

FINANCIAL STATEMENTS

QUARTER 1/2018

**HO CHI MINH CITY SECURITIES
CORPORATION**



STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			31.03.2018 VND	31.12.2017 VND
	ASSETS			
100	CURRENT ASSETS		6,033,080,145,173	6,505,802,971,605
110	Financial assets		5,962,484,884,392	6,402,627,990,511
111	Cash and cash equivalents	3.1	120,405,243,049	196,221,037,531
111.1	Cash		120,405,243,049	196,221,037,531
	Financial assets at fair value through profit or loss (FVTPL)			
112		3.2	339,797,947,289	860,630,190,796
114	Loans	3.4	4,926,201,974,402	4,501,592,303,606
115	Available-for-sale financial assets (AFS)	3.3	84,788,986,315	399,255,614,501
116	Provisions for impairment loss of financial assets and mortgages	3.5	(33,631,027,290)	(33,631,027,290)
118	Prepayments to suppliers		1,688,016,752	521,277,025
119	Service related receivable	3.6	507,593,656,622	471,021,351,378
122	Other receivables	3.6	55,223,879,401	46,601,035,112
129	Provision for doubtful debts	3.7	(39,583,792,148)	(39,583,792,148)
130	Other current assets		70,595,260,781	103,174,981,094
131	Advances		868,652,323	1,008,685,484
133	Short-term prepaid expenses		11,014,668,358	6,880,258,510
	Pledged assets, mortgages, security deposits in short term			
134			3,590,756,100	3,460,031,100
137	Other current assets		55,121,184,000	91,826,006,000
200	NON-CURRENT ASSETS		187,102,822,042	174,769,071,916
220	Fixed assets		42,493,661,505	38,006,860,366
221	Tangible fixed assets	3.8	20,057,164,759	17,914,374,586
222	Historical cost		62,402,751,900	58,519,025,049
223a	Accumulated depreciation		(42,345,587,141)	(40,604,650,463)
227	Intangible fixed assets	3.8	22,436,496,746	20,092,485,780
228	Historical cost		55,922,802,015	51,357,006,015
229a	Accumulated amortisation		(33,486,305,269)	(31,264,520,235)
240	Construction in progress	3.8	6,563,165,383	6,851,041,776
250	Other non-current assets		138,045,995,154	129,911,169,774
	Pledged assets, mortgages, security deposits in long term			
251			6,086,703,350	5,653,083,350
252	Long-term prepaid expenses	3.9	98,930,948,817	94,258,086,424
253	Deferred income tax assets	3.10	3,028,342,987	-
254	Deposits in the Settlement Supporting Fund	3.11	20,000,000,000	20,000,000,000
255	Other long-term assets	3.12	10,000,000,000	10,000,000,000
255.1	Deposits in the Derivatives trading Settlement Fund		10,000,000,000	10,000,000,000
270	TOTAL ASSETS		6,220,182,967,215	6,680,572,043,521

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			31.03.2018 VND	31.12.2017 VND
300	LIABILITIES		3,185,263,085,053	3,889,410,891,258
310	Current liabilities		3,185,263,085,053	3,874,368,196,992
311	Short-term borrowings and finance lease liabilities		1,856,068,979,134	2,479,755,399,374
312	<i>Short-term borrowings</i>	3.13	<i>1,856,068,979,134</i>	<i>2,479,755,399,374</i>
316	Short-term issued bonds	3.13	800,000,000,000	800,000,000,000
318	Trading obligations	3.14	264,804,956,112	352,425,986,816
320	Short-term trade accounts payable		3,445,559,170	3,326,671,321
322	Tax and other payables to the State Budget	3.15	107,398,563,344	80,514,265,840
324	Employee welfare payables		3,365,914,875	2,971,042,385
325	Short-term accrued expenses	3.16	49,217,147,878	50,020,750,442
329	Other short-term liabilities	3.17	100,007,535,522	92,095,955,096
331	Bonus and welfare funds		954,429,018	13,258,125,718
340	Non-current liabilities		-	15,042,694,266
356	Deferred income tax liabilities	3.10	-	15,042,694,266
400	OWNERS' EQUITY		3,034,919,882,162	2,791,161,152,263
410	Capital and reserves	3.18	3,034,919,882,162	2,791,161,152,263
411	Owners' capital		1,625,309,121,491	1,625,309,121,491
411.1	<i>Share capital</i>		<i>1,297,567,580,000</i>	<i>1,297,567,580,000</i>
411.1a	<i>Ordinary shares</i>		<i>1,297,567,580,000</i>	<i>1,297,567,580,000</i>
411.2	Share premium		330,343,798,499	330,343,798,499
411.5	Treasury shares		(2,602,257,008)	(2,602,257,008)
412	Differences upon asset revaluation		1,192,438,400	70,064,262,508
414	Supplementary capital reserve		129,756,758,000	129,756,758,000
415	Financial and operational risk reserve		129,756,758,000	129,756,758,000
416	Other equity funds		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.19	1,144,943,431,277	832,312,877,270
417.1	<i>Realised profits</i>		<i>1,186,653,023,443</i>	<i>861,985,479,360</i>
417.2	<i>Unrealised losses</i>		<i>(41,709,592,166)</i>	<i>(29,672,602,090)</i>
440	TOTAL RESOURCES		<u>6,220,182,967,215</u>	<u>6,680,572,043,521</u>

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31.03.2018 VND	31.12.2017 VND
A	ASSETS OF THE COMPANY AND ASSETS IN TRUST			
004	Bad debts written off (VND)	4.1	345,059,000	345,059,000
005	Foreign currencies (original currency)	4.2		
	US Dollar		13,852.95	13,402.69
	Japanese Yen		241,870	240,905
	Singapore Dollar		300	300
	British Pound		91,56	93,17
	Taiwanese Dollar		3,200	3,200
	Canadian Dollar		100	100
006	Number of shares in issue (share)	4.3	129,570,368	129,570,368
007	Number of treasury shares (share)		186,390	186,390
008	Securities listed/registered to Vietnam Securities Depository (VSD)		141,316,400,000	447,684,720,000
			<i>Par value (VND)</i>	
009	Securities custodied at VSD but not yet traded		6,000,080,000	146,075,030,000
010	Securities awaiting settlement		15,886,300,000	12,200,000,000
012	Securities not custodied at VSD		29,858,880,000	34,897,120,000
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
021	Securities listed/registered to Vietnam Securities Depository (VSD)		19,150,315,984,885	18,338,836,463,686
021.1	<i>Freely traded securities</i>		15,647,912,830,000	14,920,958,190,000
021.2	<i>Blocked securities</i>		244,876,150,000	235,619,410,000
021.3	<i>Morgaged securities</i>		2,611,490,330,000	2,733,898,110,000
021.4	<i>Suspended securities</i>		93,676,880,000	93,676,820,000
021.5	<i>Securities awaiting settlement</i>		455,955,400,000	310,630,550,000
021.7	<i>Customers' deposits for derivatives trading</i>		96,404,394,885	44,053,383,686
022	Securities custodied at VSD but not yet traded		61,227,030,000	172,212,900,000
022.1	<i>Securities custodied at VSD but not yet traded – freely traded securities</i>		55,317,670,000	139,206,100,000
022.2	<i>Securities custodied at VSD but not yet traded – blocked securities</i>		5,909,360,000	33,006,800,000

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	Note	As at	
			31.03.2018 VND	31.12.2017 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
023	Securities awaiting settlement		255,900,160,000	391,444,340,000
026	Customers' deposits		1,594,772,301,048	944,598,631,066
027	Customers' deposits for securities trading		1,498,367,906,163	900,545,247,380
027.1	<i>Customers' deposits at VSD</i>		96,404,394,885	44,053,383,686
031	Payables to customers relating to their deposits at the Company for securities trading		1,498,367,906,163	900,545,247,380
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>		1,460,071,906,862	899,585,811,824
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>		38,295,999,301	959,435,556

