



FINANCIAL STATEMENTS

QUARTER 3/2016

**HO CHI MINH CITY SECURITIES
CORPORATION**

Ho Chi Minh City Securities Corporation

STATEMENT OF COMPREHENSIVE INCOME For the period from 01 January 2016 to 30 September 2016

B01g-CTCK

VND

	Items	Code	Notes	3st Quarter		Year to date	
				2016	2015	2016	2015
1	OPERATING REVENUE						
1.1	Gain from financial assets at fair value through profit and loss (FVTPL)	1		13,197,298,134	9,017,295,643	30,213,296,381	25,382,741,619
a	Gain from sale of financial assets at FVTPL	1.1	5.1	10,584,828,390	5,178,042,604	23,861,240,028	19,505,237,823
b	Gain from revaluation of financial assets at FVTPL	1.2	5.2	1,789,157,644	-	4,191,980,530	-
c	Dividend, interest income from financial assets at FVTPL	1.3		823,312,100	3,839,253,039	2,160,075,823	5,877,503,796
1.3	Income from loans and receivables	3		92,853,350,329	56,225,297,316	250,265,871,168	152,445,005,526
1.6	Revenue from brokerage services	6		102,364,393,413	74,480,324,460	266,234,253,708	189,739,990,951
1.8	Revenue from advisory services	8		8,548,135,782	2,127,577,032	14,993,748,108	5,522,660,058
1.10	Revenue from securities custodian services	10		1,289,524,117	1,019,466,269	3,679,142,509	2,859,235,345
1.11	Other operating incomes	11		358,363,155	340,577,711	1,475,048,836	1,147,633,918
	Total operating revenue	20		218,611,064,930	143,210,538,431	566,861,360,710	377,097,267,417
2	OPERATING EXPENSES						
2.1	Loss from financial assets at fair value through profit and loss (FVTPL)	21		2,697,378,765	19,855,643,326	8,447,784,464	26,533,396,693
a	Loss from sale of financial assets at FVTPL	21.1	5.1	2,017,122,276	10,502,143,100	11,750,374,223	19,468,596,375
b	Loss from revaluation of financial assets at FVTPL	21.2	5.2	680,256,489	9,353,500,226	(3,302,589,759)	7,064,800,318
2.3	Borrowing costs, loss from loans and receivables	23		15,289,133,408	994,333,626	29,925,552,157	2,546,006,657
2.6	Expenses for proprietary trading activities	26	6	4,723,376,064	2,242,990,282	11,066,887,329	9,621,388,865
2.7	Expenses for brokerage services	27	6	59,352,944,643	46,533,198,303	158,074,768,945	122,120,333,168
2.9	Expenses for advisory services	29	6	2,400,000,000	2,416,408,200	7,464,000,000	7,286,227,200
2.11	Expenses for securities custodian services	31	6	1,307,883,815	1,040,754,602	3,714,948,713	2,910,267,463
2.12	Other operating expenses	32	6	18,318,024,598	1,851,413,529	18,734,321,549	2,215,276,657
	Total operating expenses	40		104,088,741,293	74,934,741,868	237,428,263,157	173,232,896,703
3	FINANCE INCOME						
3.2	Interest income	42		9,262,441,309	11,497,083,595	22,296,719,816	45,986,904,416
	Total finance income	50		9,262,441,309	11,497,083,595	22,296,719,816	45,986,904,416

Ho Chi Minh City Securities Corporation

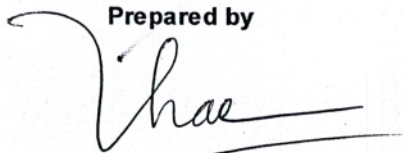
STATEMENT OF COMPREHENSIVE INCOME (continued)
For the period from 01 January 2016 to 30 September 2016

B01g-CTCK

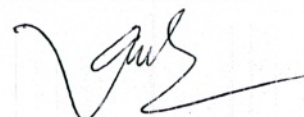
VND

	Items	Code	Notes	3st Quarter		Year to date	
				2016	2015	2016	2015
6	GENERAL AND ADMINISTRATIVE EXPENSES	62	7	22,186,775,129	22,749,368,080	67,335,147,351	66,634,693,601
7	OPERATING PROFIT	70		101,597,989,817	57,023,512,078	284,394,670,018	183,216,581,529
8	OTHER INCOME AND EXPENSE						
8.1	Other income	71		-	1,491,736	7,772,725	18,673,805
8.2	Other expense	72		-	-	-	-
	Total other income and expense	80		-	1,491,736	7,772,725	18,673,805
9	PROFIT BEFORE TAX	90		101,597,989,817	57,025,003,814	284,402,442,743	183,235,255,334
9.1	Realized profit	91		100,489,088,662	66,378,504,040	276,907,872,454	190,300,055,652
9.2	Unrealized profit	92		1,108,901,155	(9,353,500,226)	7,494,570,289	(7,064,800,318)
10	CORPORATE INCOME TAX (CIT) EXPENSE	100		19,797,104,010	11,700,865,170	55,636,377,270	39,265,985,340
10.1	Current CIT Expense	100.1		19,797,104,010	11,700,865,170	55,636,377,270	39,265,985,340
11	PROFIT AFTER TAX	200		81,800,885,807	45,324,138,644	228,766,065,473	143,969,269,994

