

Maybank Kim Eng Securities Limited

Financial statements

31 December 2015



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 ("SSC") on 14 December 2007.

On 15 January 2015, the SSC 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.

ORGANIZATIONAL STRUCTURE

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

Board of Members

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr Ronnie Royston Fernandiz	Chairman	31 March 2014
Mr Ong Cheow Kheng	Deputy Chairman	21 July 2014
Ms Ami Moris	Member	13 January 2014
Mr Jeffrey Goh Cho Kiat	Member	13 January 2014
Mr Goh Keat Jin	Member	18 December 2014

Supervisory Board

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr Mohamad Yasin bin Abdullah	Chief Supervisor	Appointed on 28 February 2014
Ms Nguyen Tuyet Van	Member	Appointed on 13 January 2014
Ms Quach Thanh Bao Tran	Member	Appointed on 3 August 2015
Mr Koh Boon Hann	Member	Resigned on 15 May 2015

Management and Chief Accountant

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr Kim Thien Quang	General Director	Appointed on 12 August 2015
Mr Nguyen Hoang Thien Truc	General Director	Resigned 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

Maybank Kim Eng Securities Limited

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company for the period from 1 January 2015 to 12 August 2015 is Mr. Nguyen Hoang Thien Truc, the General Director.

The legal representative of the Company for the period from 13 August 2015 to the date of the financial statements is Mr. Kim Thien Quang, the General Director.

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 financial statements of the Company as at and for the year ended 31 December 2015.

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 2015.

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 2015 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 relevant statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of management:



Kim Thien Quang
General Director

Ho Chi Minh City, Vietnam

3 February 2016

Reference: 60994674/17859838

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 3 February 2016 and set out on pages from 6 to 41, which comprise the balance sheet as at 31 December 2015, 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

The Company's 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 relevant statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as the Company's 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 2015, 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



Nguyễn Thủy Dương
Deputy General Director
Audit Practicing Registration
Certificate No. 0893-2013-004-1

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

Ho Chi Minh City, Vietnam

3 February 2016

Maybank Kim Eng Securities Limited

BALANCE SHEET
as at 31 December 2015

B01-CTCK

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,135,511,031,800	1,392,114,431,555
110	I. Cash and cash equivalents	4	412,755,854,376	611,131,570,220
111	1. Cash		207,755,854,376	214,021,570,220
112	2. Cash equivalents		205,000,000,000	397,110,000,000
120	II. Short-term financial investments		1,585,700	-
121	1. Short-term investments		1,585,700	-
130	III. Short-term receivables	6	715,668,838,939	772,495,684,769
132	1. Advances to suppliers		-	167,373,000
135	2. Receivables from securities trading activities		722,752,294,516	780,916,443,751
138	3. Other receivables		3,109,655,340	1,505,257,329
139	4. Provision for doubtful debts		(10,193,110,917)	(10,093,389,311)
150	IV. Other current assets		7,084,752,785	8,487,176,566
151	1. Short-term prepaid expenses	7.1	3,908,257,657	2,691,602,154
154	2. Tax and other receivables from the State		-	2,446,325,712
158	3. Other current assets	7.2	3,176,495,128	3,349,248,700
200	B. NON-CURRENT ASSETS		34,417,747,737	28,834,358,770
220	I. Fixed assets		18,421,020,451	12,772,818,464
221	1. Tangible fixed assets	8	12,922,380,719	10,017,189,066
222	- Cost		42,841,010,853	36,927,828,930
223	- Accumulated depreciation		(29,918,630,134)	(26,910,639,864)
227	2. Intangible fixed assets	9	2,462,080,775	1,592,556,398
228	- Cost		19,365,501,766	17,008,357,266
229	- Accumulated amortization		(16,903,420,991)	(15,415,800,868)
230	3. Constructions in progress	10	3,036,558,957	1,163,073,000
260	II. Other long-term assets		15,996,727,286	16,061,540,306
261	1. Long-term prepaid expenses	11	1,847,711,120	4,412,524,140
263	2. Advance to Settlement Assistance Fund	12	14,149,016,166	11,649,016,166
270	TOTAL ASSETS		1,169,928,779,537	1,420,948,790,325

Maybank Kim Eng Securities Limited

BALANCE SHEET (continued)
as at 31 December 2015

B01-CTCK

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		266,787,552,708	547,006,402,572
310	I. Current liabilities		266,734,136,049	546,979,817,267
311	1. Short-term loans and borrowings	13	26,000,000,000	265,646,791,381
312	2. Trade payables		1,773,500,637	56,287,355
313	3. Advances from customers		475,832,000	553,532,000
314	4. Statutory obligations	14	3,611,470,132	2,764,490,027
316	5. Accrued expenses	15	12,390,468,624	16,787,871,305
319	6. Other payables	16	188,861,342	189,635,398
320	7. Payables for securities trading	17	220,120,024,450	260,960,586,028
321	8. Dividend, principal and interest payables of bonds on behalf of customers		2,173,978,864	20,623,773
330	II. Non-current liabilities		53,416,659	26,585,305
335	1. Deferred tax liabilities	18	53,416,659	26,585,305
400	B. OWNER'S EQUITY		903,141,226,829	873,942,387,753
410	I. Capital	19	903,141,226,829	873,942,387,753
411	1. Contributed capital		829,110,000,000	829,110,000,000
417	2. Investment and development reserve		5,071,202,193	3,611,260,239
418	3. Financial reserve		5,071,202,194	3,611,260,240
420	4. Undistributed earnings		63,888,822,442	37,609,867,274
440	TOTAL LIABILITIES AND OWNER'S EQUITY		1,169,928,779,537	1,420,948,790,325

