

# **Maybank Kim Eng Securities Limited**

Interim financial statements

For the six-month period ended 30 June 2020



# Maybank Kim Eng Securities Limited

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# Maybank Kim Eng Securities Limited

## GENERAL INFORMATION

### THE COMPANY

Maybank Kim Eng Securities Limited ("the Company") was incorporated under License No. 117/GP-UBCK dated 3 January 2014 and Amended License No. 30/GPDC-UBCK dated 17 April 2018, which supersedes License No. 71/UBCK-GP on 14 December 2007.

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

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

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

### ***Main features of operation of the Company***

#### *Size of operation*

As at 30 June 2020, the Company's charter capital was VND 1,056,110,000,000 and total assets amounted to VND 2,077,651,389,073.

#### *Investment target*

The Company operates with the common goal of providing professional services, creating value for clients of the Company and the Group, moving to the leading position in all operating activities, building smart and efficient resources and maximizing profits for the Company.

#### *Investment restrictions*

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

# Maybank Kim Eng Securities Limited

## GENERAL INFORMATION (continued)

### MEMBERS' COUNCIL

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Mohamad Yasin Bin Abdullah	Chairman	Appointed on 7 August 2020
Ms. Che Zakiah Binti Che Din	Member	Resigned on 7 August 2020
Mr. Rajiv Vijendran	Chairwoman	Resigned on 7 August 2020
Mr. Lok Eng Hong	Member	Appointed on 30 December 2019
Mr. Ronnie Royston Fernandiz	Member	Appointed on 7 August 2020
Mr. Goh Cho Kiat Jeffrey	Member	Resigned on 7 August 2020

### SUPERVISORY BOARD

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

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Ms. Che Zakiah Binti Che Din	Head	Appointed on 7 August 2020
Mr. Malique Firdauz Bin Ahmad Sidique	Head	Resigned on 7 August 2020
Ms. Tran Ngoc Nhu Hien	Member	Re-appointed on 30 December 2019
Ms. Nguyen Tuyet Van	Member	Re-appointed on 30 December 2019

### MANAGEMENT

Members of the Management and the Chief Accountant of the Company during the period and as at the date of the interim financial statements are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Kim Thien Quang	Chief Executive Officer	Appointed on 12 August 2015
Mr. To Quoc Tuan	Chief Financial Officer	Appointed on 9 September 2019
Mr. Tran Chau Tien	Head, IT	Appointed on 1 April 2019
Mr. Vu Gia Vinh	Head, Investment Banking and Advisory	Appointed on 24 June 2017
Ms. Le Hong Lien	Head, Institutional Research	Appointed on 1 November 2013
Ms. Tran Thi Ngoc Huong	Chief Accountant	Appointed on 10 March 2014

### LEGAL REPRESENTATIVE

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

### AUDITOR

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

# Maybank Kim Eng Securities Limited

## REPORT OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of Maybank Kim Eng Securities Limited ("the Company") is pleased to present this report and the interim financial statements of the Company for the six-month period ended 30 June 2020.

### CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Chief Executive Officer of the Company is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Company, of the interim results of its operations, its interim cash flows and its interim changes in equity for the period. In preparing those interim financial statements, the Chief Executive Officer is required to:

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

The Chief Executive Officer is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Chief Executive Officer confirmed that he has complied with the above requirements in preparing the accompanying interim financial statements for the six-month period ended 30 June 2020.

### STATEMENT BY CHIEF EXECUTIVE OFFICER

The Chief Executive Officer does hereby state that, in his opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Company as at 30 June 2020 and of the interim results of its operations, its interim cash flows and its interim changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidelines applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the interim financial



Kim Thien Quang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

11 August 2020

Reference: 60994674/21231608-SX

## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim financial statements of Maybank Kim Eng Securities Limited ("the Company") as prepared on 11 August 2020 and set out on pages 6 to 47 which comprise the interim statement of financial position as at 30 June 2020, the interim income statement, the interim cash flow statement and the interim statement of changes in owner's equity for the six-month period then ended and the notes thereto.

### ***Chief Executive Officer's responsibility***

The Company's Chief Executive Officer is responsible for the preparation and fair presentation of the interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidelines applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the interim financial statements, and for such internal control as Chief Executive Officer determines is necessary to enable the preparation and presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Company as at 30 June 2020, and of the interim results of its operations, its interim cash flows and its interim changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidelines applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the interim financial statements.

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



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Nguyễn Thuý Dương  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 0893-2018-004-1

Ho Chi Minh City, Vietnam

11 August 2020



# Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION  
as at 30 June 2020

B01a-CTCK

Code	Items	Notes	30 June 2020 VND	31 December 2019 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,024,133,774,465</b>	<b>1,944,656,437,199</b>
<b>110</b>	<b>I. Financial assets</b>		<b>2,018,957,427,902</b>	<b>1,942,352,311,439</b>
111	1. Cash and cash equivalents	4	186,269,027,557	133,946,184,149
111.1	1.1 Cash		9,269,027,557	73,946,184,149
111.2	1.2 Cash equivalents		177,000,000,000	60,000,000,000
112	2. Financial assets at fair value through profit and loss (FVTPL)	6.1	295,003,312,920	2,977,010
114	3. Loans	6.2	1,520,754,284,144	1,793,576,529,568
116	4. Provision for impairment of financial assets and mortgage assets	6.3	(3,392,102,022)	(3,392,102,022)
117	5. Receivables		12,926,170,955	16,018,114,439
117.2	5.1 Receivables and accruals from dividend and interest income		12,926,170,955	16,018,114,439
117.4	5.1.1 Accruals for dividend and interest income	7	12,926,170,955	16,018,114,439
118	6. Advances to suppliers	7	-	601,022,500
119	7. Receivables from services provided by the Company	7	2,969,788,627	1,356,418,114
122	8. Other receivables	7	4,542,246,116	448,280,576
129	9. Provision for impairment of receivables	7	(115,300,395)	(205,112,895)
<b>130</b>	<b>II. Other current assets</b>	<b>8</b>	<b>5,176,346,563</b>	<b>2,304,125,760</b>
131	1. Advances		112,504,605	125,139,773
133	2. Short-term prepaid expenses		5,063,841,958	2,178,985,987
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>53,517,614,608</b>	<b>57,275,291,199</b>
<b>220</b>	<b>III. Fixed assets</b>		<b>15,395,793,740</b>	<b>16,208,319,809</b>
221	1. Tangible fixed assets	9	11,477,623,644	13,801,823,513
222	- Cost		52,024,151,392	54,562,758,791
223a	- Accumulated depreciation		(40,546,527,748)	(40,760,935,278)
227	2. Intangible fixed assets	10	3,918,170,096	2,406,496,296
228	- Cost		27,702,906,235	25,400,661,235
229a	- Accumulated amortization		(23,784,736,139)	(22,994,164,939)
<b>240</b>	<b>IV. Constructions in progress</b>		<b>2,066,980,000</b>	<b>4,584,229,000</b>
<b>250</b>	<b>V. Other non-current assets</b>		<b>36,054,840,868</b>	<b>36,482,742,390</b>
251	1. Long-term deposits, collaterals and pledges		3,255,088,737	3,255,088,737
252	2. Long-term prepaid expenses	11	2,788,043,369	3,225,736,697
253	3. Deferred tax assets	12	1,916,956	1,916,956
254	4. Deposits to Settlement Assistance Fund	13	30,009,791,806	30,000,000,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,077,651,389,073</b>	<b>2,001,931,728,398</b>



# Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2020

B01a-CTCK

Code	Items	Notes	30 June 2020 VND	31 December 2019 VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>706,799,898,307</b>	<b>674,124,806,428</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>706,742,379,082</b>	<b>674,067,287,203</b>
311	1. Short-term borrowings and financial leases		669,454,090,000	646,656,800,000
312	1.1 Short-term borrowings	14	669,454,090,000	646,656,800,000
318	2. Payables for securities transaction activities		26,652,537	516,000
320	3. Short-term trade payables	15	8,607,169,051	2,589,711,138
321	4. Short-term advances from customers		330,332,000	330,332,000
322	5. Statutory obligations	16	13,311,448,492	4,859,425,615
323	6. Payables to employees		9,337,958,184	13,999,146,234
324	7. Employee benefits		206,925,039	316,210,932
325	8. Short-term accrued expense	17	5,464,694,332	5,233,801,760
329	9. Other current liabilities		3,109,447	81,343,524
<b>340</b>	<b>II. Non-current liabilities</b>		<b>57,519,225</b>	<b>57,519,225</b>
356	1. Deferred tax liabilities	18	57,519,225	57,519,225
<b>400</b>	<b>D. OWNER'S EQUITY</b>	<b>19</b>	<b>1,370,851,490,766</b>	<b>1,327,806,921,970</b>
<b>410</b>	<b>I. Owner's equity</b>		<b>1,370,851,490,766</b>	<b>1,327,806,921,970</b>
411	1. Contributed capital		1,056,110,000,000	1,056,110,000,000
414	2. Capital supplementary reserve		17,104,719,664	14,952,026,685
415	3. Financial and operational risks reserve		17,104,719,663	14,952,026,685
417	4. Undistributed profit		280,532,051,439	241,792,868,600
417.1	4.1. Realized profit		280,516,983,104	241,768,818,230
417.2	4.2. Unrealized profit		15,068,335	24,050,370
<b>440</b>	<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>2,077,651,389,073</b>	<b>2,001,931,728,398</b>

# Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2020

B01a-CTCK

## OFF-BALANCE SHEET ITEMS

Code	Items	Notes	30 June 2020 VND	31 December 2019 VND
	<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS</b>			
005	1. Foreign currencies (original currency) USD SGD	20.1	23,618.23 811.30	183,219.68 1,799.88
008	2. Financial assets listed/registered for trading at Viet Nam Securities Depository ("VSD") of the Company	20.2	980,000	630,000
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS</b>			
021	1. Investors' financial assets listed/registered at VSD	20.3	8,708,101,880,000	8,684,463,610,000
021.1	- Unrestricted financial assets		8,335,445,960,000	8,431,799,310,000
021.2	- Restricted financial assets		25,421,190,000	42,354,910,000
021.3	- Mortgage financial assets		111,517,200,000	111,517,200,000
021.5	- Financial assets awaiting settlement		235,717,530,000	98,792,190,000
022	2. Investors' non-traded financial assets deposited at VSD	20.4	1,607,488,690,000	1,578,650,080,000
022.1	- Unrestricted and non-traded financial assets deposited at VSD		1,368,373,290,000	1,344,390,870,000
022.2	- Restricted and non-traded financial assets deposited at VSD		232,115,340,000	227,259,210,000
022.3	- Mortgaged and non-traded financial assets deposited at VSD		7,000,060,000	7,000,000,000
023	3. Investors' financial assets awaiting arrival	20.5	198,895,370,000	89,159,820,000

# Maybank Kim Eng Securities Limited

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2020

B01a-CTCK

## OFF-BALANCE SHEET ITEMS (continued)

Code	Items	Notes	30 June 2020 VND	31 December 2019 VND
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENTS WITH INVESTORS (continued)</b>			
026	4. Investors' deposits	20.6	575,420,643,267	256,563,119,621
027	4.1. Investors' deposits for securities trading activities managed by the Company		281,141,458,617	131,333,951,021
028	4.2 Investors' collective deposits for securities trading activities		102,371,592,922	92,957,287,150
029	4.3 Investors' deposits for securities transaction clearing and settlement		191,907,591,728	32,271,881,450
029.1	- Domestic investors' deposits for securities transaction clearing and settlement		190,642,966,164	31,978,543,476
029.2	- Foreign investors' deposits for securities transaction clearing and settlement		1,264,625,564	293,337,974
031	5. Payables to investors - investors' deposits for securities trading activities managed by the Company	20.7	575,420,643,267	256,561,752,912
031.1	5.1 Domestic investors' deposits for securities trading activities managed by the Company		514,780,393,029	192,039,377,830
031.2	5.2 Foreign investors' deposits for securities trading activities managed by the Company		60,640,250,238	64,522,375,082
035	6. Dividend, bond principal and interest payables	20.7	-	1,366,709

Preparer:

Reviewer:

Approver:

Nguyen Thi Minh Hong  
Accountant

Tran Thi Ngoc Huong  
Chief Accountant

To Quoc Tuan  
Chief Financial Officer

Kim Thien Quang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

11 August 2020

# Maybank Kim Eng Securities Limited

INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2020

B02a-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>I. OPERATING REVENUE</b>			
01	1. Revenue from financial assets at fair value through profit and loss (FVTPL)	21.1	6,051,587,184	3,172,384,136
01.1	1.1 Gain from disposal of financial assets at FVTPL		267,507,825	21,266,723
01.2	1.2 Gain from revaluation of financial assets at FVTPL		778,620	630,757
01.3	1.3 Dividend, interest income from financial assets at FVTPL		5,783,300,739	3,150,486,656
03	2. Revenue from loans and receivables	21.1	83,386,310,446	79,763,021,592
06	3. Revenue from brokerage services	21.2	62,234,637,385	48,628,143,918
09	4. Revenue from securities custodian services	21.2	2,335,949,881	2,739,322,463
10	5. Revenue from financial advisory services	21.2	12,042,867,840	150,000,000
11	6. Other revenue	21.2	3,676,740,085	4,233,119,655
20	<b>Total operating revenue</b>		<b>169,728,092,821</b>	<b>138,685,991,764</b>
	<b>II. OPERATING EXPENSES</b>			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		1,258,170	15,799,720
21.1	1.1 Loss from disposal of financial assets at FVTPL		-	15,535,500
21.2	1.2 Loss from revaluation of financial assets at FVTPL		1,258,170	264,220
24	2. Provision expense for impairment of financial assets, loss from doubtful receivables and borrowing costs of loans	22	13,846,042,399	12,799,387,315
27	3. Expenses for brokerage services	23	50,231,439,030	41,363,183,772
29	4. Expenses for securities investment advisory services		-	5,481,406,199
30	5. Expenses for securities custodian services		3,604,148,563	3,087,311,156
31	6. Expenses for financial advisory services		3,939,407,628	-
40	<b>Total operating expenses</b>		<b>71,622,295,790</b>	<b>62,747,088,162</b>
	<b>III. FINANCE INCOME</b>			
41	1. Unrealized gain from changes in foreign exchange rates		86,799,318	25,366,369
42	2. Dividend and interest income from demand deposits		1,884,919,734	1,864,955,229
50	<b>Total finance income</b>	24	<b>1,971,719,052</b>	<b>1,890,321,598</b>