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2018

Chief Executive Officer




Johan Nyvene

HO CHI MINH CITY SECURITIES CORPORATION

Form B02g – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	1st Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
	OPERATING INCOME					
01	Gains from financial assets at fair value through profit or loss (FVTPL)		386,999,443,663	24,954,724,739	386,999,443,663	24,954,724,739
01.1	<i>Realised gains on disposals of FVTPL financial assets</i>	5.1	400,428,124,902	9,582,879,985	400,428,124,902	9,582,879,985
01.2	<i>Gains from revaluation of FVTPL financial assets</i>	5.2	(38,762,252,352)	5,250,420,687	(38,762,252,352)	5,250,420,687
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		25,333,571,113	10,121,424,067	25,333,571,113	10,121,424,067
03	Interest income from loans and receivables		156,254,958,450	91,307,065,226	156,254,958,450	91,307,065,226
06	Brokerage fee income		233,003,356,715	94,501,059,920	233,003,356,715	94,501,059,920
09	Custody service income		2,071,793,171	1,452,861,341	2,071,793,171	1,452,861,341
10	Financial consultancy service income		58,040,442,525	4,878,290,899	58,040,442,525	4,878,290,899
11	Other operating income		2,045,187,595	617,989,609	2,045,187,595	617,989,609
20	TOTAL OPERATING INCOME		838,415,182,119	217,711,991,734	838,415,182,119	217,711,991,734
	OPERATING EXPENSES					
21	Losses from financial assets at fair value through profit or loss (FVTPL)		188,953,008,775	1,233,768,880	188,953,008,775	1,233,768,880
21.1	<i>Realised losses on disposals of FVTPL financial assets</i>	5.1	215,678,271,051	2,910,406,073	215,678,271,051	2,910,406,073
21.2	<i>Losses from revaluation of FVTPL financial assets</i>	5.2	(26,725,262,276)	(1,676,637,193)	(26,725,262,276)	(1,676,637,193)
23	Impairment loss of AFS		4,265,406,129	-	4,265,406,129	-
24	Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities		60,351,723,826	16,103,547,288	60,351,723,826	16,103,547,288
26	Self-trading expenses	5.3	51,363,880,006	8,096,961,884	51,363,880,006	8,096,961,884
27	Brokerage fee expenses	5.3	85,723,380,783	48,998,642,529	85,723,380,783	48,998,642,529
30	Custody fee expenses	5.3	1,993,959,333	2,053,308,000	1,993,959,333	2,053,308,000
31	Financial consultancy expenses	5.3	2,607,994,232	1,459,195,895	2,607,994,232	1,459,195,895
32	Other operating expenses	5.3	294,562,305	212,773,531	294,562,305	212,773,531
40	TOTAL OPERATING EXPENSES		395,553,915,389	78,158,198,007	395,553,915,389	78,158,198,007

HO CHI MINH CITY SECURITIES CORPORATION

Form B02g – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	1st Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		1,686,267,674	1,105,622,002	1,686,267,674	1,105,622,002
50	TOTAL FINANCIAL INCOME		1,686,267,674	1,105,622,002	1,686,267,674	1,105,622,002
62	GENERAL AND ADMINISTRATION EXPENSES	5.4	40,154,259,005	25,210,535,513	40,154,259,005	25,210,535,513
70	OPERATING RESULT		404,393,275,399	115,448,880,216	404,393,275,399	115,448,880,216
	OTHER INCOME AND EXPENSES					
71	Other income		78,918,182	-	78,918,182	-
80	NET OTHER INCOME		78,918,182	-	78,918,182	-
90	NET ACCOUNTING PROFIT BEFORE TAX		404,472,193,581	115,448,880,216	404,472,193,581	115,448,880,216
91	Realised profit		416,509,183,657	108,521,822,336	416,509,183,657	108,521,822,336
92	Unrealised profit		(12,036,990,076)	6,927,057,880	(12,036,990,076)	6,927,057,880
100	CORPORATE INCOME TAX		79,841,639,574	20,555,726,102	79,841,639,574	20,555,726,102
100.1	Corporate income tax – current		80,694,720,800	20,555,726,102	80,694,720,800	20,555,726,102
100.2	Corporate income tax – deferred		(853,081,226)	-	(853,081,226)	-
200	NET PROFIT AFTER TAX		324,630,554,007	94,893,154,113	324,630,554,007	94,893,154,113

HO CHI MINH CITY SECURITIES CORPORATION

Form B02g – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	1st Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
300	OTHER COMPREHENSIVE INCOME, NET OF TAX		(68,871,824,108)	-	(68,871,824,108)	-
301	Loss from revaluation of AFS financial assets		(68,871,824,108)	-	(68,871,824,108)	-
400	TOTAL COMPREHENSIVE INCOME		(68,871,824,108)	-	(68,871,824,108)	-

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho



20 April 2018

Chief Executive Officer



Johan Nyvene

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	Cash flows from operating activities		
01	Net profit before tax	404,472,193,581	115,448,880,215
02	Adjustments for:	48,574,872,440	(5,371,554,946)
03	Depreciation and amortisation	4,329,106,661	1,550,907,833
04	Provisions	-	-
06	Interest expense	60,351,723,826	-
07	Profits from investing activities	(1,765,185,856)	-
08	Accrued interest income	(14,340,772,191)	(6,922,462,779)
10	Add non-cash expenses	(26,725,262,276)	-
11	Losses from revaluation of FVTPL financial assets	(26,725,262,276)	-
18	Less non-cash income	38,762,252,352	(3,573,783,494)
19	Gains from revaluation of FVTPL financial assets	38,762,252,352	(3,573,783,494)
30	Changes in working capital	168,836,217,898	(49,146,773,429)
31	Decrease/(increase) in FVTPL financial assets	508,795,253,431	(209,677,092,646)
33	Increase in loans	(424,609,670,796)	(278,141,692,682)
34	Decrease in available-for-sale financial assets AFS	314,466,628,186	-
37	Decrease/(increase) in service related receivables	(36,572,305,244)	242,411,467,478
39	Decrease/(increase) in other receivables	7,544,228,737	(4,721,715,972)
41	Decrease in accrued expenses (excluding interest expenses)	(23,134,269,758)	(8,316,798,048)
42	(Increase)/decrease in prepaid expenses	(8,807,272,241)	43,473,823
43	Corporate income tax paid	(48,296,385,750)	(28,854,214,980)
44	Interest paid	(38,021,056,632)	-
45	(Increase)/decrease in trade payables	(1,047,851,878)	28,225,824,845
46	Increase in employee welfare payables	394,872,490	597,347,890
47	Decrease in tax and other payables to the State Budget (excluding corporate income tax paid)	(22,739,885,391)	(7,577,080,899)
50	(Decrease)/increase in other short-term payables	(82,972,847,556)	210,062,276,763
51	Other receipts from operating activities	36,704,822,000	-
52	Other payments for operating activities	(12,868,041,700)	6,801,430,999
60	Net cash outflows for operating activities	633,920,273,995	57,356,768,346

