

**FINANCIAL STATEMENTS**

QUARTER 3/2018

**HO CHI MINH CITY SECURITIES  
CORPORATION**

## STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			30.09.2018 VND	31.12.2017 VND
	<b>ASSETS</b>			
<b>100</b>	<b>CURRENT ASSETS</b>		<b>5,445,921,133,274</b>	<b>6,505,802,971,605</b>
<b>110</b>	<b>Financial assets</b>		<b>5,419,444,084,801</b>	<b>6,402,627,990,511</b>
111	Cash and cash equivalents	3.1	471,136,113,943	196,221,037,531
111.1	Cash		471,136,113,943	196,221,037,531
	Financial assets at fair value through profit or loss (FVTPL)			
112		3.2	375,565,834,779	860,630,190,796
114	Loans	3.3	4,334,248,256,951	4,501,592,303,606
115	Available-for-sale financial assets (AFS)		-	399,255,614,501
116	Provisions for impairment loss of financial assets and mortgages	3.4	(33,631,027,290)	(33,631,027,290)
118	Prepayments to suppliers		4,127,378,492	521,277,025
119	Service related receivable	3.5	244,830,381,821	471,021,351,378
122	Other receivables	3.5	62,750,938,253	46,601,035,112
129	Provision for doubtful debts	3.6	(39,583,792,148)	(39,583,792,148)
<b>130</b>	<b>Other current assets</b>		<b>26,477,048,473</b>	<b>103,174,981,094</b>
131	Advances		706,058,719	1,008,685,484
133	Short-term prepaid expenses		11,546,096,654	6,880,258,510
	Pledged assets, mortgages, security deposits in short term			
134			3,520,756,100	3,460,031,100
137	Other current assets		10,704,137,000	91,826,006,000
137.1	Deposits for derivatives trading activities		10,704,137,000	91,826,006,000
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>194,626,841,138</b>	<b>174,769,071,916</b>
<b>220</b>	<b>Fixed assets</b>		<b>50,673,013,497</b>	<b>38,006,860,366</b>
221	Tangible fixed assets	3.7	26,503,113,623	17,914,374,586
222	Historical cost		73,345,676,046	58,519,025,049
223a	Accumulated depreciation		(46,842,562,423)	(40,604,650,463)
227	Intangible fixed assets	3.7	24,169,899,874	20,092,485,780
228	Historical cost		62,588,384,588	51,357,006,015
229a	Accumulated amortisation		(38,418,484,714)	(31,264,520,235)
<b>240</b>	<b>Construction in progress</b>	3.7	<b>2,188,300,010</b>	<b>6,851,041,776</b>
<b>250</b>	<b>Other non-current assets</b>		<b>141,765,527,631</b>	<b>129,911,169,774</b>
	Pledged assets, mortgages, security deposits in long term			
251			7,528,788,877	5,653,083,350
252	Long-term prepaid expenses	3.8	102,677,946,875	94,258,086,424
253	Deferred income tax assets		1,558,791,879	-
254	Deposits in the Settlement Supporting Fund	3.9	20,000,000,000	20,000,000,000
255	Other long-term assets	3.10	10,000,000,000	10,000,000,000
	Deposits in the Derivatives trading Settlement Fund			
255.1			10,000,000,000	10,000,000,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>5,640,547,974,412</b>	<b>6,680,572,043,521</b>

STATEMENT OF FINANCIAL POSITION  
(continued)

Code	ITEMS	Note	As at	
			30.09.2018 VND	31.12.2017 VND
<b>300</b>	<b>LIABILITIES</b>		<b>2,574,427,588,443</b>	<b>3,889,410,891,258</b>
<b>310</b>	<b>Current liabilities</b>		<b>2,574,427,588,443</b>	<b>3,874,368,196,992</b>
311	Short-term borrowings and finance lease liabilities		1,151,138,100,000	2,479,755,399,374
312	<i>Short-term borrowings</i>	3.11	1,151,138,100,000	2,479,755,399,374
316	Short-term issued bonds	3.11	920,000,000,000	800,000,000,000
318	Trading obligations	3.12	267,101,998,054	352,425,986,816
320	Short-term trade accounts payable		3,209,912,882	3,326,671,321
322	Tax and other payables to the State Budget	3.13	56,642,638,905	80,514,265,840
324	Employee welfare payables		4,218,861,200	2,971,042,385
325	Short-term accrued expenses	3.14	103,700,098,066	50,020,750,442
329	Other short-term liabilities	3.15	23,282,716,444	92,095,955,096
331	Bonus and welfare funds		45,133,262,892	13,258,125,718
<b>340</b>	<b>Non-current liabilities</b>		-	<b>15,042,694,266</b>
356	Deferred income tax liabilities		-	15,042,694,266
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>3,066,120,385,969</b>	<b>2,791,161,152,263</b>
<b>410</b>	<b>Capital and reserves</b>	3.16	<b>3,066,120,385,969</b>	<b>2,791,161,152,263</b>
411	Owners' capital		1,625,017,521,491	1,625,309,121,491
411.1	<i>Share capital</i>		1,297,567,580,000	1,297,567,580,000
411.1a	<i>Ordinary shares</i>		1,297,567,580,000	1,297,567,580,000
411.2	Share premium		330,343,798,499	330,343,798,499
411.5	Treasury shares		(2,893,857,008)	(2,602,257,008)
412	Revaluation reserve		-	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	3.17	1,177,627,973,484	832,312,877,270
417.1	<i>Realised profits</i>		1,202,719,777,192	861,985,479,360
417.2	<i>Unrealised losses</i>		(25,091,803,708)	(29,672,602,090)
<b>440</b>	<b>TOTAL RESOURCES</b>		<b><u>5,640,547,974,412</u></b>	<b><u>6,680,572,043,521</u></b>



## OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			30.09.2018	31.12.2017
<b>A</b>	<b>ASSETS OF THE COMPANY AND ASSETS IN TRUST</b>			
004	Bad debts written off (VND)	4.1	345,059,000	345,059,000
005	Foreign currencies (original currency)	4.2		
	US Dollar		220.13	13,402.69
	Japanese Yen		241,915	240.905
	Singapore Dollar		300	300
	British Pound		88.38	93.17
	Taiwanese Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	-
006	Number of shares in issue (shares)	4.3	129,554,168	129,570,368
007	Number of treasury shares (shares)		202,590	186,390
			<i>Par value (VND)</i>	
008	Securities listed/registered to Vietnam Securities Depository (VSD)		208,232,610,000	447,684,720,000
009	Securities custodied at VSD but not yet traded		5,154,960,000	146,075,030,000
010	Securities awaiting settlement		12,170,400,000	12,200,000,000
012	Securities not custodied at VSD		29,551,400,000	34,897,120,000
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS</b>			
021	Securities listed/registered to Vietnam Securities Depository (VSD)		22,123,030,138,457	18,338,836,463,686
021.1	<i>Freely traded securities</i>		16,953,513,150,000	14,920,958,190,000
021.2	<i>Blocked securities</i>		771,744,510,000	235,619,410,000
021.3	<i>Morgaged securities</i>		3,305,948,860,000	2,733,898,110,000
021.4	<i>Suspended securities</i>		132,776,880,000	93,676,820,000
021.5	<i>Securities awaiting settlement</i>		726,625,740,000	310,630,550,000
021.7	<i>Customers' deposits for derivatives trading</i>		232,420,998,457	44,053,383,686
022	Securities custodied at VSD but not yet traded		36,845,530,000	172,212,900,000
022.1	<i>Securities custodied at VSD but not yet traded – freely traded securities</i>		30,046,820,000	139,206,100,000
022.2	<i>Securities custodied at VSD but not yet traded – blocked securities</i>		6,798,710,000	33,006,800,000

OFF STATEMENT OF FINANCIAL POSITION ITEMS  
(continued)

Code	ITEMS	Note	As at	
			30.09.2018 VND	31.12.2017 VND
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)</b>			
023	Securities awaiting settlement		671,840,480,000	391,444,340,000
026	Customers' deposits		1,482,470,054,181	944,598,631,066
027	Customers' deposits for securities trading		1,250,049,055,724	900,545,247,380
027.1	<i>Customers' deposits at VSD</i>		232,420,998,457	44,053,383,686
031	Payables to customers relating to their deposits at the Company for securities trading		1,250,049,055,724	900,545,247,380
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>		1,244,976,288,766	899,585,811,824
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>		5,072,766,958	959,435,556

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

19 October 2018

Chief Executive Officer




Johan Nyvene



**HO CHI MINH CITY SECURITIES CORPORATION**  
FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

Form B02g – CTCK

**STATEMENT OF INCOME**

Code	ITEMS	Note	3rd Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
<b>OPERATING INCOME</b>						
01	Gains from financial assets at fair value through profit or loss (FVTPL)		90,882,685,602	96,194,079,866	797,684,427,140	193,908,675,271
01.1	Realised gains on disposals of FVTPL financial assets	5.1	54,628,342,788	90,918,175,094	747,294,727,894	127,616,195,079
01.2	Gains from revaluation of FVTPL financial assets	5.2	9,534,391,493	(13,282,627,360)	(29,813,713,060)	23,178,765,167
01.3	Dividends and interest income from FVTPL financial assets		26,719,951,321	18,558,532,132	80,203,412,306	43,113,715,025
03	Interest income from loans and receivables		113,310,479,652	116,183,058,723	405,746,189,215	307,625,187,620
06	Brokerage fee income		158,510,346,131	117,455,298,577	619,747,753,097	327,768,112,213
09	Custody service income		2,177,991,757	1,782,246,581	6,301,032,084	4,808,646,751
10	Financial consultancy service income		52,867,441,848	7,276,958,855	114,308,751,715	30,585,101,199
11	Other operating income		752,603,458	1,292,411,253	3,878,981,459	2,870,744,705
20	<b>TOTAL OPERATING INCOME</b>		<b>418,501,548,448</b>	<b>340,184,053,855</b>	<b>1,947,667,134,710</b>	<b>867,566,467,759</b>
<b>OPERATING EXPENSES</b>						
21	Losses from financial assets at fair value through profit or loss (FVTPL)		53,015,193,691	10,737,391,577	537,518,133,095	11,795,122,804
21.1	Realised losses on disposals of FVTPL financial assets	5.1	61,040,145,790	8,130,129,290	571,912,644,537	12,665,977,283
21.2	Losses from revaluation of FVTPL financial assets	5.2	(8,024,952,099)	2,607,262,287	(34,394,511,442)	(870,854,479)
24	Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities		27,394,403,831	47,516,535,110	133,782,520,037	87,259,536,636
26	Self-trading expenses	5.3	28,713,431,181	22,208,863,536	124,841,363,641	48,651,637,080
27	Brokerage fee expenses	5.3	95,416,633,646	60,782,128,997	258,069,404,862	170,197,651,227
30	Custody fee expenses	5.3	2,563,912,428	1,845,082,053	7,655,229,637	4,927,449,732
31	Financial consultancy expenses	5.3	2,040,000,000	2,003,834,823	6,277,488,998	6,073,636,723
32	Other operating expenses	5.3	264,824,548	407,535,266	743,157,390	5,536,330,430
40	<b>TOTAL OPERATING EXPENSES</b>		<b>209,408,399,325</b>	<b>145,501,371,362</b>	<b>1,068,887,297,660</b>	<b>334,441,364,632</b>

**HO CHI MINH CITY SECURITIES CORPORATION**  
 FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**Form B02g – CTCK**

