

Maybank Kim Eng Securities Limited

Financial statements

For the year ended 31 December 2021



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 the Law on Enterprises of Vietnam pursuant to Securities Operating License No. 117/GP-UBCK issued by the State Securities Commission on 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 primary activities are to provide brokerage services, proprietary trading, underwriting for share issues, custodian services, finance and investment advisory services and margin trading services.

The Company's head office is located at VP-10-01, Floor 10, Pearl 5 Building, 5 Le Quy Don, Vo Thi Sau Ward, District 3, Ho Chi Minh City and five (5) branches are located at Ho Chi Minh City, Ha Noi and other provinces at the date of this report as follows:

- ▶ Cho Lon Branch: VP-09-01, Floor 9, Pearl 5 Building, 5 Le Quy Don, Vo Thi Sau Ward, District 3, 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
- ▶ Ha Noi Branch: Floor 3A - 06, Horison Building, 40 Cat Linh Street, Cat Linh Ward, Dong Da District, Ha Noi.

Main features of operation of the Company

Size of operation

As at 31 December 2021, the Company's charter capital was VND2,200,000,000,000 and total assets amounted to VND4,958,249,439,329.

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 investment restrictions in accordance with Article 28, Circular No. 121/2020/TT-BTC dated 31 December 2020 promulgating the operation of securities companies.

Maybank Kim Eng Securities Limited

GENERAL INFORMATION (continued)

BOARD OF MEMBERS

Members of the Board of Members of the Company during the year and at the date of this report are:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Ms. Che Zakiah Binti Che Din	Chairman	Appointed on 15 September 2021
Mr. Mohamad Yasin Bin Abdullah (*)	Member	Re-designated as member from 15 September 2021
Mr. Rajiv Vijendran	Member	Appointed on 30 December 2019
Mr. Lok Eng Hong	Member	Appointed on 7 August 2020

(*) With the merging of the Supervisory Board into the Board of Members effective from 15 September 2021, Mr. Mohamad Yasin Bin Abdullah who was the previous Chairman was re-designated as member of the Board of Members. Ms. Che Zakiah Binti Che Din, the previous Chairman of the Supervisory Board, was appointed as Chairman of the Board of Members effective on the same date.

SUPERVISORY BOARD

Members of the Supervisory Board of the Company during the year and at the date of this report are:

<i>Name</i>	<i>Title</i>	<i>Date of resignation</i>
Ms. Che Zakiah Binti Che Din	Chief Supervisor	Resigned on 15 September 2021
Ms. Tran Ngoc Nhu Hien	Member	Resigned on 15 September 2021
Ms. Nguyen Tuyet Van	Member	Resigned on 15 September 2021

Pursuant to the regulations on the organization and operation of securities companies effective from 2021, specially Circular No. 121/TT-BTC promulgated by the Ministry of Finance on 31 December 2020, companies under legal form of limited liability company are not required to establish a Supervisory Board. It is therefore, from 15 September 2021, the Company's Supervisory Board was merged into the Board of Members.

MANAGEMENT

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

<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. Tran Chau Tien	Head, Information Technology	Appointed on 1 April 2019
Mr. Vu Gia Vinh	Head, Investment Banking and Advisory	Appointed on 24 June 2017
Mr. Nguyen Bao Toan	Head Of Retail Brokerage	Appointed on 1 April 2021
Mr. Quan Trong Thanh	Head, Institutional Research	Appointed on 1 April 2021
Ms. Tran Thi Ngoc Huong	Chief Accountant	Appointed on 10 March 2014
Mr. To Quoc Tuan	Chief Financial Officer	Resigned on 16 July 2021

LEGAL REPRESENTATIVE

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

AUDITORS

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

Maybank Kim Eng Securities Limited

REPORT OF MANAGEMENT

Management of Maybank Kim Eng Securities Limited ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

Management is responsible for ensuring that proper accounting records are kept 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 frauds and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements for the year ended 31 December 2021.

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 2021, the results of its operations, its cash flows and its changes in owner's equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 February 2022

Reference: 60994674/22723453

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 18 February 2022 and set out on pages 6 to 46 which comprise the statement of financial position as at 31 December 2021, the income statement, the statement of cash flows and the statement of changes in owner's equity for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We concluded our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements, 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 auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2021, the results of its operations, its cash flows and its changes in owner's equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the financial statements.



Ernst & Young Vietnam Limited

Saman Wijaya Bandara
Deputy General Director
Audit Practicing Registration
Certificate No. 2036-2018-004-1

Vu Tien Dung
Auditor
Audit Practicing Registration
Certificate No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

18 February 2022

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION
31 December 2021

B01-CTCK

Code	Items	Notes	Ending balance VND	Beginning balance VND
100	A. CURRENT ASSETS		4,901,351,898,557	2,295,805,218,081
110	I. Financial assets		4,893,811,347,869	2,293,426,289,183
111	1. Cash and cash equivalents	4	798,183,574,318	148,463,942,745
111.1	1.1 Cash		798,183,574,318	98,463,942,745
111.2	1.2 Cash equivalents		-	50,000,000,000
112	2. Financial assets at fair value through profit and loss (FVTPL)	6.1	50,230,550	3,375,030
114	3. Loans	6.2	4,062,557,148,079	2,104,399,987,781
116	4. Provision for impairment of financial assets and mortgage assets	6.3	(1,922,794,815)	(3,342,102,022)
117	5. Receivables	7	30,167,284,260	15,263,556,121
117.1	5.1 Receivables from sale of financial assets		-	517,500
117.2	5.2 Receivables and accruals from dividend and interest income		30,167,284,260	15,263,038,621
117.4	5.2.1 Accruals for dividend and interest income		30,167,284,260	15,263,038,621
118	6. Advances to suppliers	7	1,488,454,618	38,378,358
119	7. Receivables from services provided by the Company	7	3,281,712,052	28,509,402,709
122	8. Other receivables	7	121,039,202	205,048,856
129	9. Provision for impairment of receivables	7	(115,300,395)	(115,300,395)
130	II. Other current assets		7,540,550,688	2,378,928,898
131	1. Advances		81,884,006	33,500,000
133	2. Short-term prepaid expenses	11	7,458,666,682	2,345,428,898
200	B. NON-CURRENT ASSETS		56,897,540,772	51,276,043,490
220	I. Fixed assets		13,863,814,174	15,894,436,944
221	1. Tangible fixed assets	8	9,656,145,377	10,789,457,133
222	- Cost		53,696,187,881	53,507,801,392
223a	- Accumulated depreciation		(44,040,042,504)	(42,718,344,259)
227	2. Intangible fixed assets	9	4,207,668,797	5,104,979,811
228	- Cost		29,982,921,409	29,807,134,235
229a	- Accumulated amortization		(25,775,252,612)	(24,702,154,424)
240	II. Constructions in progress	10	5,571,648,645	144,000,000
250	III. Other non-current assets		37,462,077,953	35,237,606,546
251	1. Long-term deposits, collaterals and pledges		6,307,038,378	3,255,088,737
252	2. Long-term prepaid expenses	11	1,115,140,746	1,964,330,786
254	3. Deposits to Settlement Assistance Fund and Clearing Fund	12	30,039,898,829	30,018,187,023
270	TOTAL ASSETS		4,958,249,439,329	2,347,081,261,571