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	Cash flows from investing activities		
61	Purchases of fixed assets	(8,528,031,407)	(6,748,631,805)
62	Proceeds from disposals of fixed assets	86,810,000	-
70	Net cash outflows for investing activities	(8,441,221,407)	(6,748,631,805)
	Cash flows from financing activities		
71	Proceeds from issuance of shares	-	31,000,000,000
72	Payments for share repurchases	-	-
73	Proceeds from borrowings	9,096,978,939,578	4,880,374,926,698
74.3	Repayments of borrowings	(9,720,665,359,818)	(4,889,830,294,249)
76	Dividend paid	(77,608,426,830)	(63,466,192,350)
80	Net cash inflows from financing activities	(701,294,847,070)	(41,921,559,901)
90	Net increase/(decrease) in cash and cash equivalents	(75,815,794,482)	8,686,576,640
101	Cash and cash equivalents at beginning of year	196,221,037,531	60,193,684,900
101.1	<i>Cash</i>	<i>196,221,037,531</i>	<i>60,193,684,900</i>
103	Cash and cash equivalents at end of year	120,405,243,049	68,880,261,540
103.1	<i>Cash</i>	<i>120,405,243,049</i>	<i>68,880,261,540</i>

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	Cash flows of brokerage and trusting activities		
01	Trade proceeds	38,676,277,481,900	14,475,074,714,500
02	Trade payments	(39,557,970,800,140)	(14,541,497,546,000)
07	Receipts for settlement of customers' transactions	1,481,587,770,194	273,632,430,215
11	Payments for custody fees of customers	(2,071,793,171)	(1,452,861,341)
20	Net increase in customers' deposits	597,822,658,783	205,756,737,374
30	Customers' deposits at beginning of year	900,545,247,380	581,883,723,061
31	Cash at bank	900,545,247,380	581,883,723,061
32	<i>Customers' deposits at the Company for securities trading</i>	900,545,247,380	581,883,723,061
40	Customers' deposits at end of year	1,498,367,906,163	787,640,460,435
41	Cash at bank	1,498,367,906,163	787,640,460,435
42	<i>Customers' deposits at the Company for securities trading</i>	1,498,367,906,163	787,640,460,435

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2018

Chief Executive Officer




Johan Nyvene

STATEMENT OF CHANGES IN EQUITY

Items	As at		Previous year		Current year		As at	
	1.1.2017	1.1.2018	Increase	Decrease	Increase	Decrease	31.03.2017	31.03.2018
	VND	VND	VND	VND	VND	VND	VND	VND
1. Share capital	1,581,839,121,491	1,625,309,121,491	45,000,000,000	-	-	-	1,626,839,121,491	1,625,309,121,491
1.1 Ordinary shares	1,272,567,580,000	1,297,567,580,000	25,000,000,000	-	-	-	1,297,567,580,000	1,297,567,580,000
1.2 Share premium	310,343,798,499	330,343,798,499	20,000,000,000	-	-	-	330,343,798,499	330,343,798,499
1.3 Treasury shares	(1,072,257,008)	(2,602,257,008)	-	-	-	-	(1,072,257,008)	(2,602,257,008)
2. Financial and operational risk reserve	117,012,921,702	129,756,758,000	-	-	-	-	117,012,921,702	129,756,758,000
3. Supplementary capital reserve	117,012,921,701	129,756,758,000	-	-	-	-	117,012,921,701	129,756,758,000
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Revaluation reserve	-	70,064,262,508	-	-	-	(68,871,824,108)	-	1,192,438,400
6. Undistributed earnings	572,091,111,375	832,312,877,270	94,893,154,113	(18,000,000,000)	324,630,554,007	(12,000,000,000)	648,984,265,488	1,144,943,431,277
6.1 Realised profits	628,246,013,560	861,985,479,360	87,966,096,233	(18,000,000,000)	336,667,544,083	(12,000,000,000)	698,212,109,793	1,186,653,023,443
6.2 Unrealised losses	(56,154,902,185)	(29,672,602,090)	6,927,057,880	-	(12,036,990,076)	-	(49,227,844,305)	(41,709,592,166)
Total	2,391,917,451,263	2,791,161,152,263	139,893,154,113	(18,000,000,000)	324,630,554,007	(80,871,824,108)	2,513,810,605,376	3,034,919,882,162

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho



20 April 2018
Chief Executive Officer



Johan Nyvene

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

1 GENERAL INFORMATION

Establishment and operation licence

Ho Chi Minh City Securities Corporation (“the Company”) is a joint stock company incorporated in Vietnam under Business registration certificate No. 4103001573 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 April 2003 and the establishment and operation licence No. 11/UBCK-GPHDKD issued by the State Securities Commission (“SSC”) on 29 April 2003. The establishment and operation licence was amended several times and the latest amendment No. 09/GPDC-UBCK was on 2 March 2017.

Headquarter and contact information

The Company is headquartered at 5-6th Floor, AB Tower, 76 Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam.

Contact information:

Email: info@hsc.com.vn

Telephone: (+84 28) 3823 3299

Charter

The Company’s latest charter was approved in the Annual General Meeting of shareholders and became effective from 24 April 2017 onwards.

Operations

The principal activities of the Company are brokerage services, securities trading, securities investment consultancy services, corporate finance consultancy services, underwriting and securities custodian services.

Charter capital

The Company’s charter capital according to its latest establishment and operation licence is VND1,297,567,580,000.

Investment objectives and investment restrictions

Being a listed broker firm in the Vietnamese securities market, the Company aims to contribute to development of the securities market and deliver benefits to customers, investors and its shareholders. The Company’s investment portfolio and its investment restrictions shall be in compliance with the investment objectives and strategies as stipulated in its charter and applicable securities rules.

Network of operation

As at 31 March 2018, the Company had 8 branches and representative offices in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

1 GENERAL INFORMATION (continued)

The corporation's operational features during the Q1/2018 affected financial statements

The profit after tax for Q1/2018 increased by 242% compared to that of the same period of last year because of the following reasons:

The revenue for Q1/2018 increased by 285% compared to Q1/2017:

- In active market, proprietary trading activities for Q1/2018 contributed considerably to the total business results. Proprietary trading activities realised almost its bought portfolio in 2017 and realized profit in Q1/2018. In addition derivatives market started opening in the end of Q3/2017 created the new product for proprietary trading activities and contribute to total revenue of the Company;
- Revenue from brokerage services for Q1/2018 increased by 147% ,as a result of 138% growth in market trading value compared to that of the same period of 2017, HSC's market share growingly increased in Q1/2018;
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for Q1/2018 increased by 71% compared to Q1/2017. 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 70% compared to that of the same period of last year. Average loan interest rate between two periods is the same;
- After restructuring phase, advisory activities which increased more than twelve times compared to the same quarter in 2017, contributed significantly to the total revenue because one deal was complete in Q1/2018.

The operating and administrative expenses for Q1/2018 increased by 322% compared to Q1/2017, in which:

- The operating expenses (expenditures that directly associated with activities generating revenues) grew by 406% in Q1/2018, 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 (increased nearly four times);
- The administrative expenses for Q1/2018 were 59% higher than Q1/2017 because of increasing the employee number of back-office departments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of interim financial statements**

The interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam. The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss (FVTPL) based on market value (or fair value in case market value is undetermined).

2.2 Significant changes in the Company's accounting policies applied**(a) *Prevailing regulations on fair value and basis of fair value accounting***

Relevant guidance on accounting applicable to securities companies operating in Vietnam are Circular 210/2014/TT-BTC dated 30 December 2014 ("Circular 210/2014") and Circular 334/2016/TT-BTC dated 27 December 2016 ("Circular 334/2016") issued by the Ministry of Finance.

According to these two circulars, financial assets at fair value through profit or loss ("FVTPL") are subsequently measured under one of two models:

- (i) Cost less provision for diminution in value; or
- (ii) Market value or fair value (in case market value is undetermined)

If the cost model is adopted, the securities company shall apply accounting guidance applied for general corporates. Accordingly, the securities company shall provide for diminution in value of FVTPL financial assets at period end based on their market value (or fair value in case market value is undetermined). Provision/reversal of provision for diminution in value of FVTPL financial assets is debited/credited to expenses in the statement of income.

