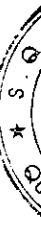


FINANCIAL STATEMENTS

QUARTER 4/2016

**HO CHI MINH CITY SECURITIES
CORPORATION**



Ho Chi Minh City Securities Corporation

STATEMENT OF COMPREHENSIVE INCOME
For the period from 01 January 2016 to 31 December 2016

B01g-CTCK

VND

	Items	Code	Notes	4st Quarter		Year to date	
				2016	2015	2016	2015
1	2	3		4	5	6	7
1	OPERATING REVENUE						
	Gain from financial assets at fair value through profit and loss						
1.1	(FVTPL)	1		39,321,204,782	9,643,174,420	69,534,501,163	35,025,916,039
a	Gain from sale of financial assets at FVTPL	1.1	5.1	38,032,766,064	9,063,938,370	61,894,006,092	28,569,176,193
b	Gain from revaluation of financial assets at FVTPL	1.2	5.2	1,054,189,449	-	5,246,169,979	-
c	Dividend, interest income from financial assets at FVTPL	1.3		234,249,269	579,236,050	2,394,325,092	6,456,739,846
1.3	Income from loans and receivables	3		93,390,941,916	70,191,411,003	343,656,813,084	222,636,416,529
1.6	Revenue from brokerage services	6		82,722,876,002	72,336,243,384	348,957,129,710	262,076,234,335
1.8	Revenue from advisory services	8		9,608,154,275	5,632,048,497	24,601,902,383	11,154,708,555
1.10	Revenue from securities custodian services	10		1,377,832,740	1,093,067,536	5,056,975,249	3,952,302,881
1.11	Other operating incomes	11		393,637,100	427,188,378	1,868,685,936	1,574,822,296
	Total operating revenue	20		226,814,646,815	159,323,133,218	793,676,007,525	536,420,400,635
2	OPERATING EXPENSES						
	Loss from financial assets at fair value through profit and						
2.1	loss (FVTPL)	21		9,316,834,437	(1,379,064,584)	17,764,618,901	25,154,332,109
a	Loss from sale of financial assets at FVTPL	21.1	5.1	2,517,648,679	30,027,882,594	14,268,022,902	49,496,478,969
b	Loss from revaluation of financial assets at FVTPL	21.2	5.2	6,799,185,758	(31,406,947,178)	3,496,595,999	(24,342,146,860)
2.3	Borrowing costs, loss from loans and receivables	23		15,641,011,981	8,783,595,773	45,566,564,138	11,329,602,430
2.6	Expenses for proprietary trading activities	26	6	19,763,871,716	2,327,672,312	30,830,759,045	11,949,061,177
2.7	Expenses for brokerage services	27	6	61,433,174,001	46,348,448,462	219,507,942,946	168,468,781,630
2.9	Expenses for advisory services	29	6	2,532,332,411	2,418,991,691	9,996,332,411	9,705,218,891
2.11	Expenses for securities custodian services	31	6	1,381,335,341	1,115,382,022	5,096,284,054	4,025,649,485
2.12	Other operating expenses	32	6	187,813,829	1,887,894,281	18,922,135,378	4,103,170,938
	Total operating expenses	40		110,256,373,716	61,502,919,957	347,684,636,873	234,735,816,660
3	FINANCE INCOME						
3.2	Interest income	42		8,271,849,359	12,670,929,652	30,568,569,175	58,657,834,068
	Total finance income	50		8,271,849,359	12,670,929,652	30,568,569,175	58,657,834,068

Ho Chi Minh City Securities Corporation

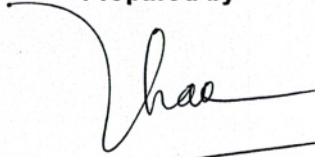
STATEMENT OF COMPREHENSIVE INCOME (continued)
For the period from 01 January 2016 to 31 December 2016

B01g-CTCK

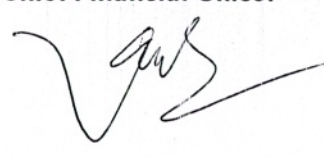
VND

	Items	Code	Notes	4st Quarter		Year to date	
				2016	2015	2016	2015
6	GENERAL AND ADMINISTRATIVE EXPENSES	62	7	24,631,093,961	22,235,570,402	91,966,241,312	88,870,264,003
7	OPERATING PROFIT	70		100,199,028,497	88,255,572,511	384,593,698,515	271,472,154,040
8	OTHER INCOME AND EXPENSE			-			
8.1	Other income	71		781,818,182	9,363,636	789,590,907	28,037,441
8.2	Other expense	72		-	-	-	-
	Total other income and expense	80		781,818,182	9,363,636	789,590,907	28,037,441
9	PROFIT BEFORE TAX	90		100,980,846,679	88,264,936,147	385,383,289,422	271,500,191,481
9.1	Realized profit	91		106,725,842,988	56,857,988,969	383,633,715,442	247,158,044,621
9.2	Unrealized profit	92		(5,744,996,309)	31,406,947,178	1,749,573,980	24,342,146,860
10	CORPORATE INCOME TAX (CIT) EXPENSE	100		25,215,930,849	18,924,105,880	80,852,308,119	58,190,091,220
10.1	Current CIT expense	100.1		28,854,214,980	18,924,105,880	84,490,592,250	58,190,091,220
10.2	Deferred tax expense	100.2		(3,638,284,131)	-	(3,638,284,131)	-
11	PROFIT AFTER TAX	200		75,764,915,830	69,340,830,267	304,530,981,303	213,310,100,261

Prepared by


Ho Thi Thu Thao

Chief Financial Officer


Lam Huu Ho

20 January 2017

Chief Executive Officer



Johan Nyvene

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION as at 31 December 2016

B02g-CTCK

VND

	Items	Code	Notes	Ending balance	Beginning balance
A -	CURRENT ASSETS	100		3,472,717,136,729	2,970,427,721,404
I.	Financial assets	110		3,468,203,146,189	2,965,609,834,770
1	Cash and cash equivalents	111	8	60,193,684,900	164,147,260,813
1.1	Cash	111.1		60,193,684,900	164,147,260,813
	Fair value through profit and loss (FVTPL)				
2.	financial assets	112	9	306,371,695,555	132,174,873,494
4.	Loans and receivables	114	9	2,750,945,233,394	2,609,604,774,530
9.	Receivables from services rendered	119	10	365,889,028,675	55,758,091,513
12.	Other receivables	122	10	39,711,709,186	20,644,139,514
13.	Provision for receivables	129		(54,908,205,521)	(16,719,305,094)
II.	Other current assets	130		4,513,990,540	4,817,886,634
1.	Advances	131		433,534,797	154,469,078
3.	Short-term prepaid expenses	133		4,052,697,143	4,637,718,956
4.	Short-term collaterals and pledges	134		27,758,600	25,698,600
B -	NON-CURRENT ASSETS	200		144,125,197,959	133,146,147,996
II.	Fixed assets	220		9,116,376,326	10,305,668,048
1.	Tangible fixed assets	221	11	5,630,956,930	5,406,970,081
	- Cost	222		45,772,044,510	43,397,152,620
	- Accumulated depreciation	223a		(40,141,087,580)	(37,990,182,539)
3.	Intangible fixed assets	227	12	3,485,419,396	4,898,697,967
	- Cost	228		29,853,565,250	28,463,749,200
	- Accumulated amortization	229a		(26,368,145,854)	(23,565,051,233)
IV.	Construction in progress	240		11,158,311,542	1,807,447,420
V.	Other non-current assets	250		123,850,510,091	121,033,032,528
1.	Long-term deposits, collaterals and pledges	251		4,718,807,750	4,688,159,350
2.	Long-term prepaid expenses	252	13	96,160,834,900	99,512,289,868
3.	Deferred tax assets	253		3,638,284,131	-
4.	Deposits to Settlement Assistance Fund	254	14	19,332,583,310	16,832,583,310
	TOTAL ASSETS	270		3,616,842,334,688	3,103,573,869,400

