# FINANCIAL STATEMENTS

**QUARTER 2/2017** 

HO CHI MINH CITY SECURITIES CORPORATION

B01-CTCK

STATEMENT OF FINANCIAL POSITION as at 30 June 2017

Code	ITEMS	Notes		Beginning balance
			Ending balance VND	(Audited) VND
			VIVE	VIVI
100	A. CURRENT ASSETS		4,683,988,740,895	3,472,717,136,729
110	I. Cash and cash equivalents		4,677,855,385,456	3,468,203,146,189
111	Cash and cash equivalents	5	36,726,018,353	60,193,684,900
111.1	1.1 Cash		36,726,018,353	60,193,684,900
112	2. Financial assets at fair value through			
	profit and loss (FVTPL)	6.1	980,957,509,244	306,371,695,555
114	3. Loans	6.2	3,463,674,075,883	2,750,945,233,394
116	4. Provision for impairment of financial	1.510.00		
	asset at FVTPL		(19,997,479,770)	(19,997,479,770)
118	5. Advances to suppliers		1,956,926,315	424,654,405
119	6. Receivables from services provided by		/2001/03/03/03/03/03/03/03/03/03/03/03/03/03/	
3.5356	the Company	7	196,691,957,838	370,008,403,676
122	7. Other receivables	7	57,430,169,741	35,167,679,780
129	Provision for doubtful debts		(39,583,792,148)	(34,910,725,751
130	II. Other current assets	8	6,133,355,439	4,513,990,54
131	1. Advances		334,858,285	433,534,79
133	Short-term prepaid expenses		5,770,738,554	4,052,697,143
134	3. Short-term deposits, collaterals and			
	pledges		27,758,600	27,758,600
200	B. NON-CURRENT ASSETS		170,849,387,196	144,125,197,959
220	I. Fixed assets		8,370,487,401	9,116,376,32
221	Tangible fixed assets	9	5,629,117,049	5,630,956,930
222	1.1. Cost		47,382,138,147	45,772,044,510
223a	1.2. Accumulated depreciation		(41,753,021,098)	(40,141,087,580
227	Intangible fixed assets	10	2,741,370,352	3,485,419,396
228	2.1. Cost		30,525,565,250	29,853,565,250
229a	2.2. Accumulated amortization		(27,784,194,898)	(26,368,145,854
240	II. Constructions in progress	11	27,833,947,721	11,158,311,542
250	III. Other long-term assets		134,644,952,074	123,850,510,09
251	<ol> <li>Long-term deposits, collaterals and</li> </ol>	1		
	pledges	(602)	5,653,083,350	4,718,807,750
252	Long-term prepaid expenses	12	96,445,069,832	96,160,834,900
253	Deferred tax assets	50024	2,546,798,892	3,638,284,13
254	4. Deposit to Settlement Supporting Fund	13	20,000,000,000	19,332,583,310
255	5. Other current assets		10,000,000,000	
255.1	Deposits to Derivative clearing Fund		10,000,000,000	
270	TOTAL ASSETS		4,854,838,128,091	3,616,842,334,688

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STATEMENT OF FINANCIAL POSITION (continued) as at 30 June 2017

Code	ITEMS	Notes		Beginning balance	
			Ending balance VND	(Audited VNE	
300	C. LIABILITIES		2,376,844,959,800	1,224,924,883,425	
310	I. Current liabilities		2,376,844,959,800	1,224,924,883,425	
311	Short-term borrowings and financial				
	leases	14	1,373,055,578,800	1,000,000,000,000	
312	1.1. Short-term borrowings		1,373,055,578,800	1,000,000,000,000	
318	2. Payables for securities transaction				
	activities	15	189,018,747,318	37,343,090,85	
320	3. Short-term payables to customers		2,786,720,275	2,936,065,430	
322	4. Statutory obligations	16	48,429,608,776	39,140,841,36	
324	5. Employee benefits	.50.00	3,021,226,794	2,681,960,04	
325	6. Short-term accrued expenses	17	18,997,330,827	19,118,684,93	
329	7. Other current liabilities	18	728,449,768,792	108,811,108,21	
331	8. Bonus and welfare fund	3002	13,085,978,218	14,893,132,58	
400	D. OWNERS' EQUITY		2,477,993,168,291	2,391,917,451,26	
410	I. Capital		2,477,993,168,291	2,391,917,451,26	
411	Share capital		1,626,839,121,491	1,581,839,121,49	
411.1	1.1. Contributed capital		1,297,567,580,000	1,272,567,580,00	
411.1a	1.1.1. Common shares		1,297,567,580,000	1,272,567,580,00	
411.2	1.2. Share premium		330,343,798,499	310,343,798,49	
411.5	1.3. Treasury shares		(1,072,257,008)	(1,072,257,008	
414	Capital supplementary reserve		117,012,921,701	117,012,921,70	
415	3. Operational risk and financial reserve		117,012,921,702	117,012,921,70	
416	<ol><li>Other funds belong to owners' equity</li></ol>		3,961,374,994	3,961,374,99	
417	<ol><li>Undistributed earnings</li></ol>	19	613,166,828,403	572,091,111,37	
417.1	5.1. Realized profit	19.1	629,382,221,295	628,246,013,56	
417.2	5.2. Unrealized profit	19.2	(16,215,392,892)	(56, 154, 902, 185	
440	TOTAL LIABILITIES AND OWNERS'		4,854,838,128,091	3,616,842,334,68	

STATEMENT OF FINANCIAL POSITION (continued) as at 30 June 2017

B01-CTCK

# OFF BALANCE SHEET ITEMS

Code	ITEMS	Notes	Ending balance VND	Beginning balance (Audited) VND
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
004	Bad debts handled	20.1	345,059,000	345,059,000
005	Foreign currency (original currency)	20.2		
	USD Yen Singapore Dollar Pound Taiwan Dollar Canada Dollar		35,392.29 190,755 300 100 3,200 100	45,182.58 190,755 300 100 3,200
006	Outstanding shares (shares)	20.3	129,655,368	127,155,368
007	Treasury shares (shares)	20.4	101,390	101,390
800	Financial assets of the Company listed/registered at VSD	20.5	203,795,830,000	74,178,610,000
009	Non-traded financial assets of the Company listed/registered at VSD	20.6	9,727,500,000	1,010,000
010	The Company's awaiting financial assets	20.7	1,974,700,000	2,099,960,000
012	Financial assets of the Company are not deposited at VSD	20.8	115,453,100,000	60,297,270,000
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	Investors' financial assets listed/registered at VSD	20.9	15,576,109,690,000	12,992,363,100,000
021.1 021.2 021.3 021.4 021.5	Unrestricted and traded financial assets Restricted financial assets Mortgaged financial assets Blocked financial assets Financial assets awaiting settlement		12,872,450,920,000 229,688,350,000 1,708,137,650,000 90,276,820,000 675,555,950,000	10,695,622,580,000 12,819,940,000 1,964,810,500,000 90,276,820,000 228,833,260,000

STATEMENT OF FINANCIAL POSITION (continued) as at 30 June 2017

B01-CTCK

## OFF BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	Ending balance VND	Beginning balance (Audited) VND
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
022	Investors' non-traded financial assets deposited at VSD	20.10	107,621,920,000	38,878,010,000
022.1	Unrestricted and non-traded financial assets deposited at VSD		64,469,670,000	22,049,360,000
022.2	Restricted and non-traded financial assets deposited at VSD	450 535	43,152,250,000	16,828,650,000
023	Investors' awaiting financial assets	20.11	548,585,840,000	219,655,840,000
026 <i>027</i>	Investors' deposits Investors' deposits for securities	20.12	854,917,577,564	581,883,723,061
	trading activities managed by the Company		854,917,577,564	581,883,723,061
031	Payables to investors relating to deposits for securities trading activities managed by the			504 000 700 004
031.1	Company     Payables to domestic investors relating to deposits for securities	20.13	854,917,577,564	581,883,723,061
031.2	trading activities managed by the Company - Payables to foreign investors		853, 104, 294, 010	581,657,003,061
501.2	relating to deposits for securities trading activities managed by the Company		1,813,283,554	226,720,000

