

FINANCIAL STATEMENTS

QUARTER 01/2020

**HO CHI MINH CITY SECURITIES
CORPORATION**



STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			31.03.2020 VND	31.12.2019 VND
	ASSETS			
100	CURRENT ASSETS		6,079,009,819,923	7,295,764,151,145
110	Financial assets		6,040,055,975,098	7,275,687,206,277
111	Cash and cash equivalents	3.1	1,087,980,480,154	906,543,226,372
111.1	Cash		1,087,980,480,154	906,543,226,372
	Financial assets at fair value through profit or loss			
112	(FVTPL)	3.2	974,648,415,706	1,286,632,864,648
114	Loans	3.3	3,553,806,235,810	4,696,713,331,994
118	Prepayments to suppliers		5,686,314,826	6,445,066,994
119	Service related receivable	3.4	349,079,620,937	318,126,523,551
122	Other receivables	3.4	108,438,699,813	100,809,984,866
129	Provision for doubtful debts	3.5	(39,583,792,148)	(39,583,792,148)
130	Other current assets		38,953,844,825	20,076,944,868
131	Advances		507,221,904	251,315,707
133	Short-term prepaid expenses		14,238,565,471	8,464,775,711
	Pledged assets, mortgages, security deposits in			
134	short term		3,797,282,500	3,797,282,500
137	Other current assets		20,410,774,950	7,563,570,950
137.1	Deposits for derivatives trading activities		20,410,774,950	7,563,570,950
200	NON-CURRENT ASSETS		184,678,596,378	192,914,478,203
220	Fixed assets		36,556,356,150	41,889,429,828
221	Tangible fixed assets	3.6	21,888,468,415	24,220,165,536
222	Historical cost		87,922,747,369	86,288,797,369
223a	Accumulated depreciation		(66,034,278,954)	(62,068,631,833)
227	Intangible fixed assets	3.6	14,667,887,735	17,669,264,292
228	Historical cost		69,590,128,018	69,590,128,018
229a	Accumulated amortisation		(54,922,240,283)	(51,920,863,726)
240	Construction in progress	3.6	10,556,894,159	13,597,128,282
250	Other non-current assets		137,565,346,069	137,427,920,093
	Pledged assets, mortgages, security deposits in			
251	long term		6,192,051,327	6,192,051,327
252	Long-term prepaid expenses	3.7	101,092,910,758	100,955,484,782
253	Deferred income tax assets		280,383,984	280,383,984
254	Deposits in the Settlement Supporting Fund	3.8	20,000,000,000	20,000,000,000
255	Other long-term assets	3.9	10,000,000,000	10,000,000,000
	Deposits in the Derivatives trading clearing			
255.1	fund		10,000,000,000	10,000,000,000
270	TOTAL ASSETS		6,263,688,416,301	7,488,678,629,348

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			31.03.2020 VND	31.12.2019 VND
300	LIABILITIES		1,860,811,753,850	3.184.535.590.209
310	Current liabilities		1,860,811,753,850	3.184.535.590.209
311	Short-term borrowings and finance lease liabilities		1,407,713,087,780	2.393.727.235.255
312	Short-term borrowings	3.10	1,407,713,087,780	2.393.727.235.255
318	Trading obligations	3.11	348,666,349,720	487.804.747.433
320	Short-term trade accounts payable		761,343,503	1.046.316.763
322	Tax and other payables to the State Budget	3.12	50,603,891,497	37.937.342.045
324	Employee welfare payables		4,394,653,400	3.851.740.871
325	Short-term accrued expenses	3.13	24,006,671,955	56.698.330.262
329	Other short-term liabilities	3.14	15,351,992,405	184.843.206.969
331	Bonus and welfare funds		9,313,763,590	18.626.670.611
400	OWNERS' EQUITY		4,402,876,662,451	4.304.143.039.139
410	Capital and reserves	3.15	4,402,876,662,451	4.304.143.039.139
411	Owners' capital		3,409,607,836,992	3.411.931.836.992
411.1	Share capital		3,058,822,630,000	3.058.822.630.000
411.1a	Ordinary shares		3,058,822,630,000	3.058.822.630.000
411.2	Share premium		358,946,064,000	358.946.064.000
411.5	Treasury shares		(8,160,857,008)	(5.836.857.008)
414	Supplementary capital reserve		151,385,003,919	151.385.003.919
415	Financial and operational risk reserve		151,385,003,919	151.385.003.919
416	Other equity funds		3,961,374,994	3.961.374.994
417	Undistributed earnings	3.16	686,537,442,627	585.479.819.315
417.1	Realised post-tax profits		701,437,356,519	633.772.960.412
417.2	Unrealised losses		(14,899,913,892)	(48.293.141.097)
440	TOTAL RESOURCES		6,263,688,416,301	7,488,678,629,348

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31.03.2020	31.12.2019
A	ASSETS OF THE COMPANY AND ASSETS UNDER ENTRUSTMENT			
			<i>Amount (VND)</i>	
004	Bad debts written off	4.1	345,059,000	345,059,000
			<i>Original currency</i>	
005	Foreign currencies	4.2		
	United States Dollar		2,253,85	1,899,62
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	844
	British Pound		4,592,18	1,594,70
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			<i>Quantity</i>	
006	Number of shares in issue (shares)	4.3	305,350,173	305,516,173
007	Number of treasury shares (shares)		532,090	366,090
			<i>Par value (VND)</i>	
008	Securities listed/registered at Vietnam Securities Depository ("VSD")		579,420,011,000	146,128,706,000
009	Securities in custody of VSD and not yet traded		11,150,080,000	506,139,500,000
010	Securities purchased and awaiting settlement		29,764,459,000	4,570,802,000
012	Securities not in custody of VSD		319,557,260,000	391,374,560,000
			<i>Quantity</i>	
014	Covered warrants authorised but not yet issued	4.4	30,791,990	60,105,000
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			<i>Par value (VND)</i>	
021	Securities listed/registered at VSD		22,495,601,503,805	21,830,141,746,300
021.1	Freely traded securities		19,192,142,207,800	18,732,929,161,200
021.2	Restricted securities		149,441,740,000	129,406,140,000
021.3	Pledged securities		2,321,347,180,000	2,371,412,250,000
021.4	Suspended securities		268,676,880,000	268,676,880,000
021.5	Securities awaiting settlement		428,121,782,000	203,396,899,000
021.7	Customers' deposits for derivatives trading tur		135,871,714,005	124,320,416,100