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2016

B02g-CTCK

VND

	Items	Code	Notes	Ending balance	Beginning balance
C.	LIABILITIES	300		1,224,924,883,425	824,024,542,338
I.	Current liabilities	310		1,224,924,883,425	824,024,542,338
1.	Short-term loans and financial leases	311	15	1,000,000,000,000	654,103,204,781
1.1	Short-term loans	312		1,000,000,000,000	654,103,204,781
6.	Payables for securities transaction activities	318	16	32,610,005,800	33,854,472,337
8.	Short-term trade payables	320		2,936,065,430	2,132,789,448
10.	Statutory obligations	322	17	39,140,841,363	27,383,031,945
12.	Employee benefit	324		2,681,960,041	2,711,322,446
13.	Short-term accrued expenses	325	18	20,235,934,504	17,066,319,798
17.	Other current liabilities	329	19	112,426,943,699	71,487,061,504
19.	Bonus and welfare fund	331		14,893,132,588	15,286,340,079
D.	OWNER'S EQUITY	400		2,391,917,451,263	2,279,549,327,062
I.	Owner's equity	410		2,391,917,451,263	2,279,549,327,062
1.	Share capital	411		1,581,839,121,491	1,582,140,489,041
1.1	Contributed capital	411.1	20	1,272,567,580,000	1,272,567,580,000
a.	Common shares	411.1a		1,272,567,580,000	1,272,567,580,000
1.2	Share premium	411.2		310,343,798,499	310,343,798,499
1.5	Treasury shares	411.5		(1,072,257,008)	(770,889,458)
4.	Charter capital supplementary reserve	414		117,012,921,701	101,786,372,631
5.	Operational risk and financial reserve	415		117,012,921,702	101,786,372,632
6.	Other reserves	416		3,961,374,994	3,961,374,994
7.	Undistributed profit	417		572,091,111,375	489,874,717,764
7.1	Realized profit	417.1		628,246,013,560	547,779,193,929
7.2	Unrealized loss	417.2		(56,154,902,185)	(57,904,476,165)
	TOTAL LIABILITIES AND OWNERS' EQUITY	440		3,616,842,334,688	3,103,573,869,400
	PROFIT DISTRIBUTED TO SHARE HOLDERS	450		181,549,774,401	203,505,710,400
	Profit distributed to share holders during the period	451		181,549,774,401	203,505,710,400

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2016

B02g-CTCK

OFF BALANCE SHEET ITEMS

	ITEMS	Code	Notes	Ending balance (Quantity of securities)	Beginning balance (Quantity of securities)
A	ASSETS OF THE COMPANY AND ASSETS MANAGED				
	UNDER AGREEMENTS	001		-	-
1.	Bad debts written-off (VND)	004		345,059,000	345,059,000
2.	Foreign currencies (VND)	005		1,074,482,842	937,626,048
3.	Outstanding shares	006		127,155,368	127,185,417
4.	Treasury shares	007		101,390	71,341
	Financial assets of the Company listed/registered at Vietnam				
5.	Securities Depository (VSD)	008		7,597,570	4,390,311
a.	Unrestricted financial assets	008.1		4,108,700	4,016,841
b.	Restricted financial assets	008.2		58,500	58,500
c.	Financial assets awaiting settlement	008.5		3,430,370	314,970
6.	The Company's non-traded financial assets deposited at VSD	009		101	1
a.	Unrestricted and non-traded financial assets deposited at VSD	009.1		101	1
B.	ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS				
1.	Investors' financial assets listed/registered at VSD	021		1,184,933,873	1,026,471,691
a.	Unrestricted financial assets	021.1		1,066,674,621	941,754,088
b.	Restricted financial assets	021.2		1,272,094	4,083,360
c.	Mortgage financial assets	021.3		85,061,050	56,463,177
d.	Blocked financial assets	021.4		9,045,682	18,000
e.	Financial assets awaiting settlement	021.5		22,880,426	24,153,066

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2016

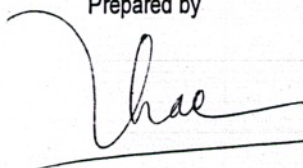
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OFF BALANCE SHEET ITEMS (continue)

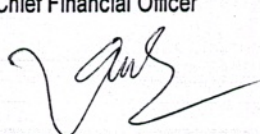
	ITEMS	Code	Notes	Ending balance (Quantity of securities)	Beginning balance (Quantity of securities)
B.	ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS				
	(continued)				
2.	Investors' non-traded financial assets deposited at VSD	022		3,869,801	1,460,513
a.	Unrestricted and non-traded financial assets deposited at VSD	022.1		2,186,936	758,907
b.	Restricted and non-traded financial assets deposited at VSD	022.2		1,682,865	701,606
3.	Investors' deposits (VND)	027		581,883,723,061	493,009,558,764
3.1.	Investors' deposits for brokerage activities (VND)	027		581,883,723,061	493,009,558,764
3.2.	Investors' deposits for securities trading activities (VND)	027.1		581,883,723,061	493,009,558,764
	Payables to investors for securities trading activities managed by the				
4.	Company (VND)	030		581,883,723,061	493,009,558,764
	Payables to domestic investors for securities trading activities				
4.1.	managed by the Company (VND)	030.1		575,005,949,247	487,176,449,243
	Payables to foreign investors for securities trading activities managed				
4.2.	by the Company (VND)	030.2		6,877,773,814	5,833,109,521

Prepared by

Chief Financial Officer



Ho Thi Thu Thao



Lam Huu Ho



20 January 2017

Chief Executive Officer



Johan Nyvene

Ho Chi Minh City Securities Corporation
STATEMENT OF CASH FLOWS
For the period from 01 January 2016 to 31 December 2016

B03g-CTCK

VND

	ITEMS	Code	Notes	Year to date	
				Current period	Previous period
I	CASH FLOWS FROM OPERATING ACTIVITIES				
1.	Net profit before tax	01		385,383,289,422	271,500,191,481
2.	Adjustments for:	02			
	Depreciation and amortization	03		5,921,197,577	5,506,890,305
	Accrued expenses, prepaid expenses	06		7,106,091,487	(5,272,384,710)
	Gain from investing activities	07		(789,590,907)	(27,909,091)
	Accrued interest income	08		(1,817,395,834)	(2,178,573,612)
3.	Increase in non-monetary expenses	10		-	-
	Loss from revaluation of financial assets at FVTPL	11		3,496,595,999	(24,342,146,860)
4.	Decrease in non-monetary income	20		-	-
	Gain from revaluation of financial assets at FVTPL	21		(5,246,169,979)	-
5.	Changes in operating assets and liabilities	30		-	-
	(Increase)/decrease in financial assets at FVTPL	31		(172,447,248,081)	89,641,613,473
	(Increase)/ decrease in loans	33		(141,340,458,864)	(1,237,857,244,278)
6.	Operating income before changes in working capital	42		-	-
	(Increase)/decrease in receivables from services rendered	45		(310,130,937,162)	583,535,203,725
	(Increase)/decrease in other receivables	47		(17,529,239,557)	9,074,842,890
	Increase/(decrease) in trade payables	48		(441,190,555)	(612,245,380,452)
	Increase/(decrease) in statutory payables	50		1,748,741,225	(869,655,577)
	Increase/(decrease) in other payables	51		29,905,597,148	665,709,318
	Corporate income tax paid	52		(74,560,483,150)	(54,941,674,651)
	Other payments for operating activities	54		(2,532,708,400)	(22,686,278,609)
	Net cash flows used in operating activities	60		(255,085,009,204)	(1,000,496,796,648)
II.	CASH FLOWS FROM INVESTING ACTIVITIES				
1.	Purchase and construction of fixed assets, investment properties and other long - term assets	61		(14,082,769,977)	(9,196,409,972)
2.	Proceeds from disposal and sale of fixed assets, investment properties and other long-term assets	62		868,550,000	30,700,000
	Net cash flows used in investing activities	70		(13,214,219,977)	(9,165,709,972)
III.	CASH FLOWS FROM FINANCING ACTIVITIES				
2.	Capital redemption	72		(1,367,550)	(2,080,620)
3.	Drawdown of borrowings	73		15,916,247,935,548	6,357,985,987,374
4.	Repayment of borrowings	74		(15,570,351,140,329)	(5,703,882,782,593)
6.	Dividends paid to equity holders	76		(181,549,774,401)	(266,685,973,510)
	Net cash flow from/(used in) financing activities	80		164,345,653,268	387,415,150,651
IV.	NET INCREASE/(DECREASE)IN CASH DURING THE PERIOD	90		(103,953,575,913)	(622,247,355,969)
V.	CASH AND CASH EQUIVALENTS AT THE	101		164,147,260,813	786,394,616,782
	Cash at banks at the beginning of the period:	102		164,147,260,813	786,394,616,782
VI.	CASH AND CASH EQUIVALENT AT THE END	103		60,193,684,900	164,147,260,813
	Cash at banks at the end of the period:	104		60,193,684,900	164,147,260,813