**STATEMENT OF INCOME**  
 (continued)

Code	ITEMS	Note	3rd Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
	<b>FINANCIAL INCOME</b>					
42	Dividend income and interest income from demand deposits		197,866,176	43,723,953	2,127,689,296	2,363,977,597
50	<b>TOTAL FINANCIAL INCOME</b>		<b>197,866,176</b>	<b>43,723,953</b>	<b>2,127,689,296</b>	<b>2,363,977,597</b>
62	<b>GENERAL AND ADMINISTRATION EXPENSES</b>	5.4	<b>44,366,005,460</b>	<b>26,215,481,960</b>	<b>127,601,526,672</b>	<b>77,654,189,001</b>
70	<b>OPERATING RESULT</b>		<b>164,925,009,839</b>	<b>168,510,924,486</b>	<b>753,305,999,674</b>	<b>457,834,891,723</b>
	<b>OTHER INCOME AND EXPENSES</b>					
71	Other income		-	278,036,363	78,918,182	278,036,363
80	<b>NET OTHER INCOME</b>		<b>-</b>	<b>278,036,363</b>	<b>78,918,182</b>	<b>278,036,363</b>
90	<b>NET ACCOUNTING PROFIT BEFORE TAX</b>		<b>164,925,009,839</b>	<b>168,788,960,849</b>	<b>753,384,917,856</b>	<b>458,112,928,086</b>
91	Realised profit		147,365,666,247	184,678,850,496	748,804,119,474	434,063,308,440
92	Unrealised profit/(loss)		17,559,343,592	(15,889,889,647)	4,580,798,382	24,049,619,646

**HO CHI MINH CITY SECURITIES CORPORATION**  
 FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**Form B02g – CTCK**

**STATEMENT OF INCOME**  
 (continued)

Code	ITEMS	Note	3rd Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
100	<b>CORPORATE INCOME TAX</b>		33,432,018,492	32,604,508,731	150,020,640,812	90,245,254,490
100.1	Corporate income tax – current		32,517,439,010	32,531,081,200	149,106,061,330	89,080,341,720
100.2	Corporate income tax – deferred		914,579,482	73,427,531	914,579,482	1,164,912,770
200	<b>NET PROFIT AFTER TAX</b>		131,492,991,347	136,184,452,118	603,364,277,044	367,867,673,596

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

19 October 2018

Chief Executive Officer




Johan Nyvene



**STATEMENT OF CASH FLOWS**  
(Indirect method)

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	<b>Cash flows from operating activities</b>		
01	<b>Net profit before tax</b>	<b>753,384,917,856</b>	<b>458,112,928,086</b>
02	<b>Adjustments for:</b>		
03	Depreciation and amortisation	14,676,891,246	5,263,189,365
04	Provisions	-	4,673,066,397
06	Interest expenses	133,782,520,037	87,259,536,636
07	Profits from investing activities	(78,918,182)	(278,036,363)
08	Accrued interest income	(20,319,021,918)	(12,209,291,945)
10	<b>Add non-cash expenses</b>		
11	Losses from revaluation losses of FVTPL financial assets	(34,394,511,442)	(870,854,479)
18	<b>Less non-cash income</b>		
19	Gains from revaluation gains of FVTPL financial assets	29,813,713,060	(23,178,765,167)
30	<b>Changes in working capital</b>	<b>901,147,271,011</b>	<b>(939,564,012,698)</b>
31	Decrease/(increase) in FVTPL financial assets	489,645,154,399	(381,778,089,737)
33	Decrease/(increase) in loans	167,344,046,655	(790,710,405,085)
34	Decrease in AFS financial assets	311,675,286,366	-
37	Decrease in service related receivables	226,190,969,557	55,336,678,041
39	Decrease/(increase) in other receivables	4,471,745,542	(4,963,410,039)
41	(Decrease)/increase in accrued expenses (excluding interest expenses)	(21,088,290,498)	4,457,793,589
42	Increase in prepaid expenses	(13,085,698,595)	(1,401,810,802)
43	Corporate income tax paid	(164,885,008,070)	(85,403,475,500)
44	Interest paid	(84,337,023,115)	(86,465,591,052)
45	(Decrease)/increase in trade payables	(3,722,859,906)	445,415,345
46	Increase in employee welfare payables	1,247,818,815	676,904,418
47	(Decrease)/increase in tax and other payables to the State Budget (excluding corporate income tax paid)	(8,100,572,013)	210,346,826
50	(Decrease)/increase in other short-term payables	(83,393,736,599)	378,962,967,056
51	Other receipts from operating activities	81,121,869,000	-
52	Other payments for operating activities	(1,936,430,527)	(28,931,335,758)
60	<b>Net cash inflows from (outflows for) operating activities</b>	<b>1,778,012,861,668</b>	<b>(420,792,240,168)</b>

**HO CHI MINH CITY SECURITIES CORPORATION**  
 FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 JSEPTEMBER 2018

Form B03bg – CTCK

**STATEMENT OF CASH FLOWS**  
 (Indirect method)  
 (continued)

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	<b>Cash flows from investing activities</b>		
61	Purchases of fixed assets	(22,680,302,611)	(30,549,736,586)
62	Proceeds from disposals of fixed assets	86,810,000	305,840,000
<b>70</b>	<b>Net cash outflows for investing activities</b>	<b>(22,593,492,611)</b>	<b>(30,243,896,586)</b>
	<b>Cash flows from financing activities</b>		
71	Proceeds from issuance of shares	-	31,000,000,000
72	Payments for share returns and repurchases	(291,600,000)	(992,000,000)
73	Proceeds from borrowings	19,411,118,427,711	18,704,107,070,578
74.3	Repayments of borrowings	(20,619,735,727,085)	(18,032,414,988,378)
76	Dividend paid	(271,595,393,271)	(282,450,758,055)
<b>80</b>	<b>Net cash (outflows for)/inflows from financing activities</b>	<b>(1,480,504,292,645)</b>	<b>419,249,324,145</b>
<b>90</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>274,915,076,412</b>	<b>(31,786,812,609)</b>
<b>101</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>196,221,037,531</b>	<b>60,193,684,900</b>
101.1	<i>Cash</i>	196,221,037,531	60,193,684,900
<b>103</b>	<b>Cash and cash equivalents at end of period</b>	<b>471,136,113,943</b>	<b>28,406,872,291</b>
103.1	<i>Cash</i>	471,136,113,943	28,406,872,291

**STATEMENT OF CASH FLOWS**  
(Indirect method)  
(continued)

**CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES**

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	<b>Cash flows of brokerage and trusting activities</b>		
01	Trade proceeds	91,851,558,199,940	55,326,506,383,700
02	Trade payments	(87,705,783,350,650)	(56,626,373,817,106)
07	Receipts for settlement of customers' transactions	(3,789,970,008,862)	1,719,530,435,582
11	Payments for custody fees of customers	(6,301,032,084)	(4,808,646,751)
20	<b>Net increase in customers' deposits</b>	<b>349,503,808,344</b>	<b>414,854,355,425</b>
30	<b>Customers' deposits at beginning of period</b>	<b>900,545,247,380</b>	<b>581,883,723,061</b>
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	<b>Customers' deposits at end of period</b>	<b>1,250,049,055,724</b>	<b>996,738,078,486</b>
41	Cash at bank	1,250,049,055,724	996,738,078,486
42	<i>Customers' deposits at the Company for securities trading</i>	1,250,049,055,724	996,738,078,486