# Maybank Kim Eng Securities Limited

INTERIM INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2020

B02a-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>IV. FINANCE EXPENSES</b>			
51	1. Unrealized loss from changes in foreign exchange rates		3,996,179	10,829,986
60	<b>Total finance expenses</b>		<b>3,996,179</b>	<b>10,829,986</b>
62	<b>V. GENERAL AND ADMINISTRATIVE EXPENSES</b>	25	<b>46,248,171,515</b>	<b>39,859,904,894</b>
70	<b>VII. OPERATING PROFIT</b>		<b>53,825,348,389</b>	<b>37,958,490,320</b>
	<b>VIII. OTHER INCOME AND EXPENSES</b>			
71	1. Other income		-	402,490,909
72	2. Other expenses		7,866,668	1,719,666
80	<b>Total other operating profit</b>		<b>(7,866,668)</b>	<b>400,771,243</b>
90	<b>IX. PROFIT BEFORE TAX</b>		<b>53,817,481,721</b>	<b>38,359,261,563</b>
91	1. Realized profit		53,802,413,386	38,344,358,643
92	2. Unrealized profit		15,068,335	14,902,920
100	<b>X. CORPORATE INCOME TAX (CIT) EXPENSES</b>		<b>10,772,912,925</b>	<b>7,571,303,538</b>
100.1	1. Current CIT expenses	26	10,772,912,925	7,571,303,538
200	<b>XI. PROFIT AFTER TAX</b>		<b>43,044,568,796</b>	<b>30,787,958,025</b>
400	<b>TOTAL COMPREHENSIVE INCOME</b>		<b>43,044,568,796</b>	<b>30,787,958,025</b>

Preparer:



Nguyen Thi Minh Hong  
Accountant

Reviewer:



Tran Thi Ngoc Huong  
Chief Accountant

Approver:




To Quoc Tuan  
Chief Financial Officer

Approver:



Kim Thien Quang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

11 August 2020

# Maybank Kim Eng Securities Limited

INTERIM CASH FLOW STATEMENT  
for the six-month period ended 30 June 2020

B03b-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Profit before tax</b>		<b>53,817,481,721</b>	<b>38,359,261,563</b>
02	<b>2. Adjustments for:</b>		<b>(1,660,957,864)</b>	<b>(2,853,206,608)</b>
03	- Depreciation and amortization	9, 10	3,129,983,401	3,126,129,218
04	- Provisions		(89,812,500)	(310,187,500)
07	- Profits from investment activities		(7,660,353,805)	(4,913,823,204)
08	- Accrued interest income		(10,976,629,859)	(13,464,899,937)
09	- Other adjustments		13,935,854,899	12,709,574,815
10	<b>3. Increase in non-monetary expenses</b>		<b>1,258,170</b>	<b>264,220</b>
11	Loss from revaluation of financial assets at FVTPL		1,258,170	264,220
18	<b>4. Decrease in non-monetary income</b>		<b>(778,620)</b>	<b>(630,757)</b>
19	Gain from revaluation of financial assets at FVTPL		(778,620)	(630,757)
30	<b>5. Operating losses before changes in working capital</b>		<b>52,157,003,407</b>	<b>35,505,688,418</b>
31	Increase in financial assets at FVTPL		(295,000,815,460)	(2,352,223)
33	Decrease/(increase) in loans		272,822,245,424	(257,216,773,614)
36	Decrease in receivables and accrued dividends and interests from financial assets		12,246,429,506	12,181,194,880
37	(Increase)/decrease in receivables from services rendered by the Company		(1,613,370,513)	662,729,161
39	Increase in other receivables		(3,492,943,040)	(5,378,185,077)
40	Decrease/(increase) in other assets		2,843,362	(117,294,579)
41	Increase/(decrease) in accrued expenses (excluded interest expenses)		491,700,453	(748,783,565)
42	Increase in prepaid expenses		(2,447,162,643)	(51,177,808)
43	Corporate income tax paid	16	(5,715,923,606)	(3,960,465,073)
44	Interest paid		(14,196,662,780)	(12,269,299,159)
45	Increase in trade payables		6,017,457,913	4,445,933,936
46	(Decrease)/increase in accruals for employees' benefits		(109,285,893)	306,854,329
47	Increase/(decrease) in statutory obligations (excluded CIT paid)		3,395,033,558	(279,082,295)
48	Decrease in payables to employees		(4,661,188,050)	(15,254,907,068)
50	Decrease in other payables		(52,097,540)	(59,461,303)
60	<b>Net cash from/(used in) operating activities</b>		<b>19,843,264,098</b>	<b>(242,235,381,040)</b>



# Maybank Kim Eng Securities Limited

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2020

B03b-CTCK

Code	Items	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
61	Purchase and construction of fixed assets		191,925,000	(5,244,976,900)
62	Proceed from disposal of fixed assets, investment properties and other long-term assets		-	2,490,909
65	Interest and dividends received		9,490,364,310	4,911,332,295
<b>70</b>	<b>Net cash from/(used in) investing activities</b>		<b>9,682,289,310</b>	<b>(331,153,696)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
73	Drawdown of borrowings	14	3,635,222,720,000	2,072,234,200,000
73.2	Others		3,635,222,720,000	2,072,234,200,000
74	Repayment of borrowings	14	(3,612,425,430,000)	(1,979,114,000,000)
74.3	Others		(3,612,425,430,000)	(1,979,114,000,000)
<b>80</b>	<b>Net cash from financing activities</b>		<b>22,797,290,000</b>	<b>93,120,200,000</b>
<b>90</b>	<b>NET INCREASE/(DECREASE) IN CASH DURING THE PERIOD</b>		<b>52,322,843,408</b>	<b>(149,446,334,736)</b>
<b>101</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4</b>	<b>133,946,184,149</b>	<b>284,561,025,881</b>
101.1	Cash		73,946,184,149	134,561,025,881
101.2	Cash equivalents		60,000,000,000	150,000,000,000
<b>103</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>186,269,027,557</b>	<b>135,114,691,145</b>
103.1	Cash		9,269,027,557	35,114,691,145
103.2	Cash equivalents		177,000,000,000	100,000,000,000