Ho Chi Minh City Securities Corporation
STATEMENT OF CASH FLOWS (continued)
For the period from 01 January 2016 to 31 December 2016

B03g-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

VND

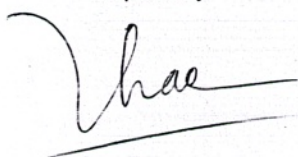
	ITEMS	Code	Notes	Year to date	
				Current period	Previous period
I.	Cash flows from brokerage, trust activities of the customers				
1.	Cash receipt from disposal of securities on behalf of customers	01		54,763,894,088,350	43,856,811,981,294
2.	Cash payment for acquisition of securities on behalf of customers	02		(55,314,192,734,800)	(45,002,750,312,414)
9.	Cash receipt for settlement of securities transactions of customers	09		644,229,785,996	922,671,720,470
11.	Cash payment for custodian fees of customers	11		(5,056,975,249)	(3,952,302,881)
	Net increase/(decrease) in cash during the period	20		88,874,164,297	(227,218,913,531)
	Cash and cash equivalents of the customers at the beginning of the period	30		493,009,558,764	720,228,472,295
	- Cash at banks at the beginning of the period:	31		493,009,558,764	720,228,472,295
	- Investors' deposits managed by the Company	32		493,009,558,764	720,228,472,295
	Cash and cash equivalents of the customers at the end of the period	40		581,883,723,061	493,009,558,764
	- Cash at banks at the end of the period:	41		581,883,723,061	493,009,558,764
	- Investors' deposits managed by the Company for securities trading ac	42		581,883,723,061	493,009,558,764

Prepared by

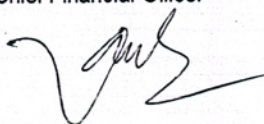
Chief Financial Officer

20 January 2017

Chief Executive Officer



Ho Thi Thu Thao



Lam Huu Ho



Johan Nyvene

Ho Chi Minh City Securities Corporation

STATEMENT OF CHANGES IN EQUITY

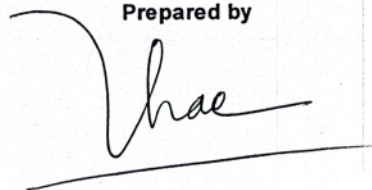
For the period from 01 January 2016 to 31 December 2016

B04g-CTCK

VND

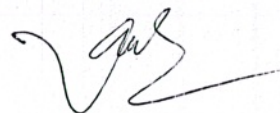
ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2015	1 January 2016	Previous period		Current period		31 December 2015	31 December 2016
				Increase	Decrease	Increase	Decrease		
1. Share capital		1,272,567,580,000	1,272,567,580,000	-	-	-	-	1,272,567,580,000	1,272,567,580,000
1.1 Legal capital		300,000,000,000	300,000,000,000			-	-	300,000,000,000	300,000,000,000
1.2 Supplemental capital		972,567,580,000	972,567,580,000			-	-	972,567,580,000	972,567,580,000
2. Share premium		310,343,798,499	310,343,798,499	-	-	-	-	310,343,798,499	310,343,798,499
3. Treasury shares		(327,808,838)	(770,889,458)	(443,080,620)	-	(301,367,550)	-	(770,889,458)	(1,072,257,008)
4. Charter capital supplementary reserve		91,120,867,619	101,786,372,631	10,665,505,013	-	15,226,549,070	-	101,786,372,632	117,012,921,701
5. Operational risk and Financial reserve fund		91,120,867,619	101,786,372,632	10,665,505,012	-	15,226,549,070	-	101,786,372,631	117,012,921,702
6. Other owner's fund		3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
7. Undistributed profit		589,443,929,500	489,874,717,764	213,310,100,261	312,879,311,997	304,530,981,303	222,314,587,692	489,874,717,764	572,091,111,375
Realized profit		671,690,552,525	547,779,193,929	188,967,953,401	312,879,311,997	302,781,407,323	222,314,587,692	547,779,193,929	628,246,013,560
Unrealized profit		(82,246,623,025)	(57,904,476,165)	24,342,146,860	-	1,749,573,980	-	(57,904,476,165)	(56,154,902,185)
Total		2,358,230,609,392	2,279,549,327,062	234,198,029,666	312,879,311,997	334,682,711,893	222,314,587,692	2,279,549,327,061	2,391,917,451,263

Prepared by



Ho Thi Thu Thao

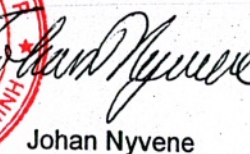
Chief Financial Officer



Lam Huu Ho

20 January 2017

Chief Executive Officer

Johan Nyvene

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS

B05g-CTCK

as at 31 December 2016

and for the period from 01 January 2016 to 31 December 2016

1. CORPORATE INFORMATION

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

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

The Company's head office is located at 5th and 6th Floor, AB Tower, 76 Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City. At 31 December 2016, the Company had two branches located in Ho Chi Minh City and Hanoi, and transaction offices in Ho Chi Minh City and Hanoi.

The Company's charter capital of the Company as at 31 December 2016 was VND 1,272,567,580,000 while its owners' equity was VND 2,391,917,451,263 and its total assets was VND 3,616,842,334,688.

The corporation's operational characteristics during the period affected financial statements.

Profit after tax for the year 2016 was higher 43% than year 2015 and achieved 101% of the plan for the year 2016 because of the following reasons:

The operating revenue for the year 2016 increased by 48% compared to the year 2015

- Revenue from brokerage services for the year 2016 increased by 33% year on year as a result of 19% growth in market trading value and a continuing increase in HSC's market share.
- Revenue from margin lending activities (mentioned in gain from loans and receivables) increased by 54% year on year. Mostly because changing in management procedure made the access to debt funding greater, the average margin lending balance going up 54% year on year. The average margin interest in 2016 decreased modest compared to 2015.
- After restructuring period, revenue from advisory services increased by 121% year on year and made a meaningful contribution to total revenue.
- Revenues from proprietary trading for the year 2016 increased by 96% year on year and contributed considerably to total revenue.

Operating and administrative expenses for the year 2016 increased by 36% compared to that of the same period of last year. Total expenses grew more slowly than total revenues did, in which:

- The operating expenses (expenditures that directly associated with activities generating revenues) grew by 48% in 2016, corresponding to the increase in brokerage revenues, including brokerage fees for Stock Exchanges, salary and commission expenses for brokers and the increase in interest expenses related to margin lending activities. Besides, in accordance with current laws, the provision for margin lending activities was a reason for increase in operating expenses in 2016.
- The administrative expenses of 2016 increased by 3% year on year.

Corporate income tax reduced from 22% to 20% due to regulatory changes.

2. BASIS OF PREPARATION

2.1 Accounting Standards and System

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

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

2.2 Applied accounting documentation system

The Company's applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Company's fiscal year starts on 1 January and ends on 31 December.

2.4 Interim financial statements

The Company prepares its interim financial statements for the nine-month period from 1 January to 30 September to submit to authorities in accordance with requirements of Circular No. 155/2015/TT-BTC dated 6 October 2015 issued by Ministry of Finance.

2.5 Accounting currency

The Company maintains its accounting records in VND to prepare the interim financial statements

2.6 Nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014 and Circular No. 146/2014/TT-NHNN dated 31 December 2014 issued by the Ministry of Finance that are not shown in these financial statements indicate nil balance.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

On 30 December 2014, the Ministry of Finance issued Circular No. 210/2014/TT-BTC providing guidance on accounting policies applicable to securities companies ("Circular 210"). This Circular replaces Circular No. 95/2008/TT-BTC dated 24 October 2008 of the Ministry of Finance providing guidance on accounting policies applicable to securities companies and Circular No. 162/2010/TT-BTC dated 20 October 2010 amending and supplementing Circular No. 95/2008/TT-BTC. Circular 210 is applicable to fiscal year beginning on or after 1 January 2016. Circular 210 prescribes contents concerning accounting vouchers, system of accounting accounts as well as method of preparing and presenting the financial statements of securities companies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *Changes in accounting policies and disclosures (continued)*

Circular 210 leads to the following significant changes:

- ▶ Changes in name and content of the financial statements: balance sheet and income statement are renamed as statement of financial position and statement of comprehensive income respectively, statement of cash flows from brokerage and trust activities of investors is separately presented as a part of the basic financial statements.
- ▶ Financial assets are categorised into four groups: financial assets at fair value through profit and loss, available-for-sale financial assets, held-to-maturity investments and loans.
- ▶ Assets and liabilities of securities companies and investors (including deposits, securities investment and payable accounts) are separately managed.

