Company's financial statements as at and for the year ended 31 December 2016.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

Management is responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy at any time, the 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 financial statements as at and for the year ended 31 December 2016.

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 2016 and of the results of operations, its cash flows and its changes in owner's equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

On behalf of management:



Kim Thiên Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

16 February 2017

Reference: 60994674/18609013

INDEPENDENT AUDITORS' 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") as prepared on 16 February 2017 and set out on pages 6 to 54 which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss, the statement of cash flows and the statement of changes in owner's equity for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of 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.

Auditors' 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 the Company's 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 2016, 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, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and relevant statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



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

Ho Chi Minh City, Vietnam

16 February 2017

Vo Ngoc Minh
Auditor
Audit Practicing Registration
Certificate No. 2105-2013-004-1

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION
for the year ended 31 December 2016

B01-CTCK

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
100	A. CURRENT ASSETS		953,096,954,061	955,456,866,675
110	I. Financial assets		948,616,585,843	951,434,494,095
111	1. Cash and cash equivalents	4	168,073,202,957	235,764,069,456
111.1	a. Cash		13,573,202,957	30,764,069,456
111.2	b. Cash equivalents		154,500,000,000	205,000,000,000
112	2. Financial assets at fair value through profit and loss (FVTPL)	6.1	25,110,000	1,585,700
114	3. Loans	6.2	784,301,701,923	715,743,953,794
116	4. Provision for impairment of financial assets and mortgage assets	6.3	(13,093,563,871)	(10,193,110,917)
117	5. Receivables	7	8,494,917,614	8,036,668,112
117.3	a. Receivables and accruals from dividend and interest income		8,494,917,614	8,036,668,112
	- Receivables from due dividend and interest income		7,855,813,448	6,781,848,668
	- Accruals for dividend and interest income		639,104,166	1,254,819,444
118	6. Advances to suppliers	7	55,812,000	-
119	7. Receivables from services provided by the Company	7	563,097,459	226,492,054
122	8. Other receivables	7	196,307,761	1,854,835,896
130	II. Other current assets	8	4,480,368,218	4,022,372,580
131	1. Advances		59,500,000	114,114,923
133	2. Short-term prepaid expenses		4,420,868,218	3,908,257,657
200	B. NON-CURRENT ASSETS		35,074,700,473	37,480,127,942
220	III. Fixed assets		13,772,696,455	15,384,461,494
221	1. Tangible fixed assets	9	8,671,469,698	12,922,380,719
222	a. Cost		41,548,805,772	42,841,010,853
223a	b. Accumulated depreciation		(32,877,336,074)	(29,918,630,134)
227	2. Intangible fixed assets	10	5,101,226,757	2,462,080,775
228	a. Cost		23,339,357,483	19,365,501,766
229a	b. Accumulated amortization		(18,238,130,726)	(16,903,420,991)
240	IV. Constructions in progress		1,054,828,000	3,036,558,957
250	V. Other non-current assets		20,247,176,018	19,059,107,491
251	1. Long-term deposits, collaterals and pledges		2,590,467,540	3,062,380,205
252	2. Long-term prepaid expenses	11	591,656,738	1,847,711,120
253	3. Deferred tax assets	12	416,035,574	-
254	4. Deposits to Settlement Assistance Fund	13	16,649,016,166	14,149,016,166
270	TOTAL ASSETS		988,171,654,534	992,936,994,617

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION (continued)
for the year ended 31 December 2016

B01-CTCK

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
300	C. LIABILITIES		61,621,134,765	89,795,767,788
310	I. Current liabilities		61,560,169,302	89,742,351,129
311	1. Short-term borrowings and financial leases		44,630,000,000	26,000,000,000
312	1.1 Short-term borrowings	14	44,630,000,000	26,000,000,000
318	2. Payables for securities transaction activities		20,894,592	45,302,218,394
320	3. Short-term trade payables	15	51,823,816	1,792,969,507
321	4. Short-term advances from customers		630,332,000	475,832,000
322	5. Statutory obligations	16	5,408,237,398	3,611,470,132
323	6. Payables to employees		7,371,539,738	9,212,682,069
324	7. Employee benefits		-	73,666,864
325	8. Short-term expense payables	17	3,445,028,834	3,158,317,685
329	9. Other current liabilities		2,312,924	115,194,478
340	II. Non-current liabilities		60,965,463	53,416,659
356	1. Deferred tax liabilities	18	60,965,463	53,416,659
400	D. OWNER'S EQUITY	19	926,550,519,769	903,141,226,829
410	I. Owner's equity		926,550,519,769	903,141,226,829
411	1. Contributed capital		829,110,000,000	829,110,000,000
414	2. Capital supplementary reserve		6,241,666,840	5,071,202,193
415	3. Financial reserve		6,241,666,841	5,071,202,194
417	4. Undistributed profit		84,957,186,088	63,888,822,442
417.1	a. Realized profit		84,957,186,088	63,888,822,442
440	TOTAL LIABILITIES AND OWNER'S EQUITY		988,171,654,534	992,936,994,617

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION (continued)
for the year ended 31 December 2016

B01-CTCK

OFF-BALANCE SHEET ITEMS

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
005	1. Foreign currencies (original currency)			
	- USD		98,241	126,283
	- SGD		212	212
008	2. Financial assets of the Company listed/registered at Viet Nam Securities Depository ("VSD")	20.1	15,040,000	350,000
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	1. Investors' financial assets listed/ registered at VSD	20.2	6,343,004,730,000	5,115,693,710,000
021.1	- Unrestricted financial assets		6,027,124,080,000	4,840,943,270,000
021.2	- Restricted financial assets		44,194,050,000	83,631,000,000
021.3	- Mortgage financial assets		31,063,600,000	95,002,000,000
021.5	- Financial assets awaiting lending		240,623,000,000	96,117,440,000
022	2. Investors' non-traded financial assets deposited at VSD	20.3	28,779,910,000	96,780,060,000
022.1	- Unrestricted and non-traded financial assets deposited at VSD		28,280,730,000	88,926,560,000
022.2	- Restricted and non-traded financial assets deposited at VSD		499,180,000	7,853,500,000
023	3. Investors' awaiting financial assets	20.4	55,084,470,000	84,354,030,000

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION (continued)
for the year ended 31 December 2016

B01-CTCK

OFF-BALANCE SHEET ITEMS (continued)