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

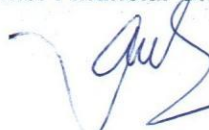
Code	ITEMS	Note	As at	
			31.03.2020 VND	31.12.2019 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
			<i>Par value (VND)</i>	
022	Securities in custody of VSD and not yet traded		45,179,950,000	18,424,050,000
022.1	Securities in custody of VSD and not yet traded – freely traded securities		36,400,250,000	11,232,460,000
022.2	Securities in custody of VSD and not yet traded – suspended securities		8,779,700,000	7,191,590,000
023	Securities purchased and awaiting settlement		534,566,840,000	212,253,750,000
024b	Securities not in custody of VSD of investors		5,500,000,000	5,500,000,000
026	Customers' deposits		1,456,792,124,041	865,759,134,335
027	Customers' deposits for securities trading		1,320,920,410,036	741,438,718,235
027.1	Customers' deposits at VSD		135,871,714,005	124,320,416,100
031	Payables to customers relating to their deposits at the Company for securities trading		1,320,920,410,036	741,438,718,235
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading		1,302,361,728,959	733,323,220,892
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading		18,558,681,077	8,115,497,343
032	Payables to customers relating to their deposits for buying Certificates		120,800,000,000	-

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2020

Chief Executive Officer



Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

Form B02a – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	1st Quarter		Year to date	
			2020 VND	2019 VND	2020 VND	2019 VND
	OPERATING INCOME					
01	Income from FVTPL financial assets		219,496,506,173	75,136,810,399	219,496,506,173	75,136,810,399
01.1	Realised gains on disposal of FVTPL financial assets	5.1	162,235,082,119	58,865,863,249	162,235,082,119	58,865,863,249
01.2	Decrease in revaluation gains of FVTPL financial assets	5.2a	(1,327,714,975)	(3,237,743,575)	(1,327,714,975)	(3,237,743,575)
01.3	Dividends and interest income from FVTPL financial assets		39,479,531,506	19,508,690,725	39,479,531,506	19,508,690,725
01.4	Decrease in revaluation losses of covered warrants		19,109,607,523	-	19,109,607,523	-
03	Interest income from loans and receivables		116,325,089,496	102,623,789,233	116,325,089,496	102,623,789,233
06	Brokerage fee income		107,281,636,973	111,166,020,823	107,281,636,973	111,166,020,823
09	Custody service income		1,899,018,646	1,934,766,362	1,899,018,646	1,934,766,362
10	Financial consultancy service income		1,386,543,311	1,955,673,890	1,386,543,311	1,955,673,890
11	Other operating income		454,896,239	532,963,962	454,896,239	532,963,962
20	TOTAL OPERATING INCOME		446,843,690,838	293,350,024,669	446,843,690,838	293,350,024,669
	OPERATING EXPENSES					
21	Losses from FVTPL financial assets		143,551,208,324	26,393,006,981	143,551,208,324	26,393,006,981
21.1	Realised losses on disposal of FVTPL financial assets	5.1	159,162,542,981	44,045,566,259	159,162,542,981	44,045,566,259
21.2	Decrease in revaluation losses of FVTPL financial assets	5.2a	(15,611,334,657)	(17,652,559,278)	(15,611,334,657)	(17,652,559,278)
24	Provisions for financial assets, losses on bad debts, impairment losses of financial assets and interest expenses associated with loans		34,106,150,753	26,654,988,751	34,106,150,753	26,654,988,751
26	Proprietary trading activities		21,602,917,800	17,392,529,159	21,602,917,800	17,392,529,159
27	Brokerage fee expenses		70,093,116,301	73,310,255,212	70,093,116,301	73,310,255,212
30	Custody service expenses		1,977,295,647	2,328,342,536	1,977,295,647	2,328,342,536
31	Financial consultancy service expenses		3,159,907,723	2,928,759,169	3,159,907,723	2,928,759,169
32	Other operating expenses		67,890,409	110,438,338	67,890,409	110,438,338
40	TOTAL OPERATING EXPENSES		274,558,486,957	149,118,320,146	274,558,486,957	149,118,320,146

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

Form B02a – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	1st Quarter		Year to date	
			2020 VND	2019 VND	2020 VND	2019 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		1,294,042,725	1,201,331,157	1,294,042,725	1,201,331,157
50	TOTAL FINANCIAL INCOME		1,294,042,725	1,201,331,157	1,294,042,725	1,201,331,157
62	GENERAL AND ADMINISTRATIVE EXPENSES	5.3	47,483,771,823	43,201,052,365	47,483,771,823	43,201,052,365
70	OPERATING RESULT		126,095,474,783	102,231,983,315	126,095,474,783	102,231,983,315
	OTHER INCOME AND EXPENSES					
71	Other income		12,090,909	-	12,090,909	-
80	NET OTHER INCOME		12,090,909	-	12,090,909	-
90	NET ACCOUNTING PROFIT BEFORE TAX		126,107,565,692	102,231,983,315	126,107,565,692	102,231,983,315
91	Realised profit		92,714,338,487	87,817,167,612	92,714,338,487	87,817,167,612
92	Unrealised profit/(loss)		33,393,227,205	14,414,815,703	33,393,227,205	14,414,815,703

