



## **Maybank Kim Eng Securities Limited**

Report of management and  
Audited financial statements

31 December 2014

# Maybank Kim Eng Securities Limited

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# Maybank Kim Eng Securities Limited

## GENERAL INFORMATION

### THE COMPANY

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

On 5 May 2014, the State Securities Commission issued License Amendment No. 05/GPDC-UBCK which approves the increase in the Company's charter capital to VND615,000 million.

In December 2014, according to Decision of the Company's owner which increases the Company's charter capital to VND829,110 million, the Company completed all necessary procedures and submitted the application for capital increase to the State Securities Commission of Vietnam. On 10 December 2014, the Company received the Notice No. 6805/UBCK-QLKD issued by the State Securities Commission of Vietnam to acknowledge the receipt of the full documents for the charter capital increase.

On 15 January 2015, the State Securities Commission issued License Amendment No. 05/GPDC-UBCK which approves the increase in the Company's charter capital to VND829,110 million.

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.

### ORGANISATIONAL STRUCTURE

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

#### *Board of Directors*

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr Le Minh Tam	Chairman	17 September 2013
Mr Francis Seow	Member	7 November 2013
Mr Jeffrey Goh Cho Kiat	Member	30 September 2013
Ms Ami Moris	Member	22 October 2012
Mr Ong Cheow Kheng	Member	31 March 2012

#### *Supervisory Board*

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

# Maybank Kim Eng Securities Limited

GENERAL INFORMATION (continued)

## ORGANISATIONAL STRUCTURE (continued)

Members of the Board of Members and the Supervisory Board from 13 January 2014 to the date of this report are:

### **Board of Members**

<u>Name</u>	<u>Title</u>	<u>Date of appointment/resignation</u>
Mr. Ronnie Royston Fernandiz	Chairman	Appointed on 31 March 2014
Mr. Le Minh Tam	Chairman	Appointed on 13 January 2014 Resigned on 31 March 2014
Mr. Ong Cheow Kheng	Member	Appointed on 13 January 2014
Mr. Francis Seow	Deputy Chairman	Appointed on 21 July 2014
Ms. Ami Moris	Member	Appointed on 13 January 2014
Mr. Jeffrey Goh Cho Kiat	Member	Resigned on 18 December 2014 Appointed on 13 January 2014
Mr. Goh Keat Jin	Member	Appointed on 18 December 2014

### **Supervisory Board**

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

### **Management and Chief Accountant**

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

<u>Name</u>	<u>Title</u>	<u>Date of appointment</u>
Mr Nguyen Hoang Thien Truc	General Director	29 October 2013
Mr Nguyen Van Manh	Deputy General Director	1 September 2010
Mr Kim Thien Quang	Deputy General Director	19 August 2014
Ms Tran Thi Ngoc Huong	Chief Accountant	10 March 2014

## LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Hoang Thien Truc, the General Director.

## AUDITORS

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



# Maybank Kim Eng Securities Limited

## REPORT OF MANAGEMENT

Management of Maybank Kim Eng Securities Limited ("the Company") is pleased to present this report and the financial statements of the Company as at and for the year ended 31 December 2014.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the 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 fraud 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 2014.

### 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 2014 and of the results of its operations, its cash flows and its changes in equity for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of management:



Nguyen Hoang Thien Truc  
General Director

Ho Chi Minh City, Vietnam

6 February 2015



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working world

Ernst & Young Vietnam Limited  
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2 Hai Trieu Street, District 1  
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 8 3824 5252  
Fax: +84 8 3824 5250  
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Reference: 60994674/17110913

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Maybank Kim Eng Securities Limited ("the Company") as prepared on 6 February 2015 and set out on pages from 6 to 39, which comprise the balance sheet as at 31 December 2014, the income statement, the cash flow statement and the statement of changes in equity for the year then ended and the notes thereto.

### *Management's Responsibility*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and 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 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.



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### **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 2014, 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 the statutory requirements relevant to preparation and presentation of financial statements.

### **Ernst & Young Vietnam Limited**



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

\_\_\_\_\_  
Vo Ngoc Thuy An  
Auditor  
Audit Practicing Registration  
Certificate No. 2222-2013-004-1

Ho Chi Minh City, Vietnam

6 February 2015



# Maybank Kim Eng Securities Limited

BALANCE SHEET  
as at 31 December 2014

B01-CTCK

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,392,114,431,555</b>	<b>704,724,385,645</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	4	<b>611,131,570,220</b>	<b>352,848,973,344</b>
111	1. Cash		214,021,570,220	248,840,102,337
112	2. Cash equivalents		397,110,000,000	104,008,871,007
<b>120</b>	<b>II. Short-term financial investments</b>		-	<b>4,074,400</b>
121	1. Short-term investments		-	4,074,400
<b>130</b>	<b>III. Short-term receivables</b>	6	<b>772,495,684,769</b>	<b>342,552,288,659</b>
132	1. Advances to suppliers		167,373,000	760,625,000
135	2. Receivables from securities trading activities		780,916,443,751	351,105,649,266
138	3. Other receivables		1,505,257,329	779,403,704
139	4. Provision for doubtful debts		(10,093,389,311)	(10,093,389,311)
<b>150</b>	<b>IV. Other current assets</b>		<b>8,487,176,566</b>	<b>9,319,049,242</b>
151	1. Short-term prepaid expenses	7.1	2,691,602,154	2,795,709,192
152	2. Value-added tax deductible		-	37,950,200
154	3. Tax and other receivables from the State	22	2,446,325,712	3,071,721,279
158	4. Other current assets	7.2	3,349,248,700	3,413,668,571
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>28,834,358,770</b>	<b>30,931,958,504</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>12,772,818,464</b>	<b>14,142,829,611</b>
221	1. Tangible fixed assets	8	10,017,189,066	11,484,886,859
222	- Cost		36,927,828,930	34,508,805,410
223	- Accumulated depreciation		(26,910,639,864)	(23,023,918,551)
227	2. Intangible fixed assets	9	1,592,556,398	2,480,797,489
228	- Cost		17,008,357,266	16,647,026,740
229	- Accumulated amortisation		(15,415,800,868)	(14,166,229,251)
230	3. Constructions in progress		1,163,073,000	177,145,263
<b>260</b>	<b>II. Other long-term assets</b>		<b>16,061,540,306</b>	<b>16,789,128,893</b>
261	1. Long-term prepaid expenses	10	4,412,524,140	7,640,112,727
263	2. Advance to Settlement Assistance Fund	11	11,649,016,166	9,149,016,166
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,420,948,790,325</b>	<b>735,656,344,149</b>