VND

Code	Items	Notes	Ending balance	Beginning balance (restated)
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
026	4. Investors' deposits	20.6	285,298,816,070	176,991,784,920
027	5. Investors' deposits for securities trading activities managed by the Company		196,914,298,070	104,755,870,834
028	6. Investors' collective deposits for securities trading activities		74,741,210,925	30,167,024,115
029	7. Investors' deposits for securities transaction clearing and settlement	20.6	13,643,307,075	42,068,889,971
029.1	- Domestic investors' deposits for securities transaction clearing and settlement		8,171,590,157	28,010,898,847
029.2	- Foreign investors' deposits for securities transaction clearing and settlement		5,471,716,918	14,057,991,124
031	8. Payables to investors – investors' deposits for securities trading activities managed by the Company	20.7	285,297,622,723	174,817,806,056
031.1	- Domestic investors' deposits for securities trading activities managed by the Company		122,394,115,849	139,980,932,427
031.2	- Foreign investors' deposits for securities trading activities managed by the Company		162,903,506,874	34,836,873,629
035	9. Dividend, bond principal and interest payables	20.7	1,193,347	2,173,978,864

Prepared by:

Reviewed by:

Approved by:

Approved by:







Dao Thi Ngoc Thuy
Deputy Finance
Manager

Tran Thi Ngoc Huong
Chief Accountant

Tran Thi Thu Hang
Chief Financial
Officer

Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

16 February 2017

Maybank Kim Eng Securities Limited

STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2016

B02-CTCK

VND

Code	Items	Notes	Current year	Previous year (restated)
	I. OPERATING REVENUE			
01	1. Revenue from financial assets at fair value through profit and loss (FVTPL)	21.1	5,993,747,636	10,810,390,402
01.1	a. Gain from disposal of financial assets at FVTPL		3,082,913	-
01.2	b. Gain from revaluation of financial assets at FVTPL		-	223,628
01.3	c. Dividend, interest income from financial assets at FVTPL		5,990,664,723	10,810,166,774
03	2. Revenue from loans and receivables	21.1	93,115,031,356	82,302,309,904
06	3. Revenue from brokerage services	21.2	62,626,584,525	66,214,275,398
09	4. Revenue from securities custodian services	21.2	2,816,060,868	2,636,794,583
10	5. Revenue from financial advisory services	21.2	808,500,000	407,454,545
11	6. Other revenue	21.2	5,296,244,494	10,727,297,701
20	Total operating revenue		170,656,168,879	173,098,522,533
	II. OPERATION EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		(14,770,423)	(2,445,925)
21.1	a. Loss from disposal of financial assets at FVTPL		(12,024,000)	(2,210,000)
21.2	b. Loss from revaluation of financial assets at FVTPL		(2,746,423)	(235,925)
24	2. Provision expense for impairment of financial assets, loss from doubtful receivables and borrowing costs of loans	22	(6,453,452,268)	(3,462,633,669)
27	3. Expenses for brokerage services		(65,952,617,866)	(62,324,505,461)
30	4. Expenses for securities custodian services		(4,962,294,517)	(4,575,745,716)
31	5. Expenses for financial advisory services		(2,158,823,703)	(1,884,351,539)
40	Total operating expenses		(79,541,958,777)	(72,249,682,310)
	III. FINANCE INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		91,413,920	167,570,579
42	2. Non-fixed dividend and interest income		2,351,384,439	2,635,353,127
50	Total finance income	23	2,442,798,359	2,802,923,706

Maybank Kim Eng Securities Limited

STATEMENT OF PROFIT OR LOSS (continued)
for the year ended 31 December 2016

B02-CTCK

VND

Code	Items	Notes	Current year	Previous year (restated)
	IV. FINANCE EXPENSES			
51	1. Realized and unrealized loss from changes in foreign exchange rates		(42,070,504)	(11,688,668)
60	Total finance expenses		(42,070,504)	(11,688,668)
62	VI. GENERAL AND ADMINISTRATIVE EXPENSES	24	(64,115,474,118)	(65,469,106,946)
70	VII. OPERATING PROFIT		29,399,463,839	38,170,968,315
	VIII. OTHER INCOME/(EXPENSES)			
71	1. Other income		293,576,012	4,545,455
72	2. Other expenses		(42,947,628)	(206,870,526)
80	Total other operating profit/(loss)		250,628,384	(202,325,071)
90	IX. PROFIT BEFORE TAX		29,650,092,223	37,968,643,244
91	1. Realized profit		29,650,092,223	37,968,643,244
92	2. Unrealized profit		-	-
100	X. CORPORATE INCOME TAX (CIT) EXPENSES		(6,240,799,283)	(8,769,804,168)
100.1	1. Current CIT expenses	25	(6,649,286,053)	(8,742,972,814)
100.2	2. Deferred CIT income/(expenses)	25	408,486,770	(26,831,354)
200	XI. PROFIT AFTER TAX		23,409,292,940	29,198,839,076
400	TOTAL COMPREHENSIVE INCOME		23,409,292,940	29,198,839,076

Prepared by:

Reviewed by:

Approved by:

Approved by:



Dao Thi Ngoc Thuy
Deputy Finance
Manager



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial
Officer




Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

16 February 2017

Maybank Kim Eng Securities Limited

STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

B03b-CTCK

VND

Code	Items	Notes	Current year	Previous year (restated)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		29,650,092,223	37,968,643,244
02	2. Adjustments for:		3,825,664,723	(4,335,031,027)
03	- Depreciation and amortization	9,10	5,714,261,617	5,647,855,205
04	- Addition of provisions	6.3	2,900,452,954	99,721,606
06	- Interest expenses	22	3,552,999,314	3,362,912,063
07	- Profits from investing activities		(7,702,944,996)	(12,190,700,457)
08	- Accrued interest receivables	7	(639,104,166)	(1,254,819,444)
10	3. Increase in non-cash expenses		667,333	206,870,526
17	Other loss		667,333	206,870,526
18	4. Decrease in non-cash income		(182,276,012)	(4,545,455)
21	Other gain		(182,276,012)	(4,545,455)
30	5. Operating (income)/expenses before changes in working capital		(125,805,250,132)	39,507,452,963
31	Increase in FVTPL financial assets		(23,524,300)	(1,585,700)
33	(Increase)/decrease in loans		(68,557,748,129)	57,827,373,438
36	Increase in accrued interests of financial assets		(458,249,502)	(378,622,175)
37	(Increase)/decrease in receivables from services rendered by the Company		(336,605,405)	3,289,193
39	Decrease in other receivables		1,041,615,780	2,433,518,259
40	Decrease in other assets		471,912,665	-
41	Decrease in accrued expenses (excluded interest expenses)		(146,941,426)	(1,179,407,982)
42	Decrease in prepaid expenses		743,443,821	1,520,911,089
43	Corporate income tax paid	25	(4,687,282,917)	(4,331,940,115)
44	Interest paid		(3,119,346,739)	(3,350,828,730)
45	(Decrease)/increase in trade payables		(1,741,145,691)	1,456,867,286
46	Decrease in accruals for employees' benefits		(73,666,864)	-
47	Decrease in statutory obligations		(4,167,257,172)	(1,619,931,791)
48	Decrease in payables to employees		(1,841,142,331)	(1,517,587,673)
50	Decrease in other payables		(41,237,684,054)	(9,513,583,147)
52	Other payments for operating activities		(1,671,627,868)	(1,841,018,989)
60	Net cash flows (used in)/from operating activities		(92,511,101,865)	73,343,390,251