Prepared by

Chief Financial Offices 134 - Deputy Chief Executive Officer

HƯNG KHOÁN

Le Thi Thuy Duong

Lam Huu Ho

Trinh Hoai Giang

INCOME STATEMENT
For the period from 01 January 2017 to 30 June 2017

B02-CTCK

			2nd Qi	uarter	Year to date		
Code	ITEMS	Notes	Current year VND	Previous year (Restated) VND	Current year VND	Previous year (Restated) VND	
	I. OPERATING REVENUE						
01	Revenue from financial assets at fair value through profit and		0000 A 0000 PM Factoring 2000 Con. The		To serve we work the work of		
	loss (FVTPL)		72,759,870,666	17,210,155,533	97,714,595,405	29,032,848,674	
01.1	1.1. Gain from sale of financial assets at FVTPL	21.1	27,115,140,000	9,127,055,240	36,698,019,985	13,276,411,638	
01.2	1.2. Gain from revaluation of financial assets at FVTPL	6.3	31,210,971,840	753,548,915	36,461,392,527	2,402,822,886	
01.3	<ol> <li>Dividend, interest income from financial assets at FVTPL</li> </ol>	21.3	14,433,758,826	7,329,551,378	24,555,182,893	13,353,614,150	
03	Income from loans and receivables	21.3	100,135,063,671	84,704,522,871	191,442,128,897	157,412,520,839	
06	Revenue from brokerage services	21.4	115,811,753,716	87,608,810,544	210,312,813,636	163,869,860,295	
08	<ol> <li>Revenue from securities investment advisory services</li> </ol>	21.4	18,429,851,445	3,576,566,603	23,308,142,344	6,445,612,326	
09	Revenue from custodian services	21.4	1,573,538,829	1,236,132,949	3,026,400,170	2,389,618,392	
11	Other operating income	21.4	960,343,843	555,934,947	1,578,333,452	1,116,685,681	
20	Total revenues from operating activities		309,670,422,170	194,892,123,447	527,382,413,904	360,267,146,207	
	II. OPERATING EXPENSES						
21	Loss from financial assets at FVTPL		(176,037,653)	(125,160,814)	1,057,731,227	5,750,405,699	
21.1	1.1 Loss from sale of financial assets at FVTPL	21.1	1,625,441,920	1,082,891,943	4,535,847,993	9,733,251,947	
21.2	1.2 Loss from revaluation of financial assets at FVTPL	6.3	(1,801,479,573)	(1,208,052,757)	(3,478,116,766)	(3,982,846,248)	
24	Provision expenses for financial assets, bad debts written off and loss from impairment of financial assets and borrowing					Name (Caratan and an alaborate	
	costs to loan		23,639,454,238	9,623,889,731	39,743,001,526	14,636,418,749	
26	Expenses for self-trading activities	22	18,788,946,223	6,341,721,163	26,885,908,107	6,343,511,265	
27	Expenses for brokerage services	22	64,619,831,651	50,349,850,835	113,618,474,181	98,721,824,302	
29	5. Expenses for securities investment advisory services	22	2,016,493,900	2,532,000,000	4,069,801,900	5,064,000,000	
30	Expenses for securities custodian services	22	1,623,171,784	1,250,365,632	3,082,367,679	2,407,064,898	
32	7. Other operating expenses	22	269,935,119	229,618,385	482,708,650	416,296,951	
40	Total operating expenses		110,781,795,262	70,202,284,932	188,939,993,270	133,339,521,864	

INCOME STATEMENT (continued)
For the period from 01 January 2017 to 30 June 2017

B02-CTCK

			2nd Qu	uarter	Year to	o date
Code	de ITEMS No	Notes	Current year VND	Previous year (Restated) VND	Current year VND	Previous year (Restated) VND
	III. FINANCIAL INCOME					
42	Revenue, accrued dividends, non-fixed interest income		1,214,631,642	16,681,195	2,320,253,644	1,017,428,080
50	Total financial income		1,214,631,642	16,681,195	2,320,253,644	1,017,428,080
62	VI. ADMINISTRATIVE EXPENSES	23	26,228,171,528	22,218,299,453	51,438,707,041	45,148,372,222
70	VII. OPERATING PROFIT		173,875,087,022	102,488,220,257	289,323,967,237	182,796,680,201
	VIII.OTHER INCOME EXPENSES 8.1 Other income	1	-	<b>7,772,725</b> 7,772,725	:	<b>7,772,725</b> 7,772,725
90	IX. PROFIT BEFORE TAX		173,875,087,022	102,495,992,982	289,323,967,237	182,804,452,926
91	Realized profit		140,862,635,609	100,534,391,310	249,384,457,944	176,418,783,792
92	Unrealized profit		33,012,451,413	1,961,601,672	39,939,509,293	6,385,669,134
100	X. CORPORATE INCOME TAX (CIT) EXPENSES		37,085,019,657	20,211,041,740	57,640,745,759	35,839,273,260
100.1	Current CIT expense		35,993,534,418	20,211,041,740	56,549,260,520	35,839,273,260
100.2	Deferred Tax expense		1,091,485,239	7.0	1,091,485,239	17
200	XI. PROFIT AFTER TAX		136,790,067,365	82,284,951,242	231,683,221,478	146,965,179,666

Prepared by

Le Thi Thuy Duong

**Chief Financial Officer** 

Lam Huu Ho

20 July 2017
Deputy Chief Executive Officer

TP.HO CHÍ MINH

TP. HO C' rinh Hoai Giang

# STATEMENT OF CASH FLOWS for the period from 01 January 2017 to 30 June 2017

CASH FLOWS FROM OPERATING ACTIVITIES  Net profit before tax  Adjustments for: Depreciation and amortization Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	9,10 7 5,3	Current year VND  289,323,967,237  3,027,982,562 4,673,066,397 (3,852,544,723)  (3,478,116,766)  (36,461,392,527)  (393,355,289,161)	Previous year (Restated VNI)  182,804,452,92  2,836,963,47  (7,772,725 (2,613,177,778  (3,982,846,248  (2,402,822,886)
CASH FLOWS FROM OPERATING ACTIVITIES  Net profit before tax  Adjustments for: Depreciation and amortization Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	9,10	289,323,967,237 3,027,982,562 4,673,066,397 (3,852,544,723) (3,478,116,766)	182,804,452,92 2,836,963,47 (7,772,725 (2,613,177,778 (3,982,846,248 (2,402,822,886
CASH FLOWS FROM OPERATING ACTIVITIES  Net profit before tax  Adjustments for: Depreciation and amortization Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	9,10	289,323,967,237 3,027,982,562 4,673,066,397 (3,852,544,723) (3,478,116,766)	182,804,452,92 2,836,963,47 (7,772,725 (2,613,177,778 (3,982,846,248 (2,402,822,886
Net profit before tax  Adjustments for: Depreciation and amortization Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	7	3,027,982,562 4,673,066,397 (3,852,544,723) (3,478,116,766)	2,836,963,47 (7,772,725 (2,613,177,778 (3,982,846,248 (2,402,822,886
Net profit before tax  Adjustments for: Depreciation and amortization Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	7	3,027,982,562 4,673,066,397 (3,852,544,723) (3,478,116,766)	2,836,963,47 (7,772,725 (2,613,177,778 (3,982,846,248 (2,402,822,886
Adjustments for: Depreciation and amortization Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	7	3,027,982,562 4,673,066,397 (3,852,544,723) (3,478,116,766)	2,836,963,47 (7,772,725 (2,613,177,778 (3,982,846,248 (2,402,822,886
Depreciation and amortization Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	7	4,673,066,397 (3,852,544,723) (3,478,116,766) (36,461,392,527)	(7,772,728 (2,613,177,778 (3,982,846,248 (2,402,822,886
Provisions Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	7	4,673,066,397 (3,852,544,723) (3,478,116,766) (36,461,392,527)	(7,772,725 (2,613,177,775 (3,982,846,245 (2,402,822,886
Profits from investing activities Accrued interest  Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in		(3,852,544,723) (3,478,116,766) (36,461,392,527)	(2,402,822,886
Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in		(3,478,116,766) (36,461,392,527)	(2,402,822,886
Increase in non-monetary expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in		(3,478,116,766) (36,461,392,527)	(3,982,846,248
expenses Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	5,3	(36,461,392,527)	(2,402,822,886
Loss from revaluation of financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	5,3	(36,461,392,527)	(2,402,822,886
financial assets at FVTPL  Decrease in non-monetary revenues Gain from revaluation of financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	5,3	(36,461,392,527)	(2,402,822,886
revenues Gain from revaluation of financial assets at FVTPL Changes in operating assets and liabilities (Increase)/decrease in	5,3		MOSS 1740 46
revenues Gain from revaluation of financial assets at FVTPL Changes in operating assets and liabilities (Increase)/decrease in	5,3		MAG 170 06
financial assets at FVTPL  Changes in operating assets and liabilities  (Increase)/decrease in	5,3		MOSS 1740 46
Changes in operating assets and liabilities (Increase)/decrease in	5,3		MOSS 1740 46
assets and liabilities (Increase)/decrease in		(393,355,289,161)	(248,378,143,79
(Increase)/decrease in		(393,355,289,161)	(248,378,143,799
			At the second
		(624 646 204 206)	(6,886,766,067
financial assets at FVTPL		(634,646,304,396)	
Increase in loans		(712,728,842,489)	(446,075,066,764
(Increase)/decrease in in	1 1		
receivables from services			
provided by the Company		173,316,445,838	(257,118,418,23
(Increase)/decrease in other			
receivables		(19,942,217,148)	3,549,745,05
Increase/(decrease) in			
accrued expenses (excluding	1 1		7.70
borrowing costs)	1 1	2,209,457,957	1,045,516,07
(Increase)/decrease in prepaid	1 1		
expense			1,093,615,15
Corporate income tax paid		(49,409,941,082)	(34,659,056,385
(Increase)/decrease in trade		10000-00000-0000-0000-0000-0000-0000-0	
payables		149,195,499,242	500,565,365,90
(Decrease) /Increase in	1 1	SANSAN TROUBLESTER	
employees benefit payables		339,266,753	854,925,50
	1 1		
		9,288,767,413	(361,119,546
		85 75 74	
	l I	709,667,190,310	2,156,988,05
	1 1		
		(18,642,335,216)	(12,543,872,550
operation	1.0		
operation et cash flows used in		(140,122,326,981)	(71,743,347,03
	expense Corporate income tax paid (Increase)/decrease in trade payables	expense Corporate income tax paid (Increase)/decrease in trade payables (Decrease) /Increase in employees benefit payables Increase/(decrease) in tax payables (excluding corporate income tax paid) Increase/(decrease) in other payables Other payments for business	expense Corporate income tax paid (Increase)/decrease in trade payables (Decrease) /Increase in employees benefit payables Increase/(decrease) in tax payables (excluding corporate income tax paid) Increase/(decrease) in other payables Other payments for business operation  (2,002,276,343) (49,409,941,082)  149,195,499,242  339,266,753  9,288,767,413  709,667,190,310  (18,642,335,216)