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION (continued)
31 December 2021

B01-CTCK

Code	Items	Notes	Ending balance VND	Beginning balance VND
300	C. LIABILITIES		2,179,989,962,824	914,365,694,931
310	I. Current liabilities		2,179,768,263,095	914,239,905,548
311	1. Short-term borrowings		2,087,710,000,000	855,736,090,000
312	1.1 Short-term borrowings	13	2,087,710,000,000	855,736,090,000
318	2. Payables for securities transaction activities		23,485,870	38,042,096
320	3. Short-term trade payables	15	3,609,056,450	6,820,171,346
321	4. Short-term advances from customers		280,332,000	280,332,000
322	5. Statutory obligations	14	35,671,766,524	21,388,214,655
323	6. Payables to employees		38,763,392,912	22,614,598,258
325	7. Short-term expense payables	16	13,408,075,207	7,337,991,270
329	8. Other current liabilities		302,154,132	24,465,923
340	II. Non-current liabilities		221,699,729	125,789,383
356	1. Deferred tax liabilities	17	221,699,729	125,789,383
400	D. OWNER'S EQUITY		2,778,259,476,505	1,432,715,566,640
410	I. Owner's equity	18	2,778,259,476,505	1,432,715,566,640
411	1. Contributed capital		2,200,000,000,000	1,056,110,000,000
414	2. Capital supplementary reserve		30,282,760,506	20,197,458,918
415	3. Operational risk and financial reserve		30,282,760,507	20,197,458,919
417	4. Undistributed profit		517,693,955,492	336,210,648,803
417.1	4.1. Realized profit		517,696,075,217	336,209,264,221
417.2	4.2. Unrealized profit		(2,119,725)	1,384,582
440	TOTAL LIABILITIES AND OWNER'S EQUITY		4,958,249,439,329	2,347,081,261,571

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION (continued)
31 December 2021

B01-CTCK

OFF-BALANCE SHEET ITEMS

Code	Items	Notes	Ending balance VND	Beginning balance VND
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
005	1. Foreign currencies (original currency) USD SGD	19.1	19,991,213.97 -	175,388.28 811.30
008	2. Financial assets listed/registered for trading at Viet Nam Securities Depository ("VSD") of the Company	19.2	10,720,000	1,120,000
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	1. Investors' financial assets listed/ registered at VSD	19.3	8,520,475,320,000	8,279,545,180,000
021.1	- <i>Unrestricted and traded financial assets</i>		7,944,884,640,000	7,745,447,510,000
021.2	- <i>Restricted and traded financial assets</i>		176,720,450,000	171,514,750,000
021.3	- <i>Mortgaged and traded financial assets</i>		82,450,000,000	65,450,000,000
021.4	- <i>Blocked financial assets</i>		4,675,180,000	-
021.5	- <i>Financial assets awaiting settlement</i>		311,745,050,000	297,132,920,000
022	2. Investors' non-traded financial assets deposited at VSD	19.4	1,432,028,240,000	1,683,994,910,000
022.1	- <i>Unrestricted and non-traded financial assets</i>		1,338,515,530,000	1,374,784,600,000
022.2	- <i>Restricted and non-traded financial assets</i>		81,614,050,000	242,102,600,000
022.3	- <i>Mortgaged and non-traded financial assets</i>		11,898,660,000	67,107,710,000
023	3. Investors' financial assets awaiting arrival	19.5	239,686,950,000	215,967,440,000

Maybank Kim Eng Securities Limited

STATEMENT OF FINANCIAL POSITION (continued)
31 December 2021

B01-CTCK

OFF-BALANCE SHEET ITEMS (continued)

Code	Items	Notes	Ending balance VND	Beginning balance VND
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
026	4. Investors' deposits	19.6	1,045,740,777,851	924,693,477,941
027	4.1 Investors' deposits for securities trading activities managed by the Company		495,800,124,851	433,128,339,491
028	4.2 Investors' collective deposits for securities trading activities		346,085,329,607	215,916,499,562
029	4.3 Investors' deposits for securities transaction clearing and settlement		203,855,323,393	275,648,638,888
029.1	- Domestic investors' deposits for securities transaction clearing and settlement		203,784,365,004	271,976,890,753
029.2	- Foreign investors' deposits for securities transaction clearing and settlement		70,958,389	3,671,748,135
031	5. Payables to investors - investors' deposits for securities trading activities managed by the Company	19.7	1,045,740,761,180	924,693,339,597
031.1	5.1 Domestic investors' deposits for securities trading activities managed by the Company		991,457,772,774	863,088,914,331
031.2	5.2 Foreign investors' deposits for securities trading activities managed by the Company		54,282,988,406	61,604,425,266
035	6. Dividend, bond principal and interest payables	19.7	16,671	138,344

Preparer by:



Nguyen Thi Minh Hong
Accountant

Reviewed by:



Tran Thi Ngoc Huong
Chief Accountant

Approved by:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 February 2022

Maybank Kim Eng Securities Limited

INCOME STATEMENT
for the year ended 31 December 2021

B02-CTCK

Code	Items	Notes	Current year VND	Previous year VND
	I. OPERATING REVENUE			
01	1. Revenue from financial assets at fair value through profit and loss (FVTPL)	20.1	2,980,289,463	20,357,945,327
01.1	1.1 Gain from disposal of financial assets at FVTPL		353,334,862	1,122,136,364
01.2	1.2 Gain from revaluation of financial assets at FVTPL		21,360,371	1,104,123
01.3	1.3 Dividend, interest income from financial assets at FVTPL		2,605,594,230	19,234,704,840
03	2. Revenue from loans and receivables	20.1	272,811,368,244	157,138,702,320
06	3. Revenue from brokerage services	20.2	328,758,331,321	152,230,742,634
08	4. Revenue from securities investment advisory services	20.2	-	158,000,000
09	5. Revenue from securities custodian services	20.2	4,357,746,752	4,725,117,424
10	6. Revenue from financial advisory services	20.2	12,402,699,307	35,129,783,257
11	7. Other revenue	20.2	8,157,863,117	6,528,376,185
20	Total operating revenue		629,468,298,204	376,268,667,147
	II. OPERATION EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		6,412,461	1,048,100
21.1	1.1 Loss from disposal of financial assets at FVTPL		2,275,400	-
21.2	1.2 Loss from revaluation of financial assets at FVTPL		4,137,061	1,048,100
24	2. Provision expense for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans	21	34,124,235,593	22,845,712,903
27	3. Expenses for brokerage services	22	231,055,431,924	114,342,058,319
30	4. Expenses for securities custodian services		7,147,396,072	7,822,999,682
31	5. Expenses for financial advisory services		9,909,215,075	7,539,007,082
40	Total operating expenses		282,242,691,125	152,550,826,086
	III. FINANCE INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		268,620,414	106,684,454
42	2. Dividend and interest income from demand deposits		3,357,369,524	2,403,934,333
50	Total finance income	23	3,625,989,938	2,510,618,787

Maybank Kim Eng Securities Limited

INCOME STATEMENT (continued)
for the year ended 31 December 2021

B02-CTCK

Code	Items	Notes	Current year VND	Previous year VND
	IV. FINANCE EXPENSES			
51	1. Realized and unrealized loss from changes in foreign exchange rates		248,217,742	29,850,620
60	Total finance expenses		248,217,742	29,850,620
62	VI. GENERAL AND ADMINISTRATIVE EXPENSES	24	99,942,165,724	94,813,923,942
70	VII. OPERATING PROFIT		250,661,213,551	131,384,685,286
	VIII. OTHER INCOME AND OTHER EXPENSES			
71	1. Other income		1,511,670,843	50,000,000
72	2. Other expense		-	7,866,668
80	Total other operating profit		1,511,670,843	42,133,332
90	IX. PROFIT BEFORE TAX		252,172,884,394	131,426,818,618
91	1. Realized profit		252,175,004,119	131,425,434,036
92	2. Unrealized (loss)/profit		(2,119,725)	1,384,582
100	X. CORPORATE INCOME TAX (CIT) EXPENSES	25	50,518,974,529	26,518,173,948
100.1	1. Current CIT expenses	25.1	50,423,064,183	26,447,986,834
100.2	2. Deferred CIT expenses	25.2	95,910,346	70,187,114
200	XI. PROFIT AFTER TAX		201,653,909,865	104,908,644,670
400	TOTAL COMPREHENSIVE INCOME		201,653,909,865	104,908,644,670

Prepared by:



Nguyen Thi Minh Hong
Accountant

Reviewed by:



Tran Thi Ngoc Huong
Chief Accountant

Approved by:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 February 2022

Maybank Kim Eng Securities Limited

STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

B03b-CTCK

Code	Items	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		252,172,884,394	131,426,818,618
02	2. Adjustments for:		1,913,489,842	(7,886,746,694)
03	- Depreciation and amortization	9,10	5,338,809,470	6,219,218,197
04	- Addition of provisions		(1,419,307,207)	(139,812,500)
07	- Profits from investing activities		(5,962,963,754)	(21,638,639,173)
08	- Accrued interest income		(30,167,284,260)	(15,263,038,621)
09	- Other adjustments		34,124,235,593	22,935,525,403
10	3. Increase in non-monetary expenses		6,412,461	1,048,100
11	Loss from revaluation of financial assets at FVTPL		6,412,461	1,048,100
18	4. Decrease in non-monetary income		(21,360,371)	(1,104,123)
19	Gain from revaluation of financial assets at FVTPL		(21,360,371)	(1,104,123)
30	5. Operating income before changing in working capital		254,071,426,326	123,540,015,901
31	Increase financial assets at FVTPL		(31,907,610)	(341,997)
33	Increase in loans		(1,958,157,160,298)	(310,823,458,213)
36	Decrease in receivables and accruals from dividend and interest income		15,263,556,121	16,017,596,939
37	Decrease/(increase) in receivables from services rendered by the Company		25,227,690,657	(27,152,984,595)
39	(Increase)/decrease in other receivables		(1,366,066,606)	805,875,862
40	(Increase)/decrease in other assets		(3,122,045,453)	73,452,750
41	Increase in accrued expenses (excluded interest expenses)		6,827,871,935	1,956,607,029
42	(Increase)/decrease in prepaid expenses		(4,264,047,744)	1,094,963,000
43	Corporate income tax paid	14	(41,290,179,738)	(17,641,679,998)
44	Interest paid		(34,882,023,591)	(22,787,942,922)
45	(Decrease)/increase in trade payables		(3,211,114,896)	4,230,460,208
46	Decrease employee benefits		-	(316,210,932)
47	Increase in statutory obligations (excluded CIT paid)		5,150,667,424	7,722,482,204
48	Increase in payables to employees		16,148,794,654	8,615,452,024
50	Increase/(decrease) in other payables		263,131,983	(69,351,505)
60	Net cash used in operating activities		(1,723,371,406,836)	(214,735,064,245)

Maybank Kim Eng Securities Limited

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2021

B03b-CTCK

Code	Items	Notes	Current year VND	Previous year VND
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	Purchase and construction of fixed assets		(8,735,835,345)	(1,465,106,332)
65	Interest and dividends received		5,962,963,754	21,638,639,173
70	Net cash (use in)/from investing activities		(2,772,871,591)	20,173,532,841
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
71	Proceeds from receiving capital contributions of the owners		1,143,890,000,000	-
73	Drawdown of borrowings	13	12,166,457,320,000	5,325,617,580,000
73.2	Others		12,166,457,320,000	5,325,617,580,000
74	Repayment of borrowings	13	(10,934,483,410,000)	(5,116,538,290,000)
74.3	Others		(10,934,483,410,000)	(5,116,538,290,000)
80	Net cash from financing activities		2,375,863,910,000	209,079,290,000
90	NET INCREASE IN CASH DURING THE YEAR		649,719,631,573	14,517,758,596
101	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4	148,463,942,745	133,946,184,149
101.1	Cash		98,463,942,745	73,946,184,149
101.2	Cash equivalents		50,000,000,000	60,000,000,000
103	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	798,183,574,318	148,463,942,745
103.1	Cash		798,183,574,318	98,463,942,745
103.2	Cash equivalents		-	50,000,000,000