Maybank Kim Eng Securities Limited

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2016

B03b-CTCK

VND

Code	Items	Notes	Current year	Previous year (restated)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	Purchase and construction of fixed assets, investment properties and other long-term assets		(2,121,432,954)	(9,653,505,478)
62	Proceed from disposal of fixed assets		182,276,012	4,545,455
65	Interest and dividends received		8,129,392,308	12,074,430,111
70	Net cash flow from investing activities		6,190,235,366	2,425,470,088
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
73	Drawdown of borrowings	14	473,838,025,072	108,230,117,662
73.2	Others		473,838,025,072	108,230,117,662
74	Repayment of borrowings	14	(455,208,025,072)	(347,876,909,043)
74.3	Others		(455,208,025,072)	(347,876,909,043)
80	Net cash flow from/(used in) financing activities		18,630,000,000	(239,646,791,381)
90	NET DECREASE IN CASH DURING THE YEAR		(67,690,866,499)	(163,877,931,042)
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4	235,764,069,456	399,642,000,498
101.1	Cash		30,764,069,456	2,532,000,498
101.2	Cash equivalents		205,000,000,000	397,110,000,000
103	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	168,073,202,957	235,764,069,456
103.1	Cash		13,573,202,957	30,764,069,456
103.2	Cash equivalents		154,500,000,000	205,000,000,000

Maybank Kim Eng Securities Limited

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2016

B03b-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

VND

Code	Items	Notes	Current year	Previous year
	I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS			
01	1. Cash receipt from disposal of securities on behalf of customers		14,874,519,889,063	16,129,408,831,293
02	2. Cash payment for acquisition of securities on behalf of customers		(14,833,194,707,879)	(16,292,001,390,018)
07	3. Cash receipt for settlement of securities transactions of customers		16,813,262,343,131	17,866,864,234,663
08	4. Cash payment for settlement of securities transactions of customers		(16,743,468,258,322)	(17,736,138,164,253)
11	5. Custodian fee paid		(2,812,234,843)	(2,631,296,487)
20	Net increase/(decrease) in cash during the year		108,307,031,150	(34,497,784,802)
30	II. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE BEGINNING OF THE YEAR	20.6	176,991,784,920	211,489,569,722
32	1. The investors' deposits managed by the Company		104,755,870,834	72,908,030,271
34	2. The investors' collective deposits for securities trading activities		30,167,024,115	101,750,214,416
35	3. The investors' deposits for securities transaction clearing and settlement		42,068,889,971	36,831,325,035

Maybank Kim Eng Securities Limited

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2016

B03b-CTCK

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

VND

Code	Items	Notes	Current year	Previous year
40	III. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE END OF THE YEAR			
		20.6	285,298,816,070	176,991,784,920
42	1. Investors' deposits managed by the Company for securities trading activities		196,914,298,070	104,755,870,834
43	2. Investors' collective deposits for securities trading activities		74,741,210,925	30,167,024,115
44	3. Investors' deposits for securities transaction clearing and settlement		13,643,307,075	42,068,889,971

Prepared by:



Dao Thi Ngoc Thuy
Deputy Finance
Manager

Reviewed by:



Tran Thi Ngoc Huong
Chief Accountant

Approved by:



Tran Thi Thu Hang
Chief Financial
Officer

Approved by:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

16 February 2017

Maybank Kim Eng Securities Limited

STATEMENT OF CHANGES IN OWNER'S EQUITY
for the year ended 31 December 2016

B04-CTCK

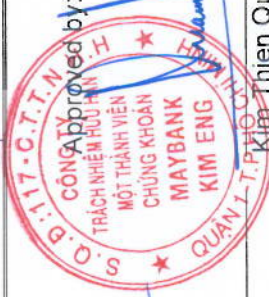
VND

ITEMS	Beginning balance		Increase/(decrease)				Ending balance	
	1 January 2015	1 January 2016	Previous year		Current year		31 December 2015	31 December 2016
	1	2	Increase	Decrease	Increase	Decrease	7	8
A			3	4	5	6		
I. CHANGES IN OWNER'S EQUITY								
1. Contributed capital	829,110,000,000	829,110,000,000	-	-	-	-	829,110,000,000	829,110,000,000
- Charter capital	300,000,000,000	300,000,000,000	-	-	-	-	300,000,000,000	300,000,000,000
- Supplemental capital	529,110,000,000	529,110,000,000	-	-	-	-	529,110,000,000	529,110,000,000
2. Capital supplementary reserve	3,611,260,239	5,071,202,193	1,459,941,954	-	1,443,665,509	(273,200,862)	5,071,202,193	6,241,666,840
3. Financial reserve	3,611,260,240	5,071,202,194	1,459,941,954	-	1,443,665,509	(273,200,862)	5,071,202,194	6,241,666,841
4. Undistributed profit	37,609,867,274	63,888,822,442	29,198,839,076	(2,919,883,908)	23,409,292,940	(2,340,929,294)	63,888,822,442	84,957,186,088
TOTAL	873,942,387,753	903,141,226,829	32,118,722,984	(2,919,883,908)	26,296,623,958	(2,887,331,018)	903,141,226,829	926,550,519,769

Prepared by:

Reviewed by:

Approved by:



Dao Thi Ngoc Thuy
Deputy Finance Manager

Tran Thi Ngoc Huong
Chief Accountant

Tran Thi Thu Hang
Chief Financial Officer

Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

16 February 2017

1. CORPORATE INFORMATION

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

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

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

Number of the Company's employees as at 31 December 2016 was 173 persons (31 December 2015: 210).