In addition, Circular 210 provides the guidance on measurement of financial assets as follows:

- ▶ Financial assets at fair value through profit and loss (FVTPL): are recognized at fair value in the statement of financial position of the Company. Difference arisen from the revaluation of these assets is recognized as revenue or expense from financial assets at FVTPL in the statement of comprehensive income.
- ▶ Available-for-sale (AFS) financial assets: are recognized at fair value. Any gain or loss arisen from revaluation of AFS financial assets is recognized directly in owners' equity (Other comprehensive income), except for loss from impairment of AFS financial assets.
- ▶ Held-to-maturity (HTM) financial assets: are recognized at amortised cost based on effective interest rate method.
- ▶ Loans: are recognized at amortised cost based on effective interest method.

Circular 210 takes effect from 1 January 2016, except for the regulation on fair value recognition of financial assets which will be effective from 1 January 2017 in line with the effectiveness of Law on Accounting No. 88/2015/QH13. During the period, the Company had choose the fair value recognition of financial assets through profit and loss instead of cost basic that aims to accurately reflect the value of the financial assets.

The Company has restated the comparative figures of previous period in accordance with Circular 210's requirements as presented in Note 24.

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

Cash deposited by customers for securities trading and cash deposited by securities issuers are presented on the off-balance sheet.

3.3 *Financial assets at fair value through profit and loss (FVTPL)*

Financial assets recognized at fair value through profit and loss are financial assets that satisfy either of the following conditions:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - there is evidence of a recent actual pattern of short-term profit-taking; or
 - it is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial assets at fair value through profit and loss (FVTPL) (continued)

b) Upon initial recognition, a financial asset is designated by the entity at fair value through profit and loss as it meets one of the following criteria:

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

Financial assets at FVTPL are initially recognized at cost. After initial recognition, these financial assets at FVTPL are subsequently measured at fair value basis.

The gain arising from the revaluation of the financial assets at FVTPL is recognized in "Gain from revaluation of FVTPL financial assets" in the interim statement of comprehensive income.

The loss arising from the revaluation of the financial assets at FVTPL is recognized in "Loss from revaluation of FVTPL financial assets" in the interim statement of comprehensive income.

Transaction costs relating to the purchase of the financial assets at FVTPL are recognized when incurred as expenses for proprietary trading in the interim statement of comprehensive income.

3.4 Loans

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

- a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the entity categorized as such recognized at fair value through the interim statement of comprehensive income;
- b) The amounts categorized by the entity as available for sale upon initial recognition; or
- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

Loans are recognized initially at cost. After initial recognition, Loans are subsequently measured at amortized cost using the effective interest rate.

Amortized cost of loans is the amount at which the financial asset is measured at initial recognition minus (-) principal repayments, plus (+) or minus (-) the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility (if any).

Loans are classified into 5 groups in accordance with qualitative and quantitative method prescribed in Circular 210.

Loans shall be classified into the groups with lower risk in cases where customers have made full repayment of the principals and interests under the initial repayment term (for overdue loans) or under restructured repayment term (for restructured loans); and at the same time satisfy the following conditions: there are documents which prove that customers have made the repayments; and the Company has sufficient grounds to assess that the customers have full capability to fully and timely repay the remaining principals and interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Loans (continued)

Loans shall be classified into the groups with higher risks in the following cases:

- ▶ There are disadvantage changes in the environment and business sector (such as natural calamities, epidemics, economic environment, etc.) which directly impact the customers' capability to make repayments;
- ▶ Criteria of profitability, solvency, ratio of debts on capital, cash flow, capability of customers to make repayments have continuously declined or experienced significant changes resulting to the tendency of decline in 3 consecutive times of assessment and loan classification;
- ▶ Customers fail to fully, honestly and timely provide financial information at the request of the Company for purpose of assessing the repayment capability of customers;
- ▶ Loans, which have been classified into Group 2, Group 3, Group 4 for 1 year or more, do not satisfy the conditions to be reclassified into the groups with lower risk.
- ▶ Loans of which acts of credit extension have been administratively sanctioned as prescribed by law.

3.5 Market value/fair value of financial assets at FVTPL

At the interim reporting date, the Company revaluated the financial assets at FVTPL based on market value or fair value (in case the Company don't have the market value).

Market value/fair value of the securities is determined on the following basis:

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For securities registered for trading on UPCOM, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- ▶ The market price for unlisted securities and securities unregistered for trading used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions within one month before the date of setting up the provision.

For securities which do not have reference prices from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at the assessment date.

3.6 Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- ▶ The rights to receive cash flows from the asset have expired;
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Derecognition of financial assets (continued)*

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

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

3.7 *Receivables*

Receivables are initially recorded at cost and subsequently always presented at cost. Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the provision balance are recorded as "General and administrative expenses" in the interim statement of comprehensive income.

The Company has made provision for doubtful receivables in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From over six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

3.8 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim statement of comprehensive income.

3.9 *Intangible assets*

Intangible assets are stated at cost less accumulated amortization.

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

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

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

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

3.11 Prepaid expenses

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

The following types of expenses are recorded as long-term prepaid expense and are amortized to the interim statement of comprehensive income over two (2) to forty (40) years:

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

3.12 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ("repos") are recognized from the interim financial statements. The corresponding cash received is recognized in the interim statement of financial position as a liability. The difference between the sale price and repurchase price is accrued over the life of the agreement using the straight-line method with interest rate of the agreement in the interim statement of comprehensive income.

Conversely, securities purchased under agreements to resell at a specified future date ("reverse repos") are not recognized in the interim financial statements. The corresponding cash paid is recognized in the interim statement of financial position as an asset. The difference between the purchase price and resale price is accrued over the life of the agreement using the straight-line method in the interim statement of comprehensive income. For overdue commitments, the difference shall not be accrued and recognized in the interim statement of comprehensive income when amount is actually received.

3.13 Payables and accruals

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

3.14 Employee benefits

3.14.1 Post-employment benefits

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Employee benefits (continued)

3.14.2 Provision for severance allowance

The severance pay to employee is accrued at the end of each reporting year for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, the average monthly salary used in this severance calculation will be revised at the end of each reporting year based on the average monthly salary of the six month period up to the reporting date. Any increase to the accrued amount will be taken to the interim statement of comprehensive income.

This accrued severance pay is used to settle the severance allowance to be paid to employee upon termination of their labour contract following the Labour Code.

3.14.3 Unemployment benefits

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

3.15 Treasury shares

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

3.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from brokerage investment

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

Revenue from securities trading

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

Revenue from securities repurchase and reverse repurchase agreements

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

Interest

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

Dividend

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares which is updated and monitored by the number of shares only.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue recognition (continued)

Rendering of other services

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

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

Other income

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

3.17 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred.

3.18 Cost of securities sold

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

3.19 Taxation

Current income tax

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

Current income tax is charged or credited to the interim statement of comprehensive income, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount for the interim financial reporting purposes.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation (continued)

Deferred tax

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

The carrying amount of deferred income tax assets is reviewed at each interim statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognized deferred income tax assets are re assessed at each interim reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the interim statement of financial position date.

Deferred tax is charged or credited to the interim statement of comprehensive income, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

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

3.20 Owners' equity

Contributed capital from shareholders

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

Undistributed profit

Undistributed profit comprises of realized and unrealized undistributed profit.

Unrealized profit of the period is the total differences between gain or loss arising from revaluation of FVTPL financial assets or other financial assets through profit and loss in the statement of comprehensive income. As the prevailing Law on Accounting does not allow the use of fair value basis, those differences are still recognized as realized revenue or expense over the period.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Owners' equity

Reserves

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to make the following reserves:

	<u>Percentage of profit after tax</u>	<u>Maximum level</u>
Charter capital supplementary reserve	5%	10% of charter capital
Financial and operational risk reserve	5%	10% of charter capital

Other reserves are created in accordance with the resolution of the shareholders at the Company's Annual General Meeting.