STATEMENT OF CASH FLOWS for the period from 01 January 2017 to 30 June 2017 B03b-CTCK

			Year to date		
Code ITEMS	Notes	Current year VND	Previous yea (Restated, VNE		
	II. CASH FLOWS FROM INVESTING				
61	ACTIVITIES		9 3500 3500 3500 37 (32 3 5 5 )		
	Purchase of fixed assets		(18,957,729,816)	(1,934,312,570	
62	Proceeds from disposals of fixed assets and other long-term assets			8,550,000	
70	Net cash flows used in investing activities		(18,957,729,816)	(1,925,762,570	
	III. CASH FLOW FROM FINANCING ACTIVITIES				
71	Proceeds from issuance of share capital		45,000,000,000		
72	Payments for capital of owners and repurchasing issued shares		-	(1,367,550	
73	Principal Borrowings	14	10,275,937,631,688	6,031,082,782,512	
73.2	<ul> <li>Other borrowings</li> </ul>		10,275,937,631,688	6,031,082,782,512	
74	Payments for principal borrowings	14	(9,902,882,052,888)	(5,830,590,248,966	
74.3	- Other borrowings		(9,902,882,052,888)	(5,830,590,248,966	
76	Dividends and profits paid to shareholders		(282,443,188,550)	(181,542,249,081	
80	Net cash flows from financing activities		135,612,390,250	18,948,916,91	
90	Increase in cash and cash equivalents during period		(23,467,666,547)	(54,720,192,686	
101	Cash and cash equivalents at the	5	60 403 694 900	164,147,260,813	
101.1	beginning of the year Cash		<b>60,193,684,900</b> 60,193,684,900	164,147,260,813	
103	Cash and cash equivalents at the end	5	20 720 040 252	109,427,068,127	
102 1	of the period		<b>36,726,018,353</b> 36,726,018,353	109,427,068,127	
103.1	Cash		30,720,018,353	109,421,000,12	

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STATEMENT OF CASH FLOWS for the period from 01 January 2017 to 30 June 2017

# CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

			Year to date			
Code	ITEMS	Notes	Current year VND	Previous year (Restated) VND		
	I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS					
01	Cash receipt from disposal of securities on behalf of customers		36,531,502,540,100	25,178,542,626,100		
02	Cash payment for acquisition of securities on behalf of customers		(37,104,346,547,220)	(25,818,409,334,666)		
07	Cash receipt from investors for trading securities		848,904,261,793	870,978,486,585		
09	4 Cash payment for securities depository fee of customers		(3,026,400,170)	(2,389,618,392)		
20	Net increase/(decrease) in cash during the period		273,033,854,503	228,722,159,627		
<b>30</b>	II. CASH AND CASH EQUIVALENT OF THE CUSTOMERS AT THE BEGINNING OF THE YEAR Cash at banks at the beginning of the		581,883,723,061	493,009,558,764		
	year:					
32	Investors' deposits managed by the Company for securities trading activities		581,883,723,061	493,009,558,764		
33	<ul> <li>Investors' deposits for trading securities</li> </ul>		581,883,723,061	493,009,558,764		
40	III. CASH AND CASH EQUIVALENT OF THE CUSTOMERS AT THE PERIOD (40 = 20 + 30)		854,917,577,564	721,731,718,391		
41	Cash at banks at the end of the period:					
42	Investors' deposits managed by the Company for securities trading activities	20,13	854,917,577,564	721,731,718,391		
43	<ul> <li>Investors' deposits for securites trading activities.</li> </ul>		854,917,577,564	721,731,718,391		

Prepared by

Chief Financial Officer

Deputy Chief Executive Officer

HUNG KHOAN

Lam Huu Ho

Trinh Hoai Giang

Le Thi Thuy Duong

# STATEMENT OF CHANGES IN OWNER'S EQUITY for the period from 01 January 2017 to 30 June 2017

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			Beginning balance		Increase/	Ending balance			
				Previous year		Current year			
ITEMS	Notes		1 January 2017 VND	Increase VND	Decrease VND	Increase VND	Decrease VND	30 June 2016 VND	30 June 2017 VND
Share capital		1,582,140,489,041	1,581,839,121,491	(261,367,550)	V=	45,000,000,000	6	1,581,879,121,491	1,626,839,121,491
1.1. Common shares		1,272,567,580,000	1,272,567,580,000			25,000,000,000	100	1,272,567,580,000	1,297,567,580,000
1.2. Surplus equity	1 1	310,343,798,499	310,343,798,499	12		20,000,000,000	12	310,343,798,499	330,343,798,499
1.3. Treasury shares	1 0	(770,889,458)	(1,072,257,008)	(261,367,550)	2.4	5.000 (300 V) (500 V) (500 V) (500 V)		(1,032,257,008)	(1,072,257,008)
2. Operational risk and financial		507000000000000	(Mississimalis) 31	32 0 37 32				35.07.1-11.1-11.154.35	
reserve fund		101,786,372,632	117,012,921,702				-	101,786,372,632	117,012,921,702
3. Capital supplementary reserve		101,786,372,631	117,012,921,701	1	-	-	-	101,786,372,631	117,012,921,701
4. Other funds belonging to		Control of the Contro	2501125552505475255					MACHINE SERVICE SPORE	
owners' equity		3,961,374,994	3,961,374,994					3,961,374,994	3,961,374,994
<ol><li>Undistributed profit</li></ol>	19,2	489,874,717,764	572,091,111,375	146,965,179,666	128,283,805,552	231,683,221,478	190,607,504,450	508,556,091,878	613,166,828,403
5.1 Realized profit	5000000	547,779,193,929	628,246,013,560	140,579,510,532	128,283,805,552	191,743,712,185	190,607,504,450	560,074,898,909	629,382,221,295
5.2 Unrealized profit		(57,904,476,165)	(56, 154, 902, 185)	6,385,669,134		39,939,509,293	-	(51,518,807,031)	(16,215,392,892)
TOTAL		2,279,549,327,062	2,391,917,451,263	146,703,812,116	128,283,805,552	276,683,221,478	200	2,297,969,333,626	2,477,993,168,29

Prepared by

Le Thi Thuy Duong

**Chief Financial Officer** 

Lam Huu Ho

Trinh Hoai Giang

CDebuty Chie Executive Officer

NOTES TO THE FINANCIAL STATEMENTS as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017 B09-CTCK

#### 1. CORPORATE INFORMATION

Ho Chi Minh City Securities Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 4103001573 issued by the Ho Chi Minh City Department of Planning and Investment on 23 April 2003, Business License No. 11/UBCK-GPHDKD issued by the State Securities Commission on 29 April 2003, and other amended licenses.

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

The Company's head office is located at 5<sup>th</sup> and 6<sup>th</sup> Floor, AB Tower, 76 Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City. At 31 December 2015, the Company had branches located in Ho Chi Minh City and Hanoi, and transaction offices in Ho Chi Minh City and Hanoi.

The number of the Company's employees as at 30 June 2017 was 748 persons (31 December 2016: 701 persons).

#### Main features of operation of the Company

#### Capital size

As at 30 June 2017, the Company's share capital amounted to VND 1,297,567,580,000, while its owners' equity was VND 2,477,993,168,291 and its total assets were VND 4,854,838,128,091.

#### Investment target

Being a listed securities company in the Vietnamese securities market, the Company's aims are to contribute to the development of the securities market and bring benefits to customers, investors and shareholders of the Company.