# Maybank Kim Eng Securities Limited

BALANCE SHEET (continued)  
as at 31 December 2014

B01-CTCK

VND

<i>Code</i>	<i>RESOURCES</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>300</b>	<b>A. LIABILITIES</b>		<b>547,006,402,572</b>	<b>410,988,727,148</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>546,979,817,267</b>	<b>410,978,608,430</b>
311	1. Short-term loans and borrowings	12	265,646,791,381	153,580,661,454
312	2. Trade payables		56,287,355	533,000,446
313	3. Advances from customers		553,532,000	595,032,000
314	4. Statutory obligations	13	2,764,490,027	1,883,490,862
316	5. Accrued expenses	14	16,787,871,305	7,085,867,824
319	6. Other payables	15	189,635,398	110,869,634
320	7. Payables for securities trading	16	260,960,586,028	247,188,442,651
321	8. Dividend, principal and interest payables of bonds on behalf of customers		20,623,773	1,243,559
<b>330</b>	<b>II. Non-current liabilities</b>		<b>26,585,305</b>	<b>10,118,718</b>
335	1. Deferred tax liabilities	17	26,585,305	10,118,718
<b>400</b>	<b>B. OWNER'S EQUITY</b>		<b>873,942,387,753</b>	<b>324,667,617,001</b>
<b>410</b>	<b>I. Capital</b>		<b>873,942,387,753</b>	<b>324,667,617,001</b>
411	1. Share capital	18	829,110,000,000	300,000,000,000
417	2. Investment and development fund		3,611,260,239	3,556,412,666
418	3. Financial reserve		3,611,260,240	3,556,412,667
420	4. Undistributed earnings		37,609,867,274	17,554,791,668
<b>440</b>	<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>1,420,948,790,325</b>	<b>735,656,344,149</b>



# Maybank Kim Eng Securities Limited

BALANCE SHEET (continued)  
as at 31 December 2014

B01-CTCK

## OFF BALANCE SHEET ITEMS

VND

Code	ITEMS	Ending balance	Beginning balance
<b>006</b>	<b>1. Custody securities</b>	<b>4,476,268,000,000</b>	<b>3,205,523,890,000</b>
	<i>Including:</i>		
007	1.1. Trading securities	2,757,832,740,000	2,070,522,980,000
008	1.1.1. Trading securities of custody investors	-	4,080,000
009	1.1.2. Trading securities of local investors	1,607,571,640,000	1,441,090,960,000
010	1.1.3. Trading securities of foreign investors	1,150,261,100,000	629,427,940,000
012	1.2. Temporarily unprocessed securities	25,498,440,000	34,205,460,000
014	1.2.1. Temporarily unprocessed securities of local investors	25,498,440,000	34,205,460,000
017	1.3. Mortgaged securities	26,527,000,000	24,650,000,000
	1.3.1. Mortgaged securities of local investors	1,877,000,000	-
020	1.3.2. Mortgaged securities of foreign investors	24,650,000,000	24,650,000,000
027	1.4. Securities awaiting settlement	178,008,590,000	97,012,450,000
029	1.4.1. Securities awaiting settlement of local investors	168,380,490,000	97,010,450,000
030	1.4.2. Securities awaiting settlement of foreign investors	9,628,100,000	2,000,000
037	1.5. Securities waiting for trading	-	6,276,850,000
039	1.5.1. Securities waiting for trading of local investors	-	6,256,960,000
040	1.5.2. Securities waiting for trading of foreign investors	-	19,890,000
042	1.6. Securities mortgaged for loans	1,488,401,230,000	972,856,150,000
044	1.6.1. Securities mortgaged for loans of local investors	1,488,342,230,000	972,856,150,000
	1.6.2. Securities mortgaged for loans of foreign investors	59,000,000	-

# Maybank Kim Eng Securities Limited

BALANCE SHEET (continued)  
as at 31 December 2014

B01-CTCK

## OFF BALANCE SHEET ITEMS (continued)

VND

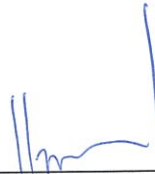
Code	ITEMS	Ending balance	Beginning balance
<b>050</b>	<b>2. Custody securities of unlisted public companies</b>	<b>74,381,850,000</b>	<b>168,947,860,000</b>
	<i>Including:</i>		
051	2.1. Trading securities	64,801,310,000	161,098,860,000
053	2.1.1. Trading securities of local investors	64,008,610,000	160,068,160,000
054	2.1.2. Trading securities of foreign investors	792,700,000	1,030,700,000
056	2.2. Temporarily unprocessed securities	9,580,540,000	7,849,000,000
058	2.2.1. Temporarily unprocessed securities of local investors	9,580,540,000	7,849,000,000

Prepared by:



Dao Thi Ngoc Thuy  
Accountant

Reviewed by:



Tran Thi Ngoc Huong  
Chief Accountant

Approved by:



Nguyen Hoang Thien Truc  
General Director

Ho Chi Minh City, Vietnam

6 February 2015

# Maybank Kim Eng Securities Limited

INCOME STATEMENT  
for the year ended 31 December 2014

B02-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
<b>01</b>	<b>1. Revenue</b>		<b>189,002,674,380</b>	<b>115,825,099,136</b>
	<i>Including:</i>			
01.1	Revenue from brokerage services		93,046,013,872	55,922,440,820
01.2	Revenue from securities investments and capital contributions		27,122,750	13,593,226
01.5	Revenue from finance advisory services		3,861,327,727	317,272,727
01.6	Revenue from custodian services		1,874,364,911	1,471,971,502
01.8	Revenue from assets for lease		585,000,000	699,863,635
01.9	Other revenue	19	89,608,845,120	57,399,957,226
<b>10</b>	<b>3. Net revenue from operating activities</b>		<b>189,002,674,380</b>	<b>115,825,099,136</b>
<b>11</b>	<b>4. Operating expenses</b>	20	<b>(96,369,183,217)</b>	<b>(79,010,933,125)</b>
<b>20</b>	<b>5. Gross profit from operating activities</b>		<b>92,633,491,163</b>	<b>36,814,166,011</b>
<b>25</b>	<b>6. General and administrative expenses</b>	21	<b>(71,826,858,257)</b>	<b>(55,445,262,907)</b>
<b>30</b>	<b>7. Net profit/(loss) from operating activities</b>		<b>20,806,632,906</b>	<b>(18,631,096,896)</b>
31	8. Other income		-	322,931,818
32	9. Other expenses		-	(527,233,633)
<b>40</b>	<b>10. Other loss</b>		-	<b>(204,301,815)</b>
<b>50</b>	<b>11. Profit/(loss) before tax</b>		<b>20,806,632,906</b>	<b>(18,835,398,711)</b>
<b>51</b>	<b>12. Current corporate income tax expense</b>	22.1	<b>(625,395,567)</b>	<b>(3,326,082)</b>
<b>52</b>	<b>13. Deferred income tax expense</b>	22.2	<b>(16,466,587)</b>	<b>(621,911,526)</b>
<b>60</b>	<b>14. Net profit/(loss) after tax</b>		<b>20,164,770,752</b>	<b>(19,460,636,319)</b>

Prepared by:

Reviewed by:

Approved by:

  
Dao Thi Ngoc Thuy  
Accountant

  
Tran Thi Ngoc Huong  
Chief Accountant

  
  
Nguyen Hoang Thien Truc  
General Director

Ho Chi Minh City, Vietnam

6 February 2015



# Maybank Kim Eng Securities Limited

CASH FLOW STATEMENT  
for the year ended 31 December 2014

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>1. Net profit/(loss) before tax</b>		<b>20,806,632,906</b>	<b>(18,835,398,711)</b>
	<b>2. Adjustments for:</b>			
02	- Depreciation and amortisation	20,21	5,136,292,930	5,890,655,556
03	- Provisions	21	-	1,936,151,872
05	- Profits from investing activities		(13,752,032,976)	(9,122,595,147)
06	- Interest expense	20	13,439,429,932	4,546,621,509
<b>08</b>	<b>3. Operating profit/(loss) before changes in working capital</b>		<b>25,630,322,792</b>	<b>(15,584,564,921)</b>
09	- Increase in receivables		(429,614,073,384)	(89,032,584,831)
10	- Decrease in short-term investments		3,868,206	17,066,209
11	- Increase in payables (other than interest, corporate income tax)		23,804,125,917	55,829,146,798
12	- Decrease/(increase) in prepaid expenses		3,354,195,625	(6,294,528,551)
13	- Interest paid		(13,308,476,939)	(4,314,990,940)
16	- Other cash outflows from operating activities		(2,435,580,129)	(3,660,298,179)
<b>20</b>	<b>Net cash flows used in operating activities</b>		<b>(392,565,617,912)</b>	<b>(63,040,754,415)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase and construction of fixed assets and other long-term assets		(3,788,781,783)	(7,675,970,803)
22	2. Proceeds from disposals of fixed assets and other long-term assets		-	322,931,818
25	3. Payments for investments in other entities		-	(238,560)
26	4. Proceeds from sale of investments in other entities		-	1,978,562,000
27	5. Interest and dividends received		13,460,866,644	12,302,869,658
<b>30</b>	<b>Net cash flows from investing activities</b>		<b>9,672,084,861</b>	<b>6,928,154,113</b>

# Maybank Kim Eng Securities Limited

CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2014

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Capital contribution	18.1	529,110,000,000	-
33	2. Drawdown of borrowings		1,764,123,201,763	657,399,158,145
34	3. Repayment of borrowings		(1,652,057,071,836)	(537,909,209,146)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>641,176,129,927</b>	<b>119,489,948,999</b>
<b>50</b>	<b>Net cash flows in the year</b>		<b>258,282,596,876</b>	<b>63,377,348,697</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>	4	<b>352,848,973,344</b>	<b>289,471,624,647</b>
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	4	<b>611,131,570,220</b>	<b>352,848,973,344</b>

Prepared by:



Dao Thi Ngoc Thuy  
Accountant

Reviewed by:



Tran Thi Ngoc Huong  
Chief Accountant

Approved by:



QUẬN T. P. HỒ CHÍ MINH  
S. Q. Đ. 117-C.T.T.N.H.H  
CÔNG TY  
TRÁCH NHIỆM HỮU HẠN  
MỘT THÀNH VIÊN  
CHỨNG KHOÁN  
MAYBANK  
KIM ENG  
Nguyễn Hoàng Thiên Trúc  
General Director

Ho Chi Minh City, Vietnam

6 February 2015



# Maybank Kim Eng Securities Limited

B05-CTCK

STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2014

VND

ITEMS	Beginning balance		Movements				Ending balance	
	Previous year	Current year	Previous year		Current year		Previous year	Current year
			Increase	Decrease	Increase	Decrease		
1. Share capital	300,000,000,000	300,000,000,000	-	-	529,110,000,000	-	300,000,000,000	829,110,000,000
2. Asset revaluation reserve	(2,298,112,650)	-	-	2,298,112,650	-	-	-	-
3. Investment and development fund	3,556,412,666	3,556,412,666	-	-	54,847,573	-	3,556,412,666	3,611,260,239
4. Financial reserve	3,556,412,667	3,556,412,667	-	-	54,847,573	-	3,556,412,667	3,611,260,240
5. Undistributed earnings	37,015,427,987	17,554,791,668	-	(19,460,636,319)	20,055,075,606	-	17,554,791,668	37,609,867,274
<b>TOTAL</b>	<b>341,830,140,670</b>	<b>324,667,617,001</b>	<b>-</b>	<b>(17,162,523,669)</b>	<b>549,274,770,752</b>	<b>-</b>	<b>324,667,617,001</b>	<b>873,942,387,753</b>

Prepared by:

Reviewed by:

Approved by: *Nhuh*

  
Dao Thi Ngoc Thuy  
Accountant

  
Tran Thi Ngoc Huong  
Chief Accountant



  
Nguyen Hoang Thien Truc  
General Director

Tran Thi Ngoc Huong  
Chief Accountant

Nguyen Hoang Thien Truc  
General Director

Ho Chi Minh City, Vietnam

6 February 2015

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS  
as at and for the year ended 31 December 2014

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## 1. CORPORATE INFORMATION

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

On 5 May 2014, the State Securities Commission issued License Amendment No. 05/GPDC-UBCK which approves the increase in the Company's charter capital to VND615,000 million.