Prepared by



Le Thi Thuy Duong

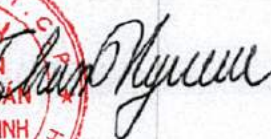
Chief Financial Officer



Lam Huu Ho

19 October 2018

Chief Executive Officer

Johan Nyvene



STATEMENT OF CHANGES IN EQUITY

Items	As at		For the nine-month period ended 30 September 2017		For the nine-month period ended 30 September 2018		As at	
	1.1.2017	1.1.2018	Tăng	Giảm	Tăng	Giảm	30.09.2017	30.09.2018
	VND	VND	VND	VND	VND	VND	VND	VND
1. Share capital	1,581,839,121,491	1,625,309,121,491	43,560,000,000	-	(291,600,000)	-	1,625,399,121,491	1,625,017,521,491
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)	(1,440,000,000)	-	(291,600,000)	-	(2,512,257,008)	(2,893,857,008)
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	-	-	-	(70,064,262,508)	-	-
6. Undistributed earnings	572,091,111,375	832,312,877,270	367,867,673,596	(190,607,504,450)	603,364,277,044	(258,049,180,830)	749,351,280,521	1,177,627,973,484
6.1 Realised profits	628,246,013,560	861,985,479,360	343,818,053,950	(190,607,504,450)	598,783,478,662	(258,049,180,830)	781,456,563,060	1,202,719,777,192
6.2 Unrealised (losses)/profits	(56,154,902,185)	(29,672,602,090)	24,049,619,646	-	4,580,798,382	-	(32,105,282,539)	(25,091,803,708)
<b>Total</b>	<b>2,391,917,451,263</b>	<b>2,791,161,152,263</b>	<b>411,427,673,596</b>	<b>(190,607,504,450)</b>	<b>603,072,677,044</b>	<b>(328,113,443,338)</b>	<b>2,612,737,620,409</b>	<b>3,066,120,385,969</b>

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

Chief Executive Officer

19 October 2018



Johan Nyvene

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 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/GPĐC-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](mailto: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 26 April 2018 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 30 September 2018, the Company had 10 branches and representative offices in Vietnam.



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**1 GENERAL INFORMATION (continued)****The corporation's operational features during the nine-month period affected financial statements**

The profit after tax for the nine-month period increased by 64% compared to that of the same period of last year because of the following reasons:

- In active market, proprietary trading activities contributed considerably to the total business results. After setting-off gains from financial assets at fair value through profit and loss in code 01 against losses from financial assets at fair value through profit and loss in code 21 in statement of income, proprietary trading activities increased 43% in two period. Proprietary trading activities actualized almost bought securities in 2017 and realized profit in quarter 1 of 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 the first nine months increased by 89%, as a result of 55% growth in market trading value compared to that of the same period of 2017, and HSC's market share increased significantly in 2018. Brokerage expense raised 48% in two period.
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for nine-month period 2018 increased by 32% compared to the same period of 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 36% compared to that of the same period of last year. Interest expense increased 53% in 2 period due to borrowings and interest rate increased faster than revenue;
- After restructuring phase, advisory activities which increased 274% compared to the same period in 2017, contributed significantly to the total revenue. It was due to deals were completed in nine months 2018.
- The administrative expenses for nine month period in 2018 were 64% higher than the same period in 2017 because of increasing the employee number of back-office departments, which corresponded with development of the market and of the Company.



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of interim financial statements**

The 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 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 Form of records applied**

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

**2.3 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 30 September 2018.

**2.4 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.

**2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 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).

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



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 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 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).

*(iii) 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(a) Classification (continued)***(iv) Available-for-sale financial assets (AFS)*

Available-for-sale financial assets are non-derivatives financial assets that are not classified as FVTPL, Held-to-maturity financial assets nor loans and receivables. Available-for-sale financial assets are initially recorded at cost inclusive of directly attributable purchase cost. At reporting date, AFS financial assets are measured at fair value. Those shares not traded on active market or those whose fair value is not reliably determined are accounted at cost.

All gains or losses from revaluation of AFS financial assets are accounted directly to equity (other comprehensive income), through statement of changes in equity, exclusive of impairment losses. Such recognition is applied until the asset is derecognised.

At derecognition, accumulated gains or losses in equity are recognised in the statement of income as a reclassification. Gains using effective interest method is recognised in the statement of income in accordance with standard on revenue recognition.

Impairment loss of AFS financial asset is recorded directly to previously recognised revaluation gain in equity (if any), when there is objective evidence that the AFS financial asset is impaired, accumulated revaluation loss in equity is reclassified into statement of income despite that asset is yet derecognised.

**(b) Reclassification***(i) Reclassification of non-FVTPL financial assets upon disposal*

Non-FVTPL financial assets are reclassified to FVTPL financial assets before disposal.

*(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 that are not required to be classified as FVTPL at initial recognition may be reclassified as loans and receivables in limited circumstances or cash and cash equivalents if meeting certain criteria for reclassification.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(b) Reclassification (continued)**

- Gains and losses from revaluation of FVTPL financial assets arising before the reclassification are not reversed.
- If the change in intention/ability to hold a financial asset results in it being inappropriately reclassified as an HTM asset, that asset must be reclassified into AFS group and remeasured at fair value. Difference between its carrying value and its fair value is recognised in the statement of income – Changes 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 recognised at cost exclusive of transaction costs. Other financial assets are initially recorded at historical cost.

Bonus issues and stock dividends are initially recognised 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, in particular :

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

These shares 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 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)**

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

The fair values of these shares 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) *Certificates of open-ended funds/ exchanged traded fund ("ETF")*

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

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

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

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

**(f) *Provision 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 impairment assessment 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/TT-BTC"). Accordingly, the provision rates for overdue receivables are as follows:



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(g) Provision for impairment of receivables (continued)**

	<b>Provision rate</b>
<b>Overdue period</b>	
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)***Purchasing transaction costs*

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

*Selling transaction costs*

Selling transaction costs are expensed off in the reporting period.