#### Investment restrictions

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

# The Company's operational features during the Q2/2017 affected financial statements.

The profit after tax for Q2/2017 increased by 66% compared to that of the same period of last year because of the following reasons:

The operating revenue for Q2/2017 increased by 59% compared to Q2/2016:

- Revenue from brokerage services for Q2/2017 increased by 32% as a result of 71% growth in market trading value compared to that of the same period of 2016 although HSC's market share decreased in Q2/2017;
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for Q2/2017 increased by 18% compared to Q2/2016. The main reasons are changing the size of the market in margin lending activities and changing Company's procedures that made average loan outstanding balance increased by 17% compared to that of the same period of last year. Average loan interest rate between two periods is the same;
- In active market, proprietary trading activities for Q2/2017 contributed considerably to the total business results;
- After restructuring phase, advisory activities which increased more than four times compared to the same quarter in 2016, contributed significantly to the total revenue.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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#### 1. CORPORATE INFORMATION (continued)

The Company's operational features during the Q2/2017 affected financial statements (continued)

The operating and administrative expenses for Q2/2017 increased by 48% compared to Q2/2016, total expenses grew more slowly than total revenues did, in which:

- The operating expenses (expenditures that directly associated with activities generating revenues) grew by 58% in Q2/2017, corresponding to the increase in brokerage revenues, including brokerage fees for Stock Exchanges, salary and commission expenses for brokers and the increase in bank interest expenses related to margin lending activities;
- The administrative expenses for Q2/2017 were 18% higher than Q2/2016.

The Company's operational features during the six-month period affected financial statements.

The profit after tax for the six-month period increased by 58% compared to that of the same period of last year because of the following reasons:

The operating revenue for the six-month period 2017 increased by 46% compared to the six-month period 2016:

- Revenue from brokerage services for the first six months increased by 28%, as a result of 54% growth in market trading value compared to that of the same period of 2016, although HSC's market share decreased;
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for six-month period 2017 increased by 22% compared to the last period of 2016. The main reasons are changing the size of the market in margin lending activities and changing Company's procedures that made average loan outstanding balance increased by 15% compared to that of the same period of last year. Average loan interest rate in the sixmonth period was higher than the same period of last, because preferential interest rate was eliminated gradually for special customer;
- In active market, proprietary trading activities contributed considerably to the total business results;
- After restructuring phase, advisory activities which increased more than three times compared to the same period in 2016, contributed significantly to the total revenue.

The operating and administrative expenses for the first six-month period increased by 35% compared to the same period of last year, total expenses grew more slowly than total revenues did, in which:

- The operating expenses (expenditures that directly associated with activities generating revenues) grew by 42% in the first six months 2017, corresponding to the increase in brokerage revenues, including brokerage fees for Stock Exchanges, salary and commission expenses for brokers and the increase in bank interest expenses related to margin lending activities;
- The administrative expenses for the six-month period were 13% higher than the same period of 2016.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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#### 2. BASIS OF PREPARATION

## 2.1 Accounting Standards and System

The financial statements of the Company (the "Company") expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System, the accounting policies applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014 providing guidance on accounting policies applicable to securities companies, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Appendix 2 and Appendix 4 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and Vietnamese Accounting Standards as per:

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

# 2.2 Registered 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 financial statements are prepared in VND which is also the Company's accounting records in VND.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## 3.1 Change im accounting policies and disclosure

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

On 30 December 2014, the Ministry of Finance passed the Circular No.210/2014/TT-BTC ("Circular 210")- Providing guidance on accounting policy applicable to securities companies, which supersedes the accounting policies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TTBTC dated 20 October 2010 issued by the Ministry of Finance. Circular 210 takes effect from 1 January 2016, prescribes contents relating to accounting and method based on fair value which is applied only if the Accounting laws allow fair value principles.

On 27 December 2016, the Ministry of Finance passed the Circular No.334/2016/TT-BTC ("Circular 334") amendment, supplementation and replacement to a number of articles of Circular 210, Circular 334 takes effect from the date of its promulgation and applies for fiscal year 2016. Circular 334 provides guidance principles and methods for application based on fair value accounting.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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# 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 New accounting standards issued and taken effect in 2017 (continued)

The Company has restated its figures of the previous period by by applying fair value principles for financial assets in accordance with Circular 210 and Circular 334's requirements as presented in Note 25.

#### 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 at 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 at fair value through profit and loss as it meets one of the following criteria:
  - The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognising gains or losses on a different basis; or
  - The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial assets at FVTPL are initially recognized at cost and subsequently recognized at cost less the reduction in the fair value of these financial assets as the prevailing securities regulations does not allow the use of fair value concept.

The loss difference resulting from the revaluation of financial assets at FVTPL at market price compared with the previous period is recognized in the income statement on the item "Loss from revaluation of financial assets at FVTPL". The gain difference resulting from the revaluation of financial assets at FVTPL at market prices compared with the previous period is recognized in the income statement on the item "Gain 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 income statement.

## 3.4 Loans

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

a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair value through profit or loss statements;

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

#### 3.4 Loans (continued)

The amounts categorized by the entity as available for sale upon initial recognition; or

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 rate method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

#### 3.5 Provision for impairment of financial assets

Provision for impairment of financial assets

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

Provision for impairment of transferable securities is the difference between the book value and market value of the financial assets as at the latest transaction date but not exceed one month compared to making provision date in accordance with Circular No. 146/2014/TT-BTC and Circular No. 228/2009/TT-BTC. Any increase or decrease in balance of provision is recognized in "Provision expense for financial assets, bad debts written off, impairment of financial assets and borrowing costs to finance for loans".

Market value/fair 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 have not listed on Stock Exchange but registered for trading on the 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 used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions within one month before the date of setting up the provision.

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.

Provision for loans is made based on the expected loss which is calculated as the difference between market price of securities pledged for loans and outstanding loan balance.

#### 3.6 Derecognition of financial assets

A financial asset (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:

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

#### 3.6 Derecognition of financial assets (continued)

- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### 3.7 Financial assets reclassification

Reclassification when disposing financial assets which are not recognized at FVTPL

The Company which disposes financial assets which are not financial assets at FVTPL is required to reclassify financial assets from other related groups to financial assets at FVTPL.

Reclassification due to change in intention or holding capability

The Company is allowed to reclassify financial assets into other groups as the result of change in its attention or holding ability. Accordingly

Non-derivative FVTPL financial assets which are not required to classify into FVTPL at initial recognition can be reclassified into loans and receivables in certain special circumstances or cash and cash equivalents if it meets the conditions to be classified in this group. Loss recorded from revaluation of financial asset at FVTPL before reclassification will not be reversed.

If the Company changes its intention or holding ability, the classification of an investment into held to maturity is no longer suitable. This investment must be reclassified to financial assets at AFS and revaluated at cost less provision for diminution (if any) as the prevailing Law on Accounting does not allow the use of fair value concept.

#### 3.8 Receivables

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

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

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

Overdue period	Provision rate
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%

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

#### 3.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the statement of financial position and any gain or loss resulting from their disposal is included in the income statement.

#### 3.10 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

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

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

When intangible fixed assets are sold or retired, their costs and accumulated amortization are removed from the statement of financial position and any gain or loss resulting from their disposal is included in the income statement.

#### 3.11 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:

Transportation vehicles 6 years
Office equipment 3 - 5 years
Computer software 3 - 4 years

#### 3.12 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the statement of financial position and amortized over the period for which the amount are paid or the period in which economic benefit are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortized to the income statement over two (02) to forty (40) years:

- Office renovation costs;
- Office rentals; and
- Office equipment costs.

# 3.13 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ("repos") are not derecognized from the financial statements. The corresponding cash received is recognized in the financial statements as a liability. The difference between the sale price and repurchase price is recognized as interest expense and is accrued over the life of the agreement using the straight-line method.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

## 3.13 Repurchase and reverse repurchase agreements (continued)

Conversely, securities purchased under agreements to resell at a specified future date ("reverse repos") are not recognized in the financial statements. The corresponding cash paid is recognized in the statement of financial position as an liability. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the straight-line method.

For overdue commitments, the Company considers to make provision base on the aging of commitments or expected losses in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance.

#### 3.14 Payables and accruals

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

#### 3.15 Employee benefits

## 3.15.1 Post-employment benefits

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

#### 3.15.2 Provision for retrenchment allowance

Retrenchment allowance occurs as a result of a constructive obligation to restructure when the Company has a detailed and formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Retrenchment allowance is provided at the rate of one month's salary for each working year up to 31 December 2008 and the minimum amount for each employee is two months' salary in accordance with the Labor Code and related implementing guidance. From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. The increase in this provision will be accounted in income statement.

According to current regulation the Company is obliged Provision for retrenchment allowance fund used for payment of unemployment allowance arising termination labor contract.