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

Form B02a – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	1st Quarter		Year to date	
			2020 VND	2019 VND	2020 VND	2019 VND
100	BUSINESS INCOME TAX ("BIT")		25,128,792,380	20,266,089,660	25,128,792,380	20,266,089,660
100.1	BIT – current		25,128,792,380	20,266,089,660	25,128,792,380	20,266,089,660
100.2	BIT – deferred		-	-	-	-
200	NET PROFIT AFTER TAX		100,978,773,312	81,965,893,655	100,978,773,312	81,965,893,655

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2020

Chief Executive Officer



Trinh Hoai Giang

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Year to date	
		2020 VND	2019 VND
	Cash flows from operating activities		
01	Net profit before tax	126,107,565,692	102,231,983,315
02	Adjustments for:	(24,812,381,476)	11,300,461,366
03	Depreciation and amortisation	9,518,549,928	5,734,546,786
06	Interest expenses	34,295,014,271	26,654,988,751
07	Profits from investing activities	(12,090,909)	(1,201,331,157)
08	Accrued interest income	(68,613,854,766)	(19,887,743,014)
10	Changes in non-cash expenses		
11	Decrease in revaluation losses of FVTPL financial assets	(15,611,334,657)	(17,652,559,278)
18	Changes in non-cash income	(17,781,892,548)	3,237,743,575
19	Decrease in revaluation gains of FVTPL financial assets	1,327,714,975	3,237,743,575
20	Decrease in revalued amount of covered warrants liabilities	(19,109,607,523)	-
30	Changes in working capital	1,253,586,530,123	(554,013,470,177)
31	Decrease in FVTPL financial assets	326,268,068,624	317,144,327,714
33	Decrease/(increase) e in loans	1,142,907,096,184	(511,543,640,737)
37	Increase in service-related receivables	(30,953,097,386)	(380,119,458,108)
39	Decrease in other receivables	60,729,233,622	13,985,467,345
41	Decrease in accrued expenses (excluding interest expenses)	(40,281,899,819)	(64,053,081,425)
42	Increase in prepaid expenses	(5,911,215,736)	(3,420,490,072)
43	BIT paid	(23,826,556,430)	(16,684,859,800)
44	Interest paid	(36,889,179,780)	(21,836,647,609)
45	Increase/(decrease) in trade payables	473,778,908	(1,927,705,935)
46	Increase in employee welfare payables	542,912,529	647,854,595
47	Increase in tax and other payables to the State (excluding BIT paid)	11,643,488,395	17,219,714,644
50	Decrease in other short-term payables	(166,368,530,800)	(8,985,898,839)
50.1	Increase in covered warrants payable	28,099,635,812	-

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2020 VND	2019 VND
51	Other receipts from operating activities	-	105,560,948,050
52	Other payments for operating activities	(12,847,204,000)	-
60	Net cash inflows from/(outflows for) operating activities	1,321,488,487,134	(454,895,841,199)
	Cash flows from investing activities		
61	Cash paid for purchases of fixed assets	(1,145,242,127)	(2,434,666,052)
62	Proceeds from disposals of fixed assets	13,300,000	-
70	Net cash outflows for investing activities	(1,131,942,127)	(2,434,666,052)
	Cash flows from financing activities		
72	Payments for share repurchases	(1,452,500,000)	-
73	Proceeds from borrowings	4,207,601,667,504	4,821,135,462,197
74.3	Repayments of principals of borrowings	(5,193,615,814,979)	(4,402,403,557,450)
76	Payment of dividend	(151,452,643,750)	-
80	Net cash (outflows for)/inflows from financing activities	(1,138,919,291,225)	418,731,904,747
90	Net increase/(decrease) in cash and cash equivalents	181,437,253,782	(38,598,602,504)
101	Cash and cash equivalents at beginning of year	906,543,226,372	117,332,185,998
101.1	Cash	906,543,226,372	117,332,185,998
103	Cash and cash equivalents at end of year	1,087,980,480,154	78,733,583,494
103.1	Cash	1,087,980,480,154	78,733,583,494

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

Form B03(b)a – CTCK

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND ENTRUSTMENT ACTIVITIES

Code	ITEMS	Year to date	
		2020 VND	2019 VND
	Cash flows of brokerage and entrustment activities		
01	Brokerage trading proceeds	15,813,324,654,766	15,359,016,601,850
02	Brokerage trading payments	(16,481,923,233,091)	(16,158,577,748,500)
07	Receipts for settlement of customers' transactions	1,370,779,288,772	848,972,154,905
08	Payments for customers' securities transactions	-	-
11	Payments for custody fees of customers	(1,899,018,646)	(1,934,766,362)
20	increase in customers' deposits	700,281,691,801	47,476,241,893
30	Customers' deposits at beginning of year	741,438,718,235	1,022,966,855,215
31	Cash at bank	741,438,718,235	1,022,966,855,215
32	<i>Customers' deposits for securities trading under monitoring of the Company</i>	741,438,718,235	1,022,966,855,215
40	Customers' deposits at end of year	1,441,720,410,036	1,070,443,097,108
41	Cash at bank	1,441,720,410,036	1,070,443,097,108
42	<i>Customers' deposits for securities trading under monitoring of the Company</i>	1,441,720,410,036	1,070,443,097,108