Maybank Kim Eng Securities Limited

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2021

B03b-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

Code	Items	Notes	Current year VND	Previous year VND
	I. Cash flows from brokerage and trust activities of the customers			
01	1. Cash receipt from disposal of securities to customers		74,536,784,144,260	27,922,636,909,402
02	2. Cash payment for acquisition of securities for customers		(72,677,990,089,023)	(26,874,528,187,353)
07	3. Cash receipt for settlement of securities transactions of customers		82,389,999,905,856	31,674,474,503,158
08	4. Cash payment for settlement of securities transactions of customers		(84,123,388,914,431)	(32,049,727,749,463)
11	5. Custodian fee paid		(4,357,746,752)	(4,725,117,424)
20	Net increase in cash during the year		121,047,299,910	668,130,358,320
30	II. Cash and cash equivalents of the customers at the beginning of the year	19.6	924,693,477,941	256,563,119,621
31	Cash at banks at the beginning of the year		924,693,477,941	256,563,119,621
32	1. Investors' deposits managed by the Company for securities trading activities		433,128,339,491	131,333,951,021
33	2. Investors' collective deposits for securities trading activities		215,916,499,562	92,957,287,150
34	3. Investors' deposits for securities transaction clearing and settlement		275,648,638,888	32,271,881,450
40	III. Cash and cash equivalents of the customers at the end of the year	19.6	1,045,740,777,851	924,693,477,941
41	Cash at banks at the end of the year		1,045,740,777,851	924,693,477,941
42	1. Investors' deposits managed by the Company for securities trading activities		495,800,124,851	433,128,339,491
43	2. Investors' collective deposits for securities trading activities		346,085,329,607	215,916,499,562
44	3. Investors' deposits for securities transaction clearing and settlement		203,855,323,393	275,648,638,888

Prepared by:

Reviewed by:

Approved by:

Nguyen Thi Minh Hong
Accountant

Tran Thi Ngoc Huong
Chief Accountant

Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 February 2022

Maybank Kim Eng Securities Limited

STATEMENT OF CHANGES IN OWNER'S EQUITY
for the year ended 31 December 2021

B04-CTCK

ITEMS	Beginning balance		Increase/(decrease)				Ending balance	
	1 January 2020 VND	1 January 2021 VND	Previous year		Current year		31 December 2020 VND	31 December 2021 VND
			Increase VND	Decrease VND	Increase VND	Decrease VND		
I. CHANGES IN OWNER'S EQUITY								
1. Contributed capital	1,056,110,000,000	1,056,110,000,000	-	-	1,143,890,000,000	-	1,056,110,000,000	2,200,000,000,000
- Regulated 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	-	-	1,143,890,000,000	-	806,110,000,000	1,950,000,000,000
2. Capital supplementary reserve	14,952,026,685	20,197,458,918	5,245,432,233	-	10,085,301,588	-	20,197,458,918	30,282,760,506
3. Operational risk and financial reserve	14,952,026,685	20,197,458,919	5,245,432,234	-	10,085,301,588	-	20,197,458,919	30,282,760,507
4. Undistributed profit	241,792,868,600	336,210,648,803	104,908,644,670	(10,490,864,467)	201,653,909,865	(20,170,603,176)	336,210,648,803	517,693,955,492
- Realized profit	241,768,818,230	336,209,264,221	104,907,260,088	(10,466,814,097)	201,656,029,590	(20,169,218,594)	336,209,264,221	517,696,075,217
- Unrealized profit	24,050,370	1,384,582	1,384,582	(24,050,370)	(2,119,725)	(1,384,582)	1,384,582	(2,119,725)
TOTAL	1,327,806,921,970	1,432,715,566,640	115,399,509,137	(10,490,864,467)	1,365,714,513,041	(20,170,603,176)	1,432,715,566,640	2,778,259,476,505

Prepared by:

Reviewed by:

Approved by:

Nguyen Thi Minh Hong
Accountant

Tran Thi Ngoc Huong
Chief Accountant

Pham Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 February 2022

1. CORPORATE INFORMATION

Maybank Kim Eng Securities Limited ("the Company") was incorporated under the Law on Enterprises of Vietnam pursuant to Securities Operating License No. 117/GP-UBCK issued by the State Securities Commission on 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 VP-10-01, Floor 10, Pearl 5 Building, 5 Le Quy Don, Vo Thi Sau Ward, District 3, Ho Chi Minh City and five (5) branches are located at Ho Chi Minh City, Ha Noi and other provinces at the date of this report.

The Company has 186 employees as at 31 December 2021 (31 December 2020: 177 employees).

Main features of operation of the Company

Size of operation

As at 31 December 2021, the Company's charter capital was VND2,200,000,000,000 and total assets amounted to VND4,958,249,439,329.

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 is required to comply with Article 28 under Circular No. 121/2020/TT-BTC dated 31 December 2020 providing guidance on operation of securities companies and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- Securities company is not allowed to invest, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- Securities company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- Securities company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities company, licensed to engage in self-trading activity, is allowed to conduct repo transactions on listed bonds in accordance with relevant provision on bond repo transactions.
- Securities company must not by itself, or authorize another organization or individuals to:
Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund certificates; Invest or contribute capital of more than fifteen percent (15%) in the total paid-up capital of a limited liability company or of a business project; Invest more than fifteen percent (15%) of its equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total equity in unlisted shares, capital contribution and a business project.

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

The financial statements of the Company expressed in Vietnam dong ("VND") are prepared in accordance with Vietnamese Enterprise Accounting System, the accounting regulation 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 Appendices No. 02 and No. 04 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and asset management companies and other Vietnamese Accounting Standards promulgated by the Ministry of Finance as per:

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

Accordingly, the accompanying 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 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 *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 financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2020.

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 off-balance sheet.

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 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 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 in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Loans

Loans are non-derivative financial assets with fixed or identifiable payments that are not quoted on the 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 profit or loss;
- b) The amounts categorized by the entity as available for sale upon initial recognition; or
- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

Loans are recognized initially at cost. After initial recognition, 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 uncollectible (if any).

Loans are subject to an assessment of impairment at the financial statement date. Provision is made for loan based on its estimated loss which is determined by the negative difference between the market value of securities used as collaterals for such loan and the loan balance. Any increase/decrease in the balance of provision is recognized in the interim income statement under "*Provision expense for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans*".

3.5 Fair value/market value of financial assets

Fair value/market value of the securities is determined as follows:

- ▶ 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 average 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 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 the revaluation date.

For securities which do not have reference price 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 income statement.

The Company has made provision for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2020 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

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

3.9 Fixed assets

Fixed assets are stated at cost less accumulated 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 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 income statement.

3.10 Depreciation and amortization

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

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

3. 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 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 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 the income statement:

- ▶ Office improvement expenses;
- ▶ Office rental; 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 Labour 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 to deduct 1% from each employer's basic salary to contribute to the Unemployment Insurance Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING 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 year, monetary balances denominated in foreign currencies are determined as follows:

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

All foreign exchange differences incurred during the year and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the year are taken to the 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 ACCOUNTINGS 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 year in which they incur, 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 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 balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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 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 equity.