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

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

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

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

2.2 *Applied accounting documentation system*

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

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 Vietnam Dong (VND).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Changes in accounting policies and disclosures*

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

On 27 December 2016, the Ministry of Finance issued Circular No. 334/2016/TT-BTC amending, supplementing and replacing Appendix 2 and Appendix 4 of Circular No. 210/2014/TT-BTC ("Circular 334").

Circular 210 and Circular 334 lead to the following significant changes:

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

In addition, Circular 210 and Circular 334 provide guidance on measurement of financial assets, accordingly all financial assets are initially recognized at cost and subsequently recognized as follows:

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

Circular 210 and Circular 334 are applicable for financial years beginning on or after 1 January 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Company has applied changes in accounting policies retrospectively and restated the comparative figures of previous year in accordance with requirements of Circular 210 and Circular 334 as presented in *Note 26.4*.

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

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

3.3 *Cash and cash equivalents*

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

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

3.4 *Financial assets at fair value through profit and loss (FVTPL)*

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

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

Financial assets at FVTPL are initially recognized at cost and subsequently recognized at cost less the reduction in the fair value of these financial assets as the prevailing regulations applicable to securities companies have not allowed the use of fair value principle.

The negative difference arising from the revaluation of financial assets at FVTPL in comparison with the previous year is recognized in "Loss from revaluation of financial assets at FVTPL" in the statement of profit or loss. The positive difference arising from the revaluation of financial assets at FVTPL in comparison with the previous year is recognized in "Gain from revaluation of financial assets at FVTPL" in the statement of profit or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Loans

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

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

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

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

3.6 Provision for impairment of financial assets

Provision for impairment of financial assets

Financial assets are assessed whether there is objective evidence that the assets are impaired at the reporting date.

Provision for transferable securities is the difference between the original cost and market value of the financial assets as at the interim reporting date in accordance with Circular No. 146/2014/TT-BTC. Increases and decreases to the provision balance are recorded in the statement of profit or loss.

Market value or fair value of securities are identified as followings:

- ▶ 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 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.

Loans are subject to review for impairment based on their overdue status according to the requirements of Circular No. 228/2009/TT-BTC as presented in Note 3.8 or estimated loss occurred from the uncertainty in collectability of these loans.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Derecognition of financial assets

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

- ▶ The rights to receive cash flows from the asset have expired; 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 original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.8 Receivables

Receivables are initially recorded at cost and subsequently always presented at cost less provision for doubtful receivables.

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 statement of profit or loss.

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

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

3.9 Fixed assets

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Depreciation and amortization

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

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

3.11 Operating lease

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

3.12 Prepaid expenses

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

The following types of expenses are recorded as prepaid expenses to allocate from 1 to 22 months in statement of profit or loss:

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

3.13 Borrowings

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

3.14 Payables and accrued expenses

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

3.15 Employee benefits

3.15.1 Post employment benefits

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

3. SUMMARY OF SIGNIFICANT ACCOUNTINGS POLICIES (continued)

3.15 Employee benefits (continued)

3.15.2 Voluntary resignation benefits

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

3.15.3 Unemployment allowance

According to 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.

3.16 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the year, 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 year and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the year are taken to the statement of profit or loss.

3.17 Revenue recognition

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

Revenue from brokerage services

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

Revenue from trading of securities

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

3. SUMMARY OF SIGNIFICANT ACCOUNTINGS POLICIES (continued)

3.17 Revenue recognition (continued)

Interest income

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

Dividends

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

Other revenues from rendering services

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

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

Other income

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

3.18 Borrowing costs

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

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

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

3.19 Corporate income tax

Current income tax

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

Current income tax is charged or credited to the statement of profit or loss, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Corporate income tax (continued)

Deferred income tax

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

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

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 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.

3.20 Owner's equity

Contributed capital from shareholders

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

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

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

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *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 if accumulated loss no longer exists:

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

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

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

3.21 *Appropriation of net profits*

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

3.22 *Nil balances*

Items or balances required by Circular No. 334/2016/TT-BTC and Circular No. 210/2014/TT-BTC that are not shown in these financial statements indicate nil balance.

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Cash		
- Cash on hand	35,305,202	42,747,755
- Cash at banks for operation of the Company	3,433,507,467	28,247,092,953
- Cash for securities transaction clearing and settlement	10,104,390,288	2,474,228,748
Cash equivalents		
- Term deposits with maturity of 3 months or less	154,500,000,000	205,000,000,000
Total	168,073,202,957	235,764,069,456

5. VALUE AND VOLUME OF TRADING RESULTS IN THE YEAR

	<i>Current year</i>		<i>Previous year</i>	
	<i>Trading volume</i> (unit)	<i>Trading value</i> (VND)	<i>Trading volume</i> (unit)	<i>Trading value</i> (VND)
a. Trading results of the Company (Shares)	26,028	869,491,210	745,655	26,341,833,790
b. Trading results of the investors (Shares)	2,265,277,580	33,379,420,207,800	2,579,602,307	36,524,054,460,590
Total	2,265,303,608	33,380,289,699,010	2,580,347,962	36,550,396,294,380

6. FINANCIAL ASSETS

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

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i> VND	<i>Fair value</i> VND	<i>Cost</i> VND	<i>Fair value</i> VND
Listed shares	27,868,720	25,110,000	1,597,997	1,585,700

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

6. FINANCIAL ASSETS (continued)

6.2 Loans

	Ending balance VND			Beginning balance VND		
	Cost	Provision	Fair value	Cost	Provision	Fair value
1. Margin loans	728,711,279,667	3,000,174,560	725,711,105,107	678,886,104,227	99,721,606	678,786,382,621
2. Advances to customers	45,497,032,945	-	45,497,032,945	26,764,460,256	-	26,764,460,256
3. Other loans	10,093,389,311	10,093,389,311	-	10,093,389,311	10,093,389,311	-
	784,301,701,923	13,093,563,871	771,208,138,052	715,743,953,794	10,193,110,917	705,550,842,877

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

Determining the fair value of financial assets

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

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

- ▶ The fair value of listed shares are determined in accordance with the accounting policies as stated in Note 3.6.
- ▶ The fair value of term deposits, deposit loans, cash advances of selling securities and investment cooperation approximates their carrying value, which is cost less provision, due to short-term maturities of these instruments.