Maybank Kim Eng Securities Limited

BALANCE SHEET (continued)
as at 31 December 2015

B01-CTCK

OFF BALANCE SHEET ITEMS

VND

Code	ITEMS	Ending balance	Beginning balance
006	1. Custody securities	5,114,897,110,000	4,476,268,000,000
	<i>Including:</i>		
007	1.1. Trading securities	3,162,185,310,000	2,757,832,740,000
008	1.1.1. Trading securities of custody investors	350,000	-
009	1.1.2. Trading securities of local investors	1,901,054,600,000	1,607,571,640,000
010	1.1.3. Trading securities of foreign investors	1,261,130,360,000	1,150,261,100,000
012	1.2. Temporarily unprocessed securities	83,631,000,000	25,498,440,000
014	1.2.1. Temporarily unprocessed securities of local investors	83,631,000,000	25,498,440,000
017	1.3. Mortgaged securities	95,002,000,000	26,527,000,000
019	1.3.1. Mortgaged securities of local investors	70,352,000,000	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	96,117,440,000	178,008,590,000
029	1.4.1. Securities awaiting settlement of local investors	95,407,840,000	168,380,490,000
030	1.4.2. Securities awaiting settlement of foreign investors	709,600,000	9,628,100,000
042	1.5. Securities mortgaged for loans	1,677,961,360,000	1,488,401,230,000
044	1.5.1. Securities mortgaged for loans of local investors	1,652,239,000,000	1,488,342,230,000
045	1.5.2. Securities mortgaged for loans of foreign investors	25,722,360,000	59,000,000
050	2. Custody securities of unlisted public companies	96,780,060,000	74,381,850,000
	<i>Including:</i>		
051	2.1. Trading securities	88,926,560,000	64,801,310,000
053	2.1.1. Trading securities of local investors	60,001,370,000	64,008,610,000
054	2.1.2. Trading securities of foreign investors	28,925,190,000	792,700,000
056	2.2. Temporarily unprocessed securities	7,853,500,000	9,580,540,000
058	2.2.1. Temporarily unprocessed securities of local investors	7,853,500,000	9,580,540,000

Prepared by:

Reviewed by:

Approved by:

Approved by:



Dao Thi Ngoc Thuy
Accountant



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial Officer




Kim Thien Quang
General Director

Ho Chi Minh City, Vietnam

3 February 2016

Maybank Kim Eng Securities Limited

INCOME STATEMENT
for the year ended 31 December 2015

B02-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue		175,901,446,239	189,002,674,380
	<i>Including:</i>			
01.1	Revenue from brokerage services		66,214,275,398	93,046,013,872
01.2	Revenue from securities investments and capital contributions		3,032,628	27,122,750
01.5	Revenue from finance advisory services		2,744,024,257	3,861,327,727
01.6	Revenue from custodian services		2,631,296,487	1,874,364,911
01.8	Revenue from assets for lease		486,000,000	585,000,000
01.9	Other revenue	20	103,822,817,469	89,608,845,120
10	2. Net revenue from operating activities		175,901,446,239	189,002,674,380
11	3. Operating expenses	21	(68,075,619,977)	(96,369,183,217)
20	4. Gross profit from operating activities		107,825,826,262	92,633,491,163
25	5. General and administrative expenses	22	(69,654,857,947)	(71,826,858,257)
30	6. Net profit from operating activities		38,170,968,315	20,806,632,906
32	7. Other expense		(202,325,071)	-
40	8. Other loss		(202,325,071)	-
50	9. Profit before tax		37,968,643,244	20,806,632,906
51	10. Current corporate income tax expense	23.1	(8,742,972,814)	(625,395,567)
52	11. Deferred income tax expense	23.2	(26,831,354)	(16,466,587)
60	12. Net profit after tax		29,198,839,076	20,164,770,752

Prepared by:

Reviewed by:

Approved by:

Approved by:

Dao Thi Ngoc Thuy
Accountant

Tran Thi Ngoc Huong
Chief Accountant

Tran Thi Thu Hang
Chief Financial Officer

Kim Thien Quang
General Director

Ho Chi Minh City, Vietnam

3 February 2016

Maybank Kim Eng Securities Limited

CASH FLOW STATEMENT
for the year ended 31 December 2015

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		37,968,643,244	20,806,632,906
	2. Adjustments for:			
02	- Depreciation and amortization	21,22	5,647,855,205	5,136,292,930
03	- Provisions	22	99,721,606	-
05	- Profits from investing activities		(13,243,194,830)	(13,752,032,976)
06	- Interest expense	21	3,362,912,063	13,439,429,932
08	3. Operating profit before changes in working capital		33,835,937,288	25,630,322,792
09	- Decrease/(increase) in receivables		57,611,986,575	(429,614,073,384)
10	- (Increase)/decrease in short-term investments		(1,585,700)	3,868,206
11	- (Decrease)/increase in payables (other than interest, corporate income tax)		(44,425,102,397)	23,804,125,917
12	- Decrease in prepaid expenses		1,348,157,517	3,354,195,625
13	- Interest paid		(3,350,828,730)	(13,308,476,939)
14	- Corporate income tax paid	23.1	(4,331,940,115)	-
16	- Other cash outflows from operating activities		(1,841,018,989)	(2,435,580,129)
20	Net cash flows from/(used in) operating activities		38,845,605,449	(392,565,617,912)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase and construction of fixed assets and other long-term assets		(9,653,505,478)	(3,788,781,783)
22	2. Proceeds from disposals of fixed assets and other long-term assets		4,545,455	-
27	3. Interest and dividends received		12,074,430,111	13,460,866,644
30	Net cash flows from investing activities		2,425,470,088	9,672,084,861