Deferred 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 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***

Contributed capital is recorded according to actual contribution amount.

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

Unrealized profit of the period is the difference between gain and loss arising from revaluation of financial assets at FVTPL or other financial assets through profit and loss in the 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 income statement of the Company, except for gain or loss arisen from revaluation of financial assets recognized in unrealized profit and foreign exchange difference.

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 finance Reserve	5%	10% of charter capital

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

Maybank Kim Eng Securities Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2021

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Appropriation of net profits

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

3.22 Related parties

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENTS

	Ending balance VND	Beginning balance VND
Cash	798,183,574,318	98,463,942,745
- Cash on hand	40,552,768	56,116,134
- Cash at banks for operation of the Company	797,610,501,647	85,489,687,932
- Cash for securities transaction clearing and settlement	532,519,903	12,918,138,679
Cash equivalents	-	50,000,000,000
- Term deposits with maturity of 3 months or less	-	50,000,000,000
	798,183,574,318	148,463,942,745

5. VALUE AND VOLUME OF TRADING RESULTS IN THE YEAR

	Current year		Previous year	
	Trading volume (unit)	Trading value (VND)	Trading volume (unit)	Trading value (VND)
a. Company				
- Shares	483,790	23,713,355,285	10,180,987	344,786,789,987
b. Investors				
- Shares	6,081,298,379	147,625,620,825,313	3,752,528,272	55,738,011,231,675
	6,081,782,169	147,649,334,180,598	3,762,709,259	56,082,798,021,662

6. FINANCIAL ASSETS

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

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	32,374,617	50,230,550	2,742,407	3,375,030

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

	Ending balance		Beginning balance	
	Cost VND	Provision VND	Cost VND	Fair value VND
Margin loans	3,972,825,771,840	(1,922,794,815)	3,970,902,977,025	1,920,554,807,820
Advances to customers	89,731,376,239	-	89,731,376,239	183,845,179,961
	4,062,557,148,079	(1,922,794,815)	4,060,634,353,264	2,104,399,987,781
			(3,342,102,022)	2,101,057,885,759

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 forced to sell or liquidate.

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

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

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6. FINANCIAL ASSETS (continued)

6.3 Provision for impairment of financial assets and mortgage assets

	Current year VND	Previous year VND
Beginning balance	3,342,102,022	3,392,102,022
Reversal of provision during the year	(1,419,307,207)	(50,000,000)
Ending balance	1,922,794,815	3,342,102,022

7. RECEIVABLES

	Ending balance VND	Beginning balance VND
Receivables from sale of financial assets	-	517,500
Receivables and accruals from dividend and interest income from financial assets	30,167,284,260	15,263,038,621
- Accrued interest from margin loans	30,011,508,703	14,839,527,980
- Accrued interest from advances to customers	155,775,557	297,264,066
- Accrued interest from term deposits	-	126,246,575
Advances to suppliers	1,488,454,618	38,378,358
Receivables from services provided by the Company	3,281,712,052	28,509,402,709
- Advisory and auction fees receivable	-	25,355,000,000
- Custodian fees receivable from investors	699,904,053	1,939,205,484
- Brokerage fees receivable	2,581,807,999	1,215,197,225
Other receivables	121,039,202	205,048,856
	35,058,490,132	44,016,386,044
Provision for impairment of other receivables	(115,300,395)	(115,300,395)
	34,943,189,737	43,901,085,649

8. TANGIBLE FIXED ASSETS

	Office equipment VND	Transportation and vehicles VND	Others VND	Total VND
Cost				
Beginning balance	49,501,725,325	3,052,011,905	954,064,162	53,507,801,392
New purchase	2,776,349,000	-	-	2,776,349,000
Disposal	(2,263,284,311)	-	(324,678,200)	(2,587,962,511)
Ending balance	50,014,790,014	3,052,011,905	629,385,962	53,696,187,881
Accumulated depreciation				
Beginning balance	38,756,043,609	3,052,011,905	910,288,745	42,718,344,259
Depreciation charge	3,890,707,756	-	18,953,000	3,909,660,756
Disposal	(2,263,284,311)	-	(324,678,200)	(2,587,962,511)
Ending balance	40,383,467,054	3,052,011,905	604,563,545	44,040,042,504
Net carrying amount				
Beginning balance	10,745,681,716	-	43,775,417	10,789,457,133
Ending balance	9,631,322,960	-	24,822,417	9,656,145,377

The cost of tangible fixed assets that are fully depreciated but still in use as at 31 December 2021 is VND35,470,665,587 (31 December 2020: VND37,930,183,986).

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9. INTANGIBLE FIXED ASSETS

	<i>Computer software</i> <i>VND</i>
Cost	
Beginning balance	29,807,134,235
New purchase	531,837,700
Disposal	(356,050,526)
Ending balance	<u>29,982,921,409</u>
Accumulated amortization	
Beginning balance	24,702,154,424
Amortization charged	1,429,148,714
Disposal	(356,050,526)
Ending balance	<u>25,775,252,612</u>
Net carrying amount	
Beginning balance	<u>5,104,979,811</u>
Ending balance	<u>4,207,668,797</u>

The cost of intangible fixed assets that are fully depreciated but in use as at 31 December 2021 is VND23,290,802,235 (31 December 2020: VND19,316,946,518).

10. CONSTRUCTIONS IN PROGRESS

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Office renovation	5,118,798,645	-
Software development	452,850,000	144,000,000
	<u>5,571,648,645</u>	<u>144,000,000</u>

11. PREPAID EXPENSES

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Short-term prepaid expenses	7,458,666,682	2,345,428,898
- Prepaid office rental	2,818,582,168	234,020,376
- Information expenses	2,648,801,305	-
- System maintenance	1,536,196,898	1,856,904,007
- Office supplies expense	52,016,524	44,987,774
- Others	403,069,787	209,516,741
Long-term prepaid expenses	1,115,140,746	1,964,330,786
- System maintenance	1,115,140,746	1,837,281,014
- Office renovation	-	127,049,772
	<u>8,573,807,428</u>	<u>4,309,759,684</u>

12. DEPOSITS TO SETTLEMENT ASSISTANCE FUND AND CLEARING FUND*Settlement assistance fund*

Deposits to settlement assistance fund represent amounts deposited to Settlement Assistance Fund.

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 limit on contribution to the Settlement Assistance Fund is VND20 billion for custody members is a securities company providing trading securities and brokerage activities.