If the fair value model is adopted, the securities company shall follow the prevailing regulations in determining the market value. In case market value is undetermined or uncertainly fluctuates, the securities may use fair value to measure its FVTPL financial assets. Fair value is determined based on principles, approaches and valuation models defined by the company charter or valuation manuals approved by the management in written form. All gains or losses from change in fair value of FVTPL financial assets are recognised in statement of income.

According to Circular 210/2014, fair value accounting is only adopted when Law on Accounting permits fair value concept.

On 20 November 2016, the National Assembly of Vietnam has passed the Law on Accounting No. 88/2015/QH13, which includes fair value concept and fair value accounting. Law on Accounting became effective since 1 January 2017 onwards. Also accordingly to Law on Accounting, determining fair value of assets and liabilities must be based on realistic evidence. Where fair value can not be reliably measured, assets and liabilities are accounted at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant changes in the Company's accounting policies applied (continued)

(b) Accounting policy applied

Until the end of 31 December 2016, the Company had been accounting for and subsequently measuring FVTPL financial assets at cost less provision for diminution in value.

From 1 January 2017 onwards, the Company has been subsequently measuring FVTPL financial assets at market value or fair value (in case market value is undetermined). The Company applied retrospectively such changes in accounting policies.

(c) Comparative figures

As Circular 334/2016 was issued on 27 December 2016, certain comparative figures for the period Q1/2017 have been reclassified to conform with current reporting period's presentation.

2.3 Form of records applied

The Company uses the accounting software tailored in general journal to record its transactions.

2.4 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

These financial statements are prepared for the period from 1 January 2018 to 31 March 2018.

2.5 Currency

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in profit or loss of the statement of income.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are respectively translated at the buying and selling exchange rates at the reporting date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the reporting date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised as income or expenses in the statement of income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit and other short-term investments with an original maturity of 3 months or less which are subject to an insignificant risk of conversion into cash.

Cash of investors for securities trading activities and cash of issuers are accounted off statement of financial position.

2.7 Financial assets**(a) Classification****(i) Financial assets carried at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss are financial assets held for trading or designated at initial recognition at fair value through profit or loss.

A financial asset is classified as held for trading if meeting one of the following conditions:

- It is purchased or created for resale/repurchase in a short-term period; or
- At initiation recognition, it constitutes a part of an identified portfolio of financial instruments which are traded for short-term profits; or
- It is a derivative (except those are defined as financial guarantees or effective hedges).

At initial recognition, the Board of Management designates a financial asset at fair value through profit or loss if such designation promotes the fairness of its presentation due to one of the following reasons:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency (also called as “accounting inconsistency”) that would otherwise arise due to different bases; or
- It gives rise to a group of financial assets whose performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and internally disseminated to the Company’s key management (as defined in Vietnamese Accounting Standard on Related parties Disclosure such as Board of Directors, Chief Executive Office and major shareholders).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(a) Classification (continued)****(i) Financial assets carried at fair value through profit or loss (FVTPL) (continued)**

Financial assets at fair value through profit or loss include listed securities, unlisted securities and derivatives including embedded derivatives separated from their host contracts except for those designated as hedges.

Financial assets at fair value through profit or loss are initially recorded at cost exclusive of transaction costs. Transaction costs related to purchase of FVTPL financial assets are expensed off.

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is undetermined). All gains or losses from change in fair value of FVTPL financial assets are recognised in statement of income.

(ii) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, excluding the followings:

- Items that the Company intends to dispose shortly or in the foreseeable future so that classified as held for trading, or designated as FVTPL at initial recognition;
- Items classified as AFS financial assets at initial recognition; or
- Items that the holders could probably not recover majority of initial investments not due to credit quality impairment, and classified as AFS financial assets.

Loans are initially recorded at cost inclusive of purchase cost, subsequently measured at amortised cost using effective interest method ("EIR").

Amortised cost of loans is determined at historical cost less principal received plus (or less) accumulated amortisation using effective interest method between historical cost and maturity value, less impairment loss (if any).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(a) Classification (continued)***(iii) Available-for-sale (AFS)*

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or not classified as:

- Loans and receivables;
- Held-to-maturity investments; or
- Financial assets at fair value through profit or loss.

AFS financial assets are recognized initially at cost (acquisition cost plus (+) transaction costs which are directly attributable to the purchase of the financial assets). After initial recognition, available-for-sale financial assets are subsequently measured at fair value.

Any difference arising from the revaluation of AFS financial assets at fair value/market value in comparison with previous in recognized under "Gain/(loss) from revaluation of AFS financial assets" in "Other comprehensive income after tax" which is a part of the consolidated income statement.

(iv) Receivables

Receivables comprise receivables from disposals of financial assets, dividends and interests receivable, service fees receivables, receivables from trading errors and other receivables. Receivables are accounted on an accruals basis at cost less provision for impairment (if any).

Receivables are classified as current assets and non-current assets in the statement of financial position based on their remaining maturity as at reporting date.

(b) Reclassification*(i) Reclassification of non-FVTPL financial assets to be sold*

Non-FVTPL financial assets are reclassified to FVTPL financial assets before they are sold.

(ii) Reclassification due to change in intention/ability to hold the financial assets

Reclassification of financial assets due to change in intention/ability to hold is permitted, provided that:

- Non-derivative FVTPL financial assets and those not required to be classified into FVTPL group at initial recognition may be reclassified into loans and receivables in limited cases or cash and cash equivalents if they qualify classification conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(b) Reclassification (continued)**

- Gains and losses from revaluation of FVTPL financial assets before the classification are not reversed.
- If the change in intention/ability to hold the financial assets that results that it becomes inappropriate to classify an asset into HTM group, that asset will be reclassified into AFS group and remeasured at fair value. Difference between its carrying value and its fair value is recognised in statement of income – change in fair value of reclassified assets.

(c) Recognition/derecognition

Purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the financial assets. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Company has transferred substantially all risks and rewards of ownership.

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 recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises 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.

(d) Initial recognition

Financial assets carried at fair value through profit or loss are initially recorded at cost exclusive of transaction costs. Other financial assets are initially recorded at historical cost.

Bonus issues and stock dividends are initially recorded as financial assets at zero value.

(e) Determination of market value/fair value

The Company follows the prevailing regulations in determining the market value/fair value, specifically as below:

- Equities listed on stock exchanges, equities of the public companies registered for trading on the Unlisted Public Company Market (UPCoM)*

These equities are revalued at the closing price of the latest trading date prior to the valuation date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)**

- (ii) *Unlisted securities registered/unregistered to Vietnam Securities Depository ("VSD")*

The fair values of these equities based on the average of transacted prices announced by the three (03) independent quoting entities at the latest trading date within one (01) month prior to the reporting date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Securities Law.

- (iii) *Certificate of open-ended funds/ exchanged traded fund ETF*

These certificates are revalued at net asset value per unit as at the fund's last reporting date prior to valuation date of the Company.

- (iv) *Delisted shares/ shares suspended from 6 days or longer*

The fair values of these equities are determined at its book value as at latest reporting date.

Otherwise stated above, securities are measured a fair value based on review of financial position and book value of the issuers as at valuation date.

(f) Provisions for impairment of loans

Provision for impairment of loans is made when there are indicators of decline in the recoverability of the margin loans and trading advances. Provision is determined at the difference of market value of collateral assets and carrying value of margin loans and trading advances at reporting date.

(g) Provision for impairment of receivables

Receivables are subject to review for impairment based on the overdue status of the receivables or the estimated loss arising from undue debts of which the indebted economic entities fall bankrupt or are undergoing dissolution procedures; debtors are missing, deceased or under legal claims.