In December 2014, according to Decision of the Company's owner which increases the Company's charter capital to VND829,110 million, the Company completed all necessary procedures and submitted the application for capital increase to the State Securities Commission of Vietnam. On 10 December 2014, the Company received the Notice No. 6805/UBCK-QLKD issued by the State Securities Commission of Vietnam to acknowledge the receipt of the full documents for the charter capital increase.

On 15 January 2015, the State Securities Commission issued License Amendment No. 05/GPDC-UBCK which approves the increase in the Company's charter capital to VND 829,110 million.

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 employees of the Company as at 31 December 2014 was 238 (31 December 2013: 239).

## 2. BASIS OF PREPARATION

### 2.1 *Accounting Standards and System*

The financial statements of the Company expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and accounting policies applicable to securities companies according to Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying balance sheet, income statement, cash flow statement, statement of changes in equity and related notes, including their uses are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices, and furthermore are not intended to present the financial position, results of operations, cash flows and changes in equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.



**2. BASIS OF PREPARATION (continued)**

**2.2 Applied accounting documentation system**

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

**2.3 Fiscal year**

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

**2.4 Accounting currency**

The Company maintains its accounting records in VND.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Change in accounting policies and disclosures**

The accounting policies adopted by the Company in preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the financial year ended on 31 December 2013, except for the changes in accounting policy relating to Circular No. 146/2014/TT-BTC guiding the financial regime for securities companies and fund management companies.

On 6 October 2014, the Ministry of Finance issued Circular No. 146/2014/TT-BTC guiding the financial regime for securities companies and fund management companies. The Circular took effect on 21 November 2014 and applies from the fiscal year of 2014. According to this Circular, the market prices of securities for making provision are determined as follows:

*For listed securities and securities registered for trading*

- ▶ Market prices of securities listed on the Stock Exchange are their closing prices on the trading day preceding to the date of provision calculation.
- ▶ Market prices of securities registered for trading (stocks registered for trading on UPCOM) are their closing prices on the trading day preceding to the date of provision calculation.

*For unlisted securities and securities unregistered for trading*

- ▶ The market price used as a basis for making provision is the average actual trading prices of transactions incurred within one month before the date of provision calculation which are quoted by three securities companies. If no transaction is conducted for such securities within that time limit, no provision is required.

**3.2 Cash and cash equivalents**

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

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

**3.3 Receivables**

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

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

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

**3.5 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

**3.6 Depreciation and amortisation**

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

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



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

**3.7 Operating lease**

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

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

**3.8 Prepaid expenses**

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

**3.9 Investments in securities**

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

**3.9.1 Short-term investments in securities**

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

Changes in fair value are recognised in the income statement.

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

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

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

The market prices of listed securities are determined based on closing prices on the stock markets as at 31 December 2014.

The market prices of unlisted shares which are registered on the unlisted public companies market (UPCoM) are the closing prices as at 31 December 2014.

The market prices of unlisted shares which are not registered on the unlisted public companies market (UPCoM) are the average actual trading prices of quotations obtained from three securities companies.

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

**3.10 Payables and accruals**

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



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

**3.11 Employee benefits**

**3.11.1 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 the Social Insurance Agency on a monthly basis.

**3.11.2 Unemployment benefits**

According to Circular No. 32/2010/TT-BLDTBXH providing guidance Decree No. 127/2008/ND-CP on unemployment insurance, since 1 January 2009, the Company is required to pay unemployment insurance at the rate of 1% of salary of employees who participate in the unemployment program and deduct 1% from each employee's basic salary to contribute to Unemployment Insurance Fund.

**3.12 Foreign currency transactions**

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

**3.13 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return.

The following specific recognition criteria must also be met before revenue is recognised:

*Revenue from brokerage services*

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

*Revenue from securities investments*

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

*Dividend*

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

*Interest*

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

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

**3.13 Revenue recognition (continued)**

*Rendering of other services*

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

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

**3.14 Cost of securities sold**

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

**3.15 Taxation**

*Current income tax*

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

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

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

*Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward of unused tax credits and unused tax losses can be used, except:

- ▶ where the deferred tax assets arise from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date.



# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.15 *Taxation* (continued)

#### *Deferred tax* (continued)

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

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.

### 3.16 *Funds belonging to owner's equity*

The Company uses the annual profit after tax to create the funds as required by Circular No. 146/2014/TT-BTC issued by the Ministry of Finance dated 6 October 2014.

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

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

### 3.17 *Appropriation of net profits*

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

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

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## 4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	62,343,236	78,846,093
Cash at banks	2,469,657,262	349,894,807
Cash of investors	211,489,569,722	248,411,361,437
Cash equivalents	397,110,000,000	104,008,871,007
<b>TOTAL</b>	<b><u>611,131,570,220</u></b>	<b><u>352,848,973,344</u></b>

## 5. VALUE AND VOLUME OF TRADING RESULTS IN THE YEAR

	<i>Trading volume in the year (unit)</i>	<i>Trading value in the year (VND)</i>
<b>a. Trading results of the Company</b>		
- Shares	5,744,886	55,554,156,800
<b>b. Trading results of the investors</b>		
- Shares	3,458,372,304	50,220,235,993,640
<b>TOTAL</b>	<b><u>3,464,117,190</u></b>	<b><u>50,275,790,150,440</u></b>