# Maybank Kim Eng Securities Limited

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2020

B03b-CTCK

## CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

Code	Items	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>I. Cash flows from brokerage and trust activities of the customers</b>			
01	1. Cash receipt from disposal of securities on behalf of customers		10,434,756,653,019	8,411,916,889,754
02	2. Cash payment for acquisition of securities on behalf of customers		(9,878,572,371,914)	(8,202,375,844,672)
07	3. Cash receipt for settlement of securities transactions of customers		11,709,058,838,759	9,640,335,601,486
08	4. Cash payment for settlement of securities transactions of customers		(11,944,049,646,337)	(9,752,387,181,650)
11	5. Custodian fee paid		(2,335,949,881)	(2,739,322,437)
20	<b>Net increase in cash during the period</b>		<b>318,857,523,646</b>	<b>94,750,142,481</b>
30	<b>II. Cash and cash equivalents of the customers at the beginning of the period</b>	20.6	<b>256,563,119,621</b>	<b>249,651,889,378</b>
32	1. Investors' deposits managed by the Company for securities trading activities		131,333,951,021	187,321,346,078
33	2. Investors' collective deposits for securities trading activities		92,957,287,150	44,387,679,321
34	3. Investors' deposits for securities transaction clearing and settlement		32,271,881,450	17,942,863,979
40	<b>III. Cash and cash equivalents of the customers at the end of the period</b>	20.6	<b>575,420,643,267</b>	<b>344,402,031,859</b>
42	1. Investors' deposits managed by the Company for securities trading activities		281,141,458,617	157,551,267,459
43	2. Investors' collective deposits for securities trading activities		102,371,592,922	136,308,530,929
44	3. Investors' deposits for securities transaction clearing and settlement		191,907,591,728	50,542,233,471

Preparer:




Nguyen Thi Minh Hong  
Accountant

Reviewer:



Tran Thi Ngoc Huong  
Chief Accountant

Approver:



To Quoc Tuan  
Chief Financial Officer

Approver:



Kim Thien Quang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

11 August 2020

# Maybank Kim Eng Securities Limited

## INTERIM STATEMENT OF CHANGES IN OWNER'S EQUITY for the six-month period ended 30 June 2020

B04a-CTCK

ITEMS	Beginning balance		Increase/(decrease)				Ending balance	
	1 January 2019 VND	1 January 2020 VND	Previous period		Current period		30 June 2019 VND	30 June 2020 VND
	1	2	Increase VND	Decrease VND	Increase VND	Decrease VND	7	8
<b>A</b>			3	4	5	6		
<b>I. CHANGES IN OWNER'S EQUITY</b>								
1. Contributed capital	1,056,110,000,000	1,056,110,000,000	-	-	-	-	1,056,110,000,000	1,056,110,000,000
- Charter capital	250,000,000,000	250,000,000,000	-	-	-	-	250,000,000,000	250,000,000,000
- Supplemental capital	806,110,000,000	806,110,000,000	-	-	-	-	806,110,000,000	806,110,000,000
2. Capital supplementary reserve	11,515,579,503	14,952,026,685	1,528,063,901	-	2,152,692,979	-	13,043,643,404	17,104,719,664
3. Operational risk and financial reserve	11,515,579,499	14,952,026,685	1,528,063,901	-	2,152,692,978	-	13,043,643,400	17,104,719,663
4. Undistributed profit	179,936,819,251	241,792,868,600	30,787,958,025	(3,056,127,802)	43,044,568,796	(4,305,385,957)	207,668,649,474	280,532,051,439
<b>TOTAL</b>	<b>1,259,077,978,253</b>	<b>1,327,806,921,970</b>	<b>33,844,085,827</b>	<b>(3,056,127,802)</b>	<b>47,349,954,753</b>	<b>(2,305,385,957)</b>	<b>289,865,936,278</b>	<b>1,370,851,490,766</b>

Preparer:

Reviewer:

Approver:

Nguyen Thi Minh Hong  
Accountant

Tran Thi Ngoc Huong  
Chief Accountant

To Quoc Tuan  
Chief Financial Officer

Kim Thien Quang  
Chief Executive Officer

Ho Chi Minh City, Vietnam

11 August 2020

## 1. CORPORATE INFORMATION

Maybank Kim Eng Securities Limited ("the Company") was incorporated under License No. 117/GP-UBCK dated 3 January 2014 and Amended License No. 30/GPDC-UBCK dated 17 April 2018, which supersedes License No. 71/UBCK-GP on 14 December 2007.

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

The Company has 173 employees as at 30 June 2020 (31 December 2019: 172 employees).

### ***Main features of operation of the Company***

#### ***Size of operation***

As at 30 June 2020, the Company's charter capital and total assets amounted to VND 1,056,110,000,000 and VND 2,077,651,389,073 respectively.

#### ***Investment target***

The Company operates with the common goal of providing professional services, creating value for clients as well as Group, moving to the leading position in all operating activities, building smart and efficient resources and maximizing profits for the Company.

#### ***Investment restrictions***

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

## 2. BASIS OF PREPARATION

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

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

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

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

**2.1 *Applied accounting standards and system* (continued)**

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

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

**2.2 *Applied accounting documentation system***

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

**2.3 *Fiscal year***

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

**2.4 *Interim financial statements***

The Company prepares its interim financial statements for the six-month period from 1 January to 30 June for reporting to the authorities in accordance with requirements of Circular No. 155/2015/TT-BTC dated 6 October 2015 issued by the Ministry of Finance.

**2.5 *Accounting currency***

The Company maintains its accounting records in Vietnam Dong ("VND").

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 *Changes in accounting policies and disclosures***

The accounting policies adopted by the Company in preparation of the interim financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2019 and the interim financial statements for the six-month period ended 30 June 2019.

**3.2 *Cash and cash equivalents***

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

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

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

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

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

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

Financial assets at FVTPL are initially recognized at cost (acquisition cost of the assets excluding transaction cost arising from the purchase) and subsequently recognized at fair value.

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

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

**3.4 Loans**

Loans are non-derivative financial assets with fixed or identifiable payments that are not quoted in an active market, with the exceptions of:

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



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

**3.4 Loans (continued)**

Loans are recognized initially at cost. After initial recognition, loans are subsequently measured at amortized cost using the effective interest rate (EIR).

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

Provision is made for loans based on their overdue status according to Circular No. 48/2019/TT-BTC as presented in *Note 3.8* or estimated loss from the uncertainty in collectability of these loans.

**3.5 Fair value/market value of financial assets**

Fair value/market value of the securities is determined on the following basis:

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

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

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

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

#### 3.6 *Derecognition of financial assets*

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

- ▶ The rights to receive cash flows from the asset have expired; or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - The Company has transferred substantially all the risks and rewards of the asset; or
  - The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount that the Company is required to pay.

#### 3.7 *Reclassification of financial assets*

##### *Reclassification when selling financial assets other than FVTPL*

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

##### *Reclassification due to change in purpose or ability to hold*

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

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



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.8 Receivables**

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

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased.

Increases or decreases to the provision balance are recorded as "*Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans*" in the interim income statement.

The Company has made provision for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC. 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%

**3.9 Fixed assets**

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

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

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

**3.10 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	5 years
Transportation and vehicles	6 years
Other tangible assets	5 years
Computer software	5 years

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

**3.11 Operating lease**

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

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

**3.12 Prepaid expenses**

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

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

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

**3.13 Borrowings**

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

**3.14 Payables and accrued expenses**

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

**3.15 Employee benefits**

**3.15.1 Post-employment benefits**

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% on an employee's basic monthly salary, salary-related allowances and other supplements. Other than that, the Company has no further obligation relating to post-employment benefits.

**3.15.2 Unemployment allowance**

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

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

**3.16 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the period, monetary balances denominated in foreign currencies are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly;
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the period and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the period are taken to the interim income statement.