The Company has provided for overdue receivables in accordance with Circular 228/2009/TT-BTC issued by Ministry of Finance on 7 December 2009 ("Circular 228/2009"). Accordingly, the provision rates for overdue receivables are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(g) Provision for impairment of receivables (continued)**

Overdue period	Provision rate
From 6 months to less than 1 year	30%
From 1 year to less than 2 years	50%
From 2 years to less than 3 years	70%
Over 3 years	100%

Provision/(reversal of provision) for impairment is debited/credited to expenses in the statement of income.

(h) Recognition of gain/(loss)*Purchase transaction costs*

Transaction costs related to purchase of FVTPL financial assets are expensed off, while transaction costs related to purchase of other financial assets are capitalised.

Selling transaction costs

Selling transaction costs are expensed off in the year.

Gain/(loss) on disposals

Gain/(loss) on disposals of financial assets are accounted as income/(expenses) in profit or loss of statement of income. Cost of bonds disposed is determined using specific identification method while cost of other securities disposed is determined using weighted average method up to the end of trading dates.

Provision/(reversal of provision) for impairment in value of financial assets

Provision/(reversal of provision) for impairment in value of financial assets is debited/credited to expenses in the statement of income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the statement of financial position. The corresponding proceed is recognised in the statement of financial position as a liability. The difference between the selling price and the repurchase price is recognised as interest expense and is accrued over the life of the agreement using the straight-line method.

Conversely, securities purchased under agreements to resell at a specified future date (“reverse repos”) are not recognised in the statement of financial position. The corresponding cash paid is recognised in the statement of financial position as an asset. The difference between the purchase price and resale price is recognized as interest income and is allocated 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 228/2009.

2.9 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated/amortised using the straight-line method to write off the cost of the assets over their estimated useful lives, specifically as below:

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

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the statement of income.

2.10 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Prepaid expenses**

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be accounted as fixed assets under current regulations. Prepaid expenses are initially accounted at cost and allocated to expenses over their estimated useful lives.

The following items are classified prepaid expenses and allocated to expenses over two (2) to forty (40) years in the statement of income:

- Office improvements;
- Office rentals; and
- Office supplies

2.12 Security deposits

Short-term/long-term security deposits are recognised when the Company complete its payments in accordance with the contractual terms and classified as other current/non-current assets.

2.13 Liabilities**(a) Recognition/Derecognition**

Liabilities are recognised when the Company has an obligation as a result of receipts of assets, commits or becomes a party to the contractual provisions. Liabilities are derecognised when such obligations are fully discharged. Liabilities are recognised on an accruals basis and on prudent concept.

(b) Classification

Classifications of liabilities are based on their nature as follows:

- Borrowings
- Bonds
- Trading obligations including balances with Clearing House and Securities Depository Center
- Trade payables arising from purchases of goods or services
- Other payables not arising from purchases of goods and services

Liabilities are classified into current and non-current liabilities in the statement of financial position based on their remaining period from the reporting date to their maturity dates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.15 Income tax paid on behalf of customers

According to the prevailing taxation regulations in Vietnam, the Company is required to withhold foreign contractor tax of 0.1% on trading proceeds of foreign corporate customers and pay on their behalf. For individual customers (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on the trading proceeds. The Company will declare and make tax payment on behalf of these customers. For the customers being local organisations, the Company is not responsible for withholding tax as these customers have responsibility for their own tax payment and declaration.

2.16 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the year of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the statement of income when incurred.

2.17 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.18 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as an interest expense.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Equity****(a) Share capital**

Share capital represents the shareholders' contributed capital. Share capital is recorded as par value.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and purchased-back by itself but not yet cancelled and may be re-issued in the period permitted by prevailing regulations on securities. Treasury shares are accounted at cost and deducted to equity. The Company does not account for gains/(losses) from purchase/sale, issuance/cancellation of its equity instruments.

(b) Undistributed profits

Lợi nhuận chưa phân phối phản ánh kết quả hoạt động sau thuế thu nhập doanh nghiệp. Undistributed profits represents cumulative undistributed post-tax profits as at reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit of the reporting period is total difference between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the statement of income.

Realised profit during the reporting period is the net difference between total revenue, income and total expenses in the statement of income of the Company, except for gain or loss arising from revaluation of financial assets recognised in unrealised profit.

(c) Financial and operational risk reserve and supplementary capital reserve

According to Circular 146/2014/TT-BTC issued on 6 October 2014, the Company is required to make annual appropriation to the financial and operational risk reserve and supplementary capital reserve at 5% of the profit after tax of the Company for each reserve in its each profitable year until the accumulated balance of each reserve reaches 10% of the Company's chartered capital.

Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from causing parties and insurance companies.

(d) Other equity fund

Other equity fund is made in accordance with resolution of Annual General Meeting of shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue and income recognition****(a) Revenue on services to investors**

Revenue on services to investors consists of securities brokerage fees, securities underwriting fees and investment consultancy fees, securities custody services and entrustment services.

Revenue from the sale of services is recognised in the statement of income when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognised when all four following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(b) Income on securities trading and investments in other entities

Income on securities trading and investments in other entities consists of income on proprietary trading activities and dividend income.

Income on proprietary trading activities is measured as difference between selling price and costs of securities disposed. Cost of bonds disposed is determined using specific identification method while cost of other securities disposed is determined using weighted average method up to the end of trading dates.

Dividend income is recognised in the statement of income when the Company's right to receive dividend is established, except for scrip dividends which the Company adds their quantity in securities portfolio and does not recognise income.

(c) Income on capital activities

Income on capital activities consists of interest income from deposits at bank, income from margin loans, trading advances and financial support agreements. Income is recognised on an accrual basis unless collectability is in doubt.

(d) Revenue from securities repurchase and reverse repurchase agreements

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

(e) Other income

Other income arises from other activities. Other income is recognised on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Expenses****(a) Recognition**

Expenses are recognised on an accruals basis, matching with revenue and on prudence concept.

(b) Classification

Expenses are classified by function as follows:

- Operating expenses
- Financial expenses
- General and administration expenses
- Other expenses

2.22 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from operations and trading activities in other countries that the Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit and the current tax rates. Current and deferred tax should be recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.23 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Annual General Meeting of shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.25 Segment reporting

A segment is a component which can be separated by the Company engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company's financial statements in order to help users of financial statements to understand and evaluate the situation the operations of the Company in a comprehensive way.

2.26 Nil balances

Items or balances required by Circular 210/2014/TT-BTC and Circular 334/2016 that are not presented in these interim financial statements indicate nil balances.

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION**3.1 Cash and cash equivalents**

	As at	
	31.03.2018	31.12.2017
	VND	VND
Cash on hand	517,837,302	464,466,344
Cash at bank	119,887,405,747	195,756,571,187
Total	120,405,243,049	196,221,037,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.2 Financial assets at fair value through profit or loss (FVTPL)