# Maybank Kim Eng Securities Limited

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

## 6. SHORT-TERM RECEIVABLES

### 6.1 Short-term receivables

Items	Notes	Beginning balance		Movements during the year		Ending balance		Provision
		Total	Overdue	Doubtful	Increase	Decrease	Total	
1. Advances to suppliers		760,625,000	-	-	29,520,184,790	(30,113,436,790)	167,373,000	-
2. Receivables from securities trading		351,105,649,266	-	10,093,389,311	67,709,393,634,860	(67,279,582,840,375)	780,916,443,751	-
- Margin financing contracts	(a)	311,764,487,384	-	-	26,197,498,905,285	(25,782,278,578,111)	726,984,814,558	-
- Co-operation contracts in securities trading	(b)	10,093,389,311	-	10,093,389,311	-	-	10,093,389,311	-
- Advances to investors	(c)	29,082,524,676	-	-	41,509,970,041,634	(41,495,441,755,055)	43,610,811,255	-
- Custodian services		165,247,895	-	-	1,924,687,941	(1,862,507,209)	227,428,627	-
3. Other receivables		779,403,704	-	-	18,705,422,637	(17,979,569,012)	1,505,257,329	-
- Interest of deposit		251,338,139	-	-	6,032,699,703	(5,741,327,177)	542,710,665	-
- Other short term receivables		528,065,565	-	-	12,672,722,934	(12,238,241,835)	962,546,664	-
<b>TOTAL</b>		<b>352,645,677,970</b>	-	<b>10,093,389,311</b>	<b>67,757,619,242,287</b>	<b>(67,327,675,846,177)</b>	<b>782,589,074,080</b>	-

VND

(a) These include the receivables under securities margin trading contracts which are secured by investors' securities portfolio or assets. The contract duration is less than three months and interest rate is 0.038% per day as at 31 December 2014.

(b) These represent the remaining overdue receivables incurring risks under business co-operation contracts which are secured by investors' securities portfolio or assets. As required by the State Securities Commission, the Company terminated this service on 7 July 2012.

(c) These are cash advances paid temporarily to investors on the securities selling date and will be collected on the settlement date. These advances bear an interest at rate of 0.038% per day calculated on the advance amount as at 31 December 2014.



# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

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## 6. SHORT-TERM RECEIVABLES (continued)

### 6.2 Provision for doubtful receivables

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	10,093,389,311	8,157,237,439
Provision charged for the year	-	4,106,332,202
Reversal of provision during the year	-	(2,170,180,330)
<b>Ending balance</b>	<b><u>10,093,389,311</u></b>	<b><u>10,093,389,311</u></b>

## 7. OTHER CURRENT ASSETS

### 7.1 Short-term prepaid expenses

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Expenditures for system maintenance	1,814,835,877	447,135,523
Advance for rental expenses	324,326,471	365,640,304
Other short term prepaid expenses	552,439,806	1,982,933,365
<b>TOTAL</b>	<b><u>2,691,602,154</u></b>	<b><u>2,795,709,192</u></b>

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

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	2,795,709,192	2,848,309,878
Increase during the year	15,033,534,160	12,218,369,480
Amortisation during the year	(15,137,641,198)	(12,270,970,166)
<b>Ending balance</b>	<b><u>2,691,602,154</u></b>	<b><u>2,795,709,192</u></b>

### 7.2 Other current assets

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Rental deposits	3,173,332,540	3,026,332,540
Advances	116,408,495	159,612,000
Other deposits	59,507,665	227,724,031
<b>TOTAL</b>	<b><u>3,349,248,700</u></b>	<b><u>3,413,668,571</u></b>

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

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## 8. TANGIBLE FIXED ASSETS

	VND			
	<i>Office equipment</i>	<i>Transportation</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>				
Beginning balance	30,144,702,883	3,052,011,905	1,312,090,622	34,508,805,410
Newly purchased	2,419,023,520	-	-	2,419,023,520
Ending balance	<u>32,563,726,403</u>	<u>3,052,011,905</u>	<u>1,312,090,622</u>	<u>36,927,828,930</u>
<i>In which:</i>				
<i>Fully depreciated</i>	12,055,486,657	1,379,274,405	25,098,740	13,459,859,802
<b>Accumulated depreciation:</b>				
Beginning balance	19,968,522,226	2,489,642,401	565,753,924	23,023,918,551
Depreciation charged for the year	3,360,236,790	267,522,572	258,961,951	3,886,721,313
Ending balance	<u>23,328,759,016</u>	<u>2,757,164,973</u>	<u>824,715,875</u>	<u>26,910,639,864</u>
<b>Net carrying amount:</b>				
Beginning balance	<u>10,176,180,657</u>	<u>562,369,504</u>	<u>746,336,698</u>	<u>11,484,886,859</u>
Ending balance	<u>9,234,967,387</u>	<u>294,846,932</u>	<u>487,374,747</u>	<u>10,017,189,066</u>

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

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## 9. INTANGIBLE FIXED ASSETS

	VND
	<u>Computer software</u>
<b>Cost:</b>	
Beginning balance	16,647,026,740
Transferred from constructions in progress	356,050,526
Newly purchased	<u>5,280,000</u>
Ending balance	<u>17,008,357,266</u>
<i>In which:</i>	
Fully amortised	13,378,280,400
<b>Accumulated amortisation:</b>	
Beginning balance	14,166,229,251
Amortisation charged for the year	<u>1,249,571,617</u>
Ending balance	<u>15,415,800,868</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>2,480,797,489</u>
Ending balance	<u>1,592,556,398</u>

## 10. LONG-TERM PREPAID EXPENSES

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Office renovation expenses	1,907,950,503	3,623,664,793
Office equipment expenses	<u>2,504,573,637</u>	<u>4,016,447,934</u>
<b>TOTAL</b>	<b><u>4,412,524,140</u></b>	<b><u>7,640,112,727</u></b>

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

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	7,640,112,727	1,292,983,490
Increase during the year	184,411,400	8,649,621,007
Amortisation during the year	<u>(3,411,999,987)</u>	<u>(2,302,491,770)</u>
<b>Ending balance</b>	<b><u>4,412,524,140</u></b>	<b><u>7,640,112,727</u></b>



# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 11. ADVANCE TO SETTLEMENT ASSISTANCE FUND

Advance to Settlement Assistance Fund represents deposits at the Vietnam Securities Depository as required by Decision No. 45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository. Accordingly, the Company is required to deposit an initial amount of VND120 million and make an annual additional contribution of 0.01% of total trading value of dealing and brokered securities in prior year but not exceed VND2,500 million per year.