Prepared by


Ho Thi Thu Thao

Chief Financial Officer


Lam Huu Ho

20 October 2016

Chief Executive Officer




Johan Nyvene

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION as at 30 September 2016

B02g-CTCK

VND

	Items	Code	Notes	Ending balance	Beginning balance
A -	CURRENT ASSETS	100		3,477,278,808,069	2,970,427,721,404
I.	Financial assets	110		3,472,614,769,944	2,965,609,834,770
1	Cash and cash equivalents	111	8	174,375,230,136	164,147,260,813
1.1	Cash	111.1		174,375,230,136	164,147,260,813
	Fair value through profit and loss (FVTPL)				
2.	financial assets	112	9	163,607,539,861	132,174,873,494
4.	Loans and receivables	114	9	2,912,084,873,506	2,609,604,774,530
9.	Receivables from services rendered	119	10	215,144,922,464	55,758,091,513
12.	Other receivables	122	10	42,312,929,728	20,644,139,514
13.	Provision for receivables	129		(34,910,725,751)	(16,719,305,094)
II.	Other current assets	130		4,664,038,125	4,817,886,634
1.	Advances	131		263,770,290	154,469,078
3.	Short-term prepaid expenses	133		4,374,569,235	4,637,718,956
4.	Short-term collaterals and pledges	134		25,698,600	25,698,600
B -	NON-CURRENT ASSETS	200		131,825,576,340	133,146,147,996
II.	Fixed assets	220		9,101,709,291	10,305,668,048
1.	Tangible fixed assets	221	11	5,031,308,251	5,406,970,081
	- Cost	222		45,358,689,140	43,397,152,620
	- Accumulated depreciation	223a		(40,327,380,889)	(37,990,182,539)
3.	Intangible fixed assets	227	12	4,070,401,040	4,898,697,967
	- Cost	228		29,685,565,250	28,463,749,200
	- Accumulated amortization	229a		(25,615,164,210)	(23,565,051,233)
IV.	Construction in progress	240		1,682,457,020	1,807,447,420
V.	Other non-current assets	250		121,041,410,029	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	96,990,018,969	99,512,289,868
4.	Deposits to Settlement Assistance Fund	254	14	19,332,583,310	16,832,583,310
	TOTAL ASSETS	270		3,609,104,384,409	3,103,573,869,400

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION (continued)
as at 30 September 2016

B02g-CTCK

VND

	Items	Code	Notes	Ending balance	Beginning balance
C.	LIABILITIES	300		1,229,334,164,976	824,024,542,338
I.	Current liabilities	310		1,229,334,164,976	824,024,542,338
1.	Short-term loans and financial leases	311	15	1,034,860,867,831	654,103,204,781
1.1	Short-term loans	312		1,034,860,867,831	654,103,204,781
6.	Payables for securities transaction activities	318	16	106,787,088,455	33,854,472,337
8.	Short-term trade payables	320		3,082,334,696	2,132,789,448
10.	Statutory obligations	322	17	31,133,881,658	27,383,031,945
12.	Employee benefit	324		3,540,875,282	2,711,322,446
13.	Short-term accrued expenses	325	18	24,860,381,742	17,066,319,798
17.	Other current liabilities	329	19	10,151,091,224	71,487,061,504
19.	Bonus and welfare fund	331		14,917,644,088	15,286,340,079
D.	OWNER'S EQUITY	400		2,379,770,219,433	2,279,549,327,062
I.	Owner's equity	410		2,379,770,219,433	2,279,549,327,062
1.	Share capital	411		1,581,879,121,491	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		(1,032,257,008)	(770,889,458)
4.	Charter capital supplementary reserve	414		101,786,372,631	101,786,372,631
5.	Operational risk and financial reserve	415		101,786,372,632	101,786,372,632
6.	Other reserves	416		3,961,374,994	3,961,374,994
7.	Undistributed profit	417		590,356,977,685	489,874,717,764
7.1	Realized profit	417.1		640,014,410,406	547,779,193,929
7.2	Unrealized loss	417.2		(50,409,905,876)	(57,904,476,165)
	TOTAL LIABILITIES AND OWNERS' EQUITY	440		3,609,104,384,409	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 30 September 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)	23.1		345,059,000	345,059,000
2.	Foreign currencies (VND)	23.2		573,323,462	937,626,048
3.	Outstanding shares	23.3		127,159,368	127,185,417
4.	Treasury shares	23.4		97,390	71,341
	Financial assets of the Company listed/registered at Vietnam				
5.	Securities Depository (VSD)	23.5		3,890,323	4,390,311
a.	Unrestricted financial assets			3,131,673	4,016,841
b.	Restricted financial assets			58,500	58,500
c.	Financial assets awaiting settlement			700,150	314,970
6.	The Company's non-traded financial assets deposited at VSD	23.6		112	1
a.	Unrestricted and non-traded financial assets deposited at VSD			112	1
	ASSETS AND PAYABLES UNDER AGREEMENT WITH				
B.	INVESTORS				
1.	Investors' financial assets listed/registered at VSD			1,089,172,507	1,026,471,691
a.	Unrestricted financial assets			992,719,513	941,754,088
b.	Restricted financial assets			9,846,817	4,083,360
c.	Mortgage financial assets			57,428,880	56,463,177
d.	Blocked financial assets			18,000	18,000
e.	Financial assets awaiting settlement			29,159,297	24,153,066

