

FINANCIAL STATEMENTS

QUARTER 4/2018

**HO CHI MINH CITY SECURITIES
CORPORATION**



STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			31.12.2018 VND	31.12.2017 VND
	ASSETS			
100	CURRENT ASSETS		5,065,174,554,410	6,505,802,971,605
110	Financial assets		4,949,941,619,088	6,402,627,990,511
111	Cash and cash equivalents	3.1	117,332,185,998	196,221,037,531
111.1	Cash		117,332,185,998	196,221,037,531
	Financial assets at fair value through profit or loss (FVTPL)	3.2	851,839,940,206	860,630,190,796
114	Loans	3.3	3,262,014,843,244	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	(23,573,148,070)	(33,631,027,290)
118	Prepayments to suppliers		2,081,707,500	521,277,025
119	Service related receivable	3.5	725,571,555,348	471,021,351,378
122	Other receivables	3.5	54,258,327,010	46,601,035,112
129	Provision for doubtful debts	3.6	(39,583,792,148)	(39,583,792,148)
130	Other current assets		115,232,935,322	103,174,981,094
131	Advances		594,697,297	1,008,685,484
133	Short-term prepaid expenses		8,976,240,525	6,880,258,510
	Pledged assets, mortgages, security deposits in short term		3,405,632,500	3,460,031,100
134	Other current assets		102,256,365,000	91,826,006,000
137.1	Deposits for derivatives trading activities		102,256,365,000	91,826,006,000
200	NON-CURRENT ASSETS		191,130,772,771	174,769,071,916
220	Fixed assets		47,422,412,537	38,006,860,366
221	Tangible fixed assets	3.7	24,065,517,122	17,914,374,586
222	Historical cost		73,789,663,436	58,519,025,049
223a	Accumulated depreciation		(49,724,146,314)	(40,604,650,463)
227	Intangible fixed assets	3.7	23,356,895,415	20,092,485,780
228	Historical cost		64,392,294,363	51,357,006,015
229a	Accumulated amortisation		(41,035,398,948)	(31,264,520,235)
240	Construction in progress	3.7	4,447,220,550	6,851,041,776
250	Other non-current assets		139,261,139,684	129,911,169,774
	Pledged assets, mortgages, security deposits in long term		7,528,788,877	5,653,083,350
251	Long-term prepaid expenses	3.8	100,173,558,928	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		10,000,000,000	10,000,000,000
255.1	Fund		10,000,000,000	10,000,000,000
270	TOTAL ASSETS		5,256,305,327,181	6,680,572,043,521

STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			31.12.2018 VND	31.12.2017 VND
300	LIABILITIES		2,195,769,164,684	3,889,410,891,258
310	Current liabilities		2,195,769,164,684	3,874,368,196,992
311	Short-term borrowings and finance lease liabilities		1,554,132,323,195	2,479,755,399,374
312	<i>Short-term borrowings</i>	3.11	1,554,132,323,195	2,479,755,399,374
316	Short-term issued bonds	3.11	150,000,000,000	800,000,000,000
318	Trading obligations	3.12	315,637,153,051	352,425,986,816
320	Short-term trade accounts payable		3,466,914,332	3,326,671,321
322	Tax and other payables to the State Budget	3.13	34,014,747,386	80,514,265,840
324	Employee welfare payables		3,591,087,935	2,971,042,385
325	Short-term accrued expenses	3.14	58,349,981,835	50,020,750,442
329	Other short-term liabilities	3.15	31,471,069,058	92,095,955,096
331	Bonus and welfare funds		45,105,887,892	13,258,125,718
340	Non-current liabilities		-	15,042,694,266
356	Deferred income tax liabilities		-	15,042,694,266
400	OWNERS' EQUITY		3,060,536,162,497	2,791,161,152,263
410	Capital and reserves	3.16	3,060,536,162,497	2,791,161,152,263
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	<i>Share premium</i>		330,343,798,499	330,343,798,499
411.5	<i>Treasury shares</i>		(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	1,172,043,750,012	832,312,877,270
417.1	<i>Realised profits</i>		1,223,955,850,562	861,985,479,360
417.2	<i>Unrealised losses</i>		(51,912,100,550)	(29,672,602,090)
440	TOTAL RESOURCES		5,256,305,327,181	6,680,572,043,521

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			31.12.2018	31.12.2017
A	ASSETS OF THE COMPANY AND ASSETS IN TRUST			
004	Bad debts written off (VND)	4.1	345,059,000	345,059,000
005	Foreign currencies (original currency)	4.2		
	US Dollar		5,176.74	13,402.69
	Japanese Yen		241,915	240,905
	Singapore Dollar		590	300
	British Pound		100	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
			Par value (VND)	
008	Securities listed/registered to Vietnam Securities Depository (VSD)		317,517,950,000	447,684,720,000
009	Securities custodied at VSD but not yet traded		3,150,000,000	146,075,030,000
010	Securities awaiting settlement		18,501,900,000	12,200,000,000
012	Securities not custodied at VSD		26,401,400,000	34,897,120,000
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
021	Securities listed/registered to Vietnam Securities Depository (VSD)		20,261,840,614,043	18,338,836,463,686
021.1	<i>Freely traded securities</i>		15,934,948,960,000	14,920,958,190,000
021.2	<i>Blocked securities</i>		269,550,390,000	235,619,410,000
021.3	<i>Morgaged securities</i>		3,391,438,550,000	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>		270,097,200,000	310,630,550,000
021.7	<i>Customers' deposits for derivatives trading</i>		263,028,634,043	44,053,383,686
022	Securities custodied at VSD but not yet traded		7,536,110,000	172,212,900,000
022.1	<i>Securities custodied at VSD but not yet traded – freely traded securities</i>		5,612,110,000	139,206,100,000
022.2	<i>Securities custodied at VSD but not yet traded – blocked securities</i>		1,924,000,000	33,006,800,000