Financial and operational risk reserve are created aims to compensate the remaining losses, damages on assets incurred during the operation after being offset by compensation of organizations and individuals that have caused losses, the insurance organization.

3.21 Appropriation of net profits

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

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 30 September 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

4 Segment information of each business line

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

	VND						
	Brokerage and customer services	Trading	Advisory services	Treasury activities	Other segments	Unallocated	Total
<i>For the period from 01 January 2016 to 31 December 2016</i>							
1. Revenue from operating activities	354,014,104,959	69,534,501,163	15,929,221,961	374,225,385,259	10,541,366,358	-	824,244,576,700
2. Direct costs	271,156,311,147	23,294,388,178	7,321,394,595	129,007,823,890	3,633,956,431	-	434,413,874,241
3. Depreciation and amortization	2,646,467,541	2,440,754	9,509,543	2,507,941,174	70,644,932	-	5,237,003,944
4. Other income	-	-	-	-	789,590,907	-	789,590,907
Profit before tax	80,211,326,271	46,237,672,231	8,598,317,823	242,709,617,195	7,626,355,902	-	385,383,289,422
1. Segment assets	2,609,803,706,178	306,371,695,555	-	589,088,356,874	562,884,698	-	3,505,826,643,305
2. Allocated assets	85,023,636,237	748,447,502	1,796,274,005	4,191,306,012	13,172,676,036	-	104,932,339,792
3. Unallocated assets	-	-	-	-	-	6,083,351,591	6,083,351,591
Total assets	2,694,827,342,415	307,120,143,057	1,796,274,005	593,279,662,886	13,735,560,734	6,083,351,591	3,616,842,334,688
1. Segment liabilities	73,227,381,323	-	-	1,008,491,170,000	1,221,786,220	-	1,082,940,337,543
2. Unallocated liabilities	-	-	-	-	-	141,984,545,882	141,984,545,882
Total liabilities	73,227,381,323	-	-	1,008,491,170,000	1,221,786,220	141,984,545,882	1,224,924,883,425

Geographical segment

All operations of the Company are taken place within Vietnam territory

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2016

and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

5. GAIN, LOSS FROM FINANCIAL ASSETS

5.1. Gain, loss from sale of financial assets at FVTPL (continued)

5.1.1 Gain, loss from sale over the current period

VND

	<i>Gain from disposal over the current period</i>	<i>Loss from disposal over the current period</i>	<i>Accumulated Gain from disposal over the current period</i>	<i>Accumulated Loss from disposal over the current period</i>
Listed shares	37,833,659,059	2,517,648,679	59,844,556,092	13,833,384,815
Hoa Phat Group (HPG)	-	-	4,591,056,164	4,041,759,493
NOVALAND Group (NVL)	12,180,000,000	-	12,180,000,000	-
Mobile World Investment Corporation (MWG)	24,226,552,234	-	25,506,364,093	1,112,890
Hoa Sen Group (HSG)	-	-	2,117,611,881	316,621,503
Thanh Cong Textile Garment Investment and Trading JSC (TCM)	-	-	-	3,585,110,959
Vietnam Dairy Products JSC (VNM)	-	-	4,390,011,158	109,880,946
VFMVN30 ETF	-	-	3,866,327,921	1,520,162,592
Others	1,426,213,830	2,517,648,679	7,193,184,875	4,258,736,432
Unlisted shares	200,000,000	-	2,042,450,000	434,638,087
Saigon Beer-Alcohol-Beverage Joint Stock Corporation (SABECO)	200,000,000	-	225,500,000	434,638,087
Listed bonds	-	-	7,000,000	-
TOTAL	38,032,766,064	2,517,648,679	61,894,006,092	14,268,022,902

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

5. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

5.1 Gain, loss from sale of financial assets at FVTPL (continued)

5.1.2 Gain, loss from sale over the previous period

VND

	<i>Gain from disposal over the previous period</i>	<i>Loss from disposal over the previous period</i>	<i>Accumulated Gain from disposal over the previous period</i>	<i>Accumulated Loss from disposal over the current period</i>
Listed shares	9,370,369,187	9,908,747,411	20,065,131,439	29,377,343,786
Asia Commercial Joint Stock Bank (ACB)	-	-	185,770,000	3,064,304,400
Military Commercial Joint Stock Bank (MBB)	3,887,578,018	100,886,972	4,733,065,930	100,886,972
Ho Chi Minh City Infrastructure Investment Joint Stock Compny (CII)	577,938,036	1,546,035,283	722,320,476	2,019,863,972
Hoa Phat Group (HPG)	-	-	407,857,232	2,410,763,504
KIDO Group (KDC)	-	-	14,512,803	3,896,703,751
Refrigeration Electrical Engineering Corporation (REE)	7,604,936	1,998,382,820	891,760,552	2,931,594,604
Sai Gon Securities Incorporation (SSI)	-	-	1,173,338,130	493,394,312
Thanh Cong Textile Garment Investment and Trading JSC (TCM)	480,943,101	1,644,026,974	1,556,699,036	1,673,264,829
Vietnam Ocean Shipping Agency Corporation (VSA)	-	3,326,940,000	-	3,326,940,000
Vietnam Dairy Products JSC (VNM)	-	-	2,310,874,956	8,689,624
VFMVN30 ETF	-	-	1,971,530,131	6,944,869,850
Others	3,985,440,279	861,610,545	5,666,537,376	2,075,203,151
Unlisted shares	124,434,000	20,550,000,000	7,389,009,571	20,550,000,000
Saigon Beer-Alcohol-Beverage Joint Stock Corporation	-	-	7,254,792,091	-
LacVietLand	-	20,550,000,000	-	20,550,000,000
Others	124,434,000	-	134,217,480	-
Listed bonds	-	-	1,545,900,000	-
TOTAL	9,063,938,370	30,027,882,594	28,569,176,193	49,496,478,969

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2016

and for the period from 01 January 2016 to 31 December 2016

5. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

5.2. Gain, loss from revaluation of financial assets

B05g-CTCK

<i>Financial assets</i>	<i>Cost</i>	<i>Market value or Fair value</i>	<i>Revaluation difference as at 31/12/2016</i>	<i>Revaluation difference as at 31/12/2015</i>	<i>VND Gain/(loss) recorded in this period</i>
I. FVTPL (Note 9.3)	362,526,597,740	306,371,695,555	(56,154,902,185)	(57,904,476,165)	1,749,573,980
Listed shares	116,041,876,192	115,341,543,759	(700,332,433)	(7,516,498,413)	6,816,165,980
Viettronics Tan Binh JSC	8,168,464,212	5,532,492,800	(2,635,971,412)	(2,549,526,212)	(86,445,200)
Hoang Huy Investment Services Joint Stock Company	2,240,000,000	764,400,000	(1,475,600,000)	-	(1,475,600,000)
Saigontourist Transport JSC	3,280,788,000	3,671,358,000	390,570,000	-	390,570,000
Others	102,352,623,980	105,373,292,959	3,020,668,979	(4,966,972,201)	7,987,641,180
Unlisted shares	246,484,721,548	191,030,151,796	(55,454,569,752)	(50,387,977,752)	(5,066,592,000)
Dong A Joint Stock Commercial Bank	16,967,999,502	1,511,472,000	(15,456,527,502)	(11,425,935,502)	(4,030,592,000)
Tan Binh Real Estate JSC	11,925,000,000	6,210,000,000	(5,715,000,000)	(5,715,000,000)	(10,000,000)
Ca Mau Seafood JSC	10,950,000,000	585,000,000	(10,365,000,000)	(10,365,000,000)	-
Minh Hai Export Frozen Seafood Processing JSC	8,000,000,000	330,000,000	(7,670,000,000)	(7,670,000,000)	-
Special Aquatic Products JSC	7,550,000,000	2,160,000,000	(5,390,000,000)	(5,390,000,000)	-
VASS Assurance Corporation	5,442,600,000	114,000,000	(5,328,600,000)	(4,302,600,000)	(1,026,000,000)
Cantho Import - Export Seafood JSC	4,900,000,000	1,586,117,750	(3,313,882,250)	(3,313,882,250)	-
Saigon Postel Corporation	4,406,400,000	2,200,840,000	(2,205,560,000)	(2,205,560,000)	-
Others	176,342,722,046	176,342,722,046	-	-	-
II. Loan (Note 9.2)	2,750,945,233,394	2,750,945,233,394	-	-	-
TOTAL	3,113,471,831,134	3,057,316,928,949	(56,154,902,185)	(57,904,476,165)	1,749,573,980