Ho Chi Minh City Securities Corporation

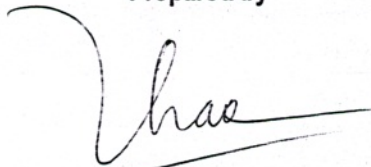
STATEMENT OF FINANCIAL POSITION (continued)
as at 30 September 2016

B02g-CTCK

OFF BALANCE SHEET ITEMS (continue)

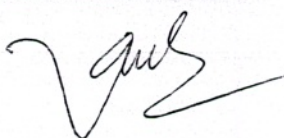
	ITEMS	Code	Notes	Ending balance (Quantity of securities)	Beginning balance (Quantity of securities)
	ASSETS AND PAYABLES UNDER AGREEMENT WITH				
B. INVESTORS	(continued)				
2.	Investors' non-traded financial assets deposited at VSD	022		2,929,892	1,460,513
a.	<i>Unrestricted and non-traded financial assets deposited at VSD</i>	022.1		2,433,662	758,907
b.	<i>Restricted and non-traded financial assets deposited at VSD</i>	022.2		496,230	701,606
3.	Investors' deposits (VND)	027		504,154,466,423	493,009,558,764
3.1.	Investors' deposits for brokerage activities (VND)	027		504,154,466,423	493,009,558,764
3.2.	Investors' deposits for securities trading activities (VND)	027.1		504,154,466,423	493,009,558,764
4.	Payables to investors for securities trading activities managed by the Company (VND)	030		504,154,466,423	493,009,558,764
4.1.	Payables to domestic investors for securities trading activities managed by the Company (VND)	030.1		502,513,353,486	487,176,449,243
4.2.	Payables to foreign investors for securities trading activities managed by the Company (VND)	030.2		1,641,112,937	5,833,109,521

Prepared by



Ho Thi Thu Thao

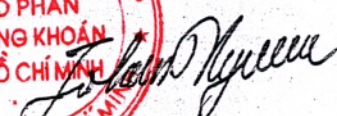
Chief Financial Officer



Lam Huu Ho

20 October 2016

Chief Executive Officer

Johan Nyvene

Ho Chi Minh City Securities Corporation
STATEMENT OF CASH FLOWS
For the period from 01 January 2016 to 30 September 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		284,402,442,743	183,235,255,334
2.	Adjustments for:	02			
	Depreciation and amortization	03		4,387,311,327	4,046,841,719
	Accrued expenses, prepaid expenses	06		10,579,482,564	4,162,233,303
	Gain from investing activities	07		(7,772,725)	(18,545,455)
	Accrued interest income	08		(7,243,220,833)	(4,363,025,279)
3.	Increase in non-monetary expenses	10			
	Loss from revaluation of financial assets at FVTPL	11		(3,302,589,759)	7,064,800,318
4.	Decrease in non-monetary income	20			
	Gain from revaluation of financial assets at FVTPL	21		(4,191,980,530)	-
5.	Changes in operating assets and liabilities	30			
	(Increase)/decrease in financial assets at FVTPL	31		(23,938,096,078)	(171,603,801,037)
	(Increase)/ decrease in loans	33		(302,480,098,976)	(442,736,334,364)
6.	Operating income before changes in working capital	42			
	(Increase)/decrease in receivables from services rendered	45		(159,386,830,951)	551,357,054,583
	(Increase)/decrease in other receivables	47		3,765,851,276	882,088,011
	Increase/(decrease) in trade payables	48		73,882,161,366	93,297,755,535
	Increase/(decrease) in statutory payables	50		3,023,366,142	(3,404,863,411)
	Increase/(decrease) in other payables	51		2,156,430,126	(150,275,808,923)
	Corporate income tax paid	52		(54,909,670,974)	(43,240,809,481)
	Other payments for operating activities	54		(12,665,524,324)	(26,774,181,727)
	Net cash flows used in operating activities	60		(185,928,739,606)	1,628,659,126
II.	CASH FLOWS FROM INVESTING ACTIVITIES				
1.	Purchase and construction of fixed assets, investment properties and other long - term assets	61		(3,058,362,170)	(7,188,812,904)
2.	Proceeds from disposal and sale of fixed assets, investment properties and other long-term assets	62		8,550,000	20,400,000
	Net cash flows used in investing activities	70		(3,049,812,170)	(7,168,412,904)
III.	CASH FLOWS FROM FINANCING ACTIVITIES				
2.	Capital redemption	72		(1,367,550)	(1,529,460)
3.	Drawdown of borrowings	73		11,639,760,857,998	3,646,022,033,929
4.	Repayment of borrowings	74		(11,259,003,194,948)	(3,770,376,320,416)
6.	Dividends paid to equity holders	76		(181,549,774,401)	(266,656,672,945)
	Net cash flow from/(used in) financing activities	80		199,206,521,099	(391,012,488,892)
IV.	NET INCREASE/(DECREASE)IN CASH DURING THE PERIOD	90		10,227,969,323	(396,552,242,670)
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		174,375,230,136	389,842,374,112
	Cash at banks at the end of the period:	104		174,375,230,136	389,842,374,112