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2020

Chief Executive Officer



Trịnh Hoài Giang

STATEMENT OF CHANGES IN EQUITY

Items	As at		For the period ended 31 March 2019		For the period ended 31 March 2020		As at	
	1.1.2019 VND	1.1.2020 VND	Increase VND	Decrease VND	Increase VND	Decrease VND	31.03.2019 VND	31.03.2020 VND
1. Owners' capital	1,625,017,521,491	3,411,931,836,992	-	-	(2,324,000,000)	-	1,625,017,521,491	3,409,607,836,992
1.1 Ordinary shares with voting rights	1,297,567,580,000	3,058,822,630,000	-	-	-	-	1,297,567,580,000	3,058,822,630,000
1.2 Share premium	330,343,798,499	358,946,064,000	-	-	-	-	330,343,798,499	358,946,064,000
1.3 Treasury shares	(2,893,857,008)	(5,836,857,008)	-	-	(2,324,000,000)	-	(2,893,857,008)	(8,160,857,008)
2. Supplementary capital reserve	129,756,758,000	151,385,003,919	-	-	-	-	129,756,758,000	151,385,003,919
3. Financial risk and operation reserve lệ	129,756,758,000	151,385,003,919	-	-	-	-	129,756,758,000	151,385,003,919
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
6. Undistributed earnings	1,172,043,750,012	585,479,819,315	81,965,893,655	40,132,202,316	100,978,773,312	(78,850,000)	1,213,877,441,351	686,537,442,627
6.1 Realised profit after tax	1,223,955,850,562	633,772,960,412	67,551,077,952	40,132,202,316	67,585,546,107	(78,850,000)	1,251,374,726,198	701,437,356,519
6.2 Unrealised (losses)/gains after tax	(51,912,100,550)	(48,293,141,097)	14,414,815,703	-	33,393,227,205	-	(37,497,284,847)	(14,899,913,892)
Total	3,060,536,162,497	4,304,143,039,139	81,965,893,655	40,132,202,316	98,654,773,312	(78,850,000)	3,102,369,853,836	4,402,876,662,451

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2020
Chief Executive Officer

Trinh Hoai Giang

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

1 GENERAL INFORMATION***Establishment and listing***

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-GPHĐKD 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. 13/GPĐC-UBCK was issued on 16 March 2020.

Headquarter and contact information

The Company is headquartered at 5th – 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

Company charter

The Company's Charter was latest updated on 25 June 2019.

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 VND 3,058,822,630,000.

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 2020, the Company had 7 branches and representative offices in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

1 GENERAL INFORMATION (continued)

The corporation's operational features during the Q1/2020 affected the financial statements

The profit after tax for Q1/2020 was higher 23% than the same period of last year because of the following reasons:

The revenue for Q1/2020 increased by 15% compared to Q1/2019 (excluded from effect on revenue and expense of proprietary trading activities as mentioned below):

- Revenue of proprietary trading activities was the difference between the profit from financial assets at fair value through profit and loss (FVTPL) in section 01 and the loss from FVTPL in section 21 of the Income Statement (included in profit from selling securities, dividend, and the result of revaluation of financial assets at the end of Quarter) increased by 56% compared to Q1/2019 because of bond yields from investment in corporate bonds in 2020;
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for Q1/2020 raised 13% because margin lending balance increased by 37% compared to Q1/2019;

The operating expenses and the administrative expenses for Q1/2020 increased 8% compared to the same period of last year:

- The operating expenses (excluded from affect mentioned in code 2.1) in Q1/2020 was higher 7% than Q1/2019 which corresponded with revenue of the Company;
- The administrative expenses for Q1/2020 were 10% higher than Q1/2019 because of increasing the employees 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 2020 TO 31 MARCH 2020

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 2020 to 31 March 2020.

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 2020 TO 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets****(a) Classification and measurement****(i) Financial assets measured 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 by the Board of Management 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 short term; or
- At initial 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 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 mismatch”) 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, Board of Management and major shareholders.

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

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is indeterminable). Those shares, including derivatives to be settled in shares, that not traded on active market or those whose fair value is not reliably determined are accounted at cost.

All gains or losses from change in fair value of FVTPL financial assets are recognised in profit or loss of the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)****(ii) Held-to-maturity financial assets ("HTM")**

HTM financial assets are non-derivative financial assets with the followings characteristics:

- Payments are fixed or determinable;
- Maturity is fixed;
- The Company has positive intention and ability to hold to maturity.

The following assets are excluded from HTM financial assets:

- Non-derivatives classified as FVTPL financial assets at initial recognition;
- Non-derivatives classified as available-for-sale ("AFS") financial assets; and
- Non-derivatives qualifying conditions to be classified as loans and receivables.

HTM financial assets are initially recorded at cost inclusive of directly attributable purchase costs, subsequently measured at amortised cost using effective interest method ("EIR").

Effective interest method is a method used in calculating the amortised cost of an HTM financial asset or a group of HTM financial assets and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the financial instrument's expected life, or a shorter period where appropriate, to the net present value of a financial asset or a financial liability.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification and measurement (continued)****(ii) Held-to-maturity financial assets ("HTM") (continued)**

As at reporting date, HTM investments are provided for impairment loss when there is any objective evidence of impairment or uncollectibility as a result of one or more events that occurred subsequent to the initial recognition and affected estimated future cash flows of HTM investments. Objective evidence of impairment may include:

- Significant financial difficulty of the issuer or the obligor;
- A breach of contract, such as default or delinquency in interest or principal payments;
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - (i) Adverse changes in the payment status of borrowers in the group; or
 - (ii) National or local economic conditions that correlate with defaults on the assets in the group.

Provision for impairment of HTM financial assets is determined at the difference of the estimated recoverable amount and the carrying value of HTM financial assets at the reporting date. Provision/(reversal of provision) for such impairment is debited/credited to expenses in profit or loss of the statement of comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**a. Financial assets (continued)****(a) Classification and measurement (continued)****(iii) Loans**

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

In the reporting year, the Company had the following types of loans:

- **Margin loans:** the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/QD-UBCK issued by the State Securities Commission on 25 January 2017. According to this regulation, the initial margin (ratio of net equity to market value of security to be purchased on margin as at trading date) is set by the Company but shall be not lower than 50%. The margin loans are collateralised by securities eligible for margin lending
- **Trading advances:** the amounts advanced to customers at the trading date. These amounts are repaid within two (2) trading days.