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

6. EXPENSES FOR RENDERING OF SERVICES

VND

			<i>Year to date</i>	<i>Year to date</i>
	<i>Current period</i>	<i>Previous period</i>	<i>Current period</i>	<i>Previous period</i>
Expenses for employees cost trading activities	19,763,871,716	2,327,672,312	30,830,759,045	11,949,061,177
Expenses for brokerage services	41,435,694,231	46,348,448,462	199,510,463,176	168,468,781,630
General Provision Expense	19,997,479,770	-	19,997,479,770	-
Expenses for advisory services	2,532,332,411	2,418,991,691	9,996,332,411	9,705,218,891
Expenses for securities custodian service	1,381,335,341	1,115,382,022	5,096,284,054	4,025,649,485
Provision for bad debts (Note 10)	-	-	18,191,420,657	-
Other expenses	187,813,829	1,887,894,281	730,714,721	4,103,170,938
TOTAL	85,298,527,298	54,098,388,768	284,353,453,834	198,251,882,121

7. GENERAL AND ADMINISTRATIVE EXPENSES

VND

			<i>Year to date</i>	<i>Year to date</i>
	<i>Current period</i>	<i>Previous period</i>	<i>Current period</i>	<i>Previous period</i>
Payroll employees cost staff	9,844,821,473	9,026,556,831	35,734,438,309	33,885,186,061
Allowance for working performance	3,000,000,000	3,000,000,000	12,000,000,000	12,000,000,000
External service expenses	10,649,570,890	8,903,812,328	39,862,461,781	37,116,799,556
Depreciation and amortization	849,692,606	865,414,670	3,307,473,096	3,330,712,864
Tax and other fee	44,984,389	89,663,572	360,014,678	337,145,376
Other expenses	242,024,603	350,123,001	701,853,448	2,200,420,146
TOTAL	24,631,093,961	22,235,570,402	91,966,241,312	88,870,264,003

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

8. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash on hand	614,575,794	720,277,993
Cash at banks for operation of the Company	59,579,109,106	163,426,982,820
TOTAL	60,193,684,900	164,147,260,813

In accordance with Circular 210, investors' deposits are disclosed separately in Off Balance Sheet Items instead of Cash and cash equivalent of Statement of Financial Position. Therefore the beginning balance of Cash and cash equivalent was restated for consistency and comparison purposes (note number 24).

9. FINANCIAL ASSETS

9.1 Financial assets at fair value through profit and loss (FVTL)

VND

	Ending balance		Beginning balance	
	Carrying value	Fair value	Carrying value	Fair value
Listed shares	115,341,556,762	115,341,556,762	72,922,670,698	72,922,670,698
Mobile World Investment Corporation (MWG)	19,187,220,000	19,187,220,000	-	-
FPT Telecom JSC (FPT)	26,598,176,000	26,598,176,000	-	-
Saigon Beer-Alcohol-Beverage Joint Stock Corporation (SABECO)	15,675,633,000	15,675,633,000	-	-
Others	53,880,527,762	53,880,527,762	72,922,670,698	72,922,670,698
Unlisted shares	191,030,138,793	191,030,138,793	59,252,202,796	59,252,202,796
VietFund Management JS	21,803,640,000	21,803,640,000	21,803,640,000	21,803,640,000
Dong A Joint Stock Commercial Bank	1,511,472,000	1,511,472,000	5,542,064,000	5,542,064,000
Tan Binh Real Estate JSC	6,300,000,000	6,300,000,000	6,210,000,000	6,210,000,000
HD SAISON Finance Limited Company	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
VietJet Aviation Joint Stock Company	134,504,528,000	134,504,528,000	-	-
Others	9,910,498,793	9,910,498,793	8,696,498,796	8,696,498,796
TOTAL	306,371,695,555	306,371,695,555	132,174,873,494	132,174,873,494

9.2 Loans

VND

	Ending balance		Beginning balance	
	Carrying value	Fair value	Carrying value	Fair value
Margin activities	2,666,330,636,119	2,666,330,636,119	2,515,797,574,071	2,515,797,574,071
Advance to customers	84,614,597,275	84,614,597,275	93,807,200,459	93,807,200,459
TOTAL	2,750,945,233,394	2,750,945,233,394	2,609,604,774,530	2,609,604,774,530

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

9. FINANCIAL ASSETS (continued)

9.3 Movement of market value of financial assets

VND

Financial No assets		Ending balance				Beginning balance				
		Cost	Market value or fair value as at 31 December 2016	Difference from revaluation		Cost	Market value or fair value as at 31 December 2015	Difference from revaluation		Revaluation value
				Increase	Decrease			Increase	Decrease	
I	FVTPL	362,526,597,740	306,442,121,509	5,316,595,933	(61,401,072,164)	70,425,954	190,079,349,659	132,174,873,494	- (57,904,476,165)	132,174,873,494
	Shares	362,526,597,740	306,442,121,509	5,316,595,933	(61,401,072,164)	306,442,121,509	190,079,349,659	132,174,873,494	- (57,904,476,165)	132,174,873,494
II	Loans	2,750,945,233,394	2,750,945,233,394	-	-	2,750,945,233,394	2,609,604,774,530	2,609,604,774,530	-	2,609,604,774,530
		3,113,471,831,134	3,057,387,354,903	5,316,595,933	(61,401,072,164)	3,057,387,354,903	2,799,684,124,189	2,741,779,648,024	- (57,904,476,165)	2,741,779,648,024

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

10. RECEIVABLES

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Receivables from services provided by the Company (i)	365,889,028,675	55,758,091,513
Accrued interest from term deposits	1,817,395,834	2,178,573,612
Others receivables	37,894,313,352	18,465,565,902
Provision for impairment of receivables (ii)	(54,908,205,521)	(16,719,305,094)
TOTAL	<u>350,692,532,340</u>	<u>59,682,925,933</u>

(i) Included the receivables from purchasing securities from an entity amounting to VND 312,618,075,234 which have been paid on 4 Jan 2017.

(ii) Details of provision for impairment of receivables:

	<i>Beginning provision</i>	<i>Addition</i>	<i>VND Ending provision</i>
Purchasing securities activities	14,918,787,994	18,191,420,657	33,110,208,651
General Provision at 0.75% of total balance of margin	-	19,997,479,770	19,997,479,770
Others	1,800,517,100	-	1,800,517,100
TOTAL	<u>16,719,305,094</u>	<u>38,188,900,427</u>	<u>54,908,205,521</u>

11. TANGIBLE FIXED ASSETS

	<i>Transportation vehicles</i>	<i>Office equipment</i>	<i>VND Total</i>
Cost:			
01 January 2016	3,474,189,544	39,922,963,076	43,397,152,620
Additions	955,900,000	2,386,189,794	3,342,089,794
Assets liquidation	(967,197,904)	-	(967,197,904)
31 December 2016	<u>3,462,891,640</u>	<u>42,309,152,870</u>	<u>45,772,044,510</u>
Accumulated depreciation:			
01 January 2016	2,692,934,612	35,297,247,927	37,990,182,539
Depreciation expense	201,813,621	2,916,289,324	3,118,102,945
Assets liquidation	(967,197,904)	-	(967,197,904)
31 December 2016	<u>1,927,550,329</u>	<u>38,213,537,251</u>	<u>40,141,087,580</u>
Net carrying amount:			
01 January 2016	781,254,932	4,625,715,149	5,406,970,081
31 December 2016	<u>1,535,341,311</u>	<u>4,095,615,619</u>	<u>5,630,956,930</u>

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)

B05g-CTCK

as at 31 December 2016

and for the period from 01 January 2016 to 31 December 2016

12. INTANGIBLE FIXED ASSETS

VND

	Software
Cost:	
1 January 2016	28,463,749,200
Additions	<u>1,389,816,050</u>
31 December 2016	<u>29,853,565,250</u>
Accumulated amortization:	
1 January 2016	23,565,051,233
Amortization for the period	<u>2,803,094,621</u>
31 December 2016	<u>26,368,145,854</u>
Net carrying amount:	
1 January 2016	<u>4,898,697,967</u>
31 December 2016	<u>3,485,419,396</u>

13. LONG-TERM PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Prepaid office rentals (*)	95,368,949,432	98,201,690,504
Office renovation cost	68,128,134	1,174,321,586
Office tools and equipment	723,757,334	136,277,778
TOTAL	<u>96,160,834,900</u>	<u>99,512,289,868</u>

(*) The residual amount of the rental agreement for the 1.802 square meters AB Tower office has not amortized and its remaining useful life is 35 years.