Clearing fund

The clearing fund is formed from the contributions of clearing members in cash or securities approved by the Viet Nam Securities Depository for the purpose of compensating for losses and completing derivative securities transactions in the clearing member's name in case a clearing member or investor of a clearing member becomes insolvent.

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 derivative securities transactions. Periodic additional contributions include additional contributions according to periodic revaluation and extraordinary additional contributions announced by the Vietnam Securities Depository.

Movements of the funds during the year are as follows:

	<i>Current year</i> VND	<i>Previous year</i> VND
Settlement assistance fund		
- Initial payment	120,000,000	120,000,000
- Addition payment	19,875,959,638	19,875,959,638
- Interest distribution	4,040,362	4,040,362
	20,000,000,000	20,000,000,000
Clearing fund		
- Initial payment	10,000,000,000	10,000,000,000
- Addition payment	-	-
- Interest distribution	39,898,829	18,187,023
	10,039,898,829	10,018,187,023
	30,039,898,829	30,018,187,023

13. SHORT-TERM BORROWINGS

	<i>Beginning balance VND</i>	<i>Additional borrowings during the year VND</i>	<i>Repayment during the year VND</i>	<i>Ending balance VND</i>
Short-term borrowings	855,736,090,000	12,166,457,320,000	(10,934,483,410,000)	2,087,710,000,000

These are unsecured borrowings in foreign currency from foreign organizations bearing interest rate ranging from 2.8233% p.a. to 2.8586% p.a. Short term borrowings are used to supplement working capital. The Company hedged exchange rate risk for entire balance of these borrowings by currency swap contracts with banks.

14. STATUTORY OBLIGATIONS

<i>Items</i>	<i>Beginning balance VND</i>	<i>Payable VND</i>	<i>Paid VND</i>	<i>Ending balance VND</i>
Corporate income tax	12,565,595,314	82,613,042,063	(72,804,052,572)	22,374,584,805
- Of the Company	10,453,409,305	50,466,852,638	(41,290,179,738)	19,630,082,205
- Of the corporate investors	2,112,186,009	32,146,189,425	(31,513,872,834)	2,744,502,600
Value added tax	2,147,357,242	2,172,911,302	(4,227,191,977)	93,076,567
Personal income tax	5,635,598,533	112,095,845,296	(105,211,713,404)	12,519,730,425
- Of the Company	1,369,758,754	29,044,225,377	(27,402,845,916)	3,011,138,215
- Of the investors	4,265,839,779	83,051,619,919	(77,808,867,488)	9,508,592,210
Foreign contractor withholding tax	1,039,663,566	5,638,866,549	(5,994,155,388)	684,374,727
Business tax	-	(8,000,000)	8,000,000	-
	21,388,214,655	202,512,665,210	(188,229,113,341)	35,671,766,524

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15. SHORT-TERM TRADE PAYABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Brokerage commission payables		
- To related parties	2,143,505,320	6,753,466,002
- To other parties	1,185,751,130	66,705,344
Other payables	279,800,000	-
	3,609,056,450	6,820,171,346

16. SHORT-TERM EXPENSE PAYABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Transaction fee payables to Stock Exchanges	6,050,206,283	3,392,845,096
Accrued operating expenses	3,272,157,256	1,855,394,407
Accrued interest expenses	1,650,226,899	892,438,901
Professional fees	975,742,598	846,850,094
Custody fees	384,585,120	350,462,772
Trade & Give - Stay Strong Saigon Fund	1,075,157,051	-
	13,408,075,207	7,337,991,270

17. DEFERRED TAX LIABILITY

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Deferred tax liability		
Depreciation of fixed assets	221,699,729	125,789,383

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 year are as follows:

	<i>Statement of financial position</i>		<i>Income statement</i>	
	<i>Ending balance</i> VND	<i>Beginning balance</i> VND	<i>Current year</i> VND	<i>Previous year</i> VND
Deferred tax liability				
- Depreciation of fixed assets	221,699,729	125,789,383	(95,910,346)	(68,270,158)

18. OWNER'S EQUITY

	Contributed capital VND	Capital supplementary reserve VND	Operational risk and financial reserve VND	Undistributed profit VND	Total VND
Beginning balance	1,056,110,000,000	20,197,458,918	20,197,458,919	336,210,648,803	1,432,715,566,640
- Increasing charter capital for the year (*)	1,143,890,000,000	-	-	-	1,143,890,000,000
- Net profit for the year	-	-	-	201,653,909,865	201,653,909,865
- Profit appropriations to reserves	-	10,085,301,588	10,085,301,588	(20,170,603,176)	-
Ending balance	2,200,000,000,000	30,282,760,506	30,282,760,507	517,693,955,492	2,778,259,476,505

(*) During the year, the Company's owner has injected capital in two phases:

- ▲ Phase 1: The Company increased its charter capital from VND1,056,110,000,000 to VND1,745,000,000,000 according to Decision of the Company's owner No. 02/2021/QĐ-CSH dated 10 June 2021. According to Amended License - Securities Operating License No. 56/GPĐC-UBCK issued by the State Securities Commission on 19 July 2021, the Company's charter capital is VND1,745,000,000,000.
- ▲ Phase 2: The Company increased its charter capital from VND1,745,000,000,000 to VND2,200,000,000,000 according to Decision of the Company's owner No. 04/2021/QĐ-CSH dated 17 December 2021. According to Amended License - Securities Operating License No. 10/GPĐC-UBCK issued by the State Securities Commission on 19 January 2022, the Company's charter capital is VND2,200,000,000,000.

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

19.1 Foreign currencies (original currency)

	<i>Ending balance</i>	<i>Beginning balance</i>
USD	19,991,213.97	175,388.28
SGD	-	811.30

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

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Unrestricted financial assets	10,720,000	1,120,000

19.3 Investors' financial assets listed/registered at VSD

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Unrestricted and traded financial assets	7,944,884,640,000	7,745,447,510,000
- Shares	7,944,884,640,000	7,745,447,510,000
Restricted and traded financial assets	176,720,450,000	171,514,750,000
Mortgage and traded financial assets	82,450,000,000	65,450,000,000
Blocked financial assets	4,675,180,000	-
Financial assets awaiting settlement	311,745,050,000	297,132,920,000
	8,520,475,320,000	8,279,545,180,000

19.4 Investors' non-traded financial assets deposited at VSD

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Unrestricted and non-traded financial assets deposited at VSD	1,338,515,530,000	1,374,784,600,000
Restricted and non-traded financial assets deposited at VSD	81,614,050,000	242,102,600,000
Mortgaged and non-traded financial assets deposited at VSD	11,898,660,000	67,107,710,000
	1,432,028,240,000	1,683,994,910,000