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

	VND
Initial contribution	120,000,000
Additional contribution up to 31 December 2013	9,024,975,804
Interest allocated in 2008	4,040,362
<b>Balance as at 31 December 2013</b>	<b>9,149,016,166</b>
Additional contribution in the year	2,500,000,000
<b>Balance as at 31 December 2014</b>	<b>11,649,016,166</b>

## 12. SHORT-TERM LOANS AND BORROWINGS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bank overdraft (i)	28,533,791,381	10,280,661,454
Borrowings from Maybank Kim Eng Holdings Limited (ii)	107,113,000,000	63,300,000,000
Borrowings from Malayan Banking Berhad - Hanoi Branch (iii)	80,000,000,000	76,000,000,000
Borrowings from Malayan Banking Berhad - Ho Chi Minh Branch (iii)	50,000,000,000	4,000,000,000
	<b>265,646,791,381</b>	<b>153,580,661,454</b>

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

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 13. STATUTORY OBLIGATIONS

<i>Items</i>	<i>VND</i>			
	<i>Beginning balance</i>	<i>Payables in the year</i>	<i>Paid in the year</i>	<i>Ending balance</i>
Personal income tax of investors	1,402,719,346	22,320,973,060	(22,028,693,339)	1,694,999,067
Personal income tax of the employees	441,730,703	7,608,197,970	(7,614,091,803)	435,836,870
Corporate income tax of investors	21,696,177	1,536,550,717	(1,393,080,024)	165,166,870
Value added tax	-	1,212,308,556	(933,037,569)	279,270,987
Foreign contractor withholding tax	17,344,636	953,021,635	(781,150,038)	189,216,233
<b>TOTAL</b>	<b>1,883,490,862</b>	<b>33,631,051,938</b>	<b>(32,750,052,773)</b>	<b>2,764,490,027</b>

## 14. ACCRUED EXPENSES

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bonus accrual	10,730,269,742	3,145,098,064
Brokerage fee payables to the State Securities Commission	1,161,868,445	925,282,806
Accrual for professional fees	305,497,500	533,593,500
Other accrued expenses	4,590,235,618	2,481,893,454
<b>TOTAL</b>	<b>16,787,871,305</b>	<b>7,085,867,824</b>

## 15. OTHER PAYABLES

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade union fee	72,867,942	-
Other payables	116,767,456	110,869,634
<b>TOTAL</b>	<b>189,635,398</b>	<b>110,869,634</b>

## 16. PAYABLES FOR SECURITIES TRADING

This account represents deposits of investors in the Company's account for securities trading and clearance settlement for securities trading with Vietnam Securities Depository.

## 17. DEFERRED TAX LIABILITIES

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Deferred tax liabilities</b>		
Depreciation of fixed assets	<b>26,585,305</b>	<b>10,118,718</b>

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 18. OWNER'S EQUITY

### 18.1 Change in owner's equity

	Charter capital	Investment and development fund	Financial reserve	Undistributed earnings	Total
<b>As at 1 January 2014</b>	<b>300,000,000,000</b>	<b>3,556,412,666</b>	<b>3,556,412,667</b>	<b>17,554,791,668</b>	<b>324,667,617,001</b>
- Net profit for the year	-	-	-	20,164,770,752	20,164,770,752
- Fund contribution	-	54,847,573	54,847,573	(109,695,146)	-
- Capital contribution in cash	529,110,000,000	-	-	-	529,110,000,000
<b>As at 31 December 2014</b>	<b>829,110,000,000</b>	<b>3,611,260,239</b>	<b>3,611,260,240</b>	<b>37,609,867,274</b>	<b>873,942,387,753</b>

On 5 May 2014, the State Securities Commission issued License Amendment No. 05/GPDC-UBCK which approves the increase in the Company's charter capital to VND615,000 million.

In December 2014, according to Decision of the Company's owner which increases the Company's charter capital to VND829,110 million, the Company completed all necessary procedures and submitted the application for capital increase to the State Securities Commission of Vietnam. On 10 December 2014, the Company received the Notice No. 6805/UBCK-QLKD issued by the State Securities Commission of Vietnam to acknowledge the receipt of the full documents for the charter capital increase.

On 15 January 2015, the State Securities Commission issued License Amendment No. 05/GPDC-UBCK which approves the increase in the Company's charter capital to VND829,110 million.



# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 18. OWNER'S EQUITY (continued)

### 18.2 Contributed capital

	<i>Amounts as per establishment and operation license</i>		<i>Contributed charter capital</i>
		<i>%</i>	<i>VND</i>
Maybank Kim Eng Holdings Limited	829,110,000,000	100	829,110,000,000

## 19. OTHER REVENUE

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Revenue from margin trading activities	59,544,287,825	37,122,685,229
Interest income from bank deposits	13,737,250,370	11,711,908,993
Revenue from advances to investors	8,674,116,969	4,762,153,023
Other revenue	7,653,189,956	3,803,209,981
<b>TOTAL</b>	<b>89,608,845,120</b>	<b>57,399,957,226</b>

## 20. OPERATING EXPENSES

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Staff cost	40,365,624,217	37,161,122,296
Brokerage expenses	15,758,379,076	9,369,050,102
Interest expenses	13,439,429,932	4,546,621,509
Agency commission	9,031,822,758	4,558,795,129
Office rental	6,207,507,961	7,830,227,020
Securities custody fee	2,610,887,072	2,146,512,045
Depreciation and amortisation	1,510,446,866	2,258,352,582
Advisory services	972,978,417	103,385,204
Material and tool expenses	637,304,294	477,164,228
Cost of securities trading	316,687,322	3,162,820,456
Other expenses	5,518,115,302	7,396,882,554
<b>TOTAL</b>	<b>96,369,183,217</b>	<b>79,010,933,125</b>