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)

B05g-CTCK

as at 31 December 2016

and for the period from 01 January 2016 to 31 December 2016

14. ADVANCES TO SETTLEMENT ASSISTANCE FUND

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

According to Decision No, 57/QĐ-VSD dated 28 May 2012 issued by the General Director of the Vietnam Securities Depository, Decision No, 87/2007/QĐ-BTC dated 22 October 2007 by the Minister of Finance regarding the issuance of regulations on the registration, custody, clearing and settlement of securities, and Circular No, 43/2010/TT-BTC dated 25 March 2010 regarding the amendment and supplement of the regulations, Decision no 45/QĐ-VSD dated 22 May 2014 issued by the General Director of the Vietnam Securities Depository regarding the issuance of regulations on the management and using the settlement assistance fund, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0,01% of the total amount of brokered securities in the previous year, but not over VND 2,5 billion per annual.

Movements of the advance to settlement assistance fund during the period are as follows:

	VND
Beginning balance	16,832,583,310
Annual addition	1,512,082,987
Annual accrued interest	987,917,013
TOTAL	19,332,583,310

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

15. SHORT-TERM BORROWINGS AND FINANCIAL LEASES

VND

	<i>Interest rate (%)</i>	<i>Beginning balance</i>	<i>Additional borrowings during the period</i>	<i>Repayment during the period</i>	<i>Ending balance</i>
Short-term borrowings	7,5-8,0	400,000,000,000	6,874,899,500,000	6,274,899,500,000	1,000,000,000,000
Bank's overdraft	6,0-6,5	254,103,204,781	9,041,348,435,548	9,295,451,640,329	-
TOTAL		654,103,204,781	15,916,247,935,548	15,570,351,140,329	1,000,000,000,000

16. PAYABLES FOR SECURITIES TRANSACTION ACTIVITIES

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Deposits for purchasing of shares	32,610,005,800	17,170,000,000
Payables to investors for selling transactions (*)	-	16,585,598,900
Other payables	-	98,873,437
TOTAL	32,610,005,800	33,854,472,337

17. TAXATION AND OTHER STATUTORY OBLIGATIONS

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax	28,854,214,980	18,924,105,880
Income tax of investors	8,917,434,264	7,303,263,902
Personal income tax of the employees	1,033,089,189	771,004,384
Value added tax	336,102,930	384,657,779
TOTAL	39,140,841,363	27,383,031,945

18. ACCRUED EXPENSES

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Brokerage fee payables to Stock Exchange	4,733,085,057	3,953,370,562
Allowance for working performance	12,000,000,000	12,000,000,000
Other accrued expenses	3,502,849,447	1,112,949,236
TOTAL	20,235,934,504	17,066,319,798

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

19. OTHER CURRENT LIABILITIES

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Dividend payable to shareholders	67,765,947,688	67,479,807,249
Investor's deposits for buying HSC shares from an extra issue	26,962,000,000	-
Investor's deposits for buying other shares from extra issues	11,057,768,772	-
Interest payables to banks	3,615,835,487	903,637,272
Other payables	3,025,391,752	3,103,616,983
TOTAL	<u>112,426,943,699</u>	<u>71,787,061,504</u>

20. OWNERS' EQUITY

Owners' equity

Details of the Company's shares are as follows:

	<i>Ending balance Unit</i>	<i>Beginning balance Unit</i>
Authorized shares	127,256,758	127,256,758
<i>Common shares</i>		
Shares issued and fully paid	127,256,758	127,256,758
<i>Common shares</i>		
Share buy-back (treasury shares)	101,390	71,341
<i>Common shares</i>		
Outstanding shares	<u>127,159,368</u>	<u>127,185,417</u>
<i>Common shares</i>		

Par value of one share is VND10,000.

21. DEPOSITS OF INVESTORS

In accordance with Circular 210, deposits of investors are disclosed separately in Off Balance Sheet Items instead of Cash and cash equivalent of Statement of Financial Position (*notes number 9 and number 24*).

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

22. OTHER INFORMATION

Related party transactions

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

<i>Related parties</i>	<i>Relationship</i>
Dragon Capital Markets Limited (DC)	Strategic shareholder – holding 30,87% of share capital, The Company's Vice Chairman of the Board of Directors is the General Director of DC. The Company's member of the Board of Directors, current Chief Executive Officer is representative for DC's shares.
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder – holding 29,47% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy General Director of HFIC. The Company's member of the Board of Directors is Head of Investment Department at HFIC.
Vietnam Debt Fund SPC (VDF)	DC's subsidiary
Vietnam Enterprise Investments Limited	DC's subsidiary
Amersham Industries Limited	DC's subsidiary
Vietnam Property Fund Limited	DC's subsidiary
DC's subsidiary	
DC Developing Markets Strategies Public Limited Company	DC's subsidiary

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

22. OTHER INFORMATION (continued)

Related party transactions (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current period VND</i>
Dragon Capital Markets Limited (DC)	Strategic shareholder	Brokerage service - Purchasing securities	292,355,597,000
		Brokerage service - Selling securities	5,380,000,000
		Brokerage income	377,141,146
		Advisory expenses	8,783,430,000
Amersham Industries Limited	Subsidiary of DC	Brokerage service - Purchasing securities	165,000,000,000
		Brokerage service - Selling securities	232,803,657,500
		Brokerage income	596,705,493
Vietnam Enterprise Investments Limited	Subsidiary of DC	Brokerage service - Purchasing securities	12,711,334,000
		Brokerage service - Selling securities	88,228,806,000
		Brokerage income	151,410,211
Cam Vietnam Mother Fund	Subsidiary of DC	Brokerage service - Purchasing securities	60,716,962,000
		Brokerage service - Selling securities	85,095,969,500
		Brokerage income	218,719,401
DC Developing Markets Strategies Public Limited Company	Subsidiary of DC	Brokerage service - Purchasing securities	120,754,467,020
		Brokerage service - Selling securities	4,122,908,300
		Brokerage income	187,305,786

Amounts due to and due from related parties at the interim reporting date are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current period VND</i>
Dragon Capital Markets Limited (DC)	Strategic shareholder	Dividend payable	19,639,405,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder	Dividend payable	18,750,000,000
		Payable for securities trading activities	24,829,079

Transactions of other relevant agencies

Salaries of Board of Management and Board of Director in Q4 2016 were VND 4,343,921,910 (included PIT and compulsory insurances)

Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 31 December 2016
and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

23. RECLASSIFICATION OF CORRESPONDING (continued)

Extract from the interim statement of comprehensive income (continued)

ITEMS	Note	Previous period	Circular 210 adjustments	Previous period (restated)	Accumulated year to Q4 2015	Circular 210 adjustments	Accumulated year to Q4 2015 (restated)
1. Revenue	[1]	171,031,686,451	(11,708,553,233)	159,323,133,218	420,107,300,359	(43,010,032,942)	377,097,267,417
<i>In which:</i>							
Revenue from brokerage services	[1]	72,336,243,384	-	72,336,243,384	262,076,234,335	-	-
Revenue from securities investments (**)	[1]	10,074,039,237	(10,074,039,237)	-	35,025,916,039	(35,025,916,039)	-
Revenue from finance advisory services	[1]	5,632,048,497	-	5,632,048,497	11,154,708,555	-	11,154,708,555
Revenue from custodian services	[1]	1,093,067,536	-	1,093,067,536	3,952,302,881	-	3,952,302,881
Other revenue (**)	[1]	81,896,287,797	(81,469,099,419)	427,188,378	278,929,816,000	(277,354,993,704)	1,574,822,296
1.1 Gain from financial assets at fair value through profit and loss (FVTPL) (*)	[1]	-	9,643,174,420	9,643,174,420	-	35,025,916,039	35,025,916,039
a. Gain from disposal of financial assets at FVTPL (*)	[1]	-	9,063,938,370	9,063,938,370	-	28,569,176,193	28,569,176,193
c. Dividend, interest income from financial assets at FVTPL (*)	[1]	-	579,236,050	579,236,050	-	6,456,739,846	6,456,739,846
1.3. Gain from loans and receivables (*)	[1]	-	70,191,411,003	70,191,411,003	-	222,636,416,529	222,636,416,529
3. Net revenue from operating activities		171,031,677,451	(171,031,677,451)	-	591,138,977,810	(591,138,977,810)	-
Total operating revenue (*)			159,323,133,218	159,323,133,218		536,420,400,635	536,420,400,635
4. Operating expenses	[2]						
<i>In which:</i>							
Operating expenses (**)	[2]	58,769,720,751	(58,769,720,751)	-	223,713,900,687	(223,713,900,687)	-