*Gain/(loss) on disposals*

Gain/(loss) on disposals of financial assets are accounted as income/(expenses) in profit or loss of statement of income. Costs of shares and fund certificates are determined using weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using specific identification method.

*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 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the interim 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 recognised 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 based on the aging of commitments or expected losses in accordance with Circular 228/2009/TT-BTC.

**2.8 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:

Motor 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.

**2.9 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 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 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 recorded at cost and allocated to expenses over their estimated useful lives.

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

- Office renovations;
- Office rentals; and
- Office supplies

**2.11 Security deposits**

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

**2.12 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
- Trade payables arising from purchases of goods or services
- Other payables not arising from purchases of goods and services

Liabilities are classified as current and non-current liabilities in the interim 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 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Offsetting financial instruments**

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

**2.14 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 customers being local organisations, the Company is not responsible for withholding tax as these customers have responsibility for their own tax payment and declaration.

**2.15 Borrowing costs**

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the 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.

**2.16 Accrued expenses**

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

**2.17 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 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Equity****(a) Share capital**

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

Share premium is the difference between the par value and the issuing 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 recorded 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**

Undistributed profits represents cumulative undistributed post-tax profits as at reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit of the 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 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 by the Ministry of Finance 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 each of its profitable year until the accumulated balance of each reserve reaches 10% of the Company's charter capital.

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

**(d) Other equity funds**

Other equity funds are made in accordance with resolution of Annual General Meeting of shareholders.



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue and income recognition****(a) Revenue from provision of services to investors**

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

Revenue from the provision of services is recognised in the interim 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 provision 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 from securities trading and investments in other entities**

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

Income from proprietary trading activities is measured as difference between selling price and costs of securities disposed. Costs of shares and fund certificates are determined using weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using specific identification method.

Dividend income is recognised in the interim 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 from capital activities**

Income from 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue and income recognition (continued)****(e) Other income**

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

**2.20 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

**2.21 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 quarter 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 quarter, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Dividend distribution**

Dividend of the Company is recognised as a liability in the Company's financial statements when the dividend is declared in accordance with the Company's charter and prevailing applicable regulations.

**2.23 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.

**2.24 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.

**2.25 Nil balances**

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

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

	As at	
	30.09.2018	31.12.2017
	VND	VND
Cash on hand	221,141,828	464,466,344
Cash at bank	470,914,972,115	195,756,571,187
<b>Total</b>	<b><u>471,136,113,943</u></b>	<b><u>196,221,037,531</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

	As at 30.09.2018		As at 31.12.2017	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
<b>Securities listed and securities traded on UPCoM</b>	<b>207,967,654,211</b>	<b>207,541,060,657</b>	<b>613,330,509,297</b>	<b>633,483,284,204</b>
Mobile World Investment Corporation (MWG)	71,384,854,487	76,685,572,800	-	-
Hoa Phat Group Joint Stock Company (HPG)	29,663,860,748	30,903,787,800	44,693,293,899	50,725,291,450
Vietnam Dairy Products Joint-Stock Company (VNM)	21,719,049,351	22,006,032,100	57,849,520,349	61,394,317,600
Technological and Commercial Joint-stock Bank (TCB)	18,564,416,350	19,530,558,300	-	-
SSI Securities Corporation (SSI)	13,744,964,827	14,233,279,000	-	-
Vietnam Prosperity Joint - Stock Commercial Bank (VPB)	11,763,222,281	12,032,637,200	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB)	3,240,128,117	3,221,316,000	20,064,034,957	22,612,203,300
VinGroup Joint Stock Company (VIC)	2,348,555,897	2,330,496,400	58,903,642,753	60,559,602,800
Masan Group Corporation (MSN)	1,864,290,620	1,862,960,000	41,213,708,101	45,629,213,500
Military Commercial Joint - Stock Bank (MBB)	1,285,621,254	1,302,123,900	59,387,064,847	67,995,546,000
FPT Telecom JSC (FPT)	1,068,670,352	1,085,735,000	27,993,703,556	27,929,951,100
Saigon Thuong Tin Commercial Joint Stock Bank (STB)	1,000,632,789	1,082,686,500	20,820,555,900	21,364,127,300
Novaland Investment Group Corporation (NVL)	988,472,281	1,004,150,000	12,575,923,787	13,339,641,000
FLC Faros., JSC (ROS)	271,467,474	270,735,400	11,039,766,805	11,992,745,100
Others	29,059,447,383	19,988,990,257	258,789,294,343	249,940,645,054
<b>Unlisted and unregistered securities</b>	<b>65,577,640,000</b>	<b>40,290,638,000</b>	<b>93,725,137,636</b>	<b>41,622,042,000</b>
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	239,414,000	4,900,000,000	251,384,000
Saigon Post and Telecommunications Service Corporation	4,406,400,000	220,084,000	4,406,400,000	220,084,000
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	5,442,600,000	114,000,000	5,672,098,134	344,610,000
<b>Listed bond</b>	<b>97,701,733,722</b>	<b>97,701,733,722</b>	<b>173,114,572,242</b>	<b>175,199,112,192</b>
Ho Chi Minh City Infrastructure Investment Joint Stock Company	96,701,733,722	96,701,733,722	173,114,572,242	175,199,112,192
Vietnam Bank for Social Policies	1,000,000,000	1,000,000,000	-	-
<b>ETF certificates</b>	<b>29,410,610,554</b>	<b>30,032,402,400</b>	<b>10,132,573,711</b>	<b>10,325,752,400</b>
VFMVN30 ETF	29,410,610,554	30,032,402,400	10,132,573,711	10,325,752,400
<b>Total</b>	<b>400,657,638,487</b>	<b>375,565,834,779</b>	<b>890,302,792,886</b>	<b>860,630,190,796</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 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 30 September 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	207,967,654,211	9,704,111,109	(9,506,516,854)	208,165,248,466
Unlisted and unregistered shares	65,577,640,000	-	(25,287,002,000)	40,290,638,000
Listed bond	97,701,733,722	-	-	97,701,733,722
ETF certificates	29,410,610,554	111,870,828	(114,266,791)	29,408,214,591
<b>Total</b>	<b>400,657,638,487</b>	<b>9,815,981,937</b>	<b>(34,907,785,645)</b>	<b>375,565,834,779</b>