Loans are initially recorded at cost and subsequently measured at amortised cost using the EIR method.

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

As at reporting date, loans are provided for impairment loss when there is any objective evidence of impairment. Provision for impairment of loans is determined at the difference of market value of collateral and the carrying value of loans at the reporting date. Provision/(reversal of provision) for such impairment is debited/credited to expenses in profit or loss of the statement of comprehensive income.

(iv) Available-for-sale financial assets (AFS)

AFS financial assets are non-derivative financial assets that are not classified as FVTPL, HTM, loans nor receivables.

AFS financial assets are initially recorded at cost inclusive of directly attributable purchase cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

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

At the 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 for directly in equity (other comprehensive income) through the statement of changes in equity, exclusive of impairment losses. Such recognition is applied until the asset is de-recognised.

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

As at reporting date, AFS financial assets are provided for impairment loss when there is any objective evidence of impairment.

Objective evidence of impairment for debt instruments may include those identified as for HTM financial instruments.

Objective evidence of impairment for equity instruments may include:

- Significant changes which adversely affect the issuer's operations as a result of their impacts on the technological, market, economic or legal environment, and indicates that the cost of the equity instrument may not be recovered;
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Provision for impairment is determined at the difference of the estimated recoverable amount and the carrying value of AFS financial assets at the reporting date.

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 to profit or loss of the statement of comprehensive income despite that asset is yet derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(b) Reclassification***(i) Reclassification of non-FVTPL financial assets upon disposal*

Non-FVTPL financial assets are reclassified to FVTPL financial assets before disposal. Accumulated revaluation of AFS financial assets in equity will be recorded on the statement of comprehensive income as a reclassification.

(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 the assets 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(e) Determination of market value/fair value**

The Company follows the prevailing regulations in determining the market value/fair value, in particular:

- (i) *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.

- (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.

- (i) *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.

- (iii) *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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(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 48/2019/TT-BTC issued by Ministry of Finance on 8 August 2019 ("Circular 48/2019/TT-BTC"). Accordingly, the provision rates for overdue receivables are as follows:

	Provision rate
Overdue period	
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 2020 TO 31 MARCH 2020

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 48/2019/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 2020 TO 31 MARCH 2020

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 2020 TO 31 MARCH 2020

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 2020 TO 31 MARCH 2020

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 2020 TO 31 MARCH 2020

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 2020 TO 31 MARCH 2020

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 2020 TO 31 MARCH 2020

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	
	31.03.2020	31.12.2019
	VND	VND
Cash on hand	308,356,524	282,536,566
Cash at bank	1,017,172,123,630	837,260,689,806
Security deposit for covered warrants issued (i)	70,500,000,000	69,000,000,000
Total	<u>1,087,980,480,154</u>	<u>906,543,226,372</u>

(i) This represents security deposit at custodian banks in relation to covered warrants issued by the Company

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

	As at 31.03.2020		As at 31.12.2019	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Securities listed and securities traded on UPCoM	66,269,408,372	45,286,423,287	360,948,994,027	321,227,493,648
Technology and Commercial Joint Stock Bank (TCB)	4,089,610,254	3,930,180,000	17,845,690,449	17,462,136,600
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	4,044,579,434	3,576,585,600	21,988,881,980	20,336,680,000
Mobile World Investment Corporation (MWG)	2,495,487,307	2,205,392,700	67,247,958,612	63,776,388,000
Military Commercial Joint - Stock Bank (MBB)	2,366,945,164	2,235,777,100	170,048,570,935	154,448,944,000
Others	53,272,786,213	33,338,487,887	83,817,892,051	65,203,345,048
Underlying assets designated as hedges for covered warrants	16,198,161,808	12,780,930,400	74,115,366,734	73,306,695,400
Vietnam Prosperity Joint-Stock Commercial Bank (VPB)	10,951,230,353	7,986,331,500	-	-
Others	5,246,931,455	4,794,598,900	74,115,366,734	73,306,695,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

	As at 31.03.2020		As at 31.12.2019	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Unlisted and unregistered securities	14,749,000,000	573,498,000	19,009,000,000	4,833,498,000
Can Tho Import - Export Seafood Joint Stock Company	4,900,000,000	239,414,000	4,900,000,000	239,414,000
Saigon Post and Telecommunications Service Corporation	4,406,400,000	220,084,000	4,406,400,000	220,084,000
Others	5,442,600,000	114,000,000	9,702,600,000	4,374,000,000
Bond	754,110,013,447	754,110,013,447	887,113,740,000	887,113,740,000
Corporate Bonds - BID11908	437,283,156,811	437,283,156,811	499,989,500,000	499,989,500,000
Corporate Bonds - BVJC201901	315,826,856,636	315,826,856,636	386,124,240,000	386,124,240,000
Vietnam Bank for Social Policies	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
ETF certificates	58,274,644,309	56,467,857,600	149,232,571	151,437,600
VFMVN30 ETF	58,274,644,309	56,467,857,600	149,232,571	151,437,600
Diamond certificates	105,429,692,972	105,429,692,972	-	-
Diamond certificates	105,429,692,972	105,429,692,972	-	-
Total	<u>1,015,030,920,908</u>	<u>974,648,415,706</u>	<u>1,341,336,333,332</u>	<u>1,286,632,864,648</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

As at 31 March 2020

	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	66,269,408,372	19,412,437	(21,002,397,522)	45,286,423,287
Underlying assets designated as hedges for covered warrants	16,198,161,808	-	(3,417,231,408)	12,780,930,400
Unlisted and unregistered shares	14,749,000,000	-	(14,175,502,000)	573,498,000
Bond	754,110,013,447	-	-	754,110,013,447
Certificates	163,704,337,281	-	(1,806,786,709)	161,897,550,572
Total	1,015,030,920,908	19,412,437	(40,401,917,639)	974,648,415,706