OFF STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	Note	As at	
			31.12.2018 VND	31.12.2017 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)			
023	Securities awaiting settlement		352,223,480,000	391,444,340,000
026	Customers' deposits		1,285,995,489,258	944,598,631,066
027	Customers' deposits for securities trading		1,022,966,855,215	900,545,247,380
027.1	Customers' deposits at VSD		263,028,634,043	44,053,383,686
031	Payables to customers relating to their deposits at the Company for securities trading		1,022,966,855,215	900,545,247,380
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>		1,016,049,164,264	899,585,811,824
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>		6,917,690,951	959,435,556

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho



20 January 2019

Chief Executive Officer



Johan Nyvene

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

Form B02g – CTCK

STATEMENT OF INCOME

Code	ITEMS	Note	4th Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
OPERATING INCOME						
01	Gains from financial assets at fair value through profit or loss (FVTPL)		130,775,816,359	234,339,591,729	928,460,243,499	428,248,267,000
01.1	Realised gains on disposals of FVTPL financial assets	5.1	111,169,066,924	205,759,431,403	858,463,794,818	333,375,626,482
01.2	Gains from revaluation of FVTPL financial assets	5.2	(5,198,526,141)	11,396,809,745	(35,012,239,201)	34,575,574,912
01.3	Dividends and interest income from FVTPL financial assets		24,805,275,576	17,183,350,581	105,008,687,882	60,297,065,606
03	Interest income from loans and receivables		117,318,163,496	131,593,333,869	523,064,352,711	439,218,521,489
06	Brokerage fee income		139,101,548,195	274,173,878,412	758,849,301,292	601,941,990,625
09	Custody service income		2,253,317,381	1,914,933,995	8,554,349,465	6,723,580,746
10	Financial consultancy service income		4,907,891,873	14,593,845,873	119,216,643,588	45,178,947,072
11	Other operating income		7,792,507,371	13,395,582,384	11,671,488,830	16,266,327,089
20	TOTAL OPERATING INCOME		402,149,244,675	670,011,166,262	2,349,816,379,385	1,537,577,634,021
OPERATING EXPENSES						
21	Losses from financial assets at fair value through profit or loss (FVTPL)		112,598,206,562	146,614,229,502	650,116,339,657	158,409,352,306
21.1	Realised losses on disposals of FVTPL financial assets	5.1	90,976,435,861	137,650,100,206	662,889,080,398	150,316,077,489
21.2	Losses from revaluation of FVTPL financial assets	5.2	21,621,770,701	8,964,129,296	(12,772,740,741)	8,093,274,817
24	Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities		22,098,543,137	68,765,110,705	155,881,063,174	156,024,647,341
26	Self-trading expenses	5.3	32,302,559,756	32,732,929,414	75,036,982,785	47,284,737,897
27	Brokerage fee expenses	5.3	93,739,488,467	128,927,240,389	414,598,167,005	326,594,494,995
30	Custody fee expenses	5.3	2,621,280,368	1,969,112,782	10,276,510,005	6,896,562,514
31	Financial consultancy expenses	5.3	(4,503,242,978)	9,850,906,408	21,555,635,774	22,984,196,336
32	Other operating expenses	5.3	859,677,568	1,418,383,548	1,139,112,140	6,525,285,991
40	TOTAL OPERATING EXPENSES		259,716,512,880	390,277,912,748	1,328,603,810,540	724,719,277,380

HO CHI MINH CITY SECURITIES CORPORATION
FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

Form B02g – CTCK

STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	4th Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
	FINANCIAL INCOME					
42	Dividend income and interest income from demand deposits		182,929,903	100,988,511	2,310,619,199	2,464,966,108
50	TOTAL FINANCIAL INCOME		182,929,903	100,988,511	2,310,619,199	2,464,966,108
62	GENERAL AND ADMINISTRATION EXPENSES	5.4	53,838,306,388	45,346,366,129	181,439,833,060	123,000,555,130
70	OPERATING RESULT		88,777,355,310	234,487,875,896	842,083,354,984	692,322,767,619
	OTHER INCOME AND EXPENSES					
71	Other income		23,381,818	-	102,300,000	278,036,363
80	NET OTHER INCOME		23,381,818	-	102,300,000	278,036,363
90	NET ACCOUNTING PROFIT BEFORE TAX		88,800,737,128	234,487,875,896	842,185,654,984	692,600,803,982
91	Realised profit		115,621,033,970	232,055,195,447	864,425,153,444	666,118,503,887
92	Unrealised profit/(loss)		(26,820,296,842)	2,432,680,449	(22,239,498,460)	26,482,300,095