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
<b>Total</b>	<b>890,302,792,886</b>	<b>39,629,694,997</b>	<b>(69,302,297,087)</b>	<b>860,630,190,796</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)****3.3 Loans**

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

		As at	
		30.09.2018	31.12.2017
		VND	VND
Margin loans	(i)	4,310,243,815,608	4,484,136,971,952
Trading advances	(ii)	24,004,441,343	17,455,331,654
<b>Total</b>		<b><u>4,334,248,256,951</u></b>	<b><u>4,501,592,303,606</u></b>

**(i) Margin loans**

Margin loans represent the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/2017/QĐ-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.

**3.4 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 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.5 Receivables

		As at	
		30.09.2018	31.12.2017
		VND	VND
<b>Receivables from services provided by the Company</b>			
Receivable from securities purchasing	(i)	233,581,446,286	468,267,233,092
Receivable from VSD		5,023,261,420	-
Consultancy service fees receivable		1,336,650,000	1,336,650,000
Other receivables from trading activities		4,889,024,115	1,417,468,286
		<u>244,830,381,821</u>	<u>471,021,351,378</u>
<b>Other receivables</b>			
Overdue margin loans	(ii)	37,783,317,946	37,783,317,946
Others		24,967,620,307	8,817,717,166
		<u>62,750,938,253</u>	<u>46,601,035,112</u>

- (i) The receivable as from securities trading as at 30 September 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 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.6 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
Consultancy service fees receivable	1,145,650,000	1,145,650,000	1,145,650,000	-	-	1,145,650,000
Other receivables from securities trading	654,824,202	654,824,202	654,824,202			654,824,202
<b>Total</b>	<b>39,583,792,148</b>	<b>39,583,792,148</b>	<b>39,583,792,148</b>	<b>-</b>	<b>-</b>	<b>39,583,792,148</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.7 Fixed assets

(a) *Tangible fixed assets*

	Transportation vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>			
As at 01.01.2018	4,009,883,640	54,509,141,409	58,519,025,049
New purchases	-	15,408,187,204	15,408,187,204
Transfers from construction in progress		703,478,600	703,478,600
Disposals	-	(1,285,014,807)	(1,285,014,807)
	<u>4,009,883,640</u>	<u>69,335,792,406</u>	<u>73,345,676,046</u>
As at 30.09.2018			
<b>Accumulated depreciation</b>			
As at 01.01.2018	1,946,584,030	38,658,066,433	40,604,650,463
Charge for the period	392,525,430	7,130,401,337	7,522,926,767
Disposals	-	(1,285,014,807)	(1,285,014,807)
	<u>2,339,109,460</u>	<u>44,503,452,963</u>	<u>46,842,562,423</u>
As at 30.09.2018			
<b>Net book value</b>			
As at 01.01.2018	2,063,299,610	15,851,074,976	17,914,374,586
	<u>1,670,774,180</u>	<u>24,832,339,443</u>	<u>26,503,113,623</u>
As at 30.09.2018			

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.7 Fixed assets (continued)

## (b) Intangible fixed assets

	Computer software VND
<b>Historical cost</b>	
As at 01.01.2018	51,357,006,015
New purchases	5,842,092,000
Transfers from construction in progress	5,389,286,573
Disposals	-
As at 30.09.2018	<u>62,588,384,588</u>
<b>Accumulated depreciation</b>	
As at 01.01.2018	31,264,520,235
Charge for the period	7,153,964,479
Disposals	-
As at 30.09.2018	<u>38,418,484,714</u>
<b>Net book value</b>	
As at 01.01.2018	<u>20,092,485,780</u>
As at 30.09.2018	<u>24,169,899,874</u>

## (c) Construction in progress

Construction in progress comprises the following:

	As at	
	30.09.2018 VND	31.12.2017 VND
Software purchases	820,852,590	2,755,263,000
System setup costs	1,367,447,420	3,012,405,848
Others	-	1,083,372,928
<b>Total</b>	<u>2,188,300,010</u>	<u>6,851,041,776</u>



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

**3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)****3.8 Long-term prepaid expenses**

	As at	
	30.09.2018	31.12.2017
	VND	VND
Office rentals	90,411,652,556	92,536,208,360
Office renovations	7,005,338,099	1,721,878,064
IT costs	5,260,956,220	-
<b>Total</b>	<b><u>102,677,946,875</u></b>	<b><u>94,258,086,424</u></b>

**3.9 Deposits in the Settlement Supporting Fund**

According to Decision No.45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository 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 billion.

As at 30 September 2018, the Company fully contributed the maximum amount.

**3.10 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, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.11 Short-term borrowings

The movements of short-term borrowings during the quarter are as follows:

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
<b>Short-term borrowings (i)</b>					
Bank borrowings	6.8 – 9.0	2,204,800,000,000	9,242,800,000,000	(10,297,600,000,000)	1,150,000,000,000
Bank overdrafts	6.4 – 8.1	274,955,399,374	10,048,318,427,711	(10,322,135,727,085)	1,138,100,000
		<b>2,479,755,399,374</b>	<b>19,291,118,427,711</b>	<b>(20,619,735,727,085)</b>	<b>1,151,138,100,000</b>
<b>Short-term issued bonds (ii)</b>	7.2 – 9.0	<b>800,000,000,000</b>	<b>120,000,000,000</b>		<b>920,000,000,000</b>
<b>Total</b>		<b>3,279,755,399,374</b>	<b>19,411,118,427,711</b>	<b>(20,619,735,727,085)</b>	<b>2,071,138,100,000</b>

(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 30 September 2018.

(ii) According to Board of Directors' Resolution No.13/2017/NQ-HDQT, dated 26 Oct 2017, on 15 December 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.