As at 31 December 2019

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	fair value VND	
Listed shares and shares traded on UPCoM	360,948,994,027	727,671,953	(40,449,172,332)	321,227,493,648
Underlying assets designated as hedges for covered warrants	74,115,366,734	579,246,630	(1,387,917,964)	73,306,695,400
Unlisted and unregistered shares	19,009,000,000	-	(14,175,502,000)	4,833,498,000
Bond	887,113,740,000	-	-	887,113,740,000
Certificates	149,232,571	2,205,029	-	151,437,600
Total	1,341,336,333,332	1,309,123,612	(56,012,592,296)	1,286,632,864,648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

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

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

		As at	
		31.03.2020	31.12.2019
		VND	VND
Margin loans	(i)	3,523,034,270,475	4,680,997,147,954
Trading advances	(ii)	30,771,965,335	15,716,184,040
Total		3,553,806,235,810	4,696,713,331,994

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.4 Receivables

		As at	
		31.03.2020	31.12.2019
		VND	VND
Receivables from services provided by the Company			
Receivable from securities purchasing	(i)	346,874,086,986	313,839,645,938
Consultancy service fees receivable		1,226,650,000	1,292,650,000
Other receivables from trading activities		978,883,951	2,994,227,613
Total		<u>349,079,620,937</u>	<u>318,126,523,551</u>
Other receivables			
Overdue margin loans	(ii)	37,783,317,946	37,783,317,946
Bank interest receivables		68,613,854,766	60,424,834,705
Others		2,041,527,101	2,601,832,215
Total		<u>108,438,699,813</u>	<u>100,809,984,866</u>

- (i) The receivable as from securities trading as at 31 March 2020 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 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 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
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 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Fixed assets

(a) *Tangible fixed assets*

	Transportation vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 01.01.2020	4,009,883,640	82,278,913,729	86,288,797,369
New purchases	-	4,185,476,250	4,185,476,250
Disposals	-	(2,551,526,250)	(2,551,526,250)
As at 31.03.2020	<u>4,009,883,640</u>	<u>83,912,863,729</u>	<u>87,922,747,369</u>
Accumulated depreciation			
As at 01.01.2020	2,977,607,065	59,091,024,768	62,068,631,833
Charge for the period	83,707,500	6,433,465,871	6,517,173,371
Disposals	-	(2,551,526,250)	(2,551,526,250)
As at 31.03.2020	<u>3,061,314,565</u>	<u>62,972,964,389</u>	<u>66,034,278,954</u>
Net book value			
As at 01.01.2020	<u>1,032,276,575</u>	<u>23,187,888,961</u>	<u>24,220,165,536</u>
As at 31.03.2020	<u>948,569,075</u>	<u>20,939,899,340</u>	<u>21,888,468,415</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.6 Fixed assets (continued)

(b) *Intangible fixed assets*

	Computer software VND
Historical cost	
As at 01.01.2020	69,590,128,018
New purchases	-
As at 31.03.2020	<u>69,590,128,018</u>
Accumulated depreciation	
As at 01.01.2020	51,920,863,726
Charge for the period	3,001,376,557
As at 31.03.2020	<u>54,922,240,283</u>
Net book value	
As at 01.01.2020	<u>17,669,264,292</u>
As at 31.03.2020	<u>14,667,887,735</u>

(c) *Construction in progress*

Construction in progress comprises the following:

	As at	
	31.03.2020 VND	31.12.2019 VND
Purchases of trading software	10,556,894,159	13,597,128,282

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.7 Long-term prepaid expenses**

	As at	
	31.03.2020 VND	31.12.2019 VND
Office rental	86,162,540,943	86,870,726,211
Office renovation	9,121,941,374	6,674,971,837
Consulting fee	4,072,597,591	5,090,746,989
IT costs	1,735,830,850	2,319,039,745
Total	101,092,910,758	100,955,484,782

3.8 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 31 March 2020 and as at 31 December 2019, the Company fully contributed the maximum amount.

3.9 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 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.10 Short-term borrowings**

The movements of short-term 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	4,8 – 7,8	2,378,975,000,000	1,535,900,000,000	(2,511,900,000,000)	1,402,975,000,000
Bank overdrafts	6,6 – 7,5	14,752,235,255	2,671,701,667,504	(2,681,715,814,979)	4,738,087,780
Total		2,393,727,235,255	4,207,601,667,504	(5,193,615,814,979)	1,407,713,087,780

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

The Company had no borrowings from related parties as at 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.11 Trading obligations**

	As at	
	31.03.2020	31.12.2019
	VND	VND
Advances from investors for securities purchases	208,659,841,447	455,507,692,520
Trading settlement balances with the Stock Exchanges	126,110,246,339	7,714,529,000
Payables to Stock Exchanges and VSD	9,275,316,197	6,478,153,144
Covered warrant payables	2,617,044,502	14,266,498,303
Others	2,003,901,235	3,837,874,466
Total	348,666,349,720	487,804,747,433

3.12 Tax and other payables to the State budget

	As at	
	31.03.2020	31.12.2019
	VND	VND
Business income tax – current	25,128,792,380	23,826,556,430
Personal income tax withheld and paid on behalf of employees	11,458,397,179	2,254,066,042
Personal income tax withheld and paid on behalf of investors	8,589,965,576	7,674,988,622
Corporate income tax withheld and paid on behalf of foreign institutions	5,320,006,171	3,366,021,036
Foreign contractor tax	-	643,345,304
Value added tax	106,730,191	172,364,611
Total	50,603,891,497	37,937,342,045

3.13 Short-term accrued expenses

	As at	
	31.03.2020	31.12.2019
	VND	VND
Interest expenses	10,353,779,833	12,947,945,342
Allowance for working performance	8,700,000,000	35,000,000,000
Others	4,952,892,122	8,750,384,920
Total	24,006,671,955	56,698,330,262

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.14 Other short-term liabilities