	As at 31.03.2018		As at 31.12.2017	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Securities listed and securities traded on UPCoM	64,767,666,187	47,845,837,816	613,330,509,297	633,483,284,204
Hoa Phat Group Joint Stock Company (HPG)	27,416,000,078	27,336,436,000	44,693,293,899	50,725,291,450
Ca Mau Seafood Joint Stock Company (CAT)	10,950,000,000	2,018,250,000	-	-
VinGroup Joint Stock Company (VIC)	2,166,192,269	2,258,912,800	58,903,642,753	60,559,602,800
Vietnam Dairy Products Joint-Stock Company (VNM)	1,532,336,592	1,484,133,000	57,849,520,349	61,394,317,600
Masan Group Corporation (MSN)	1,391,496,041	1,468,690,000	41,213,708,101	45,629,213,500
Joint Stock Commercial Bank For Foreign Trade of Viet Nam (VCB)	1,287,202,420	1,330,546,500	20,064,034,957	22,612,203,300
Military Commercial Joint - Stock Bank (MBB)	1,084,683,450	1,056,149,900	59,387,064,847	67,995,546,000
Saigon Thuong Tin Commercial Joint Stock Bank (STB)	792,567,168	787,369,000	20,820,555,900	21,364,127,300
FPT Telecom JSC (FPT)	784,012,675	799,479,700	27,993,703,556	27,929,951,100
FLC Faros., JSC (ROS)	593,293,428	565,515,000	11,039,766,805	11,992,745,100
Novaland Investment Group Corporation (NVL)	509,432,849	498,240,000	12,575,923,787	13,339,641,000
Hoang Anh Gia Lai Agricultural Joint Stock Company (HNG)	-	-	49,837,622,065	47,541,880,000
GTN FOODS Joint-Stock Company	-	-	17,500,000,000	20,250,000,000
Hoang Anh Gia Lai Joint Stock Company (HAG)	-	-	21,389,965,925	17,265,245,550
Others	16,260,449,217	8,242,115,916	170,061,706,353	164,883,519,504
Unlisted and unregistered securities	115,807,358,134	90,520,356,134	93,725,137,636	41,622,042,000
Technological and Commercial Joint Stock Bank	50,000,220,000	50,000,220,000	-	-
Viet Nam Investment Fund Management JSC	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
Tan Binh Real Estate Joint Stock Company	12,025,000,000	913,500,000	12,025,000,000	913,500,000
Can Tho Import - Export Seafood Joint Stock Company	4,900,000,000	251,384,000	4,900,000,000	251,384,000
Saigon Post and Telecommunications Service Corporation	4,406,400,000	220,084,000	4,406,400,000	2,200,840,000
Ca Mau Seafood Joint Stock Company	-	-	10,950,000,000	585,000,000
Dong A Joint Stock Commercial Bank	-	-	16,967,999,502	503,824,000
Others	5,672,098,134	331,528,134	5,672,098,134	344,610,000
Listed bond	105,807,574,139	105,807,574,139	173,114,572,242	175,199,112,192
Ho Chi Minh City Infrastructure Investment Joint Stock Company	105,807,574,139	105,807,574,139	173,114,572,242	175,199,112,192
ETF certificates	95,124,940,995	95,624,179,200	10,132,573,711	10,325,752,400
VFMVN30 ETF	95,124,940,995	95,624,179,200	10,132,573,711	10,325,752,400
Total	381,507,539,455	339,797,947,289	890,302,792,886	860,630,190,796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.2 Financial assets at fair value through profit or loss (FVTPL) (continued)

As at 31 March 2018

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	64,767,666,187	368,204,440	(17,290,032,811)	47,845,837,816
Unlisted and unregistered shares	115,807,358,134	-	(25,287,002,000)	90,520,356,134
Listed bond	105,807,574,139	-	-	105,807,574,139
ETF certificates	95,124,940,995	499,238,205	-	95,624,179,200
Total	381,507,539,455	867,442,645	(42,577,034,811)	339,797,947,289

As at 31 December 2017

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	613,330,509,297	37,351,976,358	(17,199,201,451)	633,483,284,204
Unlisted and unregistered shares	93,725,137,636	-	(52,103,095,636)	41,622,042,000
Listed bond	173,114,572,242	2,084,539,950	-	175,199,112,192
ETF certificates	10,132,573,711	193,178,689	-	10,325,752,400
Total	890,302,792,886	39,629,694,997	(69,302,297,087)	860,630,190,796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.3 Available-for-sale (AFS) financial assets

	As at 31.03.2018		As at 31.12.2017	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Securities listed	87,563,844,444	84,788,986,315	280,112,167,330	330,585,520,000
Mobile World JSC (MWG)	38,105,392,444	33,839,986,315	162,044,908,818	182,091,310,000
Ho Chi Minh Development Joint Stock Commercial Bank (HDB)	49,458,452,000	50,949,000,000	-	-
Vietnam Joint Stock Commercial Bank for Private Enterprises (VPB)	-	-	118,067,258,512	148,494,210,000
Unlisted and unregistered securities	-	-	31,563,119,036	68,670,094,501
Ho Chi Minh Development Joint Stock Commercial Bank (HDB)	-	-	31,563,119,036	68,670,094,501
Total	87,563,844,444	84,788,986,315	311,675,286,366	399,255,614,501

As at 31 March 2018

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Securities listed	87,563,844,444	1,490,548,000	(4,265,406,129)	84,788,986,315
Total	87,563,844,444	1,490,548,000	(4,265,406,129)	84,788,986,315

As at 31 December 2017

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Securities listed	311,675,286,366	87,580,328,135	-	399,255,614,501
Total	311,675,286,366	87,580,328,135	-	399,255,614,501

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.4 Loans**

Details of loans at amortised cost exclusive of provisions for impairments are as follows:

		As at	
		31.03.2018	31.12.2017
		VND	VND
Margin loans	(i)	4,906,493,575,766	4,484,136,971,952
Trading advances	(ii)	19,708,398,636	17,455,331,654
Total		<u>4,926,201,974,402</u>	<u>4,501,592,303,606</u>

(i) Margin loans

Margin loans represent the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/2017/QD-UBCK issued by the State Securities Commission on 25 January 2017.

(ii) Trading advances

These are the amounts advanced to customers at the trading date ("T – date advance"). These amounts were refunded within two (2) working days.

3.5 Provisions for impairment loss of financial assets and mortgages

The entire balance of provisions for impairment of financial assets and mortgages was provision for impairment of margin loans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Receivables

		As at	
		31.03.2018	31.12.2017
		VND	VND
Receivables from services provided by the Company			
Receivable from securities purchasing	(i)	457,385,736,336	468,267,233,092
Receivable from VSD		40,041,653,044	-
Consultancy service fees receivable		7,243,776,258	1,336,650,000
Other receivables from trading activities		2,922,490,984	1,417,468,286
		<u>507,593,656,622</u>	<u>471,021,351,378</u>
Other receivables			
Overdue margin loans	(ii)	37,783,317,946	37,783,317,946
Others		17,440,561,455	8,817,717,166
		<u>55,223,879,401</u>	<u>46,601,035,112</u>

(i) The receivable as from securities trading as at 31 March 2018 was due from institutional investor.

(ii) This was residual amount of overdue margin loans after the Company forcedly sold out all of collateral assets to collect the loans. This amount was fully provided.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Provision for doubtful debts

	Doubtful amount		Provision			
	Opening balance VND	Closing balance VND	Opening balance VND	Provided VND	Reversed VND	Closing balance VND
Overdue margin loans	37,783,317,946	37,783,317,946	37,783,317,946	-	-	37,783,317,946
Other receivables from securities trading	1,800,474,202	1,800,474,202	1,800,474,202	-	-	1,800,474,202
Total	39,583,792,148	39,583,792,148	39,583,792,148	-	-	39,583,792,148

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.8 Fixed assets

(a) Tangible fixed assets

	Transportation vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2018	4,009,883,640	54,509,141,409	58,519,025,049
New purchases	-	4,155,192,800	4,155,192,800
Transfers from construction in progress		94,919,000	94,919,000
Disposals	-	(366,384,949)	(366,384,949)
	<u>4,009,883,640</u>	<u>58,392,868,260</u>	<u>62,402,751,900</u>
As at 31.03.2018			
Accumulated depreciation			
As at 1.1.2018	1,946,584,030	38,658,066,433	40,604,650,463
Charge for the period	130,841,813	1,976,479,814	2,107,321,627
Disposals	-	(366,384,949)	(366,384,949)
	<u>2,077,425,843</u>	<u>40,268,161,298</u>	<u>42,345,587,141</u>
As at 31.03.2018			
Net book value			
As at 1.1.2018	2,063,299,610	15,851,074,976	17,914,374,586
	<u>1,932,457,797</u>	<u>18,124,706,962</u>	<u>20,057,164,759</u>
As at 31.03.2018			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.8 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1.1.2018	51,357,006,015
New purchases	3,322,092,000
Transfers from construction in progress	1,243,704,000
Disposals	-
As at 31.03.2018	<u>55,922,802,015</u>
Accumulated amortisation	
As at 1.1.2018	31,264,520,235
Charge for the period	2,221,785,034
Disposals	-
As at 31.03.2018	<u>33,486,305,269</u>
Net book value	
As at 1.1.2018	<u>20,092,485,780</u>
As at 31.03.2018	<u>22,436,496,746</u>