HO CHI MINH CITY SECURITIES CORPORATION
 FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

Form B02g – CTCK

STATEMENT OF INCOME
 (continued)

Code	ITEMS	Note	4th Quarter		Year to date	
			2018 VND	2017 VND	2018 VND	2017 VND
100	CORPORATE INCOME TAX		16,684,859,800	48,296,385,750	166,705,500,612	138,541,640,240
100.1	Corporate income tax – current		16,684,859,800	48,296,385,750	165,790,921,130	137,376,727,470
100.2	Corporate income tax – deferred		-	-	914,579,482	1,164,912,770
200	NET PROFIT AFTER TAX		72,115,877,328	186,191,490,146	675,480,154,372	554,059,163,742

Prepared by



Le Thi Thuy Duong

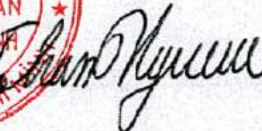
Chief Financial Officer



Lam Huu Ho



20 January 2019
 Chief Executive Officer



Johan Nyvene

STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	Cash flows from operating activities		
01	Net profit before tax	842,185,654,984	692,600,803,982
02	Adjustments for:		
03	Depreciation and amortisation	20,281,165,371	9,560,933,260
04	Provisions	(10,057,879,220)	18,306,613,917
06	Interest expenses	165,938,942,394	142,391,099,821
07	Profits from investing activities	(2,412,919,199)	(2,743,002,471)
08	Accrued interest income	(12,913,689,042)	(5,861,895,555)
10	Add non-cash expenses		
11	Increase/(decrease) losses from revaluation losses of FVTPL financial assets	(12,772,740,741)	8,093,274,817
18	Less non-cash income		
19	Gains from revaluation gains of FVTPL financial assets	35,012,239,201	(34,575,574,912)
30	Changes in working capital	845,808,052,394	(2,748,696,469,964)
31	Increase in FVTPL financial assets	(13,449,247,870)	(527,776,195,146)
33	Decrease/(increase) in loans	1,239,577,460,362	(1,750,647,070,212)
34	Decrease/(increase) in AFS financial assets	311,675,286,366	(399,255,614,501)
37	Decrease in service related receivables	(254,550,203,970)	(101,012,947,702)
39	Decrease/(increase) in other receivables	7,981,004,530	(9,030,986,945)
41	(Decrease)/increase in accrued expenses (excluding interest expenses)	(9,435,390,531)	24,770,735,175
42	Increase in prepaid expenses	(8,011,454,519)	(924,812,891)
43	Corporate income tax paid	(197,402,447,080)	(117,934,556,700)
44	Interest paid	(171,732,474,670)	(136,259,769,488)
45	(Decrease)/increase in trade payables	(1,420,187,464)	315,473,501,850
46	Increase in employee welfare payables	620,045,550	289,082,344
47	(Decrease)/increase in tax and other payables to the State Budget (excluding corporate income tax paid)	(14,898,222,504)	20,738,537,300
50	Decrease in other short-term payables	(28,583,830,680)	(51,868,764,976)
52	Other payments for operating activities	(12,251,665,927)	(15,257,608,072)
60	Net cash inflows from (outflows for) operating activities	1,873,379,445,341	(1,920,924,217,105)

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	Cash flows from investing activities		
61	Purchases of fixed assets	(27,292,896,316)	(34,238,069,123)
62	Proceeds from disposals of fixed assets	112,530,000	305,840,000
70	Net cash outflows for investing activities	(27,180,366,316)	(33,932,229,123)
	Cash flows from financing activities		
71	Proceeds from issuance of shares	-	31,000,000,000
72	Payments for share returns and repurchases	(200,880,000)	(1,054,000,000)
73	Proceeds from borrowings	24,405,151,937,751	29,946,435,798,979
74.3	Repayments of borrowings	(25,980,775,013,930)	(27,666,680,399,605)
76	Dividend paid	(349,263,974,379)	(218,817,600,515)
80	Net cash (outflows for)/inflows from financing activities	(1,925,087,930,558)	2,090,883,798,859
90	Net increase/(decrease) in cash and cash equivalents	(78,888,851,533)	136,027,352,631
101	Cash and cash equivalents at beginning of period	196,221,037,531	60,193,684,900
101.1	Cash	196,221,037,531	60,193,684,900
103	Cash and cash equivalents at end of period	117,332,185,998	196,221,037,531
103.1	Cash	117,332,185,998	196,221,037,531

STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES

Code	ITEMS	Year to date	
		2018 VND	2017 VND
	Cash flows of brokerage and trusting activities		
01	Trade proceeds	111,418,661,903,490	81,100,663,005,900
02	Trade payments	(105,630,067,603,400)	(83,232,814,229,906)
07	Receipts for settlement of customers' transactions	-	2,457,689,421,144
08	Payments for settlement of customers' transactions	(5,657,618,342,790)	-
11	Payments for custody fees of customers	(8,554,349,465)	(6,876,672,819)
20	Net increase in customers' deposits	122,421,607,835	318,661,524,319
30	Customers' deposits at beginning of period	900,545,247,380	581,883,723,061
31	Cash at bank	900,545,247,380	581,883,723,061
32	<i>Customers' deposits at the Company for securities trading</i>	<i>900,545,247,380</i>	<i>581,883,723,061</i>
40	Customers' deposits at end of period	1,022,966,855,215	900,545,247,380
41	Cash at bank	1,022,966,855,215	900,545,247,380
42	<i>Customers' deposits at the Company for securities trading</i>	<i>1,022,966,855,215</i>	<i>900,545,247,380</i>

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 January 2019

Chief Executive Officer




Johan Nyvene

STATEMENT OF CHANGES IN EQUITY

Items	As at		For the year ended 31 December 2017		For the year ended 31 December 2018		As at	
	1.1.2017	1.1.2018	Increase	Decrease	Increase	Decrease	31.12.2017	31.12.2018
	VND	VND	VND	VND	VND	VND	VND	VND
1. Share capital	1,581,839,121,491	1,625,309,121,491	43,470,000,000	-	(291,600,000)	-	1,625,309,121,491	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)	(1,530,000,000)	-	(291,600,000)	-	(2,602,257,008)	(2,893,857,008)
2. Financial and operational risk reserve	117,012,921,702	129,756,758,000	12,743,836,298	-	-	-	129,756,758,000	129,756,758,000
3. Supplementary capital reserve	117,012,921,701	129,756,758,000	12,743,836,299	-	-	-	129,756,758,000	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	-	-	70,064,262,508	70,064,262,508	-
6. Undistributed earnings	572,091,111,375	832,312,877,270	554,059,163,742	293,837,397,847	675,480,154,372	335,749,281,630	832,312,877,270	1,172,043,750,012
6.1 Realised profits	628,246,013,560	861,985,479,360	527,576,863,646	293,837,397,847	697,719,652,832	335,749,281,630	861,985,479,359	1,223,955,850,562
6.2 Unrealised (losses)/profits	(56,154,902,185)	(29,672,602,090)	26,482,300,096	-	(22,239,498,460)	-	(29,672,602,089)	(51,912,100,550)
Total	2,391,917,451,263	2,791,161,152,263	693,081,098,847	293,837,397,847	675,188,554,372	405,813,544,138	2,791,161,152,263	3,060,536,162,497

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

Chief Executive Officer




Johan Nyvene

20 January 2019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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

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 31 December 2018, the Company had 10 branches and representative offices in Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

1 GENERAL INFORMATION (continued)**The corporation's operational features during the Q4/2018 affected financial statements**

The profit after tax for Q4/2018 was lower 61% than the same period of last year because of the following reasons:

The revenue for Q4/2018 decreased by 40% compared to Q4/2017:

- Proprietary trading activities were not satisfactory because VN index continuously dropped points during Q4/2018. After setting-off gains from financial assets at fair value through profit and loss in code 1.1 against losses from financial assets at fair value through profit and loss in code 2.1 in statement of income, proprietary trading activities decreased 79% so that proprietary trading activities no longer were key contributor to total revenue as Q4/2017;
- Revenue from brokerage services for Q4/2018 declined by 49%, as a result of 22% decreasing in market trading value compared to that of the same period of 2017, and HSC's market share decreased in Q4/2018 because of reducing of put-through transactions compared to 2017;
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for Q4/2018 decreased by 11% compared to Q4/2017. The main reason is negative market situation that average loan outstanding balance reduced more than 7% compared to Q4/2017.

The total expenses for Q4/2018 decreased 30% compared to last year:

- The operating expenses (excluded from affection mentioned in code 2.1) declined by 40% in Q4/2018
 - ❖ Brokerage expense corresponding to revenue from brokerage services reduced 26% compared to the last quarter of 2017;
 - ❖ Interest expense of bank , HSC bond and provision for receivable for Q4/2018 decreased by 68% consistent with reduced loans compared to the same period in 2017.
- The administrative expenses for Q4/2018 were 19% higher than Q4/2017 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 31 DECEMBER 2018

2 GENERAL INFORMATION (continued)**The corporation's operational features during 2018 affected financial statements**

The profit after tax for the twelve-month period increased by 22% compared to that of the same period of last year because of the following reasons:

In 2018, revenue increased 53% compared to 2017:

- In active market, proprietary trading activities during the first four months of 2018 contributed considerably to the total business results. After setting-off gains from financial assets at fair value through profit and loss in code 1.1 against losses from financial assets at fair value through profit and loss in code 2.1 in statement of income, proprietary trading activities increased 3% in two years and conducted to large proportion in revenue. Proprietary trading activities realised its portfolio brought forward from 2017 and recognised 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 contributed to total revenue of the Company.
- Revenue from brokerage services in 2018 increased by 26%, because of 29% growth in market trading value compared to 2017, while HSC's market share were equally to 2017.
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for twelve-month period 2018 increased by 19% compared to 2017. The main reason was due to the increase in market size leading to the increase in average lending balance by 21% compared to last year.
- After restructuring phase, advisory activities which increased 164% compared to 2017, contributed significantly to the total revenue, because many deals were completed in 2018.