## 21. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Staff cost	40,325,933,752	27,293,264,667
Repairing and maintenance expenses	7,052,505,980	5,190,871,070
Office rental	5,053,373,086	3,717,616,143
Depreciation and amortisation	3,625,846,064	3,632,302,974
Office supplies	1,398,339,226	550,612,474
Taxes and other fees	24,024,736	67,528,034
Provision for doubtful debts	-	1,936,151,872
Other expenses	14,346,835,413	13,056,915,673
<b>TOTAL</b>	<b>71,826,858,257</b>	<b>55,445,262,907</b>

# Maybank Kim Eng Securities Limited

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## 22. CORPORATE INCOME TAX ("CIT")

### 22.1 Current corporate income tax expense

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

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

The current corporate income tax expense is calculated as follows:

	VND	
	<u>Current year</u>	<u>Previous year</u>
<b>Profit/(loss) before tax</b>	<b>20,806,632,906</b>	<b>(18,835,398,711)</b>
<b>Adjustments to increase/(decrease) accounting profit</b>		
<i>Adjustments to increase:</i>		
- Non-deductible expenses	1,715,975,006	1,117,929,802
- Accrued expenses for the year	-	3,358,719,800
<i>Adjustments to decrease:</i>		
- Provision for doubtful debts	-	(2,447,171,232)
- Reversal of accrued expense of prior years subject to tax finalization	(3,044,642,239)	(2,386,441,053)
- Additional depreciation	(74,848,123)	(40,474,872)
- Dividends	(14,988,800)	(305,670)
<b>Adjusted net profit/(loss) before loss carried forward and tax</b>	<b>19,388,128,750</b>	<b>(19,233,141,936)</b>
Tax loss carried forward	(19,233,141,936)	
Additional tax loss carried forward subject to tax finalization 2013	(24,144,524)	-
<b>Estimated current taxable profit/(tax loss)</b>	<b>130,842,290</b>	<b>(19,233,141,936)</b>
Estimated CIT	28,785,304	-
Under provision of income tax in prior years	596,610,263	3,326,082
<b>Estimated current CIT</b>	<b>625,395,567</b>	<b>3,326,082</b>
CIT prepaid at beginning of year	(3,071,721,279)	(3,075,047,361)
<b>CIT prepaid at end of year</b>	<b>(2,446,325,712)</b>	<b>(3,071,721,279)</b>

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 22. CORPORATE INCOME TAX ("CIT") (continued)

### 22.2 *Deferred corporate income tax*

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

VND

	<i>Balance sheet</i>		<i>Income statement</i>		<i>Owner's equity</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
<b><i>Deferred tax assets</i></b>						
Provision for bad debts	-	-	-	(611,792,808)	-	-
Provision for impairment of long-term investments	-	-	-	-	-	(766,037,550)
	<u>-</u>	<u>-</u>				
<b><i>Deferred tax liabilities</i></b>						
Depreciation of fixed assets	26,585,305	10,118,718	(16,466,587)	(10,118,718)	-	-
	<u>26,585,305</u>	<u>10,118,718</u>				
<b><i>Net deferred tax expense</i></b>			<u>(16,466,587)</u>	<u>(621,911,526)</u>	<u>-</u>	<u>(766,037,550)</u>



# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 23. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>Amounts</i>
Maybank International Labuan Branch	Ultimate parent company	Borrowings	127,821,000,000
		Borrowings paid	127,821,000,000
		Interest paid	854,419,130
Maybank Kim Eng Holdings Limited (MBKEH)	Parent company	Borrowings	336,871,300,000
		Borrowings paid	293,058,300,000
		Interest paid	3,108,754,787
Maybank Kim Eng Securities Pte. Ltd	Subsidiary of MBKEH	Commission paid	1,694,746,035
		Brokerage fee received	26,588,990
Maybank Kim Eng Securities (Thailand) Public Company Limited	Subsidiary of MBKEH	Brokerage fee received	272,743,640
Kim Eng Securities (Hong Kong) Limited	Subsidiary of MBKEH	Brokerage fee received	39,401,400
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Borrowings paid	254,000,000,000
		Term deposits received	22,000,000,000
		Interest paid	2,260,718,763
		Interest received	1,222,222
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Borrowings paid	54,000,000,000
		Term deposits received	10,742,343,583
		Interest paid	1,772,337,517
		Interest received	11,779,201
Maybank Kim Eng Research Pte. Ltd	Related party	Research fee received	2,110,356,818
		Research fee paid	358,841,368

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>Receivable/ (Payable)</i>
Maybank Kim Eng Holdings Limited	Parent company	Borrowings	(107,113,000,000)
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Borrowings	(80,000,000,000)
		Interest	(73,194,444)
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Borrowings	(50,000,000,000)
		Interest	(63,194,444)
Maybank Kim Eng Securities Pte. Ltd	Subsidiary of MBKEH	Marketing fee	(1,133,489,521)
		Commission fee	(212,390,737)
		Other payable	(23,495,409)
Maybank Investment Bank Berhad	Subsidiary of ultimate parent company	Other receivables	109,522,500
Maybank Kim Eng Research Pte. Ltd	Related party	Other receivables	17,044,965

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 23. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties during the year:

	VND
Remuneration to members of management	<u>3,859,139,445</u>

## 24. OPERATING LEASE COMMITMENTS

The Company leases offices for its head office and branches under operating lease agreements. The minimum lease commitments under the operating lease agreements at the reporting date are as follows:

		VND
	<u>Ending balance</u>	<u>Beginning balance</u>
Less than 1 year	10,699,377,688	8,699,901,244
From 1 to 5 years	<u>21,786,858,384</u>	<u>31,812,572,134</u>
<b>Total</b>	<b><u>32,486,236,072</u></b>	<b><u>40,512,473,378</u></b>

## 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to market risk, credit risk and liquidity risk.

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

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

### **Market risk**

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

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

In calculating the sensitivity analyses, management assumed that the sensitivity of available-for-sale debt instruments in the balance sheet and the relevant items in the income statement items are affected by the assumptions of changes in respective market risks. This analysis is made based on the financial assets and financial liabilities held as at 31 December 2014.