(c) Construction in progress

Construction in progress comprises the followings:

	As at	
	31.03.2018 VND	31.12.2017 VND
Software purchases	820,852,590	2,755,263,000
System setup costs	5,742,312,793	3,012,405,848
Others	-	1,083,372,928
Total	<u>6,563,165,383</u>	<u>6,851,041,776</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.9 Long-term prepaid expenses**

	As at	
	31.03.2018 VND	31.12.2017 VND
Office rentals	91,828,023,092	92,536,208,360
Office renovations	7,054,877,725	1,721,878,064
Office supplies	48,048,000	-
Total	98,930,948,817	94,258,086,424

3.10 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	As at	
	31.03.2018 VND	31.12.2017 VND
Deferred tax assets to be recovered within 12 months	3,326,452,587	2,473,371,361
Deferred tax liabilities to be recovered within 12 months	(298,109,600)	(17,516,065,627)
Total	3,028,342,987	(15,042,694,266)

The gross movement in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	As at	
	31.03.2018 VND	31.12.2017 VND
Opening balance	(15,042,694,266)	3,638,284,131
Income statement (charge)/credit	853,081,226	(1,164,912,770)
Recognised directly in equity	17,217,956,027	(17,516,065,627)
Closing balance	3,028,342,987	(15,042,694,266)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.10 Deferred income tax (continued)**

Details of deferred tax assets are as below:

	As at	
	31.03.2018	31.12.2017
	VND	VND
Deductible temporary differences:		
Provisions for impairment of overdue margin loans	<u>16,632,262,935</u>	<u>12,366,856,806</u>

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Details of deferred tax liabilities are as below:

	As at	
	31.03.2018	31.12.2017
	VND	VND
Taxable temporary differences:		
Revaluation gain of AFS financial assets	<u>1,490,548,000</u>	<u>87,580,328,135</u>

3.11 Deposits in the Settlement Supporting Fund

According to Decision No.45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository Center, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository Center and an additional annual contribution equivalent to 0.01% of the total value of brokered securities in the previous year up to the maximum limit of VND2.5 billion in any one year. The maximum amount of contribution is VND20 billions.

As at 31 December 2017, the Company fully contributed the maximum amount.

3.12 Deposits in the Derivatives trading Settlement Fund

According to Policy of management and use of Derivatives trading Settlement Fund attached to Decision No.97/QD-VSD dated 23 March 2017 of the Vietnam Securities Depository Center, the minimum amount of initial contribution applicable to direct clearing members is VND10 billions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.13 Borrowings

Movements of borrowings during the period are as follows:

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Short-term borrowings (i)					
Bank borrowings	6,8 – 9,0	2,204,800,000,000	5,346,700,000,000	(6,009,500,000,000)	1,542,000,000,000
Bank overdrafts	6,5 – 7,85	274,955,399,374	3,750,278,939,578	(3,711,165,359,818)	314,068,979,134
		2,479,755,399,374	9,096,978,939,578	(9,720,665,359,818)	1,856,068,979,134
Short-term issued bonds (ii)	9,0	800,000,000,000	–	–	800,000,000,000
Total		3,279,755,399,374	9,096,978,939,578	(9,720,665,359,818)	2,656,068,979,134

(i) Borrowings have maturities from 1 to 3 months and are used to supplement working capital for operations.

The Company had no borrowings from related parties as at 31 March 2018.

(ii) According to Board Resolution No.13/2017/NQ-HDQT, dated 26 Oct 2017, HSC issued 800 Billion VND corporate bonds with unlisted bond face value 1 Billion VND / bond, interest rate 9%/pa, no collateral with 1 year maturity, the principal and interest is paid at the end of the term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Trading obligations

	As at	
	31.03.2018 VND	31.12.2017 VND
Clearing with Stock Exchange	-	180,277,721,001
Payables to investors for selling transactions	26,894,533,684	-
Payables to investors relating to their advances for securities purchases	208,387,176,878	140,557,861,392
Brokerage fee payables to Stock Exchanges and VSD	14,695,222,479	12,392,648,623
Payables to other parties	14,828,023,071	19,197,755,800
Total	264,804,956,112	352,425,986,816

3.15 Tax and other payables to the State Budget

	As at	
	31.03.2018 VND	31.12.2017 VND
Corporate income tax - current	80,694,720,800	48,296,385,750
Personal income tax withheld and paid on behalf of investors	15,532,160,399	10,984,227,718
Corporate income tax withheld and paid on behalf of foreign institutions	6,835,793,545	5,728,933,050
Foreign corporate tax	-	1,598,581,784
Personal income tax withheld and paid on behalf of employees	3,772,454,549	13,760,408,957
Value added tax	563,434,051	145,728,581
Total	107,398,563,344	80,514,265,840

3.16 Short-term accrued expenses

	As at	
	31.03.2018 VND	31.12.2017 VND
Employees' performance reward	11,250,000,000	34,000,000,000
Interest expenses	32,077,833,014	9,747,165,820
Others	5,889,314,864	6,273,584,622
Total	49,217,147,878	50,020,750,442

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.17 Other short-term liabilities**

	As at	
	31.03.2018 VND	31.12.2017 VND
Receipts from investors for their subscription of shares of issuers	83,716,562,000	5,510,000
HCM's dividend payable to shareholders	4,668,582,743	82,277,009,573
Dividends paid on behalf	2,199,259,802	2,296,720,302
Other payables	9,423,130,977	7,516,715,221
Total	100,007,535,522	92,095,955,096

3.18 Share capital**(a) Number of shares**

	As at	
	31.03.2018 VND	31.12.2017 VND
Number of shares registered	129,756,758	129,756,758
Number of shares issued	129,756,758	129,756,758
Number of shares repurchased	(186,390)	(186,390)
Number of existing shares in issue	129,570,368	129,570,368

As at 31 March 2018 and as at 31 December 2016, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

(b) Movement of share capital

	Ordinary shares
As at 1 January 2017	127,155,368
New shares issued	2,500,000
Treasury shares repurchased	(85,000)
As at 31 December 2017	129,570,368
New shares issued	-
Treasury shares repurchased	-
As at 31 March 2018	129,570,368

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.19 Undistributed earnings**

	As at	
	31.03.2018	31.12.2017
	VND	VND
Undistributed realised profits	1,186,653,023,443	861,985,479,360
Unrealised losses	(41,709,592,166)	(29,672,602,090)
Total	1,144,943,431,277	832,312,877,270

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS**4.1 Bad debts written off**

	As at	
	31.03.2018	31.12.2017
	VND	VND
Other receivables	345,059,000	345,059,000

4.2 Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies as follows:

	As at	
	31.03.2018	31.12.2017
US Dollar	13,852.95	45,182.58
Japanese Yen	241,870	190,755
Singapore Dollar	300	300
British Pound	91,56	100
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100

4.3 Number of shares in issue

	As at	
	31.03.2018	31.12.2017
Ordinary shares		
Quantity issued within 1 year (share)	966,000	2,415,000
Quantity issued for 1 year or more (share)	128,604,368	127,155,368
	129,570,368	129,570,368