Maybank Kim Eng Securities Limited

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2015

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Capital contribution		-	529,110,000,000
33	2. Drawdown of borrowings		108,230,117,662	1,764,123,201,763
34	3. Repayment of borrowings		(347,876,909,043)	(1,652,057,071,836)
40	Net cash flows (used in)/ from financing activities		(239,646,791,381)	641,176,129,927
50	Net cash flows in the year		(198,375,715,844)	258,282,596,876
60	Cash and cash equivalents at the beginning of the year	4	611,131,570,220	352,848,973,344
70	Cash and cash equivalents at the end of the year	4	412,755,854,376	611,131,570,220

Prepared by:

Reviewed by:

Approved by:

Approved by:



Dao Thi Ngoc Thuy
Accountant



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial Officer




Kim Thien Quang
General Director

Ho Chi Minh City, Vietnam

3 February 2016

Maybank Kim Eng Securities Limited

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

B05-CTCK

VND

ITEMS	Beginning balance		Movements				Ending balance	
	Previous year	Current year	Previous year		Current year		Previous year	Current year
			Increase	Decrease	Increase	Decrease		
1. Contributed capital	300,000,000,000	829,110,000,000	529,110,000,000	-	-	-	829,110,000,000	829,110,000,000
2. Investment and development reserve	3,556,412,666	3,611,260,239	54,847,573	-	1,459,941,954	-	3,611,260,239	5,071,202,193
3. Financial reserve	3,556,412,667	3,611,260,240	54,847,573	-	1,459,941,954	-	3,611,260,240	5,071,202,194
4. Undistributed earnings	17,554,791,668	37,609,867,274	20,055,075,606	-	26,278,955,168	-	37,609,867,274	63,888,822,442
TOTAL	324,667,617,001	873,942,387,753	549,274,770,752	-	29,198,839,076	-	873,942,387,753	903,141,226,829

Prepared by:

Reviewed by:

Approved by:

Approved by:

Dao Thi Ngoc Thuy
Accountant

Tran Thi Ngoc Huong
Chief Accountant

Tran Thi Thu Hang
Chief Financial Officer

Kim Thien Quang
General Director

Ho Chi Minh City, Vietnam

3 February 2016

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 ("SSC") on 14 December 2007.

On 15 January 2015, the SSC 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.

Number of employees of the Company as at 31 December 2015 was 210 (31 December 2014: 238).

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, 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 guiding the accounting regime applicable to securities companies and the 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.

2.2 *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. BASIS OF PREPARATION (continued)

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 financial statements for the financial year ended on 31 December 2014, except for the below changes:

On 22 December 2014, the Ministry of Finance issued Circular No.200/2014/TT-BTC ("Circular 200") guiding the enterprise accounting regime applicable to all enterprises operating in all economic sectors effective for the financial year ended 31 December 2015. Significant changes in Circular 200 are as follows:

► Fixed asset liquidation presentation:

Other incomes and expenses from fixed asset liquidations are presented at net amount on the income statement.

► Additional disclosures are required in the financial statements:

- Financial investments: Detailed disclosure is required for individual investments which account for 10% and above of total investment balance.
- Trade receivables: Detailed disclosure is required for trade receivables which account for 10% and above of total trade receivables balance.
- Doubtful debts: Specific overdue debts or debts not yet overdue but unlikely to be recovered which account for 10% and above of total doubtful debt balance should be disclosed by the overdue period, overdue amount, information about penalty, interest charge for late payment and recoverability.
- Written-off debts: Specific debts written off within 10 years by customers and the rationale for writing-off should be disclosed by original currencies and VND.
- Construction in progress: Detailed disclosure is required for each construction in progress which accounts for 10% and above of total construction in progress balance.
- Trade payables: Detailed disclosure is required for specific trade payables accounting for 10% and above of total trade payables balance. Information about overdue trade payables by suppliers and overdue reasons should also be disclosed.
- General and administrative expenses: Each expense accounting for 10% and above of total general and administrative expenses should be disclosed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Standard issued but not yet effective**

On 30 December 2014, the Ministry of Finance issued Circular No. 210/2014/TT-BTC ("Circular 210") providing the guidance on the accounting regime applicable to securities companies which is more conformity with International Financial Reporting Standards. This Circular defines the accounting documents, chart of accounts, accounting treatments, accounting books, templates of financial statements, guidance of preparation and presentation of financial statements applicable to securities companies. This Circular takes effect from 1 January 2016 and replaces Circular No. 95/2008/TT-BTC ("Circular 95") dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010. Significant changes in Circular 210 are as follows:

- ▶ There are changes in forms of financial statements. Statement of comprehensive income, cash flows statement from brokerage activities and investor's trusted fund are presented separately as part of the basic financial statements.
- ▶ Financial assets are classified into four categories as financial assets through profit or loss, financial assets available for sale, financial assets held to maturity and loans. Measurement for each category of financial assets is as follows:
 - Financial assets through profit or loss are recognized at fair value.
 - Financial assets available for sales are recognized at fair value.
 - Financial assets held to maturity are recognized at amortized cost using the effective interest rate.
 - Loans are recognized at amortized cost using the effective interest rate.