### **Interest rate risk**

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



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

***Interest rate risk*** (continued)

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

A sensitivity analysis is not performed for interest rate risk for year ended 31 December 2014 as most of the Company's loans and borrowings have fixed interest rate at reporting date.

***Foreign currency risk***

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

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

***Equity price risk***

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

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

***Credit risk***

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

***Trade receivables***

Customer credit risk is managed by the Company based on its established policies, procedures and controls relating to customer credit risk management.

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

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

***Bank deposits***

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's risk management department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in *Note 4*. The Company evaluates the concentration of credit risk in respect to bank deposits is low.



# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
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## 25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Liquidity risk

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

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

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

	VND			
	<u>On demand</u>	<u>Less than 1 year</u>	<u>From 1 to 5 years</u>	<u>Total</u>
<b>31 December 2014</b>				
Short-term loans and borrowings	28,533,791,381	237,113,000,000	-	265,646,791,381
Payables to securities transactions	260,981,209,801	-	-	260,981,209,801
Accrued expenses	4,836,457,566	-	-	4,836,457,566
- Brokerage fee payables to the Stock Exchange	1,161,868,445	-	-	1,161,868,445
- Professional fees	305,497,500	-	-	305,497,500
- Other expenses	3,369,091,621	-	-	3,369,091,621
	<b><u>294,351,458,748</u></b>	<b><u>237,113,000,000</u></b>	<b><u>-</u></b>	<b><u>531,464,458,748</u></b>
<b>31 December 2013</b>				
Short-term loans and borrowings	-	153,580,661,454	-	153,580,661,454
Payables to securities transactions	247,188,442,651	-	-	247,188,442,651
Accrued expenses	3,358,719,800	-	-	3,358,719,800
- Brokerage fee payables to the Stock Exchange	925,282,806	-	-	925,282,806
- Professional fees	533,593,500	-	-	533,593,500
- Other expenses	1,899,843,494	-	-	1,899,843,494
	<b><u>250,547,162,451</u></b>	<b><u>153,580,661,454</u></b>	<b><u>-</u></b>	<b><u>404,127,823,905</u></b>

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

### Collateral

The Company pledges its receivables from securities trading accounts of customers and margin loans to secure for an overdraft loan obtained from a local bank (Note 12).

The Company held customers' securities as collaterals for the trading receivables from customers include margin financing contracts, co-operation contracts in securities trading as at 31 December 2014.

The Company pledged term deposits of VND183,000,000,000 to secure for loans at a commercial bank as at 31 December 2014.

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

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

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

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

***Financial assets***

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

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

- *Financial asset recognised at fair value through profit or loss:*  
is one that satisfies either of the following conditions:
  - a) Being classified as held for trading. A financial asset will be classified as securities held for trading if:
    - ✓ It is purchased or created mainly for the purpose of resale/redemption in a short term;
    - ✓ There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
    - ✓ It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
  - b) Upon initial recognition, the entity categorises the financial asset as such reflected at fair value through profit or loss.
- *Held-to-maturity investments:*  
are non-derivative financial assets with fixed or identifiable payments and fixed maturity years which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:
  - a) Financial assets that, upon initial recognition, were categorised as such recognised at fair value through profit or loss;
  - b) Financial assets already categorised as available for sale; or
  - c) Financial assets that meet the definitions of loans and receivables.
- *Loans and receivables:*  
are non-derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:
  - a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading and like those which, upon initial recognition the entity categorised as such recognised at fair value through profit or loss;
  - b) The amounts categorised by the entity as available for sale upon initial recognition; or



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

***Financial assets*** (continued)

- *Loans and receivables:* (continued)
  - c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorised as available for sale.
- *Available-for-sale assets:*
  - are non-derivative financial assets determined as available for sale or not classified as:
    - a) Loans and receivables;
    - b) Held-to-maturity investments;
    - c) Financial assets recognised at fair value through profit or loss.

***Financial liabilities***

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

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

- *Financial liabilities recognised at fair value through profit or loss*
  - are ones that meet either of the following conditions:
    - a) Being classified as held for trading. A financial liability will be classified as securities held for trading if:
      - ✓ It is purchased or created mainly for the purpose of resale/redemption in a short term;
      - ✓ There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
      - ✓ It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
    - b) Upon initial recognition, the entity categorises the financial liability as such reflected at fair value through an profit or loss.
- *Financial liabilities determined at amortised cost*
  - Financial liabilities not categorised as such recorded at fair value through profit or loss will be classified as such determined at amortised cost.

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

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

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



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

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

	Carrying amount		Fair value		VND
	Ending balance	Beginning balance	Ending balance	Beginning balance	
<b>Financial assets</b>					
Financial assets at fair value through profit or loss					
- Held for trading securities					
Listed shares	-	4,074,400	-	-	4,074,400
Trade receivable and other receivables	772,495,684,769	342,552,288,659	(*)	(*)	(*)
Cash and cash equivalents	611,131,570,220	352,848,973,344	611,131,570,220	352,848,973,344	
<b>Total</b>	<b>1,383,627,254,989</b>	<b>695,405,336,403</b>	<b>611,131,570,220</b>	<b>352,853,047,744</b>	
<b>Financial liabilities</b>					
Loans and borrowings	265,646,791,381	153,580,661,454	(*)	(*)	(*)
Payables to securities transactions	260,981,209,801	247,189,686,210	(*)	(*)	(*)
Accrued liabilities	4,836,457,566	3,358,719,800	4,836,457,566	3,358,719,800	
<b>Total</b>	<b>531,464,458,748</b>	<b>404,129,067,464</b>	<b>4,836,457,566</b>	<b>3,358,719,800</b>	

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

# Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

B09-CTCK

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

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

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

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

## 27. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the reporting 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: 



Dao Thi Ngoc Thuy  
Accountant



Tran Thi Ngoc Huong  
Chief Accountant



  
Nguyen Hoang Thien Truc  
General Director

Ho Chi Minh City, Vietnam

6 February 2015