**3.17 Revenue recognition**

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

*Revenue from brokerage services*

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

*Revenue from trading of securities*

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

*Interest income*

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

*Dividends*

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

*Other revenues from rendering services*

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

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

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

**3.17 Revenue recognition (continued)**

*Other income*

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

**3.18 Borrowing costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized.

**3.19 Corporate income tax**

*Current income tax*

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

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

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

*Deferred income tax*

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

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

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

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

**3.19 Corporate income tax (continued)**

*Deferred income tax (continued)*

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.20 Owner's equity**

***Contributed capital from shareholders***

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

***Undistributed profit***

Undistributed profit comprises of realized and unrealized undistributed profit.

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

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



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.20 Owner's equity (continued)****Reserves**

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves:

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

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

**3.21 Appropriation of net profits**

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

**4. CASH AND CASH EQUIVALENTS**

	<i>30 June 2020 VND</i>	<i>31 December 2019 VND</i>
Cash		
- Cash on hand	54,806,539	56,471,065
- Cash at banks for operation of the Company	1,661,410,355	73,755,915,476
- Cash for clearing and settlement of securities transactions	7,552,810,663	133,797,608
Cash equivalents		
- Term deposits with maturity of 3 months or less	177,000,000,000	60,000,000,000
<b>TOTAL</b>	<b>186,269,027,557</b>	<b>133,946,184,149</b>

Cash equivalents represent 1-month term deposits at commercial banks with interest rate of 4.25%/year. In which, forty billion VND of term deposits at Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank") are pledged for borrowings from Vietcombank.

# Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 5. VALUE AND VOLUME OF TRADING IN THE PERIOD

	For the six-month period ended 30 June 2020		For the six-month period ended 30 June 2019	
	Trading volume (unit)	Trading value (VND)	Trading volume (unit)	Trading value (VND)
a. The Company				
- Shares	3,543,185	84,682,100,460	132,857	792,028,841
b. Investors				
- Shares	1,605,388,672	20,681,835,275,602	1,045,396,326	16,802,444,168,360
- Bonds	-	-	10,000	1,000,000,000
<b>TOTAL</b>	<b>1,608,931,857</b>	<b>20,766,517,376,062</b>	<b>1,045,539,183</b>	<b>16,804,236,197,201</b>

## 6. FINANCIAL ASSETS

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

	30 June 2020		31 December 2019	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed share	3,312,920	3,312,920	2,400,410	2,977,010
Term deposit (*)	295,000,000,000	295,000,000,000	-	-
<b>TOTAL</b>	<b>295,003,312,920</b>	<b>295,003,312,920</b>	<b>2,400,410</b>	<b>2,977,010</b>

(\*) These are 6-month term deposits at commercial banks with interest rates ranging from 6.10%/year to 7.00%/year.



**6. FINANCIAL ASSETS (continued)****6.2 Loans**

	30 June 2020			31 December 2019		
	Cost VND	Provision VND	Net carrying value VND	Cost VND	Provision VND	Net carrying value VND
1. Margin loans	1,374,561,684,462	(3,392,102,022)	1,371,169,582,440	1,741,006,386,629	(3,392,102,022)	1,737,614,284,607
2. Advances to customers	146,192,599,682	-	146,192,599,682	52,570,142,939	-	52,570,142,939
<b>TOTAL</b>	<b>1,520,754,284,144</b>	<b>(3,392,102,022)</b>	<b>1,517,362,182,122</b>	<b>1,793,576,529,568</b>	<b>(3,392,102,022)</b>	<b>1,790,184,427,546</b>

Determining the fair value of financial assets

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

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

- The fair value of margin loans, cash advances of selling securities approximates their carrying value, which is cost less provision, due to short-term maturities of these instruments.

# Maybank Kim Eng Securities Limited

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

### 6.3. Provision for impairment of loans

	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
Beginning balance	3,392,102,022	4,121,903,023
Reversal of provision during the period	-	(400,000,000)
<b>Ending balance</b>	<b>3,392,102,022</b>	<b>3,721,903,023</b>

## 7. RECEIVABLES

	30 June 2020 VND	31 December 2019 VND
Advances to suppliers	-	601,022,500
Receivables and accruals from dividend and interest income	12,926,170,955	16,018,114,439
- Accrued interest from margin loans	10,879,323,331	15,834,752,512
- Accrued interest from term deposits	1,949,541,096	127,397,259
- Accrued interest from advances to customers	97,306,528	55,964,668
Receivables from services provided by the Company	2,969,788,627	1,356,418,114
- Brokerage fee	2,238,584,813	410,150,803
- Custodian fees from investors	731,203,814	766,642,311
- Advisory and auction fee	-	179,625,000
Other receivables	4,542,246,116	448,280,576
- Research fee (Note 27.1)	4,044,414,094	-
- Others	497,832,022	448,280,576
	<b>20,438,205,698</b>	<b>18,423,835,629</b>
Provision for impairment of receivables	(115,300,395)	(205,112,895)
<b>TOTAL</b>	<b>20,322,905,303</b>	<b>18,218,722,734</b>

## 8. OTHER CURRENT ASSETS

	30 June 2020 VND	31 December 2019 VND
Advances	112,504,605	125,139,773
Short-term prepaid expenses	5,063,841,958	2,178,985,987
- System maintenance	3,331,589,935	1,582,669,871
- Prepaid rental	306,613,225	237,620,376
- Office supplies expense	48,719,854	53,873,604
- Other short-term prepaid expenses	1,376,918,944	304,822,136
<b>TOTAL</b>	<b>5,176,346,563</b>	<b>2,304,125,760</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period ended

**9. TANGIBLE FIXED ASSETS**

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

	Office equipment VND	Transportation and vehicles VND	Others VND	Total VND
<b>Cost</b>				
1 January 2019	50,556,682,724	3,052,011,905	954,064,162	54,562,758,791
Newly purchased	23,079,000	-	-	23,079,000
Disposal	(2,561,686,399)	-	-	(2,561,686,399)
30 June 2020	48,018,075,325	3,052,011,905	954,064,162	52,024,151,392
<b>Accumulated depreciation</b>				
1 January 2019	36,817,587,628	3,052,011,905	891,335,745	40,760,935,278
Depreciation charged	2,329,935,701	-	9,476,500	2,339,412,201
Disposal	(2,553,819,731)	-	-	(2,553,819,731)
30 June 2020	36,593,703,598	3,052,011,905	900,812,245	40,546,527,748
<b>Net carrying amount</b>				
1 January 2019	13,739,095,096	-	62,728,417	13,801,823,513
30 June 2020	11,424,371,727	-	53,251,917	11,477,623,644

The cost of tangible fixed assets that are fully depreciated but still in use as at 30 June 2020 is VND 29,013,179,405 (31 December 2019: VND 31,497,583,022).

# Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 10. INTANGIBLE FIXED ASSETS

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

	<i>Computer software</i> <i>VND</i>
<b>Cost</b>	
1 January 2020	25,400,661,235
Newly purchased	<u>2,302,245,000</u>
30 June 2020	<u>27,702,906,235</u>
<b>Accumulated amortization</b>	
1 January 2020	22,994,164,939
Amortization charged	<u>790,571,200</u>
30 June 2020	<u>23,784,736,139</u>
<b>Net carrying amount</b>	
1 January 2020	<u>2,406,496,296</u>
30 June 2020	<u>3,918,170,096</u>

The cost of intangible fixed assets that are fully depreciated but still in use as at 30 June 2020 is VND 19,038,755,518 (31 December 2019: VND 16,567,836,818).

## 11. LONG-TERM PREPAID EXPENSES

	<i>30 June 2020</i> <i>VND</i>	<i>31 December 2019</i> <i>VND</i>
System maintenance	2,453,107,886	2,682,915,500
Office improvement	<u>334,935,483</u>	<u>542,821,197</u>
<b>TOTAL</b>	<u><b>2,788,043,369</b></u>	<u><b>3,225,736,697</b></u>

## 12. DEFERRED TAX ASSETS

	<i>30 June 2020</i> <i>VND</i>	<i>31 December 2019</i> <i>VND</i>
<b>Deferred tax assets</b>		
Provision for margin loans	<u><b>1,916,956</b></u>	<u><b>1,916,956</b></u>

Deferred tax assets pertain to a temporary difference on provision of margin loans between the Company's accounting policies and Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance guiding the appropriation and use of provisions for impairment of inventory, diminution of financial investments, bad debts and warranty for products, goods and construction works at enterprises.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period ended

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## 12. DEFERRED TAX ASSETS (continued)

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

	<i>Statement of financial position</i>		<i>Income statement</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
	VND	VND	VND	VND
<b>Deferred tax assets</b>				
Provision for margin loans	<b>1,916,956</b>	<b>1,916,956</b>	-	-

## 13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

Deposits to settlement assistance fund represent amounts deposited to Settlement Assistance Fund and contributed to Clearing Fund at Vietnam Securities Depository.

According to Decision No. 27/QD-VSD dated 13 March 2015 issued by the General Director of the Vietnam Securities Depository providing guidance on management and usage of Settlement Assistance Fund, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND2.5 billion per annum. The maximum contribution to Settlement Assistance Fund is VND20 billion for custody members is a securities company providing trading securities and brokerage activities.

According to Decision No. 97/QD-VSD dated 23 March 2017 issued by the General Director of the Vietnam Securities Depository regarding the issuance of the regulation on management and use of Clearing Fund, the Company is required to contribute to Clearing Fund, with an initial minimum contribution of VND 10 billion for direct clearing members.

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

	<i>30 June 2020</i>	<i>31 December 2019</i>
	VND	VND
Beginning balance	30,000,000,000	20,000,000,000
Contribution to Clearing Fund	-	10,000,000,000
Interest received in the period	9,791,806	-
<b>Ending balance</b>	<b>30,009,791,806</b>	<b>30,000,000,000</b>

## 14. SHORT-TERM BORROWINGS

	<i>31 December 2019</i>	<i>Borrowings during the period</i>	<i>Repayment during the period</i>	<i>30 June 2020</i>
	VND	VND	VND	VND
Short-term borrowings	<b>646,656,800,000</b>	<b>3,635,222,720,000</b>	<b>(3,612,425,430,000)</b>	<b>669,454,090,000</b>

There are short-term unsecured borrowings in foreign currencies at foreign institutions with interest rates ranging from 1.65%/year to 2.25%/year, and short-term mortgage borrowings in VND at local banks with interest rate of 6.00%/year; to sponsor daily activities of the Company.

# Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 15. SHORT-TERM TRADE PAYABLES

	30 June 2020 VND	31 December 2019 VND
Services fee payables to related parties (Note 27.1)	7,433,692,588	389,141,399
- Commission fee	4,955,251,637	389,141,399
- Research fee	1,408,064,906	-
- Information fee	545,472,153	-
- Other fees	524,903,892	-
Payables to suppliers	1,173,476,463	2,200,569,739
<b>TOTAL</b>	<b>8,607,169,051</b>	<b>2,589,711,138</b>

## 16. STATUTORY OBLIGATIONS

Items	31 December 2019 VND	Payables VND	Paid VND	30 June 2020 VND
Personal income tax	2,254,856,118	23,611,448,382	(22,674,662,349)	3,191,642,151
- of the Company	792,919,608	12,957,602,686	(12,939,677,884)	810,844,410
- of the investors	1,461,936,510	10,653,845,696	(9,734,984,465)	2,380,797,741
Foreign contractor withholding tax	199,203,048	1,944,656,280	(1,356,275,688)	787,583,640
Corporate income tax	2,322,255,006	20,301,050,079	(14,551,186,639)	8,072,118,446
- of the Company	1,647,102,469	10,772,912,925	(5,715,923,606)	6,704,091,788
- of the corporate investors	675,152,537	9,528,137,154	(8,835,263,033)	1,368,026,658
Business tax	-	8,000,000	(8,000,000)	-
Value added tax	83,111,443	1,663,367,449	(486,374,637)	1,260,104,255
<b>TOTAL</b>	<b>4,859,425,615</b>	<b>47,523,522,190</b>	<b>(39,071,499,313)</b>	<b>13,311,448,492</b>

# Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 17. SHORT-TERM ACCRUED EXPENSE

	30 June 2020 VND	31 December 2019 VND
Transaction costs	2,123,962,712	1,491,822,268
Accrued interest expenses	1,300,829,263	1,040,021,382
Accrued expenses	1,098,208,219	1,739,958,443
Professional fees	597,148,408	580,129,660
Custody fees	344,545,730	381,870,007
<b>TOTAL</b>	<b>5,464,694,332</b>	<b>5,233,801,760</b>

## 18. DEFERRED TAX LIABILITY

	30 June 2020 VND	31 December 2019 VND
<b>Deferred tax liability</b>		
Depreciation of fixed assets	<b>57,519,225</b>	<b>57,519,225</b>

Deferred tax liability pertains to a temporary difference on depreciation rate of fixed assets between the Company's accounting policies and Circular No. 45/2014/TT-BTC dated 25 April 2013 and Decision No. 1173/2013/QĐ-BTC dated 21 May 2013 issued by the Ministry of Finance guiding the management, use and depreciation of fixed assets.