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

6. FINANCIAL ASSETS (continued)

6.3 Provision for impairment of financial assets and mortgage assets

	<i>Current year</i> VND	<i>Previous year</i> VND
Beginning balance	10,193,110,917	10,093,389,311
Provision made during the year	2,900,452,954	99,721,606
Ending balance	13,093,563,871	10,193,110,917

7. RECEIVABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Receivables and accruals from dividend and interest income	8,494,917,614	8,036,668,112
- <i>Accrued interest from margin loans</i>	7,773,412,377	6,724,174,144
- <i>Accrued interest from term deposits</i>	639,104,166	1,254,819,444
- <i>Accrued interest from advances to customers</i>	82,401,071	57,674,524
Receivables from services provided by the Company	563,097,459	226,492,054
- <i>Custodian fees receivable from investors</i>	302,945,301	226,492,054
- <i>Others</i>	260,152,158	-
Advances to suppliers	55,812,000	-
Other receivables	196,307,761	1,854,835,896
Total	9,310,134,834	10,117,996,062

8. OTHER CURRENT ASSETS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Advances	59,500,000	114,114,923
Short-term prepaid expenses	4,420,868,218	3,908,257,657
- <i>System maintenance</i>	3,169,447,389	2,831,921,612
- <i>Prepaid rental</i>	252,645,056	272,532,256
- <i>Other short-term prepaid expenses</i>	998,775,773	803,803,789
Total	4,480,368,218	4,022,372,580

9. TANGIBLE FIXED ASSETS

	Office equipment VND	Transportation and vehicles VND	Others VND	Total VND
Cost				
Beginning balance	38,476,908,326	3,052,011,905	1,312,090,622	42,841,010,853
Newly purchased	131,668,000	-	-	131,668,000
Disposal	(1,079,525,121)	-	(344,347,960)	(1,423,873,081)
Ending balance	37,529,051,205	3,052,011,905	967,742,662	41,548,805,772
Accumulated depreciation				
Beginning balance	(25,921,689,423)	(2,943,531,219)	(1,053,409,492)	(29,918,630,134)
Depreciation charge	(4,131,102,794)	(108,480,686)	(139,968,402)	(4,379,551,882)
Disposal	1,076,497,982	-	344,347,960	1,420,845,942
Ending balance	(28,976,294,235)	(3,052,011,905)	(849,029,934)	(32,877,336,074)
Net carrying amount				
Beginning balance	12,555,218,903	108,480,686	258,681,130	12,922,380,719
Ending balance	8,552,756,970	-	118,712,728	8,671,469,698

The cost of tangible fixed assets that are fully depreciated but still in active use as at 31 December 2016 are VND21,474,234,041 (31 December 2015: VND17,482,129,851).

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

10. INTANGIBLE FIXED ASSETS

	<i>Computer software</i> VND
Cost	
Beginning balance	19,365,501,766
Increase	
- Newly purchased	1,644,162,760
- Transferred from constructions in progress	2,329,692,957
Ending balance	<u>23,339,357,483</u>
Accumulated amortization	
Beginning balance	(16,903,420,991)
Amortization charged	(1,334,709,735)
Ending balance	<u>(18,238,130,726)</u>
Net carrying amount	
Beginning balance	<u>2,462,080,775</u>
Ending balance	<u>5,101,226,757</u>

The cost of intangible fixed assets that are fully depreciated but in active use as at 31 December 2016 are VND15,154,341,540 (31 December 2015: VND15,154,341,540).

11. LONG-TERM PREPAID EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Office equipment	591,656,738	1,106,895,155
Office renovation	-	740,815,965
Total	<u>591,656,738</u>	<u>1,847,711,120</u>

12. DEFERRED TAX ASSETS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Deferred tax assets		
Provision for margin loans	<u>416,035,574</u>	-

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.

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

12. DEFERRED TAX ASSETS (continued)

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

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
Deferred tax assets				
Specific provision for margin loans	416,035,574	-	416,035,574	-

13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

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

According to Decision No. 27/QĐ-VSD dated 13 March 2015 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, 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.

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

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

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

14. SHORT-TERM BORROWINGS

	<i>Interest rate</i> %/year	<i>Beginning balance</i> VND	<i>Additional borrowings during the year</i> VND	<i>Repayment during the year</i> VND	<i>Ending balance</i> VND
Bank loans					
Short-term loans and overdrafts	3.05 – 7.00	<u>26,000,000,000</u>	<u>473,838,025,072</u>	<u>(455,208,025,072)</u>	<u>44,630,000,000</u>

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

15. SHORT-TERM TRADE PAYABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payables to related parties (Note 26.1)	48,622,671	19,468,870
Payables to Velocity Technology Solution - SAP provider	-	1,756,951,128
Other payables	3,201,145	16,549,509
Total	<u>51,823,816</u>	<u>1,792,969,507</u>

16. STATUTORY OBLIGATIONS

No.	Items	Beginning balance VND	Payable VND	Paid VND	Ending balance VND
1	Personal income tax	1,204,318,582	20,601,952,667	(20,497,343,593)	1,308,927,656
-	- Of the employees	331,302,299	6,920,003,360	(6,848,955,733)	402,349,926
-	- Of the investors	873,016,283	13,681,949,307	(13,648,387,860)	906,577,730
2	Foreign contractor withholding tax	248,559,531	1,179,051,678	(1,406,372,244)	21,238,965
3	Corporate income tax	2,040,432,553	9,160,608,779	(7,174,462,808)	4,026,578,524
-	- Of the Company	1,964,706,987	6,649,286,053	(4,687,282,917)	3,926,710,123
-	- Of the investors	75,725,566	2,511,322,726	(2,487,179,891)	99,868,401
4	Value added tax	118,159,466	564,672,962	(631,340,175)	51,492,253
	Total	3,611,470,132	31,506,286,086	(29,709,518,820)	5,408,237,398

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

17. SHORT-TERM EXPENSE PAYABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Accrued expenses	1,466,750,568	1,783,819,642
Transaction costs	634,138,896	527,813,831
Professional fees	610,697,500	591,247,500
Accrued interest expenses	445,735,908	12,083,333
Custody fees	287,705,962	243,353,379
Total	3,445,028,834	3,158,317,685

18. DEFERRED TAX LIABILITY

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
<i>Deferred tax liability</i>		
Depreciation of fixed assets	60,965,463	53,416,659

Deferred tax liability pertains to a temporary difference on depreciation rate of fixed assets between the Company's accounting policies and Circular No. 45/2013/TT-BTC dated 25 April 2013 and Decision No. 1173/2013/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 year are as follows:

	<i>Statement of financial position</i>		<i>Statement of profit or loss</i>	
	<i>Ending balance</i> VND	<i>Beginning balance</i> VND	<i>Current year</i> VND	<i>Previous year</i> VND
Deferred tax liability				
Depreciation of fixed assets	60,965,463	53,416,659	(7,548,804)	(26,831,354)

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

19. OWNER'S EQUITY

	Contributed capital VND	Capital supplementary reserve VND	Financial reserve VND	Undistributed profit VND	Total VND
Beginning balance	829,110,000,000	5,071,202,193	5,071,202,194	63,888,822,442	903,141,226,829
- Net profit for the year	-	-	-	23,409,292,940	23,409,292,940
- Profit appropriations	-	1,170,464,647	1,170,464,647	(2,340,929,294)	-
Ending balance	829,110,000,000	6,241,666,840	6,241,666,841	84,957,186,088	926,550,519,769

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

20. DISCLOSURE OF OFF-BALANCE SHEET ITEMS

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

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted financial assets	15,040,000	350,000

20.2 *Investors' financial assets listed/ registered at VSD*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted financial assets	6,027,124,080,000	4,840,943,270,000
- Shares	6,026,811,080,000	4,840,138,270,000
- Corporate bonds	313,000,000	805,000,000
Restricted financial assets	44,194,050,000	83,631,000,000
Mortgage financial assets	31,063,600,000	95,002,000,000
Financial assets awaiting lending	240,623,000,000	96,117,440,000
Total	6,343,004,730,000	5,115,693,710,000

20.3 *Investors' non-traded financial assets deposited at VSD*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Unrestricted and non-traded financial assets deposited at VSD	28,280,730,000	88,926,560,000
Restricted and non-traded financial assets deposited at VSD	499,180,000	7,853,500,000
Total	28,779,910,000	96,780,060,000

20.4 *Investors' awaiting financial assets*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Shares	55,084,470,000	84,354,030,000

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

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

20.5 *Investors' deposits*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Investors' deposits for securities trading activities managed by the Company	196,914,298,070	104,755,870,834
- <i>Domestic investors' deposits</i>	52,413,618,296	83,976,988,329
- <i>Foreign investors' deposits</i>	144,500,679,774	20,778,882,505
Investors' collective deposits for securities trading activities	74,741,210,925	30,167,024,115
Investors' deposits for securities transaction clearing and settlement	13,643,307,075	42,068,889,971
- <i>Domestic investors' deposits</i>	8,171,590,157	28,010,898,847
- <i>Foreign investors' deposits</i>	5,471,716,918	14,057,991,124
Total	285,298,816,070	176,991,784,920

20.6 *Payables to investors*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payables to investors - Investors' deposits for securities trading activities managed by the Company	285,297,622,723	174,817,806,056
- <i>Domestic investors</i>	122,394,115,849	139,980,932,427
- <i>Foreign investors</i>	162,903,506,874	34,836,873,629
Dividend, bond principal and interest payables	1,193,347	2,173,978,864
Total	285,298,816,070	176,991,784,920

20.7 *Investors' payables for services provided by the Company*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Custodian fees payables (<i>Note 7</i>)	302,945,301	226,492,054

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

21. OPERATING REVENUE

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

	Current year VND	Previous year VND
From FVTPL financial assets	5,993,747,636	10,810,390,402
- Interest income from term deposits	5,989,834,723	10,810,157,774
- Dividend for FVTPL financial assets	830,000	9,000
- Others	3,082,913	223,628
Loans and receivables	93,115,031,356	82,302,309,904
- Interest from margin loans	90,771,444,346	77,618,593,208
- Interest from advances to customers	2,343,587,010	4,683,716,696
Total	99,108,778,992	93,112,700,306

21.2 Revenue other than gain/loss from financial assets

	Current year VND	Previous year VND
Brokerage commission revenue	62,626,584,525	66,214,275,398
Custodian fees	2,816,060,868	2,636,794,583
Financial advisory fees	808,500,000	407,454,545
Others	5,296,244,494	10,727,297,701
- Rental income from third parties	366,158,358	486,000,000
- Research fee and other fee income	4,930,086,136	10,241,297,701
Total	71,547,389,887	79,985,822,227

22. PROVISION EXPENSE FOR IMPAIRMENT OF FINANCIAL ASSETS, LOSS FROM DOUBTFUL RECEIVABLES AND BORROWING COSTS OF LOANS AND RECEIVABLES

	Current year VND	Previous year VND
Specific provision for margin loans (Note 6.3)	2,900,452,954	99,721,606
Borrowing costs	3,552,999,314	3,362,912,063
Total	6,453,452,268	3,462,633,669

23. FINANCE INCOME

	Current year VND	Previous year VND
Foreign exchange rate differences	91,413,920	167,570,579
Interest income from demand deposits	2,351,384,439	2,635,353,127
Total	2,442,798,359	2,802,923,706

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

24. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Personel expenses, bonus and welfare expenses	33,971,660,607	37,120,387,208
External services expenses	20,319,060,607	19,938,477,070
Depreciation and amortization expenses	4,786,401,742	4,313,895,514
Social security, health insurance, unemployment insurance and union fee	4,105,583,304	2,691,282,410
Expenses related to instruments and tools	685,307,863	1,129,599,988
Office supplies expenses	150,877,398	126,539,612
Others	96,582,597	148,925,144
Total	64,115,474,118	65,469,106,946

25. 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.