19.5 Investors' financial assets awaiting arrival

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Shares	239,686,950,000	215,967,440,000

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

19.6 Investors' deposits

	Ending balance VND	Beginning balance VND
Investors' deposits for securities trading activities managed by the Company	495,800,124,851	433,128,339,491
- Domestic investors' deposits	442,118,201,445	382,817,833,225
- Foreign investors' deposits	53,681,923,406	50,310,506,266
Investors' collective deposits for securities trading activities	346,085,329,607	215,916,499,562
- Domestic investors' deposits	345,555,222,996	207,861,508,697
- Foreign investors' deposits	530,106,611	8,054,990,865
Investors' deposits for securities transaction clearing and settlement	203,855,323,393	275,648,638,888
- Domestic investors' deposits	203,784,365,004	271,976,890,753
- Foreign investors' deposits	70,958,389	3,671,748,135
	1,045,740,777,851	924,693,477,941

19.7 Payables to investors

	Ending balance VND	Beginning balance VND
Payables to investors - Investors' deposits for securities trading activities managed by the Company	1,045,740,761,180	924,693,339,597
- Domestic investors	991,457,772,774	863,088,914,331
- Foreign investors	54,282,988,406	61,604,425,266
Dividend, bond principal and interest payables	16,671	138,344
	1,045,740,777,851	924,693,477,941

20. OPERATING REVENUE

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

	Current year VND	Previous year VND
From FVTPL financial assets	2,980,289,463	20,357,945,327
- Interest income from term deposits	2,604,426,630	19,234,608,212
- Dividend	1,167,600	96,628
- Others	374,695,233	1,123,240,487
Loans and receivables	272,811,368,244	157,138,702,320
- Interest from margin loans	262,057,458,709	153,388,252,199
- Interest from advances to customers	10,753,909,535	3,750,450,121
	275,791,657,707	177,496,647,647

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20. OPERATING REVENUE (continued)

20.2 Revenue other than gain/loss from financial assets

	Current year VND	Previous year VND
Revenue from brokerage services	328,758,331,321	152,230,742,634
Revenue from financial advisory services	12,402,699,307	35,129,783,257
Revenue from securities custodian services	4,357,746,752	4,725,117,424
Revenue from securities investment advisory services	-	158,000,000
Other revenue	8,157,863,117	6,528,376,185
- Research fee and other fee incomes	8,157,863,117	6,528,376,185
	353,676,640,497	198,772,019,500

21. PROVISION EXPENSE FOR DIMINUTION IN VALUE AND IMPAIRMENT OF FINANCIAL ASSETS AND DOUBTFUL DEBTS AND BORROWING COSTS OF LOANS

	Current year VND	Previous year VND
Interest expense	23,072,826,106	14,587,240,001
Currency swap contract fee	11,051,409,487	8,348,285,402
Provision reversal for impairment of other receivables	-	(89,812,500)
	34,124,235,593	22,845,712,903

22. EXPENSES FOR BROKERAGE SERVICES

	Current year VND	Previous year VND
Personnel expenses, bonus and welfare expenses	123,438,493,388	53,152,057,627
Transaction fee for brokerage activities	58,155,555,495	26,055,068,327
Commission expense	24,580,838,653	15,654,440,266
External services expenses	21,337,343,202	16,815,793,272
Social insurance, health insurance, unemployment insurance and union fee	2,342,887,855	1,630,404,101
Depreciation and amortization	1,094,136,274	918,857,075
Office supplies expenses	61,397,892	44,499,250
Expenses related to instruments and tools	44,779,165	70,938,401
	231,055,431,924	114,342,058,319

23. FINANCE INCOME

	Current year VND	Previous year VND
Interest income from demand deposits	3,357,369,524	2,403,934,333
Foreign exchange rate differences	268,620,414	106,684,454
	3,625,989,938	2,510,618,787

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24. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Personnel expenses, bonus and welfare expenses	60,470,257,338	57,850,102,556
External services expenses	29,607,050,458	26,131,567,557
Depreciation and amortization	4,222,649,716	5,288,254,310
Social insurance, health insurance, unemployment insurance and union fee	5,372,130,237	5,268,401,365
Expenses related to instruments and tools	183,073,906	164,293,730
Office supplies expenses	77,830,069	91,392,631
Others	9,174,000	19,911,793
	99,942,165,724	94,813,923,942

25. CORPORATE INCOME TAX

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

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

25.1 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 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 reporting date.

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	<i>Current year</i> <i>VND</i>	<i>Previous year</i> <i>VND</i>
Profit before tax	252,172,884,394	131,426,818,618
CIT at current tax rate (20%)	50,434,576,879	26,285,363,724
Adjustments to increase		
- Non-deductible expenses	128,751,077	215,650,550
- Other adjustments	-	9,416,581
Adjustment to decrease		
- Non-taxable income and temporary taxable difference in previous years	(96,475,318)	(62,444,021)
- Adjustment of CIT in previous years	(43,788,455)	-
CIT expense	50,423,064,183	26,447,986,834

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25. CORPORATE INCOME TAX (continued)

25.2 *Deferred tax*

Deferred tax expenses during the year are presented as below:

	Current year VND	Previous year VND
Difference on depreciation and amortization charges	95,910,346	68,270,158
Difference on provision expense for margin loans	-	1,916,956
	95,910,346	70,187,114

26. OTHER INFORMATION

26.1 *Related party transactions*

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

Related parties Old name	Related parties New name	Relationship	Transactions	Current year VND	Previous year VND
Maybank Kim Eng Holdings Limited	Maybank IBG Holdings Limited	Parent company	Borrowings	12,166,457,320,000	2,508,712,530,000
			Borrowings repayment	10,934,483,410,000	2,000,820,940,000
			Interest expenses	22,161,104,822	5,653,324,924
Maybank International Labuan Branch	Maybank International Labuan Branch	Branch of ultimate parent company	Borrowings	-	2,776,905,050,000
			Borrowings repayment	-	3,055,717,350,000
			Interest paid	-	8,386,600,446
Maybank Kim Eng Securities Pte. Ltd.	Maybank Securities Pte. Ltd.	Subsidiary of Maybank Kim Eng Holdings	Commission fee expenses	13,790,896,323	15,654,440,266
			Brokerage fee received	1,054,246,752	80,296,688
			Agreement fee income	-	36,915,417
Maybank Kim Eng Securities (Thailand) Public Company Ltd	Maybank Securities (Thailand) Public Company Limited	Subsidiary of Maybank Kim Eng Holdings	Brokerage fee received	998,312,416	453,987,365

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26. OTHER INFORMATION (continued)