	As at	
	31.03.2020 VND	31.12.2019 VND
Dividends payable to shareholders	3,618,074,759	155,070,718,509
Receipts from investors for their subscriptions of shares from issuers	2,734,432,382	9,460,360,000
Business development expenses payables	788,313,897	6,062,313,897
Dividends paid on behalf	1,068,400,000	2,864,711,582
Other payables	7,142,771,367	11,385,102,981
Total	15,351,992,405	184,843,206,969

3.15 Share capital

(a) Number of shares

	As at	
	31.03.2020 VND	31.12.2019 VND
Number of shares registered	305,516,173	305,882,263
Number of shares issued	305,516,173	305,882,263
Number of shares repurchased	(166,000)	(366,090)
Number of existing shares in issue	305,350,173	305,516,173

As at 31 March 2020 and as at 31 December 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.15 Share capital (continued)

(b) Movement of share capital

	Ordinary shares
As at 1 January 2019	129,554,168
New shares issued	176,125,505
Treasury shares repurchased	(163,500)
As at 31 December 2019	305,516,173
Treasury shares repurchased	(166,000)
As at 31 March 2020	305,350,173

3.16 Undistributed earnings

	As at	
	31.03.2020 VND	31.12.2019 VND
Realised post-tax profits	701,437,356,519	633,772,960,412
Unrealised losses	(14,899,913,892)	(48,293,141,097)
Total	686,537,442,627	585,479,819,315

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	31.03.2020 VND	31.12.2019 VND
Other receivables	345,059,000	345,059,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS (continued)**4.2 Foreign currencies**

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

	As at	
	31.03.2020	31.12.2019
US Dollar	2,253.85	1,899.62
Japanese Yen	241,915	241,915
Singapore Dollar	844	844
British Pound	4,592.18	1,594.70
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	750

4.3 Number of shares in issue

	As at	
	31.03.2020	31.12.2019
Quantity issued for 1 year or more (share)	129,390,668	129,390,668
Quantity issued within 1 year (share)	175,959,505	176,125,505
Total	305,350,173	305,516,173

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS (continued)

4.4 Covered warrant

Ticker symbol	Underlying security	Maturity date	As at 31.03.2020 Covered warrant			
			Number of covered warrants authorised for issue	Number of cancellation of covered warrants registration	Number of additional issuance of covered warrants	Number of covered warrants issued
CFPT1906	FPT Telecom JSC (FPT)	08.04.2020	5,000,000		4,200,000	800,000
CMBB1905	Military Commercial Joint - Stock Bank (MBB)	08.04.2020	5,000,000		5,000,000	-
CMWG1907	Mobile World Investment Corporation (MWG)	08.04.2020	5,000,000		5,000,000	-
CVNM1904	Vietnam Dairy Products Joint-Stock Company (VNM)	08.04.2020	5,000,000	2,000,000	3,000,000	-
CVRE1902	Vincom Retail Joint Stock Company (VRE)	08.04.2020	5,000,000	2,000,000	3,000,000	-
CVNM2001	Vietnam Dairy Products Joint-Stock Company (VNM)	22.06.2020	5,000,000		1,677,580	3,322,420
CREE2001	Refrigeration Electrical Engineering Corporation (REE)	22.06.2020	5,000,000		269,860	4,730,140
CVPB2001	Vietnam Prosperity Joint - Stock Commercial Bank (VPB)	22.06.2020	5,000,000		3,219,830	1,780,170
CTCB2001	Technology and Commercial Joint Stock Bank (TCB)	22.06.2020	5,000,000		1,129,200	3,870,800
CMWG2001	Mobile World Investment Corporation (MWG)	22.06.2020	5,000,000		2,731,210	2,268,790
CMBB2001	Military Commercial Joint - Stock Bank (MBB)	22.06.2020	5,000,000		4,070,700	929,300
CGMD2001	Gemadep Corporation (GMD)	22.06.2020	5,000,000		3,400,950	1,599,050
CFPT2001	FPT Telecom JSC (FPT)	22.06.2020	5,000,000		795,290	4,204,710
CVRE2002	Vincom Retail Joint Stock Company (VRE)	22.06.2020	5,000,000		2,240,230	2,759,770
CHPG2001	Hoa Phat Group Joint Stock Company (HPG)	30.06.2020	5,000,000		473,160	4,526,840
Total			75,000,000	4,000,000	40,208,010	30,791,990

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

5 NOTES TO THE STATEMENT OF INCOME**5.1 Net realised gains on disposals of FVTPL financial assets**

	Year to date	
	2020	2019
	VND	VND
Realised gains on disposals of FVTPL financial assets	162,235,082,119	58,865,863,249
Realised losses on disposals of FVTPL financial assets	(159,162,542,981)	(44,045,566,259)
Total	<u>3,072,539,138</u>	<u>14,820,296,990</u>

5.2 Gains/(losses) from revaluation of FVTPL financial assets and covered warrant**5.2a Gains/(losses) from revaluation of FVTPL financial assets**

	Year to date	
	2020	2019
	VND	VND
Gains from revaluation of FVTPL financial assets	(1,327,714,975)	(3,237,743,575)
Losses from revaluation of FVTPL financial assets	15,611,334,657	17,652,559,278
Total	<u>(14,283,619,682)</u>	<u>(14,414,815,703)</u>

5.2b Gains/(losses) from revaluation of covered warrant

	Year to date	
	2020	2019
	VND	VND
Losses from revaluation of outstanding covered warrant payables	19,109,607,523	-
Total	<u>19,109,607,523</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