According to Board of Directors' Resolution No. 10/2018/NQ-HĐQT dated 12 Apr 2018, on 28 September 2018 HSC issued 120 Billion VND corporate bonds with unlisted bond face value 1 Billion VND / bond, interest rate 7.2%/pa, no collateral with 1 year maturity and allowed to buy prior to maturity date.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.12 Trading obligations

	As at	
	30.09.2018 VND	31.12.2017 VND
Payables to investors relating to their advances for securities purchases	194,073,228,933	157,727,861,392
Payables to investors relating their sales of securities	31,683,444,520	-
Payables to Stock Exchanges and VSD	6,137,773,413	12,392,648,623
Trading settlement balances with the Stock Exchanges	-	180,277,721,001
Other payables	35,207,551,188	2,027,755,800
<b>Total</b>	<b>267,101,998,054</b>	<b>352,425,986,816</b>

## 3.13 Tax and other payables to the State budget

	As at	
	30.09.2018 VND	31.12.2017 VND
Corporate income tax - current	32,517,439,010	48,296,385,750
Personal income tax withheld and paid on behalf of investors	3,857,709,462	10,984,227,718
Corporate income tax withheld and paid on behalf of foreign institutions	11,719,480,842	5,728,933,050
Foreign contractor tax	1,042,064,870	1,598,581,784
Personal income tax withheld and paid on behalf of employees	2,540,344,991	13,760,408,957
Value added tax	4,965,599,730	145,728,581
<b>Total</b>	<b>56,642,638,905</b>	<b>80,514,265,840</b>

## 3.14 Short-term accrued expenses

	As at	
	30.09.2018 VND	31.12.2017 VND
Allowance for working performance	33,750,000,000	34,000,000,000
Interest expenses	59,192,662,742	9,747,165,820
Others	10,757,435,324	6,273,584,622
<b>Total</b>	<b>103,700,098,066</b>	<b>50,020,750,442</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.15 Other short-term liabilities

	As at	
	30.09.2018 VND	31.12.2017 VND
Receipts from investors for their subscriptions of shares from issuers	5,080,000	5,510,000
Dividends payable to shareholders	4,986,798,854	82,277,009,573
Dividends paid on behalf	3,341,918,282	2,296,720,302
Other payables	14,948,919,308	7,516,715,221
<b>Total</b>	<b>23,282,716,444</b>	<b>92,095,955,096</b>

## 3.16 Share capital

## (a) Number of shares

	As at	
	30.09.2018 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	(202,590)	(186,390)
Number of existing shares in issue	129,554,168	129,570,368

As at 30 September 2018 and as at 31 December 2017, 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	(16,200)
As at 30 September 2018	129,554,168



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

## 3.17 Undistributed earnings

	As at	
	30.09.2018	31.12.2017
	VND	VND
Undistributed realised profits	1,202,719,777,192	861,985,479,360
Unrealised losses	(25,091,803,708)	(29,672,602,090)
<b>Total</b>	<b><u>1,177,627,973,484</u></b>	<b><u>832,312,877,270</u></b>

## 4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

## 4.1 Bad debts written off

	As at	
	30.09.2018	31.12.2017
	VND	VND
Other receivables	345,059,000	345,059,000
	<u>345,059,000</u>	<u>345,059,000</u>

## 4.2 Foreign currencies

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

	As at	
	30.09.2018	31.12.2017
US Dollar	220.13	13,402.69
Japanese Yen	241,915	240,905
Singapore Dollar	300	300
British Pound	88.38	93.17
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	-
	<u>3,200</u>	<u>3,200</u>

## 4.3 Number of shares in issue

	As at	
	30.09.2018	31.12.2017
<b>Ordinary shares</b>		
Quantity issued within 1 year (share)	-	2,500,000
Quantity issued for 1 year or more (share)	129,554,168	127,070,368
	<u>129,554,168</u>	<u>129,570,368</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 5 NOTES TO THE STATEMENT OF INCOME

## 5.1 Net realised gains on disposals of FVTPL financial assets

	3rd Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Realised gains on disposals of FVTPL financial assets	54,628,342,788	90,918,175,094	747,294,727,894	127,616,195,079
Realised losses on disposals of FVTPL financial assets	(61,040,145,790)	(8,130,129,290)	(571,912,644,537)	(12,665,977,283)
<b>Total</b>	<b><u>(6,411,803,002)</u></b>	<b><u>82,788,045,804</u></b>	<b><u>175,382,083,357</u></b>	<b><u>114,950,217,796</u></b>

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

	3rd Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Gains from revaluation of FVTPL financial assets	9,534,391,493	(13,282,627,360)	(29,813,713,060)	23,178,765,167
Losses from revaluation of FVTPL financial assets	8,024,952,099	(2,607,262,287)	34,394,511,442	870,854,479
<b>Total</b>	<b><u>17,559,343,592</u></b>	<b><u>(15,889,889,647)</u></b>	<b><u>4,580,798,382</u></b>	<b><u>24,049,619,646</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 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) 30.09.2018 VND	Accumulated revaluation gains/(losses) 31.12.2017 VND	Credited/ (charged) to statement of income VND
Listed shares and shares traded on UPCoM	207,967,654,211	207,541,060,657	(426,593,554)	20,152,774,907	(20,579,368,461)
Unlisted and unregistered shares	65,577,640,000	40,290,638,000	(25,287,002,000)	(52,103,095,636)	26,816,093,636
Listed bond	97,701,733,722	97,701,733,722	-	2,084,539,950	(2,084,539,950)
ETF certificates	29,410,610,554	30,032,402,400	621,791,846	193,178,689	428,613,157
<b>Total</b>	<b>400,657,638,487</b>	<b>375,565,834,779</b>	<b>(25,091,803,708)</b>	<b>(29,672,602,090)</b>	<b>4,580,798,382</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 5 NOTES TO THE STATEMENT OF INCOME (continued)

## 5.3 Operating Expenses

	3rd Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Self-trading expenses	28,713,431,181	22,208,863,536	124,841,363,641	48,651,637,080
Brokerage fee expenses	95,416,633,646	60,782,128,997	258,069,404,862	170,197,651,227
Custody fee expenses	2,563,912,428	1,845,082,053	7,655,229,637	4,927,449,732
Consultancy expenses	2,040,000,000	2,003,834,823	6,277,488,998	6,073,636,723
Other operating expenses	264,824,548	407,535,266	743,157,390	5,536,330,430
<b>Total</b>	<b><u>128,998,801,803</u></b>	<b><u>87,247,444,675</u></b>	<b><u>397,586,644,528</u></b>	<b><u>235,386,705,192</u></b>