In addition, loans are classified and provided for allowance as follows:

a) Loans classification

Loans will be assessed and classified into five groups using both qualitative and quantitative factors as follows:

<i>Loan group</i>	<i>Classification criteria</i>
Current	▶ Debts assessed as fully and timely recoverable for both principals and interests
Special Mention	▶ Debts assessed as fully and timely recoverable for both principals and interests but there are indicators showing that customers have reduced their capability to repay debts
Substandard	▶ Debts assessed as unrecoverable for both principals and interests on due date and might become potential loss
Doubtful	▶ Debts assessed as to be high-potential losses
Loss	▶ Debts assessed as unrecoverable and lost

b) Loans provision

Specific provision

Specific provision is created based on the net credit exposure of each borrower using fixed provision rates as regulated below.

<i>Group</i>	<i>Category</i>	<i>Specific provision rate</i>
1	Current	0%
2	Special Mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Standard issued but not yet effective (continued)

► Financial assets: (continued)

b) Loans provision (continued)

General provision

General provision is made for credit losses which have not been identified yet during the loan classification and specific provision making and for potential financial difficulties due to deterioration in loan quality. As such, the Company is required to fully create and maintain a general provision at 0.75% of total loans classified in groups 1 to 4.

- Assets of the securities company and investors by deposits, securities, payables should be separated.

- Some key new accounts are added as follows:

a) Income and expense accounts

Some new accounts are added to recognize income and expenses from financial assets at fair value through profit or loss, available for sale, held to maturity and interest from loans; provision and bad debt written-off expense; impairment on financial assets etc.

b) Asset accounts

Accounts for recognition of investors' cash for securities trading managed by securities company, by commercial banks; general investor's cash managed by securities company should be separated.

c) Liability accounts

Some new accounts are added to record financial liabilities through profit or loss and reserves for protection of investor's rights.

d) Owner equity accounts

Some new accounts are added to record difference on revaluation of financial assets and fixed assets at fair value.

The Company will adopt this standard from the effectiveness of this Circular.

3.3 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.

3.4 Receivables

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

Provision for doubtful debts is made based on the aging schedule of overdue debts or expected losses which may occur in case where a debt has not yet been due for payment but an economic organization is bankrupted or liquidated; or individual debtor is missing, run away, being prosecuted, under a trial or serving sentences or dead. Provision expense is recognized in "General and administrative expenses" of the income statement.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Receivables (continued)

The Company makes provision for overdue debts in accordance with the guidance of Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance guiding the provision and use of allowance for inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC 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%

3.5 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 tangible fixed 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.

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

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 and renewals are added to the carrying amount of the intangible fixed assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When intangible 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.

3.7 Depreciation and amortization

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

Office equipment	3 - 5 years
Means of transportation	6 years
Other tangible fixed assets	5 years
Computer software	3 - 5 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Operating leases

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.

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortized 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.

The following types of expenses are recognized as prepaid expenses and are amortized to the income statement from one (1) to thirty-five (35) months:

- ▶ Prepaid rental;
- ▶ System maintenance expenditure;
- ▶ Office renovations expense;
- ▶ Office tools and equipment;
- ▶ Prepaid expense for other services.

3.10 Investments in securities

According to Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance which provides amendments and supplements to Circular No. 95/2008/TT-BTC guiding the accounting regime applicable to securities companies, securities companies are allowed to recognize investments in securities at either cost or fair value. Accordingly, the Company has applied the fair value method to recognize investments in securities.

3.10.1 Short-term investments in securities

Short-term investments in securities 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 recognized in the income statement.

Accrued interest income is recognized 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments in securities (continued)

3.10.2 Fair value of trading 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 2015.

The market prices of unlisted shares which are registered on the unlisted public companies market (UPCoM) are the closing prices as at 31 December 2015.

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.

3.11 Payables and accruals

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

3.12 Employee benefits

3.12.1 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 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.

3.12.2 Unemployment benefits

The Company is obliged to pay unemployment insurance at 1% of its salary fund used for payment of unemployment insurance for insurance participants and deduct 1% of salary of each employee to simultaneously pay to the Unemployment Insurance Fund.

3.13 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 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. 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 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 securities investments

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

Dividend

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

Rendering of other services

Where the contract outcome can be reliably measured, revenue is 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.

3.15 Cost of securities sold

The Company applies the moving weighted average method to calculate cost of equity securities sold.

3.16 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 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 off-set 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)**3.16 Taxation (continued)***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 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 related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized 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 utilized. 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 income statement, except when it relates to items recognized 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.

3.17 Funds under the owner's equity

The Company uses its annual profit after tax to create the below funds as required by Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance guiding the financial regime applicable to securities companies, fund management companies.

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

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

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Appropriation of net profits

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

4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Cash on hand	42,747,755	62,343,236
Cash at banks	30,721,321,701	2,469,657,262
Cash of investors for securities trading	176,991,784,920	211,489,569,722
Cash equivalents	205,000,000,000	397,110,000,000
TOTAL	412,755,854,376	611,131,570,220

Cash equivalents represent bank deposits which have term from one (1) month to three (3) months and are pledged for security of bank loans (*Note 13*).