26.1 Related party transactions (continued)

Related parties Old name	Related parties New name	Relationship	Transactions	Current year VND	Previous year VND
Malayan Banking Berhad - Ho Chi Minh Branch	Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Swap fee expenses Bank fee paid Interest received	6,857,357,701 122,656,779 4,780,640	6,480,301,264 72,159,933 2,076,398
Malayan Banking Berhad - Ha Noi Branch	Malayan Banking Berhad - Ha Noi Branch	Branch of ultimate parent company	Swap fee expenses	477,322,452	-
Maybank Kim Eng Research Pte. Ltd.	Maybank Research Pte. Ltd.	Subsidiary of Maybank Kim Eng Holdings	Research fee received Research fee paid	8,157,863,117 2,601,118,442	6,528,376,185 3,317,849,685
Maybank Investment Bank Berhad	Maybank Investment Bank Berhad	Subsidiary of ultimate parent company	Information fee	-	592,502,707
May Bank Kim Eng Securities USA	Maybank Securities USA Inc.	Subsidiary of Maybank Kim Eng Holdings Limited	Commission fee expenses	10,789,942,330	-
Ong Asia Securities (HK) Limited	MIB Finance (Hong Kong) Limited	Subsidiary of Maybank Kim Eng Holdings Limited	Arrangement fee revenue	1,005,299,307	420,367,840
Management			Salary and remuneration	16,458,232,546	15,519,976,046

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26. OTHER INFORMATION (continued)

26.1 Related party transactions (continued)

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

Related parties Old name	Related parties New name	Relationship	Transactions	Ending balance VND	Beginning balance VND
Maybank Kim Eng Holdings Limited	Maybank IBG Holdings Limited	Parent company	Borrowings Accrued interest	(2,087,710,000,000) (865,635,113)	(855,736,090,000) (804,896,602)
Maybank Kim Eng Securities Pte. Ltd.	Maybank Securities Pte. Ltd.	Subsidiary of Maybank Kim Eng Holdings	Commission payables Arrangement fee Other payable Sale payables month-end	(885,362,708) - - (928,802,175)	(5,335,130,532) 40,606,959 (855,457,898) -
Malayan Banking Berhad - Ho Chi Minh Branch	Malayan Banking Berhad - Ho Chi Minh Branch	Branch of ultimate parent company	Swap fee payables	-	(87,542,299)
Malayan Banking Berhad - Ha Noi Branch	Malayan Banking Berhad - Ha Noi Branch	Branch of ultimate parent company	Swap fee payables	(477,322,452)	-
Maybank Kim Eng Securities (Thailand) Public Company Ltd.	Maybank Securities (Thailand) Public Company Limited	Subsidiary of Maybank Kim Eng Holdings Limited	Sale payables month-end	-	(1,226,241,212)
Maybank Investment Bank Berhad	Maybank Investment Bank Berhad	Subsidiary of ultimate parent company	Information fee payables	(562,877,572)	(562,877,572)
May Bank Kim Eng Securities USA	Maybank Securities USA Inc.	Subsidiary of Maybank Kim Eng Holdings Limited	Commission fee payables	(695,265,040)	-

26. OTHER INFORMATION (continued)**26.2 Operating lease commitments**

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

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Less than 1 year	17,559,372,620	9,163,585,990
From 1 to 5 years	56,505,058,282	2,480,476,380
	<u>74,064,430,902</u>	<u>11,644,062,370</u>

26.3 Purposes and policies of financial risk management

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

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

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

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

Market risk

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

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 short-term deposits, loans and borrowings.

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 financial instrument having short-term and bearing fixed interest rate.

26. OTHER INFORMATION (continued)

26.3 Purposes and policies of financial risk management (continued)

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).

The Company monitors the positions of foreign currencies on a daily basis and hedging strategies are applied to ensure that foreign currency positions are maintained within the established limits. 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 uncertainty about values of the investment securities of the Company is not significant.

Credit risk

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

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's risk management department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts. 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, 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 as at 31 December 2021.

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

The table below summarizes the credit risk related to financial assets as at 31 December 2021:

31 December 2021	Past due but not impaired					Total VND
	Neither past due nor impaired VND	Less than 3 months VND	3 - 6 months VND	6 - 12 months VND	Over 1 year VND	
Term deposits	798,143,021,550	-	-	-	-	798,143,021,550
Loans - gross	4,060,634,353,264	-	-	-	-	4,062,557,148,079
Other financial assets	69,795,933,519	-	-	-	-	69,795,933,519
	4,928,573,308,333	-	-	-	-	4,930,496,103,148

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 adequately finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

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

The table below summarizes the maturity profile of the Company's financial assets and 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
FINANCIAL ASSETS						
Cash and cash equivalents	-	798,183,574,318	-	-	-	798,183,574,318
Financial assets at fair value through profit and loss	-	-	50,230,550	-	-	50,230,550
Loans - gross	1,922,794,815	-	4,060,634,353,264	-	-	4,062,557,148,079
Receivables and accruals from dividend and interest income	-	-	30,167,284,260	-	-	30,167,284,260
Receivables from services provided by the Company	-	-	3,281,712,052	-	-	3,281,712,052
Long-term deposits, collaterals and pledges	-	6,307,038,378	-	-	-	6,307,038,378
Deposits to Settlement Assistance Fund	-	30,039,898,829	-	-	-	30,039,898,829
	1,922,794,815	834,530,511,525	4,094,133,580,126	-	-	4,930,586,886,466
FINANCIAL LIABILITIES						
Short-term borrowings	-	-	2,087,710,000,000	-	-	2,087,710,000,000
Payables from securities transaction activities	-	-	23,485,870	-	-	23,485,870
Short-term trade payables	-	-	3,609,056,450	-	-	3,609,056,450
Short-term expense payables	-	-	13,408,075,207	-	-	13,408,075,207
Other liabilities	-	-	582,486,132	-	-	582,486,132
	-	-	2,105,333,103,659	-	-	2,105,333,103,659
Net liquidity difference	1,922,794,815	834,530,511,525	1,988,800,476,467	-	-	2,825,253,782,807

Company believes that the concentration of debt repayment is low. The company has access to capital funds and loan that are due within 12 months can be continued with existing lenders.

26. 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. 91/2020/TT-BTC dated 13 November 2020 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%.

At 31 December 2021, ratio available capital of company is 1,665%.

27. EVENT AFTER THE REPORTING DATE

There is no matter or circumstance that has arisen since the balance sheet date that required adjustment or disclosure in the financial statements of the Company.

Prepared by:



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Reviewed by:



Tran Thi Ngoc Huong
Chief Accountant

Approved by:



Kim Thien Quang
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 February 2022