#### 3.15.3 Unemployment benefits

According to current regulation the Company is required to pay unemployment insurance at 1% of salary of employees who participate in the unemployment program and deduct 1% from each employee's basic salary.

## 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.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

#### 3.16 Foreign currency transactions (continued)

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 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 3.18 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is determined according to fair value of receivables which ware received or not after deducted trading discounts, price reductions and returned goods. The following specific recognition criteria must also be met before revenue is recognized:

#### Revenue from brokerage activities

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

#### Revenue from trading securities

Revenue from securities trading is recognized on the basis of the difference between selling price and cost of securities sold.

Revenue from securities repurchase and reverse repurchase agreements

Revenue from securities repurchase and reverse repurchase agreements is recognized over the life of the agreement using the straight-line method.

#### Interest income

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

#### Dividend

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

#### Rendering of other services

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

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

#### Other income

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

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

#### 3.19 Borrowing cost

Borrowing cost comprised interest expense and other expense related directly to the Company's loans.

Borrowings costs are recognized on the accrual basis into the income statement.

#### 3.20 Cost of securities sold

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

#### 3.21 Taxation

#### Current income tax

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

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 statement of financial position date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

The carrying amount of deferred income tax assets is reviewed at each statement of financial position 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 statement of financial position 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 statement of financial position 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.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

#### 3.21 Taxation (continued)

Deferred income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### 3.22 Owners' equity

#### Contributed capital from shareholders

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

#### Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

Unrealized profit of the year is total difference between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets which are in the financial assets portfolio of the Company, charged into the income statement.

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

#### Reserve

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 make the following reserves:

	profit after tax	Maximum level
Charter capital supplementary reserve	5%	10% of share capital
Financial and operational risk reserve	5%	10% of share capital

Supplementary capital reserve is used to supplement annual Charter capital of the Company.

Financial and operational risk reserve is used to compensate for remaining loss, property damage arising in business after receiving indemnity from related organization, individual, insurance company.

Other reserves are created in accordance with the resolution of the General Meeting of shareholders.

## 3.23 Appropriation of net profits

Net profit after tax is available for appropriation to investors/shareholders after approval by the shareholders at the Annual General Meeting, and after making appropriation to reserve funds as required by the Company's Charter and Vietnam's regulatory requirements.

#### 3.24 Item with nil balance

The items those are not presented in the financial statements according to Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No.146/2014/TT-BTC dated 6 October 2014 and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the MOF are items with nil balance.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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## 4. SEGMENT INFORMMATION OF EACH BUSINESS LINE

## 4.1. Segment information

Information of business segment's revenue, profit, assets and liabilities of each business line of the Company as below:

		Brokerage and customer services VND	Trading VND	Advisory services VND	Treasury activities VND	Other segments VND	Unallocated VND	Total VND
Fo	or the period from 01 Januar	ry 2017 to 30 June 20	017					
1.	Revenue from operating							
	activities	213,339,213,806	97,714,595,405	23,308,142,344	193,762,382,541	1,578,333,452		529,702,667,548
2.	Direct costs	182,229,755,675	4,286,139,866	6,409,027,400	43,685,590,711	355,850,441	2	236,966,364,093
3.	Depreciation and							
	amortization	1,225,884,692	557,800	1,898,585	2,166,348,679	17,646,462	-	3,412,336,218
Pro	ofit before tax	29,883,573,439	93,427,897,739	16,897,216,359	147,910,443,151	1,204,836,549		289,323,967,237
As	at 30 June 2017							
1.	Segment assets	2,072,743,765,348	980,957,509,244	-	1,680,688,088,739	458,293,652	(20)	4,734,847,656,983
2.	Allocated assets	88,962,532,584	750,105,672	1,950,274,744	7,201,014,442	13,351,880,943	-	112,215,808,385
3.	Unallocated assets		-		ntorverts and to very		7,774,662,723	7,774,662,723
To	tal assets	2,161,706,297,932	981,707,614,916	1,950,274,744	1,687,889,103,181	13,810,174,595	7,774,662,723	4,854,838,128,091
1.	Segment liabilities	207,576,623,602	12	2	2,076,382,975,831	10,495,053,709	2	2,294,454,653,142
2.	Unallocated liabilities						82,390,306,658	82,390,306,658
То	tal liabilities	207,576,623,602	-		2,076,382,975,831	10,495,053,709	82,390,306,658	2,376,844,959,800

# Geographical segment

All operations of the Company are taken place within Vietnam territory.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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# 5. CASH AND CASH EQUIVALENTS

	Ending balance VND	Beginning balance VND
Cash on hand	606,435,803	614,575,794
Cash at banks for the Company's operation	36,119,582,550	59,579,109,106
Total	36,726,018,353	60,193,684,900

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

**FINANCIAL ASSETS** 

6.

# 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	581,361,338,088	620,600,514,948	116,041,876,192	115,341,556,730	
Military Commercial Joint Stock Bank (MBB)	21,434,123,128	31,922,494,600			
HAGL Joint Stock Company (HAG)	51,049,748,628	53,110,562,400		-	
Hoa Sen Group (HSG)	29,090,387,932	33,773,274,000	97		
Hoa Phat Group (HPG)	56,065,738,661	58,583,360,000	85	978	
HAGL Agrico (HNG)	51,613,225,500	55,384,967,500	·-	150	
The gioi Di dong Joint Stock Company (MWG)	42,765,400,374	53,008,935,000	18,645,308,328	19,187,220,000	
Hoang Huy Investment Services Joint Stock Company (HHS)	2,240,000,000	873,600,000	3.7	(2)	
GTNFOODS Stock Company (GTN)	17,500,085,500	22,125,000,000	17,500,085,500	20,750,083,000	
ETF VFMVN30 Fund (VFMVN30)	21,178,388,861	21,178,388,861	10,603,043,078	10,798,506,000	
Other shares	288,424,239,504	290,639,932,587	69,293,439,286	64,605,747,730	
Unlisted shares	415,811,564,048	360,356,994,296	246,484,721,548	191,030,138,825	
Viet Nam Invesment Fund Management Joint Stock	21,803,640,000	21,803,640,000	21,803,640,000	21,803,640,000	
HD Saison Finance Co., Ltd	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000	
DongA Joint Stock Commercial Bank	16,967,999,502	1,511,472,000	16,967,999,502	1,511,472,000	
Tan Binh Real Estate Joint Stock Company	12,025,000,000	6,200,000,000	12,025,000,000	6,300,000,000	
Ca Mau Seafood Joint Stock Company	10,950,000,000	585,000,000	10,950,000,000	585,000,000	
Minh Hai Export Frozen Seafood Processing Joint Stock Company	8,000,000,000	330,000,000	8,000,000,000	330,000,000	
Special Aquatic Products Joint Stock Company	7,550,000,000	2,160,000,000	7,550,000,000	2,160,000,000	
Can Tho Import - Export Seafood Joint Stock Company	4,900,000,000	1,586,117,750	4,900,000,000	1,586,117,750	
Ho Chi Minh City Development Joint Stock Commercial Bank	6,406,870,500	6,406,870,500	2	12	
Viet Capital Securities Joint Stock Company	15,597,600,000	15,597,600,000			
Other shares	294,610,454,046	287,176,294,046	147,288,082,046	139,753,909,075	
Total	997,172,902,136	980,957,509,244	362,526,597,740	306,371,695,555	

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NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

# 6. FINANCIAL ASSETS (continued)

#### 6.2 Loans

	Ending t	Ending balance		Beginning balance	
	Cost	Fair value	Cost	Fair value	
	VND	VND	VND	VND	
Receivables from margin	3,451,556,098,669	3,451,556,098,669	2,666,330,636,119	2,666,330,636,119	
Receivables from advance to customers	12,117,977,214	12,117,977,214	84,614,597,275	84,614,597,275	
Total	3,463,674,075,883	3,463,674,075,883	2,750,945,233,394	2,750,945,233,394	

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# 6.3 Statement of changes in market values of financial assets

			Ending balance					Beginning balance			
			Market value or	Revaluatio	n difference	Revaluation		Market value or	Revaluation	on difference	Revaluation
No.	Types of financial assets	Cost VND	fair value VND	Increase VND	Decrease VND	Value VND	Cost VND	fair value VND	Increase VND	Decrease VND	value VND
1	FVTPL	997,172,902,136	980,957,509,244	41,707,549,506	(57,922,942,398)	980,957,509,244	362,526,597,740	306,371,695,555	5,246,169,979	(61,401,072,164)	306,371,695,555
1	Listed shares	581,361,338,088	620,600,514,948	41,707,549,506	(2,468,372,646)	620,600,514,948	116,041,876,192	115,341,556,730	5,246,169,979	(5,946,489,441)	115,341,556,730
2	Unlisted shares	415,811,564,048	360,356,994,296		(55,454,569,752)	360,356,994,296	246,484,721,548	191,030,138,825	1/2	(55,454,582,723)	191,030,138,825
	Total	997,172,902,136	980,957,509,244	41,707,549,506	(57,922,942,398)	980,957,509,244	362,526,597,740	306,371,695,555	5,246,169,979	(61,401,072,164)	306,371,695,555

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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## 7. RECEIVABLES

	Ending balance VND	Beginning balance VND
Receivables from services provided by the Company	196,691,957,838	370,008,403,676
In which:		
Receivables from VSD (i)	195,617,113,977	312,618,075,234
Receivables from purchasing securities		51,168,439,301
Receivables from other activities	1,074,843,861	6,221,889,141
Other receivables	57,430,169,741	35,167,679,780
In which: Accrued interest	3,852,544,723	1,817,395,834
Provision for impairment of account receivables	(39,583,792,148)	(34,910,725,751)
Total	214,538,335,431	370,265,357,705

<sup>(</sup>i) This is the receivables from VSD relating to securities selling on the last 2 days of quarter. These receivables were settled in beginning of July 2017.