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>
a. Trading results of the Company		
- Shares	745,655	26,341,833,790
b. Trading results of the investors		
- Shares	2,579,602,307	36,524,054,460,590
TOTAL	2,580,347,962	36,550,396,294,380

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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	Overdue
1. Advances to suppliers		167,373,000	-	-	24,153,718,379	(24,321,091,379)	-	-
2. Receivables from securities trading		780,916,443,751	-	10,093,389,311	17,485,948,286,825	(17,544,112,436,060)	722,752,294,516	-
- Margin								
- financing contracts	(a)	726,984,814,558	-	-	14,056,351,792,276	(14,097,723,876,984)	685,612,729,850	-
- Co-operation contracts								
- in securities trading	(b)	10,093,389,311	-	10,093,389,311	-	-	10,093,389,311	-
- Advances to investors	(c)	43,610,811,255	-	-	3,426,735,312,112	(3,443,523,988,587)	26,822,134,780	-
- Custodian services		227,428,627	-	-	2,861,182,437	(2,864,570,489)	224,040,575	-
3. Other receivables		1,505,257,329	-	-	25,118,268,941	(23,513,870,930)	3,109,655,340	-
- Interest of deposits		542,710,665	-	-	6,858,409,720	(6,146,300,941)	1,254,819,444	-
- Other receivables		962,546,664	-	-	18,259,859,221	(17,367,569,989)	1,854,835,896	-
TOTAL		782,589,074,080	-	10,093,389,311	17,535,220,274,145	(17,591,947,398,369)	725,861,949,856	-
							10,193,110,917	10,193,110,917

(a) These include receivables under securities margin trading contracts which are secured by investors' securities portfolio or assets, have term of less than three months and bear interest at rate of 0.0361% per day as at 31 December 2015. A doubtful debt under the margin activity pertains to an investor (Account number: 079C030060) which was fully provided for allowance.

6. SHORT-TERM RECEIVABLES (continued)**6.1 Short-term receivables (continued)**

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

<i>Account number of debtor</i>	<i>Overdue period</i>	<i>Beginning balance</i>		<i>Ending balance</i>	
		<i>Principal</i>	<i>Recoverable amount</i>	<i>Principal</i>	<i>Recoverable amount</i>
079C005657	Over five (5) years	4,740,000,000	-	4,740,000,000	-
079C005757	Over five (5) years	3,731,263,278	-	3,731,263,278	-
079C005554	Over five (5) years	1,186,190,421	-	1,186,190,421	-
Others	Over five (5) years	435,935,612	-	435,935,612	-
Total		10,093,389,311	-	10,093,389,311	-

The balances pertain to doubtful debts arisen in 2010 which were fully provided for allowance in accordance with the Company's accounting policies (Note 3.4).

- (c) These are cash advances paid temporarily to investors on the securities selling dates and will be collected on the settlement dates. These advances earn interest at rate of 0.0361% per day calculated on the advance amount.

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

6.2 Provision for doubtful receivables

Movements of provision for doubtful receivables during the year follow.

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	10,093,389,311	10,093,389,311
Provision charged for the year (Note 22)	99,721,606	-
Ending balance	10,193,110,917	10,093,389,311

7. OTHER CURRENT ASSETS

7.1 Short-term prepaid expenses

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Expenditures for system maintenance	2,831,921,612	1,814,835,877
Prepaid rental	272,532,256	324,326,471
Other short term prepaid expenses	803,803,789	552,439,806
TOTAL	3,908,257,657	2,691,602,154

Movements of short-term prepaid expenses during the year are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	2,691,602,154	2,795,709,192
Increase	16,665,717,059	15,033,534,160
	19,357,319,213	17,829,243,352
Amortization charge	(15,449,061,556)	(15,137,641,198)
Ending balance	3,908,257,657	2,691,602,154

7.2 Other current assets

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Rental deposits	3,026,332,540	3,173,332,540
Advances	114,114,923	116,408,495
Other deposits	36,047,665	59,507,665
TOTAL	3,176,495,128	3,349,248,700

Rental deposits represent deposits to lessors for head office location at Vincom Center Dong Khoi, Vung Tau, Cho Lon and other branches' locations and other deposits which will be refunded to the Company upon termination of lease.

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8. TANGIBLE FIXED ASSETS

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

	VND			
	<i>Office equipment</i>	<i>Means of transportation</i>	<i>Others</i>	<i>Total</i>
Cost:				
Beginning balance	32,563,726,403	3,052,011,905	1,312,090,622	36,927,828,930
Newly purchased	2,003,532,080	-	-	2,003,532,080
Transferred from construction in progress (<i>Note 10</i>)	4,876,799,981			4,876,799,981
Written-off	(967,150,138)	-	-	(967,150,138)
Ending balance	38,476,908,326	3,052,011,905	1,312,090,622	42,841,010,853
<i>In which:</i>				
- Fully depreciated	15,207,657,816	1,934,047,405	340,424,630	17,482,129,851
Accumulated depreciation:				
Beginning balance	23,328,759,016	2,757,164,973	824,715,875	26,910,639,864
Depreciation charge	3,560,080,545	186,366,246	228,693,617	3,975,140,408
Written-off	(967,150,138)	-	-	(967,150,138)
Ending balance	25,921,689,423	2,943,531,219	1,053,409,492	29,918,630,134
Net carrying amount:				
Beginning balance	9,234,967,387	294,846,932	487,374,747	10,017,189,066
Ending balance	12,555,218,903	108,480,686	258,681,130	12,922,380,719