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 reported in the income statements due to the exclusion of income or expense items that are taxable or deductible in other years, as well as non-taxable or non-deductible items.

a. The current corporate income tax provision for the year is presented as below:

	<i>Current year</i> VND	<i>Previous year</i> VND
Profit before tax	29,650,092,223	37,968,643,244
Add:		
- Non-deductible expenses	3,138,922,478	1,912,711,381
- Provision for doubtful debts	-	69,805,124
Less:		
- Reversal of accrued expenses made in prior years and realized in current year	-	(434,697,403)
- Additional depreciation	-	(121,969,701)
Estimated taxable profits	32,789,014,701	39,394,492,645
Estimated current income tax	6,557,802,940	8,666,788,382
Under income tax provision of previous year	91,483,113	76,184,432
Total income tax expenses	6,649,286,053	8,742,972,814
Income tax payable/(receivable) at the beginning of the year	1,964,706,987	(2,446,325,712)
Income tax paid during the year	(4,687,282,917)	(4,331,940,115)
Income tax payable at the end of the year	3,926,710,123	1,964,706,987

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

25. CORPORATE INCOME TAX (continued)

b. Deferred income tax expenses/(income) during the year are presented as below:

	<i>Current year VND</i>	<i>Previous year VND</i>
Deferred CIT expenses (Note 18)	7,548,804	26,831,354
Deferred CIT income (Note 12)	(416,035,574)	-
Total	(408,486,770)	26,831,354

26. OTHER INFORMATION

26.1 Related party transactions

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year VND</i>	<i>Previous year VND</i>
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings Borrowings paid Interest paid Accrued interest	345,714,000,000 301,084,000,000 1,028,041,700 303,735,908	64,050,000,000 64,050,000,000 381,959,480 -
Maybank Kim Eng Securities Pte. Ltd	Subsidiary of Maybank Kim Eng Holdings	Commission paid Marketing fee paid Brokerage fee received	2,813,018,842 845,562,678 343,957,587	1,465,339,951 994,620,689 47,822,158
Maybank Kim Eng Securities (Thai Land) Public Company Ltd	Subsidiary of Maybank Kim Eng Holdings	Brokerage fee received	624,047,788	167,215,978
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Borrowings Borrowings paid Interests paid Interest received Bank fee paid Term deposit	37,474,000,000 52,474,000,000 98,896,456 4,042,177 4,088,595 10,000,000,000	- 50,000,000,000 317,013,891 37,267,367 910,910 -
Maybank Kim Eng Research Pte. Ltd	Related party	Research fee received Research fee paid	2,441,050,141 814,913,393	2,336,569,712 584,714,021
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Borrowings paid Interest paid Swap fee expenses	- - 969,000,000	80,000,000,000 813,027,778 665,000,000
Management		Salary and bonus	3,750,294,032	4,623,277,327

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

26. OTHER INFORMATION (continued)

26.1 Related party transactions (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings Interest payables	(44,630,000,000) (303,735,908)	- -
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Swap fee payables	(142,000,000)	-
May Bank Kim Eng Securities Pte.Ltd	Subsidiary of Maybank Kim Eng Holdings	Commission payables	(48,622,671)	(19,468,870)
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Borrowings Accrued interest payables Placement to Accrued interest receivables	- - 10,027,868,483 2,833,333	(15,000,000,000) (8,583,333) 10,116,514,990 -
Maybank Kim Eng Securities (Thai Land) Public Company Ltd	Subsidiary of MBKEH	Trading securities payables	(509,580,356)	-

26.2 Operating lease commitments

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

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Less than 1 year	10,463,385,559	11,535,527,090
From 1 to 5 years	9,058,972,381	17,512,128,905
Total	19,522,357,940	29,047,655,995



26. OTHER INFORMATION (continued)

26.3 Purposes and policies of financial risk management

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

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

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

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

Market risk

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

Interest rate risk

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

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

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

Currency risk

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

Foreign exchange risk of the Company is minimal.

26. OTHER INFORMATION (continued)

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

Equity price risk

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

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

Credit risk

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

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's risk management department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the 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 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

26. OTHER INFORMATION (continued)

26.3 Purposes and policies of financial risk management (continued)

Credit risk (continued)

31 December 2016	Neither past due nor impaired VND	Past due but not impaired				Total VND
		Less than 3 months VND	3 – 6 months VND	6 – 12 months VND	Over 1 year VND	
Term deposits	154,500,000,000	-	-	-	-	154,500,000,000
Loans	768,562,767,761	2,645,370,291	-	-	13,093,563,871	784,301,701,923
Other financial assets	9,310,134,834	-	-	-	-	9,310,134,834
TOTAL	932,372,902,595	2,645,370,291	-	-	13,093,563,871	948,111,836,757

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.

26. OTHER INFORMATION (continued)
26.3 Purposes and policies of financial risk management (continued)

Liquidity risk (continued)

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

	Overdue VND	On demand VND	Up to 1 year VND	1 - 5 years VND	Up to 5 years VND	Total VND
31 December 2016						
Financial assets						
Financial assets at fair value through profit or loss	-	25,110,000	-	-	-	25,110,000
Loans	15,738,934,162	-	768,562,767,761	-	-	784,301,701,923
Receivables from services provided by the Company	-	-	563,097,459	-	-	563,097,459
Other receivables	-	-	8,747,037,375	-	-	8,747,037,375
Cash and cash equivalents	-	13,573,202,957	154,500,000,000	-	-	168,073,202,957
Total	15,738,934,162	13,598,312,957	932,372,902,595	-	-	961,710,149,714
Financial liabilities						
Short-term borrowings	-	-	44,630,000,000	-	-	44,630,000,000
Payables from securities transaction activities	-	20,894,592	-	-	-	20,894,592
Short-term trade payables	-	-	51,823,816	-	-	51,823,816
Accrued expenses	-	-	3,445,028,834	-	-	3,445,028,834
Other payables	-	-	2,312,924	-	-	2,312,924
Total	-	20,894,592	48,129,165,574	-	-	48,150,060,166
Net liquidity difference	15,738,934,162	13,577,418,365	884,243,737,021	-	-	913,560,089,548

26. OTHER INFORMATION (continued)

26.3 Purposes and policies of financial risk management (continued)

Liquidity risk (continued)

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

26.4 Corresponding figures

In 2016, due to changes in accounting policies and requirements for financial statement preparation and presentation in accordance with Circular 210 and Circular 334, certain corresponding figures on the financial statements for the previous year have been reclassified to be comparable with those for the current year.