The total expenses in 2018 were 25% higher than 2017. The rising rate of expense was slower than of revenue in 2018:

- The operating expenses (excluded from affection mentioned in code 2.1) in 2018 were increased by 20%:
 - ❖ Brokerage expense increased 27% in line with 26% increase in revenue from brokerage services in 2018;
 - ❖ Interest expense of bank, HSC bond and provision for receivable in 2018 were stable compared to 2017.
- The administrative expenses increased 48% in 2018 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 31 DECEMBER 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 31 December 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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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:

- (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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 31 DECEMBER 2018

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

	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 2018 TO 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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 31 DECEMBER 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	
	31.12.2018	31.12.2017
	VND	VND
Cash on hand	214,969,560	464,466,344
Cash at bank	117,117,216,438	195,756,571,187
Total	<u>117,332,185,998</u>	<u>196,221,037,531</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continue)

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

	As at 31.12.2018		As at 31.12.2017	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Securities listed and securities traded on UPCoM	709,217,997,093	672,534,932,248	613,330,509,297	633,483,284,204
Mobile World Investment Corporation (MWG)	106,614,140,258	105,527,259,000	-	-
Vietnam Prosperity Joint - Stock Commercial Bank (VPB)	75,480,916,835	69,438,907,650	-	-
VinGroup Joint Stock Company (VIC)	63,560,661,503	59,581,750,600	58,903,642,753	60,559,602,800
Vietnam Dairy Products Joint-Stock Company (VNM)	59,409,623,886	56,724,480,000	57,849,520,349	61,394,317,600
Masan Group Corporation (MSN)	43,441,013,888	41,793,425,000	41,213,708,101	45,629,213,500
Hoa Phat Group Joint Stock Company (HPG)	39,529,491,256	40,626,579,400	44,693,293,899	50,725,291,450
Military Commercial Joint - Stock Bank (MBB)	31,795,383,922	29,621,027,400	59,387,064,847	67,995,546,000
VietJet Aviation Joint Stock Company (VJC)	34,277,986,635	33,281,520,000	-	-
Vincom Retail Joint Stock Company (VRE)	30,518,717,358	30,421,713,600	-	-
Saigon Beer - Alcohol - Beverage Corporation (SAB)	24,599,840,230	26,661,725,000	-	-
Saigon Thuong Tin Commercial Joint Stock Bank (STB)	21,570,272,938	21,097,235,050	20,820,555,900	21,364,127,300
NovaLand Investment Group Corporation (NVL)	21,134,909,503	21,070,632,600	12,575,923,787	13,339,641,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB)	19,992,117,637	19,866,422,500	20,064,034,957	22,612,203,300
FPT Telecom JSC (FPT)	19,890,578,135	19,947,771,200	27,993,703,556	27,929,951,100
Phu Nhuan Jewelry Joint Stock Company (PNJ)	13,640,612,565	13,417,258,400	-	-
Others	103,761,730,544	83,457,224,848	269,829,061,148	261,933,390,154
	53,552,640,000	39,377,138,000	93,725,137,636	41,622,042,000
Unlisted and unregistered securities	21,803,640,000	21,803,640,000	21,803,640,000	21,803,640,000
Viet Nam Investment Fund Management JSC	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
HD Saison Finance Co., Ltd	4,900,000,000	239,414,000	4,900,000,000	251,384,000
Can Tho Import - Export Seafood Joint Stock Company	4,406,400,000	220,084,000	4,406,400,000	220,084,000
Saigon Post and Telecommunications Service Corporation	-	-	10,950,000,000	585,000,000
Ca Mau Seafood Joint Stock Company	-	-	12,025,000,000	913,500,000
Tan Binh Real Estate Joint Stock Company	-	-	16,967,999,502	503,824,000
Dong A Joint Stock Commercial Bank	5,442,600,000	114,000,000	5,672,098,134	344,610,000
Others	-	-	-	-
	82,450,161,318	82,450,161,318	173,114,572,242	175,199,112,192
Bond	81,450,161,318	81,450,161,318	173,114,572,242	175,199,112,192
Ho Chi Minh City Infrastructure Investment Joint Stock Company	1,000,000,000	1,000,000,000	-	-
Vietnam Bank for Social Policies	-	-	-	-
	58,531,242,345	57,477,708,640	10,132,573,711	10,325,752,400
ETF certificates	58,531,242,345	57,477,708,640	10,132,573,711	10,325,752,400
VFMVN30 ETF	-	-	-	-
	903,752,040,756	851,839,940,206	890,302,792,886	860,630,190,796
Total				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.2 Financial assets at fair value through profit or loss (FVTPL) (continued)**

As at 31 December 2018	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	709,217,997,093	4,617,455,796	(41,300,520,641)	672,534,932,248
Unlisted and unregistered shares	53,552,640,000	-	(14,175,502,000)	39,377,138,000
Listed bond	82,450,161,318	-	-	82,450,161,318
ETF certificates	58,531,242,345	-	(1,053,533,705)	57,477,708,640
Total	903,752,040,756	4,617,455,796	(56,529,556,346)	851,839,940,206