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9. INTANGIBLE FIXED ASSETS

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

	VND
	<u>Computer software</u>
Cost:	
Beginning balance	17,008,357,266
Newly purchased	1,771,429,700
Transferred from constructions in progress (Note 10)	977,680,000
Written-off	(391,965,200)
Ending balance	<u>19,365,501,766</u>
<i>In which:</i>	
- Fully amortized	15,154,341,540
Accumulated amortization:	
Beginning balance	15,415,800,868
Amortization charge	1,672,714,797
Written-off	(185,094,674)
Ending balance	<u>16,903,420,991</u>
Net carrying amount:	
Beginning balance	<u>1,592,556,398</u>
Ending balance	<u>2,462,080,775</u>

10. CONSTRUCTION IN PROGRESS

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	1,163,073,000	177,145,263
Additions	7,727,965,938	1,185,573,000
Transferred to tangible fixed assets (Note 8)	(4,876,799,981)	-
Transferred to intangible fixed assets (Note 9)	(977,680,000)	(199,645,263)
Ending balance	<u>3,036,558,957</u>	<u>1,163,073,000</u>

Breakdown of the construction in progress at 31 December 2015 follows.

	VND
<u>Items</u>	<u>Amount</u>
Payment of 60% contract value of the SAP accounting system	1,849,422,240
Payment of 40% contract value of hardware to upgrade the securities trading system	397,890,000
Others	789,246,717
Total	<u>3,036,558,957</u>

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11. LONG-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Office renovation	740,815,965	1,907,950,503
Office equipment	1,106,895,155	2,504,573,637
TOTAL	1,847,711,120	4,412,524,140

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

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	4,412,524,140	7,640,112,727
Increase	281,779,672	184,411,400
	4,694,303,812	7,824,524,127
Amortization	(2,846,592,692)	(3,411,999,987)
Ending balance	1,847,711,120	4,412,524,140

12. ADVANCE TO SETTLEMENT ASSISTANCE FUND

Advance to Settlement Assistance Fund represents deposits at the Vietnam Securities Depository as required by Decision No. 45/QĐ-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 value trading of dealing and brokered securities in prior year but not exceed VND2,500 million per year.

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

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	11,649,016,166	9,149,016,166
Additional contribution	2,500,000,000	2,500,000,000
Ending balance	14,149,016,166	11,649,016,166

13. SHORT-TERM LOANS AND BORROWINGS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bank overdraft	11,000,000,000	28,533,791,381
Borrowings from related party (Note 24)	15,000,000,000	237,113,000,000
	26,000,000,000	265,646,791,381

The bank overdraft is obtained from Bank for Investment and Development of Vietnam to finance daily operations of the Company and is secured by the term deposits (Note 4).

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14. STATUTORY OBLIGATIONS

VND

Items	Beginning balance	Movements during the year		Ending balance
		Payables	Paid	
Corporate income tax	(2,446,325,712)	8,742,972,814	(4,331,940,115)	1,964,706,987
Corporate income tax of investors	165,166,870	3,647,266,995	(3,736,708,299)	75,725,566
Personal income tax of investors	1,694,999,067	13,654,040,734	(14,476,023,518)	873,016,283
Personal income tax of the employees	435,836,870	7,413,259,737	(7,517,794,308)	331,302,299
Value added tax	279,270,987	1,050,351,565	(1,211,463,086)	118,159,466
Foreign contractor withholding tax	189,216,233	550,883,882	(491,540,584)	248,559,531
TOTAL	318,164,315	35,058,775,727	(31,765,469,910)	3,611,470,132

15. ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Staff cost	8,803,751,105	10,730,269,742
Brokerage fees	527,813,831	1,161,868,445
Professional fees	591,247,500	305,497,500
Other accrued expenses	2,467,656,188	4,590,235,618
TOTAL	12,390,468,624	16,787,871,305

16. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Trade union fee	73,666,864	72,867,942
Other payables	115,194,478	116,767,456
TOTAL	188,861,342	189,635,398

17. 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.

18. DEFERRED TAX LIABILITY

VND

	Ending balance	Beginning balance
Deferred tax liability		
Depreciation of fixed assets	53,416,659	26,585,305

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

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

19.1 Change in owner's equity

	Contributed capital	Investment and development reserve	Financial reserve	Undistributed earnings	Total
Beginning balance	829,110,000,000	3,611,260,239	3,611,260,240	37,609,867,274	873,942,387,753
- Net profit for the year	-	-	-	29,198,839,076	29,198,839,076
- Profit appropriations	-	1,459,941,954	1,459,941,954	(2,919,883,908)	-
Ending balance	829,110,000,000	5,071,202,193	5,071,202,194	63,888,822,442	903,141,226,829

VND

The Company's charter capital amounting to VND829,110 million has been fully contributed by Maybank Kim Eng Holdings Limited, the parent company.