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

5 NOTES TO THE STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	1 st Quarter	
	2018 VND	2017 VND
Realised gains on disposals of FVTPL financial assets	400,428,124,902	9,582,879,985
Realised losses on disposals of FVTPL financial assets	(215,678,271,051)	(2,910,406,073)
Total	<u>184,749,853,851</u>	<u>6,672,473,912</u>

5.2 Gains/(losses) from revaluation of FVTPL financial assets

	1 st Quarter	
	2018 VND	2017 VND
Gains from revaluation of FVTPL financial assets	(38,762,252,352)	5,250,420,687
Losses from revaluation of FVTPL financial assets	26,725,262,276	1,676,637,193
Total	<u>(12,036,990,076)</u>	<u>6,927,057,880</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.2 Gains/(losses) from revaluation of FVTPL financial assets (continued)

Details of gains/(losses) from revaluation of FVTPL financial assets by category is as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.03.2018 VND	Accumulated revaluation gains/(losses) 31.12.2017 VND	Credited/ (charged) to statement of income VND
Listed shares and shares traded on UPCoM	64,767,666,187	47,845,837,816	(16,921,828,371)	20,152,774,907	(37,074,603,278)
Unlisted and unregistered shares	115,807,358,134	90,520,356,134	(25,287,002,000)	(52,103,095,636)	26,816,093,636
Listed bond	105,807,574,139	105,807,574,139	-	2,084,539,950	(2,084,539,950)
ETF certificates	95,124,940,995	95,624,179,200	499,238,205	193,178,689	306,059,516
Total	381,507,539,455	339,797,947,289	(41,709,592,166)	(29,672,602,090)	(12,036,990,076)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

5 NOTES TO THE STATEMENT OF INCOME (continued)**5.3 Operating Expenses**

	1st Quarter	
	2018	2017
	VND	VND
Self-trading expenses	51,363,880,006	8,096,961,884
Brokerage fee expenses	85,723,380,783	48,998,642,530
Consultancy expenses	1,993,959,333	2,053,308,000
Custody fee expenses	2,607,994,232	1,459,195,895
Other operating expenses	294,562,305	212,773,531
Total	<u>141,983,776,659</u>	<u>60,820,881,840</u>

5.4 General and administration expenses

	1st Quarter	
	2018	2017
	VND	VND
Staff costs	23,346,397,187	14,065,382,011
Rental expenses	7,101,604,794	5,363,296,465
Outsourcing expenses	5,658,673,008	3,543,692,041
Depreciations and amortisations	2,495,403,822	911,944,456
Tax and other fees	91,657,170	49,810,012
Stationery expenses	352,878,765	175,093,652
Other expenses	1,107,644,259	1,101,316,876
Total	<u>40,154,259,005</u>	<u>25,210,535,513</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

6 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

<u>Related party</u>	<u>Relationship</u>
Dragon Capital Markets Limited (DC)	Strategic shareholder – holding 30.27% of share capital The Company's Vice Chairman of the Board of Directors is the Deputy General Director of DC Group 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 28,90% 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
Board of Directors and Board of Management	Key management

(a) *Related party transactions in Q1/2018*

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Brokerage service - sale	321,120,255,600
	Brokerage fee income	240,840,192
	Dividend payable	23,567,286,000
	Consultancy expenses	2,040,000,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Dividend payable	22,500,000,000
Compensation of key management	Gross salaries and other benefits in Q1/2018	7,276,499,565

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

6 RELATED PARTIES DISCLOSURES (continued)**(b) Period-end balances with related parties**

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Consultancy expenses	2,040,000,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Deposits for securities trading	24,951,529

7 SEGMENT INFORMATION**(a) Geographical segments**

The principal activities of the Company are carried within Vietnam territory. Risks and returns of the Company are not materially affected by distinctions between geographical areas. On this ground, the Board of Management determines that the Company has only one geographical segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

7 SEGMENT INFORMATION (continued)

(b) Business activity segments

Information of segment income and expenses based on the activities of the Company are as follows:

	For the three-month period ended 31 March 2018					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	235,075,149,886	386,999,443,663	157,941,226,124	58,040,442,525	2,124,105,777	840,180,367,975
Expenses	(169,914,280,373)	(193,495,498,460)	(59,634,966,897)	(11,509,031,134)	(1,154,397,531)	(435,708,174,394)
Profits before tax	<u>65,160,869,513</u>	<u>193,503,945,203</u>	<u>98,306,259,227</u>	<u>46,531,411,391</u>	<u>969,708,246</u>	<u>404,472,193,581</u>

	For the three-month period ended 31 March 2017					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	95,953,921,261	24,954,724,739	92,412,687,228	4,293,517,435	1,202,763,073	218,817,613,736
Expenses	(64,308,932,289)	(2,958,370,121)	(33,530,413,864)	(2,134,614,576)	(436,402,671)	(103,368,733,521)
Profits before tax	<u>31,644,988,972</u>	<u>21,996,354,618</u>	<u>58,882,273,364</u>	<u>2,158,902,859</u>	<u>766,360,402</u>	<u>115,448,880,215</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

7 SEGMENT INFORMATION (continued)

(b) Business activity segments (continued)

Information of segment assets and liabilities based on the activities of the Company are as follows:

As at 31 March 2018							
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated	Total VND
Assets	757,136,330,637	483,556,476,990	4,913,198,511,699	8,966,344,856	37,520,875,310	19,804,427,723	6,220,182,967,215
Liabilities	(372,107,365,668)	-	(2,688,146,812,148)	(2,040,000,000)	-	(122,968,907,237)	(3,185,263,085,053)
Net assets	<u>385,028,964,969</u>	<u>483,556,476,990</u>	<u>2,225,051,699,551</u>	<u>6,926,344,856</u>	<u>37,520,875,310</u>	<u>(103,164,479,514)</u>	<u>3,034,919,882,162</u>
As at 31 December 2017							
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated	Total VND
Assets	822,502,958,773	1,351,711,811,297	4,473,823,171,871	2,487,194,998	12,564,616,915	17,482,289,667	6,680,572,043,521
Liabilities	(438,091,354,185)	(15,042,694,266)	(3,289,502,565,194)	-	(3,634,594,803)	(143,139,682,810)	(3,889,410,891,258)
Net assets	<u>384,411,604,588</u>	<u>1,336,669,117,031</u>	<u>1,184,320,606,677</u>	<u>2,487,194,998</u>	<u>8,930,022,112</u>	<u>(125,657,393,143)</u>	<u>2,791,161,152,263</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

8 COMPARATIVE FIGURES

Certain comparative figures have been restated and reclassified to conform to the current year's presentation under Circular 334/2016, specifically presented as follows:

Statement of income

Code	ITEMS	1st Quarter 2017		Restated VND
		Previously reported VND	Restatement/ reclassification VND	
	OPERATING INCOME			
08	Investment consultancy service income	4,878,290,899	(4,878,290,899)	-
10	Financial consultancy service income	-	4,878,290,899	4,878,290,899
	OPERATING EXPENSES			
29	Investment consultancy expenses	2,053,308,000	(2,053,308,000)	-
31	Financial consultancy expenses	-	2,053,308,000	2,053,308,000

Item No. 400 was restated as follows:

The amount was changed from being total of items No. 200 and No. to being total of items from No. 301 to No. 304.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 MARCH 2018

8 COMPARATIVE FIGURES (continued)

Statement of cash flows

Item No. 30 was renamed from “Profits before changes in working capital” to “Changes in woking capital”.

Code	ITEMS	As at 31 March 2017		
		Previously reported VND	Restatement/ reclassification VND	Restated VND
	I. Cash flows from operating activities			
50	Decrease in other short-term payables	196,062,276,763	14,000,000,000	210,062,276,763
	III. Cash flows from financing activities			
71	Proceeds from issuance of shares	45,000,000,000	(14,000,000,000)	31,000,000,000

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2018

Chief Executive Officer




Johan Nyvene