As at 31 December 2017	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	613.330.509.297	37.351.976.358	(17.199.201.451)	633.483.284.204
Unlisted and unregistered shares	93.725.137.636	-	(52.103.095.636)	41.622.042.000
Listed bond	173.114.572.242	2.084.539.950	-	175.199.112.192
ETF certificates	10.132.573.711	193.178.689	-	10.325.752.400
Total	890.302.792.886	39.629.694.997	(69.302.297.087)	860.630.190.796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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	
		31.12.2018	31.12.2017
		VND	VND
Margin loans	(i)	3,143,086,409,319	4,484,136,971,952
Trading advances	(ii)	118,928,433,925	17,455,331,654
Total		<u>3,262,014,843,244</u>	<u>4,501,592,303,606</u>

(i) Margin loans

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

		As at	
		31.12.2018	31.12.2017
		VND	VND
Beginning of year		33,631,027,290	19,997,479,770
Additional provision/(reserve) in the year		(10,057,879,220)	13,633,547,520
End of year		<u>23,573,148,070</u>	<u>33,631,027,290</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.5 Receivables

		As at	
		31.12.2018	31.12.2017
		VND	VND
Receivables from services provided by the Company			
Receivable from securities purchasing	(i)	690,233,913,794	468,267,233,092
Consultancy service fees receivable		1,336,650,000	1,336,650,000
Other receivables from trading activities		34,000,991,554	1,417,468,286
		<u>725,571,555,348</u>	<u>471,021,351,378</u>
Total			
Other receivables			
Overdue margin loans	(ii)	37,783,317,946	37,783,317,946
Others		16,475,009,064	8,817,717,166
		<u>54,258,327,010</u>	<u>46,601,035,112</u>
Total			

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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
Total	39,583,792,148	39,583,792,148	39,583,792,148	-	-	39,583,792,148

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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
Historical cost			
As at 01.01.2018	4,009,883,640	54,509,141,409	58,519,025,049
New purchases	-	15,767,117,203	15,767,117,203
Transfers from construction in progress		894,311,990	894,311,990
Disposals	-	(1,390,790,806)	(1,390,790,806)
	<u>4,009,883,640</u>	<u>69,779,779,796</u>	<u>73,789,663,436</u>
As at 31.12.2018			
Accumulated depreciation			
As at 01.01.2018	1,946,584,030	38,658,066,433	40,604,650,463
Charge for the year	523,367,239	9,986,919,418	10,510,286,657
Disposals	-	(1,390,790,806)	(1,390,790,806)
	<u>2,469,951,269</u>	<u>47,254,195,045</u>	<u>49,724,146,314</u>
As at 31.12.2018			
Net book value			
As at 01.01.2018	<u>2,063,299,610</u>	<u>15,851,074,976</u>	<u>17,914,374,586</u>
As at 31.12.2018	<u>1,539,932,371</u>	<u>22,525,584,751</u>	<u>24,065,517,122</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.7 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 01.01.2018	51,357,006,015
New purchases	6,838,477,775
Transfers from construction in progress	6,196,810,573
Disposals	-
As at 31.12.2018	<u>64,392,294,363</u>
Accumulated depreciation	
As at 01.01.2018	31,264,520,235
Charge for the year	9,770,878,713
Disposals	-
As at 31.12.2018	<u>41,035,398,948</u>
Net book value	
As at 01.01.2018	<u>20,092,485,780</u>
As at 31.12.2018	<u>23,356,895,415</u>

(c) Construction in progress

Construction in progress comprises the following:

	As at	
	31.12.2018	31.12.2017
	VND	VND
Software purchases	4,447,220,550	2,755,263,000
System setup costs	-	3,012,405,848
Others	-	1,083,372,928
Total	<u>4,447,220,550</u>	<u>6,851,041,776</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

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

	As at	
	31.12.2018	31.12.2017
	VND	VND
Office rentals	89,703,467,288	92,536,208,360
Office renovations	5,803,432,315	1,721,878,064
IT costs	4,666,659,325	-
Total	<u>100,173,558,928</u>	<u>94,258,086,424</u>

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 31 December 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 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.11 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	5,0 – 9,0	2,204,800,000,000	10,673,700,000,000	(11,528,500,000,000)	1,350,000,000,000
Bank overdrafts	6,4 – 8,1	274,955,399,374	13,126,451,937,751	(13,197,275,013,930)	204,132,323,195
		2,479,755,399,374	23,800,151,937,751	(24,725,775,013,930)	1,554,132,323,195
Short-term issued bonds					
Public offering short term bond (ii)	9,0	800,000,000,000	-	(800,000,000,000)	-
Private offering short term bond (iii)	7,0 – 8,15	-	605,000,000,000	(455,000,000,000)	150,000,000,000
		800,000,000,000	605,000,000,000	(1,255,000,000,000)	150,000,000,000
Tổng cộng		3,279,755,399,374	24,405,151,937,751	(25,980,775,013,930)	1,704,132,323,195