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20. OTHER REVENUE

	VND	
	<i>Current year</i>	<i>Previous year</i>
Revenue from margin trading activities	77,624,091,304	59,544,287,825
Interest income from bank deposits	13,445,510,901	13,737,250,370
Revenue from advances to investors	4,683,716,696	8,674,116,969
Other revenue	8,069,498,568	7,653,189,956
TOTAL	103,822,817,469	89,608,845,120

21. OPERATING EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Staff cost	28,307,665,777	40,365,624,217
Brokerage expenses	11,541,587,107	15,758,379,076
Agency commission	7,218,974,801	9,031,822,758
Office rental	6,195,684,330	6,207,507,961
Interest expenses	3,362,912,063	13,439,429,932
Securities custody fee	2,933,104,545	2,610,887,072
Depreciation and amortization	1,333,959,691	1,510,446,866
Material and tool expenses	426,966,204	637,304,294
Advisory services	323,522,755	972,978,417
Cost of securities trading	182,334,935	316,687,322
Other expenses	6,248,907,769	5,518,115,302
TOTAL	68,075,619,977	96,369,183,217

22. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Staff cost	42,057,769,604	40,325,933,752
Office renovation expenses	5,988,718,009	7,052,505,980
Office rental	5,492,214,351	5,053,373,086
Depreciation and amortization	4,313,895,514	3,625,846,064
Office supplies	1,261,536,560	1,398,339,226
Provision for doubtful debts (Note 6.2)	99,721,606	-
Taxes and other fees	48,845,144	24,024,736
Other expenses	10,392,157,159	14,346,835,413
TOTAL	69,654,857,947	71,826,858,257

23. CORPORATE INCOME TAX**23.1 Current corporate income tax expense**

The Company has the obligations to pay the Corporate Income Tax ("CIT") at a rate of 22% 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 as reported in the income statements because it excludes items of income or expense that are taxable or deductible in other periods 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.

Provision for current corporate income tax expense is calculated as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Profit before tax	37,968,643,244	20,806,632,906
<i>Add:</i>		
- Non-deductible expenses	1,912,711,381	1,715,975,006
- Provision for doubtful debts	69,805,124	-
<i>Less:</i>		
- Reversal of accrued expense made in prior years and realized in current year	(434,697,403)	(3,044,642,239)
- Additional depreciation	(121,960,701)	(74,848,123)
- Dividends	(9,000)	(14,988,800)
Adjusted profit before tax loss carried forward	39,394,492,645	19,388,128,750
Tax loss carried forward	-	(19,257,286,460)
Current taxable profit	39,394,492,645	130,842,290
Estimated income expense	8,666,788,382	28,785,304
Under provision of tax in prior years	76,184,432	596,610,263
Total income expense for the year	8,742,972,814	625,395,567
CIT recoverable at the beginning of the year	(2,446,325,712)	(3,071,721,279)
CIT paid during the year	(4,331,940,115)	-
CIT payable/(recoverable) at the end of the year	1,964,706,987	(2,446,325,712)

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23. CORPORATE INCOME TAX (continued)

23.2 Deferred corporate income tax

The Company has recognized a deferred corporate income tax liability with respect to difference in depreciation rate between the Company's accounting policy and the tax regulations. Movements of deferred tax liability during the year are as follows:

	Balance sheet		Income statement	
	Ending balance	Opening balance	Current year	Previous year
Deferred tax liability				
Depreciation of fixed assets	53,416,659	26,585,305	26,831,354	16,466,587
	53,416,659	26,585,305		
Net deferred tax expense			26,831,354	16,466,587

24. TRANSACTIONS WITH RELATED PARTIES

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

Related party	Relationship	Transactions	VND	
			Current year	Previous year
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings Borrowings paid Interest paid	64,050,000,000 64,050,000,000 381,959,480	127,821,000,000 127,821,000,000 854,419,130
Maybank Kim Eng Holdings Limited (MBKEH)	Parent company	Borrowings Borrowings paid Interest paid	- 107,113,000,000 283,910,146	336,871,300,000 293,058,300,000 3,108,754,787
Maybank Kim Eng Securities Pte. Ltd	Subsidiary of MBKEH	Brokerage fee paid Commission paid Brokerage fee received	1,465,339,951 994,620,689 47,822,158	- 1,694,746,035 26,588,990
Kim Eng Securities (Hong Kong) Limited	Subsidiary of MBKEH	Brokerage fee received	-	39,401,400
Maybank Kim Eng Securities (Thailand) Public Company Limited	Subsidiary of MBKEH	Brokerage fee received	167,215,978	272,743,640
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Borrowings paid Term deposits received Interest paid Interest received	80,000,000,000 - 813,027,778 -	254,000,000,000 22,000,000,000 2,260,718,763 1,222,222
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Borrowings paid Interest paid Interest received Bank fee paid Term deposits received	50,000,000,000 317,013,891 37,267,367 910,910 -	54,000,000,000 1,772,337,517 11,779,201 - 10,742,343,583
Maybank Kim Eng Research Pte. Ltd	Related party	Research fee received Research fee paid Remuneration	2,336,569,712 584,714,021 4,623,277,327	2,110,356,818 358,841,368 3,859,139,445

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24. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transactions	VND	
			Receivable/(Payable)	
			Ending balance	Beginning balance
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)
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Interest	-	(73,194,444)
Maybank Kim Eng Securities Pte. Ltd	Subsidiary of MBKEH	Borrowings	(15,000,000,000)	(50,000,000,000)
		Interest payable	(8,583,333)	(63,194,444)
		Demand deposit	10,116,514,990	-
		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

25. 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 reporting date are as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	11,535,527,090	10,699,377,688
From 1 to 5 years	17,512,128,905	21,786,858,384
Total	29,047,655,995	32,486,236,072

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The management reviews and agrees policies for managing each of these risks which are summarized below:

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 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 and short-term investments.