Ho Chi Minh City Securities Corporation
STATEMENT OF CASH FLOWS (continued)
For the period from 01 January 2016 to 30 September 2016

B03g-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

VND

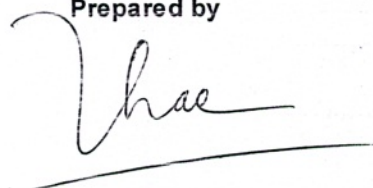
ITEMS	Code	Notes	Year to date	
			Current period	Previous period
I. Cash flows from brokerage, trust activities of the customers				
1. Cash receipt from disposal of securities on behalf of customers	01		42,247,168,638,950	31,583,433,584,314
2. Cash payment for acquisition of securities on behalf of customers	02		(42,891,814,584,300)	(31,933,445,111,014)
9. Cash receipt for settlement of securities transactions of customers	09		659,505,801,722	100,983,559,760
11. Cash payment for custodian fees of customers	11		(3,714,948,713)	(2,910,267,463)
Net increase/(decrease) in cash during the period	20		11,144,907,659	(251,938,234,403)
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		504,154,466,423	468,290,237,892
- Cash at banks at the end of the period	41		504,154,466,423	468,290,237,892
- Investors' deposits managed by the Company for securities trading	42		504,154,466,423	468,290,237,892

20 October 2016

Prepared by

Chief Financial Officer

Chief Executive Officer



Ho Thi Thu Thao



Lam Huu Ho



Johan Nyvene

Ho Chi Minh City Securities Corporation

STATEMENT OF CHANGES IN EQUITY

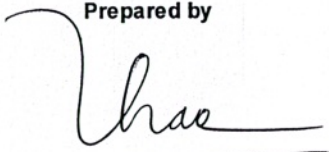
For the period from 01 January 2016 to 30 September 2016

B04g-CTCK


VND

ITEMS	Notes	Beginning balnace		Increase/(decrease)				Ending balance	
		1 January 2015	1 January 2016	Previous period		Current period		30 September 2015	30 September 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)	(442,529,460)	-	(261,367,550)	-	(770,338,298)	(1,032,257,008)
4. Charter capital supplementary reserve		91,120,867,619	101,786,372,631	-	-	-	-	91,120,867,619	101,786,372,631
5. Operational risk and Financial reserve fund		91,120,867,619	101,786,372,632	-	-	-	-	91,120,867,619	101,786,372,632
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	143,969,269,994	227,955,593,471	228,766,065,473	128,283,805,552	505,457,606,023	590,356,977,685
Realized profit		671,690,552,525	547,779,193,929	151,034,070,312	227,955,593,471	221,271,495,184	128,283,805,552	594,769,029,366	640,766,883,561
Unrealized profit		(82,246,623,025)	(57,904,476,165)	(7,064,800,318)	-	7,494,570,289	-	(89,311,423,343)	(50,409,905,876)
Total		2,358,230,609,392	2,279,549,327,062	143,526,740,534	227,955,593,471	228,504,697,923	128,283,805,552	2,273,801,756,455	2,379,770,219,433

Prepared by


Ho Thi Thu Thao

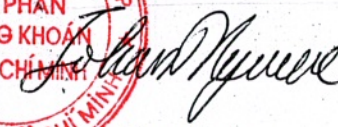
Chief Financial Officer


Lam Huu Ho

20 October 2016

Chief Executive Officer




Johan Nyvene

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS

B05g-CTCK

as at 30 September 2016

and for the period from 01 January 2016 to 30 September 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 30 September 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 30 September 2016 was VND 1,272,567,580,000 while its owners' equity was VND 2,379,770,219,433 and its total assets was VND 3,609,104,384,409.

Comparison of The Company's financial results between the third quarter of 2016 and the third quarter of 2015

Q3 2016 profit after tax increased by 80% compared to that of the same period of last year because of the following main reasons:

The operating revenue for the Q3 2016 increased by 53% compared to Q3 2015:

- Revenue from brokerage services for Q3 2016 increased by 37% compared to that of the same period of last year as a result of 26% growth in market trading value and a continuing increase in the company's market share.
- Revenue from margin lending activities (mentioned in gain from loans and receivables) increased by 65% compared to that of the same period of last year, mostly because of changing in management procedure making the average margin lending balance going up 69% compared to Q3 2015. The average margin interest in Q3 2016 decreased due to high competitive pressure from the peer group and the common trend of interest rate decline.
- After restructuring period, revenue from advisory services increased by 29% compared to that of the same period of last year and contributed considerably to total revenue.
- The Company doesn't focus on proprietary trading so these activities generated modest revenues in both 2 periods Q3 2016 and Q3 2015.

Operating and administrative expenses for Q3 2016 increased by 29% 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 39% in Q3 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.
- The administrative expenses of Q3 2016 were equivalent to the same period of last year.

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

1. CORPORATE INFORMATION (continued)

Comparison of The Company's financial results between the first 9 months of 2016 and the first 9 months of 2015.