- (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 December 2018.
- (ii) According to Board Resolution No.13/2017/NQ-HDQT, dated 26 Oct 2017, HSC issued 800 Billion VND unlisted bonds at face value 1 Billion VND / bond, interest rate 9%p.a, no collateral with 1 year maturity. The due date was 15 December 2018.
- (iii) According to Board Resolution No.10/2018/NQ-HDQT, dated 12 April 2018, HSC issued 605 Billion VND unlisted, callable bonds at face value 1 Billion VND / bond, interest rate 7,0-8,15%p.a, no collateral with 2 years maturity. As at 31 December 2018, value of bond circulation is 150 Billion VND.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.12 Trading obligations

	As at	
	31.12.2018 VND	31.12.2017 VND
Payables to investors relating to their advances for securities purchases	191,493,344,202	157,727,861,392
Payables to Stock Exchanges and VSD	6,026,789,270	12,392,648,623
Trading settlement balances with the Stock Exchanges	83,159,390,391	180,277,721,001
Other payables	34,957,629,188	2,027,755,800
Total	315,637,153,051	352,425,986,816

3.13 Tax and other payables to the State budget

	As at	
	31.12.2018 VND	31.12.2017 VND
Corporate income tax - current	16,684,859,800	48,296,385,750
Personal income tax withheld and paid on behalf of investors	11,199,027,876	10,984,227,718
Corporate income tax withheld and paid on behalf of foreign institutions	3,250,876,181	5,728,933,050
Foreign contractor tax	338,263,079	1,598,581,784
Personal income tax withheld and paid on behalf of employees	2,341,828,338	13,760,408,957
Value added tax	199,892,112	145,728,581
Total	34,014,747,386	80,514,265,840

3.14 Short-term accrued expenses

	As at	
	31.12.2018 VND	31.12.2017 VND
Allowance for working performance	45,000,000,000	34,000,000,000
Interest expenses	3,953,633,544	9,747,165,820
Others	9,396,348,291	6,273,584,622
Total	58,349,981,835	50,020,750,442

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)**3.15 Other short-term liabilities**

	As at	
	31.12.2018 VND	31.12.2017 VND
Receipts from investors for their subscriptions of shares from issuers	1,440,000	5,510,000
Dividends payable to shareholders	5,097,667,994	82,277,009,573
Dividends paid on behalf	2,507,431,082	2,296,720,302
Other payables	23,864,529,982	7,516,715,221
Total	<u>31,471,069,058</u>	<u>92,095,955,096</u>

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

	As at	
	31.12.2018 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	<u>129,554,168</u>	<u>129,570,368</u>

As at 31 December 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	<u>129,570,368</u>
New shares issued	-
Treasury shares repurchased	(16,200)
As at 31 December 2018	<u><u>129,554,168</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

3 NOTES TO THE STATEMENT OF FINANCIAL POSITION (continued)

3.17 Undistributed earnings

	As at	
	31.12.2018	31.12.2017
	VND	VND
Undistributed realised profits	1,223,955,850,562	861,985,479,360
Unrealised losses	(51,912,100,550)	(29,672,602,090)
Total	1,172,043,750,012	832,312,877,270

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	31.12.2018	31.12.2017
	VND	VND
Other receivables	345,059,000	345,059,000

4.2 Foreign currencies

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

	As at	
	31.12.2018	31.12.2017
US Dollar	5,176.74	13,402.69
Japanese Yen	241,915	240,905
Singapore Dollar	590	300
British Pound	100	93.17
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	-

4.3 Number of shares in issue

	As at	
	31.12.2018	31.12.2017
Ordinary shares		
Quantity issued within 1 year (share)	-	2,500,000
Quantity issued for 1 year or more (share)	129,554,168	127,070,368
	129,554,168	129,570,368

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

5 NOTES TO THE STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	4 th Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Realised gains on disposals of FVTPL financial assets	111,169,066,924	205,759,431,403	858,463,794,818	333,375,626,482
Realised losses on disposals of FVTPL financial assets	(90,976,435,861)	(137,650,100,206)	(662,889,080,398)	(150,316,077,489)
Total	20,192,631,063	68,109,331,197	195,574,714,420	183,059,548,993

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

	4 th Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Gains from revaluation of FVTPL financial assets	(5,198,526,141)	11,396,809,745	(35,012,239,201)	34,575,574,912
Losses from revaluation of FVTPL financial assets	(21,621,770,701)	(8,964,129,296)	12,772,740,741	(8,093,274,817)
Total	(26,820,296,842)	2,432,680,449	(22,239,498,460)	26,482,300,095

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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 are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) 31.12.2018 VND	Accumulated revaluation gains/(losses) 31.12.2017 VND	Credited/ (charged) to statement of income VND
Listed shares and shares traded on UPCoM	709,217,997,093	672,534,932,248	(36,683,064,845)	20,152,774,907	(56,835,839,752)
Unlisted and unregistered shares	53,552,640,000	39,377,138,000	(14,175,502,000)	(52,103,095,636)	37,927,593,636
Listed bond	82,450,161,318	82,450,161,318	-	2,084,539,950	(2,084,539,950)
ETF certificates	58,531,242,345	57,477,708,640	(1,053,533,705)	193,178,689	(1,246,712,394)
Total	903,752,040,756	851,839,940,206	(51,912,100,550)	(29,672,602,090)	(22,239,498,460)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