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

26. OTHER INFORMATION (continued)

26.4 Corresponding figures (continued)

Extract from statement of financial position

	Description	Previous year (Reported) VND	Restatement VND	Previous year (Restated) VND
A. CURRENT ASSETS				
Cash	[1]	1,135,511,031,800	(180,054,165,125)	955,456,866,675
Short-term financial investments (**)	[2]	207,755,854,376	(176,991,784,920)	30,764,069,456
Fair value through profit and loss (FVTPL) financial assets (*)	[2]	1,585,700	(1,585,700)	-
Receivables from securities trading activities (**)	[3]	-	1,585,700	1,585,700
Loans (*)	[3]	722,752,294,516	(722,752,294,516)	-
Other receivables	[3]	3,109,655,340	715,743,953,794	715,743,953,794
Provision for doubtful debts (***)	[3]	(10,193,110,917)	(1,254,819,444)	1,854,835,896
Provision for impairment of financial assets and mortgage assets (*)	[3]	-	10,193,110,917	-
Receivables from services provided by the Company (*)	[3]	-	(10,193,110,917)	(10,193,110,917)
Receivables and accruals from dividend and interest income (*)	[3]	-	226,492,054	226,492,054
Other current assets	[4]	7,084,752,785	8,036,668,112	8,036,668,112
			(3,062,380,205)	4,022,372,580
B. NON-CURRENT ASSETS				
Other non-current assets	[4]	34,417,747,737	3,062,380,205	37,480,127,942
	[4]	15,996,727,286	3,062,380,205	19,059,107,491
TOTAL ASSETS		1,169,928,779,537	(176,991,784,920)	992,936,994,617

26. OTHER INFORMATION (continued)

26.4 Corresponding figures (continued)

Extract from statement of financial position (continued)

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

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

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

Details about adjustments in main items are as follows:

- [1] Reclassify investors' deposits from on-balance sheet to off-balance sheet in accordance with Circular 210 and Circular 334
- [2] Reclassify investment portfolio in accordance with Circular 334 and Circular 210
- [3] Reclassify receivables in accordance with Circular 334 and Circular 210
- [4] Reclassify other assets in accordance with Circular 334 and Circular 210
- [5] Reclassify payables in accordance with Circular 334 and Circular 210
- [6] Reclassify employee benefits in accordance with Circular 334 and Circular 210.

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

26. OTHER INFORMATION (continued)

26.4 Corresponding figures (continued)

Extract from the statement of profit or loss

	Description	Beginning balance	Restatement	Beginning balance
		(Reported) VND	VND	(Restated) VND
Revenue from financial assets at fair value through profit and loss (FVTPL) (*)	[7]	-	10,810,166,774	10,810,166,774
Revenue from loans and receivables (*)	[7]	-	82,302,309,904	82,302,309,904
Revenue from advisory services	[7]	2,744,024,257	(2,336,569,712)	407,454,545
Revenue from securities custodian services	[7]	2,631,296,487	5,498,096	2,636,794,583
Revenue from assets for lease (**)	[7]	486,000,000	(486,000,000)	-
Other revenue (*)	[7]	103,822,817,469	(93,098,319,768)	10,724,497,701
Net revenue from operating activities (**)	[7]	175,901,446,239	(175,901,446,239)	-
Total operating revenue (*)	[7]	-	173,098,522,533	173,098,522,533

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

B09-CTCK

26. OTHER INFORMATION (continued)

26.4 Corresponding figures (continued)

Extract from the statement of profit or loss (continued)

Description	Beginning balance (Reported) VND	Restatement VND	Beginning balance (Restated) VND
Operating expenses (**)	(68,075,619,977)	68,075,619,977	-
Loss from financial assets at fair value through profit and loss (FVTPL) (*)	-	(2,445,925)	(2,445,925)
Borrowing costs, loss from loans and receivables	-	(3,462,633,669)	(3,462,633,669)
Expenses for brokerage services	-	(62,324,505,461)	(62,324,505,461)
Expenses for advisory services	-	(1,884,351,539)	(1,884,351,539)
Expenses for securities custodian services	-	-	-
Realized and unrealized gain from changes in foreign exchange rates	-	167,570,579	167,570,579
Non-fixed dividend and interest income	-	2,635,353,127	2,635,353,127
Realized and unrealized loss from changes in foreign exchange rates	-	(11,688,668)	(11,688,668)
Gross profit from operating activities (**)	107,825,826,262	(107,825,826,262)	-
General and administrative expenses	(69,654,857,947)	4,185,751,001	(65,469,106,946)
Operating profit	38,170,968,315	-	38,170,968,315
PROFIT BEFORE TAX	37,968,643,244	-	37,968,643,244

(*) New items in the statement of profit or loss as required by Circular 210

(**) Items which were no longer presented in the statement of profit or loss in accordance with Circular 210.

Details about adjustments in main items are as follows :

[7] Reclassify operating revenues/income in accordance with Circular 334 and Circular 210

[8] Reclassify operating expenses in accordance with Circular 334 and Circular 210.

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year then ended 31 December 2016

B09-CTCK

26. OTHER INFORMATION (continued)

26.4 Corresponding figures (continued)

Extract from the statement of cash flows:

<i>Items</i>	<i>Previous year (Reported) VND</i>	<i>Restatement VND</i>	<i>Previous year (restated) VND</i>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
Cash at banks at the beginning of the year:	611,131,570,220	(211,489,569,722)	399,642,000,498
- Cash	214,021,570,220	(211,489,569,722)	2,532,000,498
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Cash at banks at the end of the year:	412,755,854,376	(176,991,784,920)	235,764,069,456
- Cash	207,755,854,376	(176,991,784,920)	30,764,069,456

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year then ended 31 December 2016

B09-CTCK

26. OTHER INFORMATION (continued)

26.4 Corresponding figures (continued)

Extract from the statement of investors' cash flows:

<i>Items</i>	<i>Previous year (Reported) VND</i>	<i>Restatement VND</i>	<i>Previous year (restated) VND</i>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
Cash at banks at the beginning of the year:	-	211,489,569,722	211,489,569,722
- <i>The investors' deposits managed by the Company</i>	-	72,908,030,271	72,908,030,271
- <i>The investors' collective deposits for securities trading activities</i>	-	101,750,214,416	101,750,214,416
- <i>The investors' deposits for securities transaction clearing and settlement</i>	-	36,831,325,035	36,831,325,035
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Cash at banks at the end of the year:	-	176,991,784,920	176,991,784,920
- <i>Investors' deposits managed by the Company for securities trading activities</i>	-	104,755,870,834	104,755,870,834
- <i>Investors' collective deposits for securities trading activities</i>	-	30,167,024,115	30,167,024,115
- <i>Investors' deposits for securities transaction clearing and settlement</i>	-	42,068,889,971	42,068,889,971

27. EVENTS SINCE THE BALANCE SHEET DATE

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

Prepared by:	Reviewed by:	Approved by:	Approved by:
			
<hr/> Dao Thi Ngoc Thuy Deputy Finance Manager	<hr/> Tran Thi Ngoc Huong Chief Accountant	<hr/> Tran Thi Thu Hang Chief Financial Officer	 <hr/> Kim Thien Quang Chief Executive Officer

Ho Chi Minh City, Vietnam

16 February 2017