9M 2016 profit after tax increased by 59% compared to that of the same period of last year because of the following reasons:

The operating revenue for 9M 2016 increased by 50% compared to 9M 2015

- Revenue from brokerage services for 9M 2016 increased by 40% compared to that of the same period of last year as a result of 23% 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) for 9M 2016 increased by 64% compared to 9M 2015. Because of the trend of interest rates decline, HSC's margin interest rates decreased from 13.8% in 2015 to 13% in 2016. However, the average margin lending balance in 9M 2016 was 76% higher than the same period last year.
- After restructuring period, revenue from advisory services increased by 29% compared to that of the same period of last year and contributed considerably to total revenue.
- The Company doesn't focus on proprietary trading so these activities generated modest revenues in both 2 periods 9M 2016 and 9M 2015.

Operating and administrative expenses for 9M 2016 increased by 27% 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 37% in the 9M 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.
- The administrative expenses for 9M 2016 remained the same compared to that of the same period of 2015

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

2. BASIS OF PREPARATION *(continued)*

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.

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.

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)

B05g-CTCK

as at 30 September 2016

and for the period from 01 January 2016 to 30 September 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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).
- 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;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Loans (continued)

- 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Market value/fair value of financial assets at FVTPL (continued)

- ▶ 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.10 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Repurchase and reverse repurchase agreements (continued)

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.

3.14.2 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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue recognition (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 30 September 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 financial nine-month period ended 30 September 2016</i>							
1. Revenue from operating activities	269,913,396,217	30,213,296,381	10,726,329,496	272,562,590,984	5,742,467,448	-	589,158,080,526
2. Direct costs	195,168,593,779	12,361,323,732	5,459,089,729	85,583,971,521	1,803,120,409	-	300,376,099,170
3. Depreciation and amortization	1,952,665,902	1,885,538	7,547,057	2,375,171,689	50,041,152	-	4,387,311,338
4. Other income	-	-	-	-	7,772,725	-	7,772,725
Profit before tax	72,792,136,536	17,850,087,111	5,259,692,710	184,603,447,774	3,897,078,612	-	284,402,442,743
1. Segment assets	2,682,774,967,357	163,607,539,861	-	650,961,890,241	615,180,221	-	3,497,959,577,680
2. Allocated assets	85,551,125,769	777,737,507	1,866,570,017	2,022,117,518	15,865,845,142	-	106,083,395,953
3. Unallocated assets	-	-	-	-	-	5,061,410,776	5,061,410,776
Total assets	2,768,326,093,126	164,385,277,368	1,866,570,017	652,984,007,759	16,481,025,363	5,061,410,776	3,609,104,384,409
1. Segment liabilities	114,974,247,971	-	-	1,036,894,744,101	853,580,668	-	1,152,722,572,740
2. Unallocated liabilities	-	-	-	-	-	76,611,592,236	76,611,592,236
Total liabilities	114,974,247,971	-	-	1,036,894,744,101	853,580,668	76,611,592,236	1,229,334,164,976

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 30 September 2016

and for the period from 01 January 2016 to 30 September 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	10,584,828,390	2,017,122,276	22,011,790,028	11,315,736,136
Hoa Phat Group (HPG)	1,896,539,156	-	4,525,090,542	3,217,845,764
Hoa Sen Group (HSG)	1,294,661,626	-	1,895,498,775	-
Mobile World Investment Corporation (MWG)	1,270,636,544	-	1,279,811,859	-
VFMVN30 ETF	1,891,284,786	-	3,742,039,633	-
Vietnam Dairy Products JSC (VNM)			4,360,136,526	
Thanh Cong Textile Garment Investment and Trading JSC (TCM)				3,585,110,959
Others	4,231,706,278	2,017,122,276	6,209,212,693	4,512,779,413
Unlisted shares	-	-	1,842,450,000	434,638,087
Listed bonds	-	-	7,000,000	-
TOTAL	10,584,828,390	2,017,122,276	23,861,240,028	11,750,374,223

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 30 September 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	4,807,642,604	10,502,143,100	10,694,762,252	19,468,596,375
Asia Commercial Joint Stock Bank (ACB)	185,520,000	185,759,800	3,062,724,400	3,064,304,400
VFMVN30 ETF	1,068,645,731	5,565,464,591	1,073,484,104,00	6,290,175,359
Hoa Phat Group (HPG)	-	-	-	2,207,412,307
KIDO Group (KDC)	-	-	-	3,890,305,732
Sai Gon Securities Incorporation (SSI)	-	-	-	457,393,487
Thanh Cong Textile Garment Investment and Trading JSC (TCM)	-	-	-	29,237,855
Others	3,553,476,873	4,750,918,709	6,558,553,748	3,529,749,789
Unlisted shares	-	-	7,264,575,571	-
Listed bonds	370,400,000	-	1,545,900,000	-
TOTAL	5,178,042,604	10,502,143,100	19,505,237,823	19,468,596,375