## 8. OTHER CURRENT ASSETS

	Ending balance VND	Beginning balance VND
Advances	334,858,285	433,534,797
Short-term prepaid expense	5,770,738,554	4,052,697,143
- Maintenance expenses	1,660,499,556	1,231,762,818
- Used tools expenses	808.345.522	498,091,845
Other short-term prepaid expenses	3,301,893,476	2,322,842,480
Deposits, collaterals and pledges	27,758,600	27,758,600
Total	6,133,355,439	4,513,990,540

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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# 9. TANGIBLE FIXED ASSETS

t Total	Office equipment VND	Transportation vehicles VND	
			Cost
	42,309,152,870 1,610,093,637	3,462,891,640	Beginning balance Additions Disposal
47,382,138,147	43,919,246,507	3,462,891,640	30 June 2017
			Accumulated depreciation
	38,109,400,005 1,438,006,568	2,031,687,575 173,926,950	Beginning balance Depreciation for the period Disposal
41,753,021,098	39,547,406,573	2,205,614,525	30 June 2017
			Net carrying amount
5,630,956,930	4,199,752,865	1,431,204,065	Beginning balance
5,629,117,049	4,371,839,934	1,257,277,115	30 June 2017
29,853,565,250 672,000,000			Cost Beginning balance
			Additions
30,525,565,250			30 June 2017
26,368,145,854 1,416,049,044			Accumulated amortization Beginning balance Amortization for the period
27,784,194,898			30 June 2017
			Net carrying amount
3,485,419,396			Beginning balance
2,741,370,352			30 June 2017
Beginningbalance VND	ding balance VND	En	CONSTRUCTIONS IN PROGRESS
5,298,570,886 4,052,293,236 1,807,447,420	9,219,121,423 7,702,563,708 912,262,590		Software purchase Building IT systems Others assets
11,158,311,542	7,833,947,721	2	Total

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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#### 12. LONG-TERM PREPAID EXPENSES

	Ending balance VND	Beginning balance VND
Prepaid office rental	93,952,578,896	95,368,949,432
Office renovation cost	2,460,689,706	723,757,334
Office tools and equipment	31,801,230	68,128,134
Total	96,445,069,832	96,160,834,900

#### 13. ADVANCE TO SETTLEMENT ASSISTANCE FUND

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

According to Decision No. 57/QD-VSD dated 28 May 2012 issued by the General Director of the Vietnam Securities Depository and Decision No. 87/2007/QD-BTC dated 22 October 2007 by the Minister of Finance regarding the issuance of regulations on the registration, custody, clearing and settlement of securities, and Circular No. 43/2010/TT-BTC dated 25 March 2010 regarding the amendment and supplement of the regulations, Decision No. 27/QD-VSD dated 13 March 2015 and Decision No. 45/QD-VSD dated 22 May 2014 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND2.5 billion per annum and the highest contribution limit to Vietnam Securities Depository is VND20 billion. The Company deposited VND20 billion in 2017.

Details of the advance to settlement assistance fund are as follows:

	Ending balance VND	Beginning balance VND
First payment	120,000,000	120,000,000
Additions	19,212,583,310	18,224,666,297
Received interest during the period	667,416,690	987,917,013
Total	20,000,000,000	19,332,583,310

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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# 14. SHORT-TERM BORROWINGS AND FINANCIAL LEASES

	Interest rate	Beginning balance	Addition	Repayment	Ending balance
	%/p.a	VND	VND	VND	VND
Short-term borrowings	7,0-8,0	1,000,000,000,000	5,981,000,000,000	5,650,000,000,000	1,331,000,000,000
Bank overdraft	6,5		4,294,937,631,688	4,252,882,052,888	42,055,578,800
Total	5-58***********************************	1,000,000,000,000	10,275,937,631,688	9,902,882,052,888	1,373,055,578,800

Short-term borrowings have term from 1 to 3 months used for working capital.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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# 15. PAYABLES FOR SECURITIES TRANSACTION ACTIVITIES

		Ending balance VND	Beginning balance VND
	Payables to investors for shares deposits	17,170,000,000	17,170,000,000
	Brokerage fee payables to the Exchangges	7,063,897,121	4,733,085,057
	Other payables	4,715,395,800	15,440,005,800
	Payables to investors for selling transactions	160,069,454,397	•
	Total	189,018,747,318	37,343,090,857
16.	STATUTORY OBLIGATIONS		
		Ending balance VND	Beginning balance VND
		35.993.534.418	28,854,214,980
	Corporate income tax Personal income tax paid on behalf of investors	7,631,148,887	3,547,047,973
	Corporate income tax paid on behalf of foreign	2,500,062,425	4,073,130,728
	Contractors tax	2,000,002,120	1,297,255,563
	Personal income tax of employees	1.845,554,739	1,033,089,189
	VAT	459,308,307	336,102,930
	Total	48,429,608,776	39,140,841,363
17.	SHORT-TERM ACCRUED EXPENSES		
		Ending balance VND	Beginning balance VND
	Allowance for working performance		
	payable to employees	9,000,000,000	12,000,000,000
	Interest expenses	3,327,397,031	3,615,835,487
	Others payables	6,669,933,796	3,502,849,447
	Total	18,997,330,827	19,118,684,934

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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## OTHER CURRENT LIABILITIES

18.	OTHER CURRENT LIABILITIES		
		Ending balance VND	Beginning balance VND
	Dividends payables to shareholders of HSC	4,542,358,278 11,639,960,000	67,765,947,688 35,453,170,000
	Shares purchase right payables Dividends payables on other shareholders	2,206,310,447	2,566,598,772
	Investor's deposits for buying bonds	700,000,000,000	
	Other payables	10,061,140,067	3,025,391,752
	Total	728,449,768,792	108,811,108,212
19.	OWNERS' EQUITY		
19.1	Undistributed earnings		
		Ending balance VND	Beginning balance VND
	Realized profit	629,382,221,295	628,246,013,560
	Unrealized profit	(16,215,392,892)	(56,154,902,185)
	Total	613,166,828,403	572,091,111,375
19.2	Dividends allocation to shareholders		
13.2	Dividends anocation to sharonorasio	1000 SS 100 SS	
		Ending balanc	<ul> <li>Beginning balanc</li> </ul>

	Ending balance VND	Beginning balance VND
Realized gain from previous year (1/1/2017 and 1/1/2016)	628,246,013,560	547,779,193,929
Unrealized loss in the period (at 30/06/2017 and 31/12/2016) Realized gain in the period	(16,215,392,892) 191,743,712,185	(56,154,902,185) 302,781,407,323
Undistributed retained earning allocated to shareholders Reserves made for current period	<b>803,774,332,853</b> (35,021,062,850)	<b>794,405,699,067</b> (40,478,672,852)
Dividends distributed to shareholders for current period	(155,586,441,600)	(181,835,914,840)
Total dividens distributed to shareholders	613,166,828,403	572,091,111,375

#### DISCLOSURE OF OFF BALANCE SHEET ITEMS 20.

#### Write-off bad debts 20.1.

	Ending balance VNL	
Other receivables	345,059,000	345,059,000

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

## 20.2. Foreign currency

	, or origin currency		
		Ending balance	Beginning balance
	USD	35,392,29	45,182,58
		190,755	190,755
	Yen	300	300
	Singapore Dollar		100
	Pound	100	
	Taiwan Dollar	3,200	3,200
	Canada Dollar	100	100
	Convert to VND	851,339,580	1,074,482,842
20.3	Outstanding shares		
		Ending balance	Beginning balance
		VND	VND
	Detail in types >= 1 year	1,296,553,680,000	1,271,553,680,000
20.4.	Treasury shares		
		Ending balance	Beginning balance
		VND	VND
	Detail in types >= 1 year	1,013,900,000	1,013,900,000
20.5.	Financial assets listed/registered at VSD of	f the Company	
		Ending balance VND	Beginning balance VND
	Financial asset		
	Unrestricted trading financial assets	212,938,330,000	39,289,910,000
	Restricted financial assets	585,000,000	585,000,000
	Financial assets awaiting for settlement	1,974,700,000	34,303,700,000
	Total	215,498,030,000	74,178,610,000
20.6.	Non-traded financial assets of the Compa	ny deposited at VSD	
		Ending balance VND	Beginning balance VND
	Financial asset		121222
	The Company's awaiting financial assets	9,727,500,000	1,010,000