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

	<i>Statement of financial position</i>		<i>Income statement</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
	VND	VND	VND	VND
<b>Deferred tax liability</b>				
Depreciation of fixed assets	<b>57,519,225</b>	<b>57,519,225</b>	-	-



**19. OWNER'S EQUITY**

	Contributed capital VND	Capital supplementary reserve VND	Operational risk and financial reserve VND	Undistributed profit VND	Total VND
<b>Beginning balance</b>	<b>1,056,110,000,000</b>	<b>14,952,026,685</b>	<b>14,952,026,685</b>	<b>241,792,868,600</b>	<b>1,327,806,921,970</b>
- Net profit for the period	-	-	-	43,044,568,796	43,044,568,796
- Profit appropriation to reserves	-	2,152,692,979	2,152,692,978	(4,305,385,957)	-
<b>Ending balance</b>	<b>1,056,110,000,000</b>	<b>17,104,719,664</b>	<b>17,104,719,663</b>	<b>280,532,051,439</b>	<b>1,370,851,490,766</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 20. DISCLOSURE OF OFF-BALANCE SHEET ITEMS

### 20.1 Foreign currencies (original currency)

	30 June 2020	31 December 2019
USD	23,618.23	183,219.68
SGD	811.30	1,799.88

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

	30 June 2020 VND	31 December 2019 VND
Unrestricted financial assets	<b>980,000</b>	<b>630,000</b>

### 20.3 Investors' financial assets listed/registered at VSD

	30 June 2020 VND	31 December 2019 VND
Unrestricted financial assets	8,335,445,960,000	8,431,799,310,000
- Shares	8,335,445,960,000	8,431,799,310,000
Restricted financial assets	25,421,190,000	42,354,910,000
Mortgaged financial assets	111,517,200,000	111,517,200,000
Financial assets awaiting settlement	235,717,530,000	98,792,190,000
<b>TOTAL</b>	<b>8,708,101,880,000</b>	<b>8,684,463,610,000</b>

### 20.4 Investors' non-traded financial assets deposited at VSD

	30 June 2020 VND	31 December 2019 VND
Unrestricted and non-traded financial assets deposited at VSD	1,368,373,290,000	1,344,390,870,000
Restricted and non-traded financial assets deposited at VSD	232,115,340,000	227,259,210,000
Mortgaged and non-traded financial assets deposited at VSD	7,000,060,000	7,000,000,000
<b>TOTAL</b>	<b>1,607,488,690,000</b>	<b>1,578,650,080,000</b>

### 20.5 Investors' financial assets awaiting arrival

	30 June 2020 VND	31 December 2019 VND
Shares	<b>198,895,370,000</b>	<b>89,159,820,000</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 20. DISCLOSURE OF OFF-BALANCE SHEET ITEMS (continued)

### 20.6 Investors' deposits

	30 June 2020 VND	31 December 2019 VND
Investors' deposits for securities trading activities managed by the Company	281,141,458,617	131,333,951,021
- Domestic investors' deposits	236,709,427,879	80,707,806,439
- Foreign investors' deposits	44,432,030,738	50,626,144,582
Investors' collective deposits for securities trading activities	102,371,592,922	92,957,287,150
- Domestic investors' deposits	82,952,109,089	79,354,394,624
- Foreign investors' deposits	19,419,483,833	13,602,892,526
Investors' deposits for securities transaction clearing and settlement	191,907,591,728	32,271,881,450
- Domestic investors' deposits	190,642,966,164	31,978,543,476
- Foreign investors' deposits	1,264,625,564	293,337,974
<b>TOTAL</b>	<b>575,420,643,267</b>	<b>256,563,119,621</b>

### 20.7 Payables to investors

	30 June 2020 VND	31 December 2019 VND
Payables to investors - Investors' deposits for securities trading activities managed by the Company	575,420,643,267	256,561,752,912
- Domestic investors	514,780,393,029	192,039,377,830
- Foreign investors	60,640,250,238	64,522,375,082
Dividend, bond principal and interest payables	-	1,366,709
<b>TOTAL</b>	<b>575,420,643,267</b>	<b>256,563,119,621</b>

## 21. OPERATING REVENUE

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

	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
From FVTPL financial assets	6,051,587,184	3,172,384,136
- Interest income from term deposits	5,783,280,823	3,150,438,356
- Dividends	19,916	48,300
- Others	268,286,445	21,897,480
Loans and receivables	83,386,310,446	79,763,021,592
- Interest from margin loans	81,839,304,063	78,557,919,988
- Interest from advances to customers	1,547,006,383	1,205,101,604
<b>TOTAL</b>	<b>89,437,897,630</b>	<b>82,935,405,728</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 21. OPERATING REVENUE (continued)

### 21.2 Revenue other than gain/loss from financial assets

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Revenue from brokerage services	62,234,637,385	48,628,143,918
Revenue from custodian services	2,335,949,881	2,739,322,463
Revenue from financial advisory services	12,042,867,840	150,000,000
Others	3,676,740,085	4,233,119,655
<b>TOTAL</b>	<b>80,290,195,191</b>	<b>55,750,586,036</b>

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

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Interest expenses	13,935,854,899	12,709,574,815
(Reversal)/provision for impairment of other receivables	(89,812,500)	89,812,500
	<b>13,846,042,399</b>	<b>12,799,387,315</b>

## 23. EXPENSES FOR BROKERAGE SERVICES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
External services expenses	25,735,825,643	19,893,322,865
Personnel expenses, bonus and welfare expenses	23,198,963,499	20,016,089,547
Social insurance, health insurance, unemployment insurance and union fee	854,889,830	1,103,473,735
Depreciation and amortization	385,311,506	292,053,588
Office supplies expenses	36,115,432	37,067,702
Expenses related to instruments and tools	20,333,120	21,176,335
<b>TOTAL</b>	<b>50,231,439,030</b>	<b>41,363,183,772</b>

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## 24. FINANCE INCOME

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Interest income from demand deposits	1,884,919,734	1,864,955,229
Foreign exchange rate differences	86,799,318	25,366,369
<b>TOTAL</b>	<b>1,971,719,052</b>	<b>1,890,321,598</b>

## 25. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Personnel expenses, bonus and welfare expenses	28,521,231,486	21,697,694,964
External services expenses	12,242,079,259	12,633,855,765
Depreciation and amortization expenses	2,742,160,155	2,834,075,630
Social insurance, health insurance, unemployment insurance and union fee	2,600,982,789	2,368,819,469
Expenses related to instruments and tools	89,980,230	228,279,642
Office supplies expenses	43,737,596	69,686,447
Others	8,000,000	27,492,977
<b>TOTAL</b>	<b>46,248,171,515</b>	<b>39,859,904,894</b>

## 26. CORPORATE INCOME TAX

The Company has the obligations to pay the Corporate Income Tax ("CIT") at a rate of 20% of taxable profits.

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

### **Current corporate income tax**

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 26. CORPORATE INCOME TAX (continued)

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

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
<b>Profit before tax</b>	<b>53,817,481,721</b>	<b>38,359,261,563</b>
<b>CIT under tax rate 20%</b>	<b>10,763,496,344</b>	<b>7,671,852,313</b>
<b>Adjustments:</b>	<b>9,416,581</b>	<b>(126,131,229)</b>
- Previous period adjustments after finalization	9,416,581	(126,131,229)
- Additional tax paid for previous years	-	25,582,454
<b>CIT expense in the period</b>	<b>10,772,912,925</b>	<b>7,571,303,538</b>

## 27. OTHER INFORMATION

### 27.1 Related party transactions

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Maybank Kim Eng Holdings Limited	Parent company	Borrowings	1,493,117,340,000	-
		Borrowings repayment	1,724,461,840,000	-
		Interest paid	3,106,719,141	-
		Accrued interest	322,632,796	-
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings	2,102,105,380,000	1,812,234,200,000
		Borrowings repayment	1,867,963,590,000	1,649,114,000,000
		Interest paid	4,266,501,793	7,123,104,431
		Accrued interest	482,341,820	1,110,697,287
Maybank Kim Eng Securities Pte. Ltd.	Subsidiary of Maybank Kim Eng Holdings	Commission paid	8,403,101,664	3,455,407,310
		Information and copyright fee	604,401,343	1,699,355,399
		Brokerage fee received	37,531,043	15,719,952



# Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period ended

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## 27. OTHER INFORMATION (continued)

### 27.1 Related party transactions (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Maybank Kim Eng Securities (Thailand) Public Company Ltd	Subsidiary of Maybank Kim Eng Holdings	Brokerage fee received	273,575,249	106,812,339
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Swap fee paid	4,123,133,103	-
		Accrued swap fee expenses	350,471,820	-
		Bank fee paid	46,263,636	2,530,000
		Interest received	1,315,050	2,169,344
Maybank Kim Eng Research Pte. Ltd.	Related party	Research fee received	3,676,740,085	4,233,119,655
		Research fee paid	1,482,173,585	1,265,679,601
Malayan Banking Berhad - Hanoi Branch	Branch of ultimate parent company	Accrued swap fee expenses	-	459,211,871
		Swap fee paid	-	3,197,962,500
Maybank Investment Bank Berhad	Related party	Consultant fees	420,367,840	-
Management		Salary and remuneration	11,058,853,564	12,614,152,182

# Maybank Kim Eng Securities Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period ended

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## 27. OTHER INFORMATION (continued)

### 27.1 Related party transactions (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2020 VND</i>	<i>31 December 2019 VND</i>
Maybank Kim Eng Holdings Limited	Parent company	Borrowings	(116,500,000,000)	(347,844,500,000)
		Accrued interest	(306,501,156)	(891,834,648)
Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings	(512,954,090,000)	(278,812,300,000)
		Accrued interest	(458,224,729)	(108,041,203)
Maybank Kim Eng Securities Pte. Ltd.	Subsidiary of Maybank Kim Eng Holdings	Commission payables	(4,955,251,637)	(389,141,399)
		Information fee	(545,472,153)	-
		Other fees	(524,903,892)	-
Maybank Kim Eng Research Pte. Ltd.	Related party	Research fee receivables	4,044,414,094	-
		Research fee payables	(1,408,064,906)	-
Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Deposit at bank	4,265,153,998	741,537,330
		Swap fee payables	(350,471,820)	-

### 27.2 Operating lease commitments

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

	<i>30 June 2020 VND</i>	<i>31 December 2019 VND</i>
Less than 1 year	12,946,603,425	13,429,464,553
From 1 to 5 years	4,531,704,534	11,106,745,839
<b>Total</b>	<b>17,478,307,959</b>	<b>24,536,210,392</b>

**27. OTHER INFORMATION (continued)**

**27.3 Purposes and policies of financial risk management**

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

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

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

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

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises these types of risk: interest rate risk, currency risk, and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and securities investments.

**Interest rate risk**

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

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

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

**Currency risk**

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

Foreign exchange risk of the Company is minimal.

**Equity price risk**

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

Risk due to equity price fluctuation of the Company is not significant.

**27. OTHER INFORMATION (continued)**

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

***Credit risk***

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

***Bank deposits***

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

***Loans and advances to customers***

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin and advance payments to customers. The Company conducts the customer assessment and appraisal for determining credit and advance limits prior to the signing of margin advance payment contracts. Also, the Company periodically examines customers' financial position in order to make appropriate and timely adjustments for margin ratio and credit limits.

The Company regularly monitors the receivables that has not been collected yet. The analysis of the possibility provision is made at the reporting date for each large customer. Moreover, the Company maintains strict control of outstanding receivables and established a credit control department to minimize credit risk. Activities to warning margin call of the customer is made on time and in compliance with the nature of margin trading products.

Due to the aforementioned point of view and the fact that trade receivables are allocated to a diverse number of customers, there is no significant credit risk.

Apart from financial assets that the Company made provision as mentioned in *Note 6*, the Company's management assessed that all financial assets are neither past due nor impaired as they are related to recognized and credit worthy counterparties, except for overdue loans but not impaired as at 30 June 2020.

**27. OTHER INFORMATION (continued)****27.3 Purposes and policies of financial risk management (continued)****Credit risk (continued)**

	Neither past due nor impaired VND	Past due but not impaired				Total VND
		Less than 3 months VND	3 - 6 months VND	6 - 12 months VND	Over 1 year VND	
<b>30 June 2020</b>						
Cash and cash equivalents	186,214,221,018	-	-	-	-	186,214,221,018
Loans	1,517,362,182,122	-	-	-	3,392,102,022	1,520,754,284,144
Other financial assets	315,438,722,828	-	-	-	115,300,395	315,554,023,223
<b>TOTAL</b>	<b>2,019,015,125,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,507,402,417</b>	<b>2,022,522,528,385</b>

**Liquidity risk**

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

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

**27. OTHER INFORMATION** (continued)**27.3 Purposes and policies of financial risk management** (continued)**Liquidity risk** (continued)

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

	Overdue VND	On demand VND	Up to 1 year VND	1 - 5 years VND	Up to 5 years VND	Total VND
<b>30 June 2020</b>						
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	-	9,269,027,557	177,000,000,000	-	-	186,269,027,557
Financial assets at fair value through profit or loss	-	-	295,003,312,920	-	-	295,003,312,920
Loans	3,392,102,022	-	1,517,362,182,122	-	-	1,520,754,284,144
Receivables from securities trading activities	-	-	2,969,788,627	-	-	2,969,788,627
Other receivables	115,300,395	-	17,353,116,676	-	-	17,468,417,071
<b>Total</b>	<b>3,507,402,417</b>	<b>9,269,027,557</b>	<b>2,009,803,700,740</b>	<b>-</b>	<b>-</b>	<b>2,022,580,130,714</b>
<b>FINANCIAL LIABILITIES</b>						
Short-term borrowings	-	-	669,454,090,000	-	-	669,454,090,000
Payables from securities trading activities	-	-	26,652,537	-	-	26,652,537
Short-term trade payables	-	-	8,607,169,051	-	-	8,607,169,051
Accrued expenses	-	-	5,464,694,332	-	-	5,464,694,332
Other payables	-	-	333,441,447	-	-	333,441,447
<b>Total</b>	<b>-</b>	<b>-</b>	<b>683,886,047,367</b>	<b>-</b>	<b>-</b>	<b>683,886,047,367</b>
<b>Net liquidity difference</b>	<b>3,507,402,417</b>	<b>9,269,027,557</b>	<b>1,325,917,653,373</b>	<b>-</b>	<b>-</b>	<b>1,338,694,083,347</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.



## 27. OTHER INFORMATION (continued)

### **Capital management**

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

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

As at 30 June 2020, the Company's liquid capital ratio is 1,425.67%.

## 28. EVENTS AFTER THE REPORTING DATE

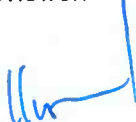
There have been no significant events occurring after the reporting date which could require adjustments or disclosures to be made in the interim financial statements.

Preparer:



Nguyen Thi Minh Hong  
Accountant

Reviewer:



Tran Thi Ngoc Huong  
Chief Accountant

Approver:



To Quoc Tuan  
Chief Financial  
Officer

Kim Thien Quang  
Chief Executive  
Officer

Ho Chi Minh City, Vietnam

11 August 2020