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 30 September 2016

B05g-CTCK

5. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

5.2. Gain, loss from revaluation of financial assets

<i>Financial assets</i>	<i>Cost</i>	<i>Market value or Fair value</i>	<i>Revaluation difference as at 30/09/2016</i>	<i>Revaluation difference as at 31/12/2015</i>	<i>VND Gain/(loss) recorded in this period</i>
I. FVTPL (Note 9.3)	214,017,445,737	163,607,539,861	(50,409,905,876)	(57,904,476,165)	7,494,570,289
Listed shares	102,568,262,189	102,265,408,111	(302,854,078)	(7,516,498,413)	7,213,644,335
Viettronics Tan Binh JSC	8,168,464,212	5,294,768,500	(2,873,695,712)	(2,549,526,212)	(324,169,500)
Hoang Huy Investment Services Joint Stock Company	2,240,000,000	1,230,600,000	(1,009,400,000)	-	(1,009,400,000)
Mobile World Investment Corporation	33,685,988,767	35,594,136,000	1,908,147,233	-	1,908,147,233
Saigontourist Transport JSC	3,280,788,000	4,335,327,000	1,054,539,000	-	1,054,539,000
Others	55,193,021,210	55,810,576,611	617,555,401	(4,966,972,201)	5,584,527,602
Unlisted shares	111,449,183,548	61,342,131,750	(50,107,051,798)	(50,387,977,752)	280,925,954
Dong A Joint Stock Commercial Bank	16,967,999,502	5,542,064,000	(11,425,935,502)	(11,425,935,502)	-
Tan Binh Real Estate JSC	11,925,000,000	6,210,000,000	(5,715,000,000)	(5,715,000,000)	-
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	4,920,600,000	618,000,000	(4,302,600,000)	(4,302,600,000)	-
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	41,829,184,046	42,110,110,000	280,925,954	-	280,925,954
II. Loan (Note 9.2)	2,912,084,873,506	2,912,084,873,506	-	-	-
TOTAL	3,126,121,546,752	3,076,073,132,036	(50,409,905,876)	(57,904,476,165)	7,494,570,289

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 30 September 2016

B05g-CTCK

6. EXPENSES FOR RENDERING OF SERVICES

	VND			
	Year to date		Year to date	
	Current period	Previous period	Current period	Previous period
Expenses for employees cost trading activities	4,723,376,064	2,242,990,282	11,066,887,329	9,621,388,865
Expenses for brokerage services	59,352,944,643	46,533,198,303	158,074,768,945	122,120,333,168
Expenses for advisory services	2,400,000,000	2,416,408,200	7,464,000,000	7,286,227,200
Expenses for securities custodian service	1,307,883,815	1,040,754,602	3,714,948,713	2,910,267,463
Provision for bad debts (Note 10)	18,191,420,657	-	18,191,420,657	-
Other expenses	126,603,941	1,851,413,529	542,900,892	2,215,276,657
TOTAL	86,102,229,120	54,084,764,916	199,054,926,536	144,153,493,353

7. GENERAL AND ADMINISTRATIVE EXPENSES

	VND			
	Year to date		Year to date	
	Current period	Previous period	Current period	Previous period
Payroll employees cost staff	8,895,194,339	8,558,788,590	25,889,616,836	24,858,629,230
Allowance for working performance	3,000,000,000	3,000,000,000	9,000,000,000	9,000,000,000
External service expenses	8,991,112,841	9,634,213,317	28,568,725,583	28,212,987,228
Depreciation and amortization	872,529,485	811,320,859	2,457,780,490	2,465,298,194
Tax and other fee	42,215,416	99,672,735	315,030,289	247,481,804
Other expenses	385,723,048	645,372,579	1,103,994,153	1,850,297,145
TOTAL	22,186,775,129	22,749,368,080	67,335,147,351	66,634,693,601

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 30 September 2016

B05g-CTCK

8. CASH AND CASH EQUIVALENTS

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	710,938,742	720,277,993
Cash at banks for operation of the Company	173,664,291,394	163,426,982,820
TOTAL	174,375,230,136	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

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Carrying value</i>	<i>Fair value</i>	<i>Carrying value</i>	<i>Fair value</i>
Listed shares	102,265,421,111	102,265,421,111	72,922,670,698	72,922,670,698
Mobile World Investment Corporation (MWG)	35,594,136,000	35,594,136,000	-	-
FPT Telecom JSC (FPT)	19,399,075,950	19,399,075,950	-	-
The PAN Group (PAN)	14,235,243,750	14,235,243,750	-	-
Others	33,036,965,411	33,036,965,411	72,922,670,698	72,922,670,698
Unlisted shares	61,342,118,750	61,342,118,750	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	5,542,064,000	5,542,064,000	5,542,064,000	5,542,064,000
Tan Binh Real Estate JSC	6,210,000,000	6,210,000,000	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
Others	10,786,414,750	10,786,414,750	8,696,498,796	8,696,498,796
TOTAL	163,607,539,861	163,607,539,861	132,174,873,494	132,174,873,494

9.2 Loans

VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Carrying value</i>	<i>Fair value</i>	<i>Carrying value</i>	<i>Fair value</i>
Margin activities	2.895.887.950.696	2.895.887.950.696	2.515.797.574.071	2.515.797.574.071
Advance to customers	16.196.922.810	16.196.922.810	93.807.200.459	93.807.200.459
TOTAL	2.912.084.873.506	2.912.084.873.506	2.609.604.774.530	2.609.604.774.530

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 30 September 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 30 September 2016	Difference from revaluation		Revaluation value	Cost	31 December 2015	Difference from revaluation		Revaluation value
			Increase	Decrease				Increase	Decrease	
I FVTPL	214,017,445,737	163,607,539,861	4,191,980,530	(54,601,886,406)	163,607,539,861	190,079,349,659	132,174,873,494	-	(57,904,476,165)	132,174,873,494
Shares	214,017,445,737	163,607,539,861	4,191,980,530	(54,601,886,406)	163,607,539,861	190,079,349,659	132,174,873,494	-	(57,904,476,165)	132,174,873,494
II Loans	2,912,084,873,506	2,912,084,873,506	-	-	2,912,084,873,506	2,609,604,774,530	2,609,604,774,530	-	-	2,609,604,774,530
	3,126,102,319,243	3,075,692,413,367	4,191,980,530	(54,601,886,406)	3,075,692,413,367	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 30 September 2016
and for the period from 01 January 2016 to 30 September 2016