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

20.7.	The Company's awaiting financial assets		
		Ending balance VND	Beginning balance VND
	Financial asset The Company's awaiting financial assets	1,974,700,000	2,099,960,000
20.8.	Financial assets of the Company not depos	sited at VSD	
		Ending balance VND	Beginning balance VND
	Financial asset Financial assets of the Company not deposited at VSD	115,453,100,000	60,297,270,000
20.9.	Financial assets of investors listed/register	red at VSD	
		Ending balance VND	Beginning balance VND
	Financial asset Unrestricted and traded financial assets Restricted financial assets Mortgaged financial assets Blocked financial assets Financial assets awaiting settlement	12,872,450,920,000 229,688,350,000 1,708,137,650,000 90,276,820,000 675,555,950,000	10,695,622,580,000 12,819,940,000 1,964,810,500,000 90,276,820,000 228,833,260,000
	Total	15,576,109,690,000	12,992,363,100,000
20 10	Investors' non-traded financial assets depo	osited at VSD	
20.70.	,	Ending balance VND	Beginning balance VND
	Financial asset Unrestricted and non-traded financial assets deposited at VSD Restricted and non-traded financial assets deposited at VSD	64,469,670,000 43,152,250,000	22,049,360,000 16,828,650,000
	Total	107,621,920,000	38,878,010,000
20.11.	Investors' awaiting financial assets		
		Ending balance VND	Beginning balance VND
	Financial asset		
	Investors' awaiting financial assets	548,585,840,000	219,655,840,000

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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

## 20.12. Investors' deposits

	74	Ending balance VND	Beginning balance VND
Investors' deposits for securities activities managed by the Company	trading	854,917,577,564	581,883,723,061

# 20.13. Payables to investors relating to deposits for securities trading activities managed by the Company

	Ending balance VND	Beginning balance VND
Liabilities Payables to investors - Deposits of investors for securities trading activities managed by		
the Company	854,917,577,564	581,883,723,061
Domestic investors	853, 104, 294, 010	581,657,003,061
Foreign investors	1,813,283,554	226,720,000
Total	854,917,577,564	581,883,723,061

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

# 21. GAIN, LOSS FROM FINANCIAL ASSETS

# 21.1. Gain, loss from sale of financial assets at FVTPL

Financial assets	Quantity	Selling price VND	Proceeds VND	Weighted average cost at the end of transaction date VND	Gain from Sales in the current period VND	Loss from Sales in the current period VND	Accumulated Gain from Sales in the current period VND	Accumulated Loss from Sales in the current period VND
Listed shares								
Asia Commercial Joint Stock Bank (ACB)	726,946	25,507	18,542,332,200	25,900	1,121,193,600	17	2,055,401,600	
FPT Telecom JSC (FPT)	566,830	48,804	27,663,293,000	46,850	1,311,577,828	3	1,649,749,078	
Hoa Sen Group (HSG)	1,509,080	34,787	52,495,702,500	32,400	6,332,502,350	-	6,460,143,377	9
Military Commercial Joint Stock Bank (MBB)	1,297,770	18,484	23,987,854,500	22,300	5,018,796,979	25	5,624,670,366	
The Gioi Di Dong Joint Stock Company (MWG)	568,840	114,597	65,187,191,000	102,900	8,335,983,479	-	9,292,748,531	*
ETF VFMVN30 Fund (VFMVN30)	12,362,570	11,939	147,598,841,202	12,525	1,856,845,849	•	3,445,275,499	·
Viettronics Tan Binh Joint Stock Company (VTB)		-		10				1,967,032,371
Other shares	1,744,910	57,783	100,826,670,498	57,783	3,138,239,915	1,625,441,920	8,170,031,534	2,568,815,622
Total	18,776,946		436,301,884,900		27,115,140,000	1,625,441,920	36,698,019,985	4,535,847,993

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NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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Revaluation

# 21. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

# 21.2. Gain, loss from revaluation of financial assets

No.	Financial assets	Cost VND	Market value or Fair value VND	Revaluation difference as at 30 June 2017 VND	difference as at 31 December 2016 VND	Adjustment difference in this period VND
1	FVTPL					
1	Listed shares	2			12	V207411 20
	Military Commercial Joint Stock Bank (MBB)	21,434,123,128	31,922,494,600	10,488,371,472	3 <del>4</del>	10,488,371,472
	HAGL Joint Stock Company (HAG)	51,049,748,628	53,110,562,400	2,060,813,772	39	2,060,813,772
	Hoa Sen Group (HSG)	29,090,387,932	33,773,274,000	4,682,886,068	) <del>-</del>	4,682,886,068
	Hoa Phat Group (HPG)	56,065,738,661	58,583,360,000	2,517,621,339	-	2,517,621,339
	HAGL Agrico (HNG)	51,613,225,500	55,384,967,500	3,771,742,000	-	3,771,742,000
	The gioi Di dong Joint Stock Company (MWG)	42,765,400,374	53,008,935,000	10,243,534,626		10,243,534,626
	Hoang Huy Investment Services Joint Stock Company (HHS)	2,240,000,000	873,600,000	(1,366,400,000)	_	(1,366,400,000)
	GTNFOODS Stock Company (GTN)	17,500,085,500	22,125,000,000	4,624,914,500	3,249,997,500	1,374,917,000
	Khác	319,667,091,567	321,635,122,848	1,968,031,281	(3,950,329,933)	5,918,361,214
2	Unlisted shares	-	-	52	7 <b>2</b> 3	-
	DongA Joint Stock Commercial Bank	16,967,999,502	1,511,472,000	(15,456,527,502)	(15,456,527,502)	-
	Ca Mau Seafood Joint Stock Company	10,950,000,000	585,000,000	(10,365,000,000)	(10,365,000,000)	
	Minh Hai Export Frozen Seafood Processing Joint Stock				875 FS 70 M 37	
	Company	8,000,000,000	330,000,000	(7,670,000,000)	(7,670,000,000)	( <del>-</del> 6)
	Tan Binh Real Estate Joint Stock Company	12,025,000,000	6,300,000,000	(5,725,000,000)	(5,725,000,000)	3 <b>.</b>
	Special Aquatic Products Joint Stock Company	7,550,000,000	2,160,000,000	(5,390,000,000)	(5,390,000,000)	100
	Vass Assurance Corporation	5,442,600,000	114,000,000	(5,328,600,000)	(5,328,600,000)	-
	Can Tho Import - Export Seafood JSC	4,900,000,000	1,586,117,750	(3,313,882,250)	(3,313,882,250)	1
	Sai Gon Postel Corporation	4,406,400,000	2,200,840,000	(2,205,560,000)	(2,205,560,000)	500000000000000000000000000000000000000
	Other shares	335,505,101,344	335,752,763,146	247,661,802		247,661,802
	Total	997,172,902,136	980,957,509,244	(16,215,392,892)	(56,154,902,185)	39,939,509,293

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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## 21. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

## 21.3. Dividend, interest income from financial assets at FVTPL, loans and receivables

	Q2/2017 VND	Q2/2016 VND	Year to date Current period VND	Year to date Previous period VND
From financial assets at FVTPL From loans and receivables	14,433,758,826 100,135,063,671	7,329,551,378 84,704,522,871	24,555,182,893 191,442,128,897	13,353,614,150 157,412,520,839
Total	114,568,822,497	92,034,074,249	215,997,311,790	170,766,134,989
21.4. Revenue other than gain from financial assets				
_	Q2/2017 VND	Q2/2016 VND	Year to date Current period VND	Year to date Previous period VND
Revenue from brokerage services Revenue from financial advisory services Revenue from securities custodian services Other operating incomes	115,811,753,716 18,429,851,445 1,573,538,829 960,343,843	87,608,810,544 3,576,566,603 1,236,132,949 555,934,947	210,312,813,636 23,308,142,344 3,026,400,170 1,578,333,452	163,869,860,295 6,445,612,326 2,389,618,392 1,116,685,681
Total	136,775,487,833	92,977,445,043	238,225,689,602	173,821,776,694
22. OPERATING EXPENSES	Q2/2017 VND	Q2/2016 VND	Year to date Current period VND	Year to date Previous period VND
Expenses for brokerage services Borrowing costs to loan Expenses for propriety trading activities Expenses for investment advisory services Expenses for securities custodian services Other operating expenses	64,619,831,651 23,639,454,238 18,788,946,223 2,016,493,900 1,623,171,784 269,935,119	50,349,850,835 9,623,889,731 6,341,721,163 2,532,000,000 1,250,365,632 229,618,385	113,618,474,181 39,743,001,526 26,885,908,107 4,069,801,900 3,082,367,679 482,708,650	98,721,824,302 14,636,418,749 6,343,511,265 5,064,000,000 2,407,064,898 416,296,951
Total	110,957,832,915	70,327,445,746	187,882,262,043	127,589,116,165