Interest rate risk

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

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

A sensitivity analysis is not performed for interest rate risk at 31 December 2015 as the Company's deposits and borrowings have fixed interest rates 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).

Foreign exchange risk of the Company is minimal.

Equity price risk

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

Equity price risk of the Company is minimal.

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 analyzed 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 minimize 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.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Market risk (continued)***Bank deposits*

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

Liquidity risk

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

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

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

	VND		
	<i>On demand</i>	<i>Less than 1 year</i>	<i>Total</i>
Ending balance			
Short-term loans and borrowings	11,000,000,000	15,000,000,000	26,000,000,000
Trade payables	1,773,500,637	-	1,773,500,637
Accrued expenses	3,165,703,222	-	3,165,703,222
- <i>Brokerage fee payables to the Stock Exchange</i>	527,813,831	-	527,813,831
- <i>Professional fees</i>	591,247,500	-	591,247,500
- <i>Other expenses</i>	2,046,641,891	-	2,046,641,891
Payables to securities transactions	220,120,024,450	-	220,120,024,450
Dividend, principal and interest payables of bonds on behalf of customers	2,173,978,864	-	2,173,978,864
	238,233,207,173	15,000,000,000	253,233,207,173
Beginning balance			
Short-term loans and borrowings	28,533,791,381	237,113,000,000	265,646,791,381
Trade payables	56,287,355	-	56,287,355
Accrued expenses	4,836,457,566	-	4,836,457,566
- <i>Brokerage fee payables to the Stock Exchange</i>	1,161,868,445	-	1,161,868,445
- <i>Professional fees</i>	305,497,500	-	305,497,500
- <i>Other expenses</i>	3,369,091,621	-	3,369,091,621
Payables to securities transactions	260,960,586,028	-	260,960,586,028
Dividend, principal and interest payables of bonds on behalf of customers	20,623,773	-	20,623,773
	294,407,746,103	237,113,000,000	531,520,746,103

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (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.

Collateral

The Company has held customers' securities as collaterals for the trading receivables from customers include margin financing contracts in securities trading as at 31 December 2015.

The Company has pledged its term deposits at a local bank for security of its borrowings.

27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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 recognized and accounted for in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and relevant statutory requirements.

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 recognized 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 Company categorizes the financial asset as such reflected at fair value through profit or loss.

27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets (continued)

▪ *Held-to-maturity investments:*

are non-derivative financial assets with fixed or identifiable payments and fixed maturity years which the Company has the intent and ability to hold until the date of maturity, with the exceptions of:

- a) Financial assets that, upon initial recognition, were categorized as such recognized at fair value through profit or loss;
- b) Financial assets already categorized 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 Company 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 Company categorized as such recognized at fair value through profit or loss;
- b) The amounts categorized by the Company as available for sale upon initial recognition;
- 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.

▪ *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 recognized 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 recognized 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 Company categorizes the financial liability as such reflected at fair value through an profit or loss.

27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial liabilities (continued)

▪ *Financial liabilities determined at amortized cost*

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

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities are stated at the value of financial instruments that can be converted in a current transaction between the parties, except as required sale or liquidation.

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

- ▶ Fair value of cash and short-term deposits, accounts receivables, trade payables and accrued expenses is equivalent to the carrying value due to short-term maturities of these instruments.
- ▶ The fair value of accounts receivable by the Company evaluated based on information such as market conditions and loan repayment capacity of each customer. Accordingly, the Company estimates provision for these receivables. At as 31 December 2015, the carrying value of the receivables after deducting the provision did not have significant difference in comparison with the fair values.
- ▶ Fair value of quoted held for trading securities is derived from quoted market prices in active markets.

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27. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The below table presents 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
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	
Financial assets					
Cash and cash equivalents	412,755,854,376	611,131,570,220	412,755,854,376	611,131,570,220	
Financial assets at fair value through profit or loss					
<i>Held for trading securities</i>					
- Listed shares	1,585,700	-	1,585,700	-	
Short-term receivables	715,668,838,939	772,495,684,769	715,668,838,939	772,495,684,769	
Total	1,128,426,279,015	1,383,627,254,989	1,128,426,279,015	1,383,627,254,989	
Financial liabilities					
Loans and borrowings	26,000,000,000	265,646,791,381	26,000,000,000	265,646,791,381	
Trade payables	1,773,500,637	56,287,355	1,773,500,637	56,287,355	
Accrued liabilities	3,165,703,222	4,836,457,566	3,165,703,222	4,836,457,566	
Payables for securities trading	220,120,024,450	260,960,586,028	220,120,024,450	260,960,586,028	
Dividend, principal and interest payables of bonds on behalf of customers	2,173,978,864	20,623,773	2,173,978,864	20,623,773	
Total	253,233,207,173	531,520,746,103	253,233,207,173	531,520,746,103	

28. EVENTS AFTER 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:




Dao Thi Ngoc Thuy
Accountant



Tran Thi Ngoc Huong
Chief Accountant



Tran Thi Thu Hang
Chief Financial
Officer



Kim Thien Quang
General Director

Ho Chi Minh City, Vietnam

3 February 2015