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2016

and for the period from 01 January 2016 to 31 December 2016

B05g-CTCK

23. RECLASSIFICATION OF CORRESPONDING (continued)

Extract from the interim statement of comprehensive income (continued)

ITEMS	Note	Previous period	Circular 210 adjustments	Previous period (restated)	Accumulated year to Q4 2015	Circular 210 adjustments	VND Accumulated year to Q4 2015 (restated)
Loss from financial assets at fair value through profit and loss (FVTPL) (*)	[2]	-	(948,199,767)	(948,199,767)	-	25,585,196,926	25,585,196,926
Loss from disposal of financial assets at FVTPL (*)	[2]	-	30,458,747,411	30,458,747,411	-	49,927,343,786	49,927,343,786
Loss from revaluation of financial assets at FVTPL (*)	[2]	-	(31,406,947,178)	(31,406,947,178)	-	(24,342,146,860)	(24,342,146,860)
Borrowing costs, loss from loans and receivables	[2]	-	8,783,595,773	8,783,595,773	-	11,329,602,430	11,329,602,430
Expenses for proprietary trading activities	[2]	-	2,327,672,312	2,327,672,312	-	11,949,061,177	11,949,061,177
Expenses for brokerage services	[2]	-	46,348,448,462	46,348,448,462	-	168,468,781,630	168,468,781,630
Expenses for securities custodian services	[2]	-	1,115,382,022	1,115,382,022	-	4,025,649,485	4,025,649,485
Expenses for advisory services	[2]	-	2,418,991,691	2,418,991,691	-	9,705,218,891	9,705,218,891
Other operating expenses	[2]	-	1,887,894,281	1,887,894,281	-	4,103,170,938	4,103,170,938
5. Gross profit from operating activities (**)		112,261,956,700	(112,261,956,700)	-	255,163,120,423	(255,163,120,423)	-
6. General and administrative expenses	[2]	22,235,570,402	-	22,235,570,402	71,946,538,894	16,923,725,109	88,870,264,003
7. Net profit from operating activities		88,255,572,511	(88,255,572,511)	-	183,216,581,529	(183,216,581,529)	-
8. Operating profit			88,255,572,511	88,255,572,511		183,216,581,529	183,216,581,529

(*) New items in the statement of comprehensive income as required by Circular 210.

(**) Items which were no longer presented in the statement of comprehensive income in accordance with Circular 210.

Details about adjustments in main items are as follows:

[1] Reclassify operating revenues in accordance with Circular 210

[2] Reclassify operating expenses in accordance with Circular 210

23. RECLASSIFICATION OF CORRESPONDING (continued)
Extract from the interim statement of financial position

VND

		31 December 2015	Circular 210 adjustments	31 December 2015 (restated)
ASSETS	Note			
A. CURRENT ASSETS				
1. Cash and cash equivalents	[1]	657,156,819,577	(493,009,558,764)	164,147,260,813
1. Short-term investments (**)	[2]	190,079,349,659	(190,079,349,659)	-
2. Provision for short-term investments (**)	[2]	(57,904,476,165)	57,904,476,165	-
2. Fair value through profit and loss (FVTPL) financial assets (*)	[2]	-	132,174,873,494	132,174,873,494
1. Trade receivables (**)	[3]	1,517,336,513	(1,517,336,513)	-
2. Advances to suppliers (**)	[3]	511,650,108	(511,650,108)	-
4. Receivables from securities trading activities (**)	[3]	2,680,281,654,037	(2,680,281,654,037)	-
5. Other receivables	[3]	3,696,364,899	16,947,774,615	20,644,139,514
6. Provision for doubtful debts (**)	[3]	(16,719,305,094)	16,719,305,094	-
4. Loans and receivables (*)	[3]	-	2,609,604,774,530	2,609,604,774,530
9. Receivables from services provided by the Company (*)	[3]	-	55,758,091,513	55,758,091,513
13. Provision for impairment of receivables (*)	[3]	-	(16,719,305,094)	(16,719,305,094)
V. Other current assets				
1. Advances(*)	[4]	-	154,469,078	154,469,078
4. Long-term collaterals and pledges (*)	[4]	-	25,698,600	25,698,600
4. Other current assets	[4]	180,167,678	(180,167,678)	-
B. NON-CURRENT ASSETS				
V. Other non-current assets				
4. Other long-term assets	[4]	4,688,159,350	(4,688,159,350)	-
1. Long-term deposits, collaterals and pledges (*)	[4]	-	4,688,159,350	4,688,159,350
TOTAL ASSETS		3,596,583,428,164	(493,009,558,764)	3,103,573,869,400

23. RECLASSIFICATION OF CORRESPONDING (continued)*Extract from the interim statement of financial position (continued)*

				VND
		31 December 2015	Circular 210 adjustments	31 December 2015 (restated)
RESOURCES	Note			
C, LIABILITIES				
I, Current liabilities				
8, Payables related to securities trading activities	[1]	526,864,031,101	(493,009,558,764)	33,854,472,337
9, Shares dividend, bond principal and interest payables (**)	[1]	2,148,185,349	(2,148,185,349)	-
12, Other current liabilities	[1], [5]	72,050,198,601	(563,137,097)	71,487,061,504
12, Employee benefit (*)	[5]	-	2,711,322,446	2,711,322,446
TOTAL LIABILITIES AND OWNERS' EQUITY		3,596,583,428,164	(493,009,558,764)	3,103,573,869,400

(*) *New items in the statement of comprehensive income as required by Circular 210.*(**) *Items which were no longer presented in the statement of comprehensive income in accordance with Circular 210.**Details about adjustments in main items are as follows: [1] Reclassify investors' deposits from on-balance sheet to off-balance sheet**[2] Reclassify investment portfolio in accordance with Circular 210**[3] Reclassify receivables in accordance with Circular 210**[4] Reclassify other assets in accordance with Circular 210**[5] Reclassify employee benefits in accordance with Circular 210*

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2016

and for the period from 01 January 2016 to 31 December 2016

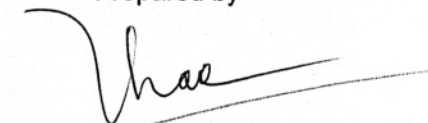
23. RECLASSIFICATION OF CORRESPONDING (continued)

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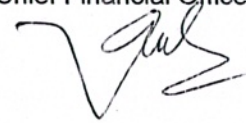
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Items	Note	Previous period	Circular 210 adjustments	Previous period (restated)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,506,623,089,077	(720,228,470,895)	786,394,618,182
Cash at banks at the beginning of the period:		1,506,623,089,077	(720,228,470,895)	786,394,618,182
Cash at banks for operation of the Company		1,506,623,089,077	(720,228,470,895)	786,394,618,182
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD		647,704,318,158	(412,682,576,159)	235,021,741,999
Cash at banks at the end of the period:		647,704,318,158	(412,682,576,159)	235,021,741,999
Cash at banks for operation of the Company		647,704,318,158	(412,682,576,159)	235,021,741,999
II. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE BEGINNING OF THE PERIOD				
Cash at banks at the beginning of the period:		-	720,228,472,295	720,228,472,295
Investors' deposits managed by the Company		-	720,228,472,295	720,228,472,295
III. CASH AND CASH EQUIVALENTS OF THE CUSTOMERS AT THE END OF THE PERIOD				
Cash at banks at the end of the period:		-	412,682,576,159	412,682,576,159
Investors' deposits managed by the Company for securities trading activities		-	412,682,576,159	412,682,576,159

Prepared by


Ho Thi Thu Thao

Chief Financial Officer


Lam Huu Ho

20 January 2017

Chief Executive Officer




Johan Nyvene