B05g-CTCK

10. RECEIVABLES

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Receivables from services provided by the Company (i)	215,144,922,464	55,758,091,513
Accrued interest from term deposits	7,243,220,833	2,178,573,612
Others receivables	35,069,708,895	18,465,565,902
Provision for impairment of receivables (ii)	(34,910,725,751)	(16,719,305,094)
TOTAL	<u>222,547,126,441</u>	<u>59,682,925,933</u>

(i) Included the receivables from purchasing securities from an entity amounting to VND 214,348,143,055 which have been paid on 4 Oct 2016.

(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
Others	<u>1,800,517,100</u>	<u>-</u>	<u>1,800,517,100</u>
TOTAL	<u>16,719,305,094</u>	<u>18,191,420,657</u>	<u>34,910,725,751</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	<u>-</u>	<u>1,961,536,520</u>	<u>1,961,536,520</u>
30 September 2016	<u>3,474,189,544</u>	<u>41,884,499,596</u>	<u>45,358,689,140</u>
Accumulated depreciation:			
01 January 2016	2,692,934,612	35,297,247,927	37,990,182,539
Depreciation expense	<u>141,402,924</u>	<u>2,195,795,426</u>	<u>2,337,198,350</u>
30 September 2016	<u>2,834,337,536</u>	<u>37,493,043,353</u>	<u>40,327,380,889</u>
Net carrying amount:			
01 January 2016	781,254,932	4,625,715,149	5,406,970,081
30 September 2016	<u>639,852,008</u>	<u>4,391,456,243</u>	<u>5,031,308,251</u>

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 30 September 2016

12. INTANGIBLE FIXED ASSETS

VND

Software

Cost:

1 January 2016	28,463,749,200
Additions	<u>1,221,816,050</u>
30 September 2016	<u>29,685,565,250</u>

Accumulated amortization:

1 January 2016	23,565,051,233
Amortization for the period	<u>2,050,112,977</u>
30 September 2016	<u>25,615,164,210</u>

Net carrying amount:

1 January 2016	<u>4,898,697,967</u>
30 September 2016	<u>4,070,401,040</u>

13. LONG-TERM PREPAID EXPENSES

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Prepaid office rentals (*)	96,077,134,700	98,201,690,504
Office renovation cost	76,485,872	1,174,321,586
Office tools and equipment	836,398,397	136,277,778
TOTAL	<u>96,990,018,969</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)

as at 30 September 2016

and for the period from 01 January 2016 to 30 September 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 30 September 2016
and for the period from 01 January 2016 to 30 September 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	4,124,899,500,000	3,835,499,500,000	689,400,000,000
Bank's overdraft	6,0-6,5	<u>254,103,204,781</u>	<u>7,514,861,357,998</u>	<u>7,423,503,694,948</u>	<u>345,460,867,831</u>
TOTAL		<u>654,103,204,781</u>	<u>11,639,760,857,998</u>	<u>11,259,003,194,948</u>	<u>1,034,860,867,831</u>

16. PAYABLES FOR SECURITIES TRANSACTION ACTIVITIES

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to investors for selling transactions (*)	89,616,482,655	16,585,598,900
Deposits for purchasing of shares	17,170,000,000	17,170,000,000
Other payables	<u>605,800</u>	<u>98,873,437</u>
TOTAL	<u>106,787,088,455</u>	<u>33,854,472,337</u>

17. TAXATION AND OTHER STATUTORY OBLIGATIONS

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax	19,797,104,010	18,924,105,880
Income tax of investors	10,097,195,034	7,303,263,902
Personal income tax of the employees	1,210,757,802	771,004,384
Value added tax	<u>28,824,812</u>	<u>384,657,779</u>
TOTAL	<u>31,133,881,658</u>	<u>27,383,031,945</u>

18. ACCRUED EXPENSES

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Brokerage fee payables to Stock Exchange	6,002,809,392	12,000,000,000
Allowance for working performance	9,000,000,000	3,953,370,562
Advisory expense	7,200,000,000	-
Other accrued expenses	<u>2,657,572,350</u>	<u>1,112,949,236</u>
TOTAL	<u>24,860,381,742</u>	<u>17,066,319,798</u>

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 30 September 2016

B05g-CTCK

19. OTHER CURRENT LIABILITIES

	<i>Ending balance</i>	<i>Beginning balance</i>
Dividend payable to shareholders	4,188,263,688	67,479,807,249
Interest payables to banks	2,033,876,270	697,149,329
Other payables	3,928,951,266	3,310,104,926
TOTAL	<u>10,151,091,224</u>	<u>71,487,061,504</u>