## 5.4 General and administration expenses

	3rd Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Staff costs	24,945,063,759	14,235,624,461	73,095,993,468	42,476,956,008
Rental expenses	11,412,922,766	6,114,480,061	26,980,739,757	17,114,785,638
Outsourcing expenses	3,423,653,754	3,009,907,425	14,569,912,180	10,631,529,679
Depreciations and amortisations	2,919,326,451	1,583,571,249	7,974,196,867	3,417,814,428
Tax and other fees	160,272,692	55,001,625	600,571,496	171,350,661
Stationery expenses	456,275,413	281,532,906	1,160,759,635	756,901,839
Other expenses	1,048,490,625	935,364,233	3,219,353,269	3,084,850,748
<b>Total</b>	<b><u>44,366,005,460</u></b>	<b><u>26,215,481,960</u></b>	<b><u>127,601,526,672</u></b>	<b><u>77,654,189,001</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 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 Director, cum the member of the Board Directors 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 Head of Investment Department at HFIC
Board of Directors and Board of Management	Key management

**(a) Related party transactions in Q3/2018**

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Consultancy expenses	2,040,000,000
Compensation of key management	Gross salaries and other benefits in Q3/2018	8,698,681,897

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 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	6,120,000,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Deposits for securities trading	24,998,044

**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 30 SEPTEMBER 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 nine-month period ended 30 September 2018					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	626,048,785,181	797,684,427,140	407,873,878,511	114,308,751,715	3,957,899,641	1,949,873,742,188
Expenses	(568,768,280,243)	(520,945,328,903)	(69,713,400,502)	(36,318,657,294)	(743,157,390)	(1,196,488,824,332)
Profits before tax	<u>57,280,504,938</u>	<u>276,739,098,237</u>	<u>338,160,478,009</u>	<u>77,990,094,421</u>	<u>3,214,742,251</u>	<u>753,384,917,856</u>

	For the nine-month period ended 30 September 2017					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	332,576,758,964	193,908,675,271	309,989,165,217	30,585,101,199	3,148,781,068	870,208,481,719
Expenses	(223,822,119,795)	(17,536,355,295)	(158,986,310,543)	(9,067,662,611)	(2,683,105,389)	(412,095,553,633)
Profits before tax	<u>108,754,639,169</u>	<u>176,372,319,976</u>	<u>151,002,854,674</u>	<u>21,517,438,588</u>	<u>465,675,679</u>	<u>458,112,928,086</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 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 30 September 2018							
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated VND	Total VND
Assets	415,206,901,370	391,202,593,188	4,798,989,997,056	2,120,182,276	17,869,999,209	15,158,301,313	5,640,547,974,412
Liabilities	(274,949,346,260)	-	(2,130,330,762,742)	-	(6,120,000,000)	(163,027,479,441)	(2,574,427,588,443)
Net assets	<u>140,257,555,110</u>	<u>391,202,593,188</u>	<u>2,668,659,234,314</u>	<u>2,120,182,276</u>	<u>11,749,999,209</u>	<u>(147,869,178,128)</u>	<u>3,066,120,385,969</u>
As at 31 December 2017							
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated VND	Total VND
Assets	914,328,964,773	1,259,885,805,297	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>476,237,610,588</u>	<u>1,244,843,111,031</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 30 SEPTEMBER 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	3rd Quarter 2017			Year to date 2017		
		Previously reported VND	Restatement/ reclassification VND	Restated VND	Previously reported VND	Restatement/ reclassification VND	Restated VND
	<b>OPERATING INCOME</b>						
08	Investment consultancy service income	7,276,958,855	(7,276,958,855)	-	30,585,101,199	(30,585,101,199)	-
10	Financial consultancy service income	-	7,276,958,855	7,276,958,855	-	30,585,101,199	30,585,101,199

## Statement of cash flows

Item No. 30 was renamed from "Profits before changes in working capital" to "Changes in working capital".

Code	ITEMS	As at 30 September 2017		
		Previously reported VND	Restatement/ reclassification VND	Restated VND
	<b>Cash flows from operating activities</b>			
06	Interest expense	-	87,259,536,636	87,259,536,636
07	Profits from investing activities	-	(278,036,363)	(278,036,363)
30	Changes in working capital	(866,276,672,425)	(73,287,340,273)	(939,564,012,698)
39	Increase in other receivables	(4,028,732,468)	(934,677,571)	(4,963,410,039)
41	(Decrease)/increase in accrued expenses	5,251,739,173	(793,945,584)	4,457,793,589
44	Interest paid	-	(86,465,591,052)	(86,465,591,052)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

## 8 COMPARATIVE FIGURES (continued)

## Statement of cash flows (continued)

Code	ITEMS	As at 30 September 2017		
		Previously reported VND	Restatement/ reclassification VND	Restated VND
	<b>Cash flows from operating activities</b>			
45	(Decrease)/increase in trade payables	371,479,573,651	(371,034,158,306)	445,415,345
47	((Decrease)/increase in tax and other payables to the State Budget (excluding corporate income tax paid)	238,150,463	(27,803,637)	210,346,826
50	(Decrease)/increase in other short-term payables	(6,402,900,704)	385,365,867,760	378,962,967,056
52	Other payments for operating activities	(29,534,303,875)	602,968,117	(28,931,335,758)
60	Net cash inflows from operating activities	(434,486,400,168)	13,694,160,000	(420,792,240,168)
	<b>Cash flows from investing activities</b>			
62	Proceeds from disposals of fixed assets	-	305,840,000	305,840,000
70	Net cash outflows for investing activities	(30,549,736,586)	305,840,000	(30,243,896,586)
	<b>Cash flows from financing activities</b>			
71	Proceeds from issuance of shares	45,000,000,000	(14,000,000,000)	31,000,000,000
80	Net cash flows for financing activities	433,249,324,145	(14,000,000,000)	419,249,324,145

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

19 October 2018

Chief Executive Officer




Johan Nyvene