5 NOTES TO THE STATEMENT OF INCOME (continued)

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

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.03.2020 VND	Accumulated revaluation gains/(losses) 31.12.2019 VND	Credited/ (charged) to statement of income VND
Listed shares and shares traded on UPCoM	66,269,408,372	45,286,423,287	(20,982,985,085)	(39,721,500,379)	18,738,515,294
Underlying assets designated as hedges for covered warrants	16,198,161,808	12,780,930,400	(3,417,231,408)	(808,671,334)	(2,608,560,074)
Unlisted and unregistered shares	14,749,000,000	573,498,000	(14,175,502,000)	(14,175,502,000)	-
Listed bond	754,110,013,447	754,110,013,447	-	-	-
ETF certificates	58,274,644,309	56,467,857,600	(1,806,786,709)	2,205,029	(1,808,991,738)
Diamond certificates	105,429,692,972	105,429,692,972	-	-	-
Total	1,015,030,920,908	974,648,415,706	(40,382,505,202)	(54,703,468,684)	14,320,963,482

b Details of gains/(losses) from revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.03.2020 VND	Accumulated revaluation gains/(losses) 31.12.2019 VND	Credited/ (charged) to statement of income VND
Covered warrants	28,099,635,810	2,617,044,500	25,482,591,310	6,410,327,587	19,072,263,723
Total	28,099,635,810	2,617,044,500	25,482,591,310	6,410,327,587	19,072,263,723

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.3 General and administration expenses

	Year to date	
	2020 VND	2019 VND
Staff costs	28,974,884,000	26,797,645,348
Office rental expenses	2,478,243,587	3,028,645,454
Outsourcing expenses	9,677,147,571	8,035,305,885
Depreciation and amortisation	3,355,099,373	2,958,926,298
Tax and other fees	87,655,869	206,336,709
Office tools and supplies	404,601,127	362,879,880
Other administrative expenses	2,506,140,296	1,811,312,791
Total	47,483,771,823	43,201,052,365

6 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

Related party	Relationship
Dragon Capital Markets Limited (DC)	Strategic shareholder – holding 29,96% 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 is 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 28,61% 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

6 RELATED PARTIES DISCLOSURES (continued)**(a) Related party transactions in Q1/2020**

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Compensation of key management	Gross salaries and other benefits in Q1/2020	7,566,434,352

(b) Period-end balances with related parties

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Deposits for securities trading	25,100,814

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 2020 TO 31 MARCH 2020

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 period ended 31 March 2020				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	109,635,551,858	219,496,506,173	116,325,089,496	1,386,543,311	446,843,690,838
Expenses	(72,138,302,357)	(165,154,126,124)	(34,106,150,753)	(3,159,907,723)	(274,558,486,957)
In which:					
Direct cash expenses	(60,366,398,434)	(177,166,580,580)	(34,106,150,753)	(3,139,319,389)	(274,778,449,156)
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	15,611,334,657	-	-	15,611,334,657
Total depreciation and amortisation of fixed assets	(2,957,516,904)	(383,419,673)	-	(20,588,334)	(3,361,524,911)
Allocation of long-term and short-term prepaid expenses	(8,814,387,019)	(3,215,460,528)	-	-	(12,029,847,547)
Segment result	37,497,249,501	54,342,380,049	82,218,938,743	(1,773,364,412)	172,285,203,881
Net financial income					1,294,042,725
Net other income					12,090,909
General and administration expenses					(47,483,771,823)
Operating result					126,107,565,692

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

7 SEGMENT INFORMATION (continued)

(b) Business activity segments (continued)

	For the period ended 31 March 2019				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	113,633,751,147	75,136,810,399	102,623,789,233	1,955,673,890	293,350,024,669
Expenses	(75,749,036,086)	(43,785,536,140)	(26,654,988,751)	(2,928,759,169)	(149,118,320,146)
In which:					
Direct cash expenses	(63,204,178,405)	(58,450,142,572)	(26,654,988,751)	(2,910,829,168)	(151,220,138,896)
Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses	-	17,652,559,278	-	-	17,652,559,278
Total depreciation and amortisation of fixed assets	(2,162,278,335)	(372,780,548)	-	(17,930,001)	(2,552,988,884)
Allocation of long-term and short-term prepaid expenses	(10,382,579,346)	(2,615,172,298)	-	-	(12,997,751,644)
Segment result	37,884,715,061	31,351,274,259	75,968,800,482	(973,085,279)	144,231,704,523
Net financial income					1,201,331,157
General and administration expenses					(43,201,052,365)
Operating result					102,231,983,315

(*) All of revenues are from services rendered to external customers, and all of income is generated from transactions with external partners.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

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 2020					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	488,926,598,819	997,532,211,244	4,714,489,589,677	2,437,190,146	-	6,203,385,589,886
Unallocated assets	-	-	-	-	60,302,826,415	60,302,826,415
Total assets	488,926,598,819	997,532,211,244	4,714,489,589,677	2,437,190,146	60,302,826,415	6,263,688,416,301
Segment liabilities	350,054,272,425	-	1,418,066,867,613	-	-	1,768,121,140,038
Unallocated liabilities	-	-	-	-	92,690,613,812	92,690,613,812
Total liabilities	350,054,272,425	-	1,418,066,867,613	-	92,690,613,812	1,860,811,753,850

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2020 TO 31 MARCH 2020

7 SEGMENT INFORMATION (continued)

(b) Business activity segments (continued)

As at 31 December 2019

	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	458,588,685,137	1,296,946,396,115	5,666,824,853,957	2,426,071,426	-	7,424,786,006,635
Unallocated assets	-	-	-	-	63,892,622,713	63,892,622,713
Total assets	458,588,685,137	1,296,946,396,115	5,666,824,853,957	2,426,071,426	63,892,622,713	7,488,678,629,348
Segment liabilities	491,960,004,500	-	2,406,675,180,597	-	-	2,898,635,185,097
Unallocated liabilities	-	-	-	-	285,900,405,112	285,900,405,112
Total liabilities	491,960,004,500	-	2,406,675,180,597	-	285,900,405,112	3,184,535,590,209

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho



20 April 2020

Chief Executive Officer



Trinh Hoai Giang