VND

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)	97,390	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 30 September 2016
and for the period from 01 January 2016 to 30 September 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 30 September 2016
and for the period from 01 January 2016 to 30 September 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 - Selling securities	10,490,000,000
		Brokerage income	15,735,000
		Dividend paid	-
		Advisory expenses	2,400,000,000
Amersham Industries Limited	Subsidiary of DC	Brokerage service - Purchasing securities	22,047,050,000
		Brokerage service - Selling securities	417,356,287,510
		Brokerage income	659,105,010
Vietnam Enterprise Investments Limited	Subsidiary of DC	Brokerage service - Purchasing securities	26,770,210,000
		Brokerage service - Selling securities	180,011,370,000
		Brokerage income	310,172,373
Cam Vietnam Mother Fund	Subsidiary of DC	Brokerage service - Purchasing securities	141,476,016,010
		Brokerage service - Selling securities	144,770,994,000
		Brokerage income	429,370,520
DC Developing Markets Strategies Public Limited Company	Subsidiary of DC	Brokerage service - Purchasing securities	18,657,045,000
		Brokerage service - Selling securities	36,900,195,000
		Brokerage income	83,335,861

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	Accrued advisory expense	7,200,000,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder	Payable for securities trading activities	24,779,092

Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 September 2016
and for the period from 01 January 2016 to 30 September 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 Q3 2015	Circular 210 adjustments	Accumulated year to Q3 2015 (restated)
1. Revenue	[1]	153,713,288,400	(10,502,749,969)	143,210,538,431	420,107,300,359	(43,010,032,942)	377,097,267,417
<i>In which:</i>							
Revenue from brokerage services	[1]	74,480,324,460	-	74,480,324,460	89,739,990,951	-	-
Revenue from securities investments (**)	[1]	9,017,295,643	(9,017,295,643)	-	24,951,876,802	(24,951,876,802)	-
Revenue from finance advisory services	[1]	2,127,577,032	-	2,127,577,032	5,522,660,058	-	5,522,660,058
Revenue from custodian services	[1]	1,019,466,269	-	1,019,466,269	2,859,235,345	-	2,859,235,345
Other revenue (**)	[1]	67,068,624,996	(66,728,047,285)	340,577,711	197,033,537,203	(195,885,903,285)	1,147,633,918
1.1 Gain from financial assets at fair value through profit and loss (FVTPL) (*)	[1]	-	9,017,295,643	9,017,295,643	-	25,382,741,619	25,382,741,619
a. Gain from disposal of financial assets at FVTPL (*)	[1]	-	5,178,042,604	5,178,042,604	-	19,505,237,823	19,505,237,823
c. Dividend, interest income from financial assets at FVTPL (*)	[1]	-	3,839,253,039	3,839,253,039	-	5,877,503,796	5,877,503,796
1.3. Gain from loans and receivables (*)	[1]	-	56,225,297,316	56,225,297,316	-	152,445,005,526	152,445,005,526
3. Net revenue from operating activities		153,713,288,400	(153,713,288,400)	-	420,107,300,359	(420,107,300,359)	-
Total operating revenue (*)			143,210,538,431	143,210,538,431		377,097,267,417	377,097,267,417
4. Operating expenses	[2]						
<i>In which:</i>							
Operating expenses (**)	[2]	72,172,614,165	(72,172,614,165)	-	164,944,179,936	(164,944,179,936)	-

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 30 September 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 Q3 2015	Circular 210 adjustments	VND Accumulated year to Q3 2015 (restated)
Loss from financial assets at fair value through profit and loss (FVTPL) (*)	[2]	-	19,855,643,326	19,855,643,326	-	26,533,396,693	26,533,396,693
Loss from disposal of financial assets at FVTPL (*)	[2]	-	10,502,143,100	10,502,143,100	-	19,468,596,375	19,468,596,375
Loss from revaluation of financial assets at FVTPL (*)	[2]	-	9,353,500,226	9,353,500,226	-	7,064,800,318	7,064,800,318
Borrowing costs, loss from loans and receivables	[2]	-	994,304,484	994,304,484	-	2,545,977,515	2,545,977,515
Expenses for proprietary trading activities	[2]	-	2,242,990,282	2,242,990,282	-	9,621,388,865	9,621,388,865
Expenses for brokerage services	[2]	-	46,533,198,303	46,533,198,303	-	122,120,333,168	122,120,333,168
Expenses for securities custodian services	[2]		1,040,754,602	1,040,754,602	-	2,910,267,463	2,910,267,463
Expenses for advisory services	[2]		2,416,408,200	2,416,408,200	-	7,286,227,200	7,286,227,200
Other operating expenses	[2]		83,619,452	83,619,452	-	447,482,580	447,482,580
5. Gross profit from operating activities (**)		81,540,674,253	(81,540,674,253)	-	255,163,120,423	(255,163,120,423)	-
6. General and administrative expenses	[2]	24,517,162,157	-	24,517,162,157	71,946,538,894	(3,544,051,216)	68,402,487,678
7. Net profit from operating activities		57,023,512,078	(57,023,512,078)	-	183,216,581,529	(183,216,581,529)	-
8. Operating profit			57,023,512,078	57,023,512,078		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

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30 September 2016

and for the period from 01 January 2016 to 30 September 2016

B05g-CTCK

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 30 September 2016

and for the period from 01 January 2016 to 30 September 2016

23. RECLASSIFICATION OF CORRESPONDING (continued)

B05g-CTCK

VND

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 October 2016

Chief Executive Officer

Johan Nyvene