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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## 23. GENERAL AND ADMINISTRATIVE EXPENSES

	000017	02/2016	Year to date	Year to date
	Q2/2017 VND	Q2/2016 VND	Current period VND	Previous period VND
Payroll expenses for administration	9,675,949,536	8,623,273,674	19,237,662,547	17,888,339,133
- Salary and bonus	8,476,059,036	7,508,268,674	16,809,167,047	15,657,334,133
<ul> <li>Social insurance, health insurance, union fee and unemployment insurance</li> </ul>	1,199,890,500	1,115,005,000	2,428,495,500	2,231,005,000
External service expenses	10,264,429,571	9,234,272,738	19,046,465,992	19,218,201,532
Depreciation and amortization expenses	922,298,723	825,701,113	1,804,549,721	1,585,251,005
Tools and equipment expense	300,122,682	119,792,673	439,983,709	276,459,567
Tax and fee expenses	66,539,024	56,070,558	116,349,036	272,814,873
Other expenses	4,998,831,992	3,359,188,697	10,793,696,036	5,907,306,112
Total	26,228,171,528	22,218,299,453	51,438,707,041	45,148,372,222

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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#### 24. OTHER INFORMATION

# 24.1. Related party transactions

List of the related parties and the relationship with the Company are as follows:

Related parties	Relationship
Dragon Capital Markets Limited (DC)	Strategic shareholder – holding 30.87% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy General Director of DC.
	The Company's member of the Board of Directors, cum Chief Executive Officer is representative for DC's shares.
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder – holding 29.47% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy Director of HFIC.
	The Company's member of the Board of Directors is
	Deputy Head of Finance and accounting
	Department at HFIC.
Vietnam Debt Fund SPC (VDF)	DC's subsidiary
Vietnam Enterprise Investments	DC's subsidiary
Amersham Industries Limited	DC's subsidiary
Vietnam Property Fund Limited	DC's subsidiary
Cam Vietnam Mother Fund	DC's subsidiary
DC Developing Markets Strategies Public Limited Company	DC's subsidiary

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

Related parties	Transactions	Current period VND	
Dragon Capital Markets Limited	Brokerage service - Purchasing securities Brokerage service - Selling securities Brokerage income Advisory expenses Dividend payable	105,165,500,000 443,519,015,980 476,622,926 3,600,000,000 66,773,977,000	
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Dividend payable	63,750,000,000	
Vietnam Debt Fund SPC.	Brokerage service - Purchasing securities Brokerage service - Selling securities Brokerage income	211,899,500,000 212,522,000,000 84,884,300	
Vietnam Enterprise Investments Limited	Brokerage service - Purchasing securities Brokerage service - Selling securities Brokerage income	6,101,000,000 27,408,541,800 50,264,313	
Cam Vietnam Mother Fund	Brokerage service - Purchasing securities Brokerage service - Selling securities Brokerage income	238,285,849,500 337,944,935,750 861,858,693	
DC Developing Markets Strategies Public Limited Company	Brokerage service - Purchasing securities Brokerage service - Selling securities Brokerage income	165,024,838,300 22,561,460,500 281,379,449	

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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### 24. OTHER INFORMATION (continued)

# 24.1. Related party transactions (continued)

Related parties	Transactions	Current period VND	
Amersham Industries Limited	Brokerage service - Purchasing securities Brokerage service - Selling securities Brokerage income	31,015,646,000 167,430,924,750 297,669,857	
The Board of Directors, the Board of Supervisors and the Board of Management	Remuneration and salary	5,069,388,623	
Significant transactions with relat	ed parties during the period are as follows:		
Related parties	Transactions	Current period VND	
Dragon Capital Markets Limited (DC)	Advisory expenses Deposits for buying bonds	3,600,000,000 500,000,000,000	
Vietnam Debt Fund SPC	Deposits for buying bonds	200,000,000,000	
Ho Chi Minh Finance and Investment	Deposits for trading securities	24,895,359	

# 25. CORRESPONDING FIGURES

State-owned Company (HFIC)

During the year of 2016, due to the effects of changes in accounting policies and requirements for financial statement preparation and presentation in accordance with Circular 334, certain corresponding figures on the financial statements for the previous year have been reclassified to conforming with the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

# 25. CORRESPONDING FIGURES (continued)

# 25.1 Extract from statement of financial position

ASSETS	Notes	Beginning balance (reported) VND	Reclassification VND	Beginning balance (Reclassification) VND
A.CURRENT ASSETS  I.Financial assets  Financial assets at fair value through profit and loss (FVTPL)  C. LIABILITIES	[1]	306,371,695,555		306,371,695,555
I. Current liabilities Payables for securities transaction activities Short-term expense payables	[2] [2]	32,610,005,008 23,851,769,991	4,733,085,849 (4,733,085,057)	37,343,090,857 19,118,684,934

<sup>[1]</sup> Reclassify in accordance with Circular 334

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<sup>[2]</sup> Reclassify liabilities in accordance with Circular 334

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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# 25. CORRESPONDING FIGURES (continued)

#### 25.2 Extract from the income statement

		Q2/2016 (Reported)	Reclassification	Q2/2016 (Restated)	Year to date previous period (Reported)	Reclassification	Year to date previous period (Restated)
ITEMS	Notes	VND	VND	VND	VND	VND	VND
1, OPERATING REVENUE In which							
1.1 Gain from sale of financial	(41	10,642,839,528	6,567,316,005	17,210,155,533	17,035,998,247	11,996,850,427	29,032,848,674
assets at FVTPL Dividend, interest income from	[1]	10,642,639,526	6,567,516,005	17,210,100,000	17,035,996,247	11,990,000,421	29,032,046,074
financial assets at FVTPL	[1]	762,235,373	6,567,316,005	7,329,551,378	1,336,763,723	12,016,850,427	13,353,614,150
Other operating income  2. OPERATING EXPENSES  Provision expenses for financial assets, bad debts written off and loss from impairment of financial assets and	[1]	7,139,932,147	(6,583,997,200)	555,934,947	1,116,685,681	-	1,116,685,681
borrowing costs to loan	[2]	9,854,153,390	(230, 263, 659)	9,623,889,731	14,636,418,749		14,636,418,749
Expenses for self-trading activities Expenses for brokerage services Other operating expenses 3. FINANCIAL INCOME	[2] [2] [2]	20,876,188,140 35,814,738,584	6,341,721,163 29,473,662,695 (35,585,120,199)	6,341,721,163 50,349,850,835 229,618,385	6,343,511,265 98,721,824,302 416,296,951	15 15	6,343,511,265 98,721,824,302 416,296,951
Revenue, accrued dividends, non-fixed interest income	[1]		16,681,195	16,681,195	13,034,278,507	(12,016,850,427)	1,017,428,080

<sup>[1]</sup> Reclassify operating revenues in accordance with Circular 334

<sup>[2]</sup> Reclassify operating expenses in accordance with Circular 334

NOTES TO THE FINANCIAL STATEMENTS (continued) as at 30 June 2017 and for the period from 01 January 2017 to 30 June 2017

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## 25. CORRESPONDING FIGURES (continued)

#### 25.3 Extract from the cash flows statement

ITEMS	Notes	Year to date previous period Audited (Reported)	Reclassification	Year to date previous period (Restated)
		VND	VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
Accrued expenses, prepaid expenses	[1]	2,139,131,231	(2,139,131,231)	12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Increase/(decrease) in accrued expenses (excluding borrowing costs)	[1]	•	1,045,516,078	1,045,516,078
Increase/(decrease) in prepaid expense	[1]	-	1,093,615,153	1,093,615,153
Increase/(decrease) in employees benefit payables	[1]	-	854,925,507	854,925,507
Increase/(decrease) in other payables	[1]	3,011,913,564	(854,925,507)	2,156,988,057
III. CASH FLOW FROM FINANCING ACTIVITIES				
Principal Borrowings	[2]	4,924,795,207,676	1,106,287,574,836	6,031,082,782,512
Payments for principal borrowings	[2]	4,724,302,674,130	1,106,287,574,836	5,830,590,248,966

Prepared by

[1] Reclassify cash flow from operating activities with Circular 334 [2] Reclassify cash flow from financing activities with Circular 334

Le Thi Thuy Duong

Chief Financial Officer

Lam Huu Ho

20 July 2017 Deputy Chief Executive Officer

Trinh Hoai Giang