5 NOTES TO THE STATEMENT OF INCOME (continued)

5.3 Operating Expenses

	4 th Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Self-trading expenses	32,302,559,756	32,732,929,414	75,036,982,785	47,284,737,897
Brokerage fee expenses	93,739,488,467	128,927,240,389	414,598,167,005	326,594,494,995
Custody fee expenses	2,621,280,368	1,969,112,782	10,276,510,005	6,896,562,514
Consultancy expenses	(4,503,242,978)	9,850,906,408	21,555,635,774	22,984,196,336
Other operating expenses	859,677,568	1,418,383,548	1,139,112,140	6,525,285,991
Total	<u>125,019,763,181</u>	<u>174,898,572,541</u>	<u>522,606,407,709</u>	<u>410,285,277,733</u>

5.4 General and administration expenses

	4 th Quarter		Year to date	
	2018 VND	2017 VND	2018 VND	2017 VND
Staff costs	27,447,574,422	31,549,074,541	100,543,567,890	74,026,030,549
Rental expenses	11,673,420,611	6,145,140,927	38,654,160,368	23,259,926,565
Outsourcing expenses	6,553,693,999	3,979,279,264	21,123,606,179	14,610,808,943
Depreciations and amortisations	2,866,973,191	2,255,063,094	10,841,170,058	5,672,877,522
Tax and other fees	159,173,571	111,578,281	759,745,067	282,928,942
Stationery expenses	418,180,689	264,447,500	1,578,940,324	1,021,349,339
Other expenses	4,719,289,905	1,041,782,522	7,938,643,174	4,126,633,270
Total	<u>53,838,306,388</u>	<u>45,346,366,129</u>	<u>181,439,833,060</u>	<u>123,000,555,130</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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 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 28,90% 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 Q4/2018*

<u>Related party</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Dividend paid	23,567,286,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Dividend paid	22,500,000,000
Compensation of key management	Gross salaries and other benefits in Q4/2018	9,294,412,586

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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>
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Deposits for securities trading	25,007,904

7 SEGMENT INFORMATION

(a) *Geographical segments*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 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 year ended 31 December 2018					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	767,403,650,757	928,460,243,499	525,374,971,910	119,216,643,588	11,773,788,830	2,352,229,298,584
Expenses	(579,734,997,731)	(646,836,839,023)	(239,728,798,212)	(42,513,042,830)	(1,229,965,804)	(1,510,043,643,600)
Profits before tax	<u>187,668,653,026</u>	<u>281,623,404,476</u>	<u>285,646,173,698</u>	<u>76,703,600,758</u>	<u>10,543,823,026</u>	<u>842,185,654,984</u>

	For the year ended 31 December 2017					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	608,665,571,371	428,248,267,000	441,683,487,597	45,178,947,072	16,544,363,452	1,540,320,636,492
Expenses	(426,937,942,484)	(165,740,379,166)	(235,214,978,816)	(19,811,173,982)	(15,358,062)	(847,719,832,510)
Profits before tax	<u>181,727,628,887</u>	<u>262,507,887,834</u>	<u>206,468,508,781</u>	<u>25,367,773,090</u>	<u>16,529,005,390</u>	<u>692,600,803,982</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

7 SEGMENT INFORMATION (continued)

(b) Business activity segments (continued)

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

As at 31 December 2018							
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated VND	Total VND
Assets	871,838,163,387	965,722,873,139	3,375,423,227,994	3,531,711,273	22,421,510,965	17,367,840,423	5,256,305,327,181
Liabilities	(328,500,415,674)	-	(1,708,085,956,739)	-	-	(159,182,792,271)	(2,195,769,164,684)
Net assets	<u>543,337,747,713</u>	<u>965,722,873,139</u>	<u>1,667,337,271,255</u>	<u>3,531,711,273</u>	<u>22,421,510,965</u>	<u>(141,814,951,848)</u>	<u>3,060,536,162,497</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 31 DECEMBER 2018

8 COMPARATIVE FIGURES

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

Statement of income

Code	ITEMS	4th Quarter 2017			Year to date 2017		
		Previously reported VND	Restatement/ reclassification VND	Restated VND	Previously reported VND	Restatement/ reclassification VND	Restated VND
	OPERATING INCOME						
08	Investment consultancy service income	14,593,845,873	(14,593,845,873)	-	45,178,947,072	(45,178,947,072)	-
10	Financial consultancy service income	-	14,593,845,873	14,593,845,873	-	45,178,947,072	45,178,947,072
	OPERATING EXPENSES						
26	Self-trading expenses	51,411,868,448	(18,678,939,034)	32,732,929,414	100,063,505,528	(52,778,767,631)	47,284,737,897
27	Brokerage fee expenses	115,017,499,444	13,909,740,945	128,927,240,389	285,215,150,671	41,379,344,324	326,594,494,995
31	Financial consultancy expenses	2,896,554,753	6,954,351,655	9,850,906,408	8,970,191,476	14,014,004,860	22,984,196,336
33	Other operating expenses	3,603,537,114	(2,185,153,566)	1,418,383,548	9,139,867,544	(2,614,581,553)	6,525,285,991

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 January 2019

Chief Executive Officer




Johan Nyvene