

FINANCIAL STATEMENTS

QUARTER 1/2017

**HO CHI MINH CITY SECURITIES
CORPORATION**

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION
as at 31 March 2017

B01-CTCK

Code	ITEMS	Notes	Ending balance VND	Beginning balance (Audited) VND
100	A. CURRENT ASSETS		3,742,719,875,013	3,472,717,136,729
110	I. Cash and cash equivalents		3,737,515,002,924	3,468,203,146,189
111	1. Cash and cash equivalents	5	68,880,261,540	60,193,684,900
111,1	1.1 Cash		68,880,261,540	60,193,684,900
112	2. Financial assets at fair value through profit and loss (FVTPL)	6.1	519,622,571,695	306,371,695,555
114	3. Loans	6.2	3,029,086,926,076	2,750,945,233,394
116	4. Provision for impairment of financial asset at FVTPL		(19,997,479,770)	(19,997,479,770)
118	5. Advances to suppliers		3,268,794,605	424,654,405
119	6. Receivables from services provided by the Company	7	127,596,936,198	370,008,403,676
122	7. Other receivables	7	43,967,718,331	35,167,679,780
129	8. Provision for doubtful debts		(34,910,725,751)	(34,910,725,751)
130	II. Other current assets	8	5,204,872,089	4,513,990,540
131	1. Advances		328,900,386	433,534,797
133	2. Short-term prepaid expenses		4,848,213,103	4,052,697,143
134	3. Short-term deposits, collaterals and pledges		27,758,600	27,758,600
200	B. NON-CURRENT ASSETS		150,085,624,438	144,125,197,959
220	I. Fixed assets		8,108,154,793	9,116,376,326
221	1. Tangible fixed assets	9	4,952,510,927	5,630,956,930
222	1.1. Cost		45,894,730,810	45,772,044,510
223a	1.2. Accumulated depreciation		(40,942,219,883)	(40,141,087,580)
227	2. Intangible fixed assets	10	3,155,643,866	3,485,419,396
228	2.1. Cost		30,273,565,250	29,853,565,250
229a	2.2. Accumulated amortization		(27,117,921,384)	(26,368,145,854)
240	II. Constructions in progress	11	17,364,257,047	11,158,311,542
250	III. Other long-term assets		124,613,212,598	123,850,510,091
251	1. Long-term deposits, collaterals and pledges		5,653,083,350	4,718,807,750
252	2. Long-term prepaid expenses	12	95,321,845,117	96,160,834,900
253	3. Deferred tax assets		3,638,284,131	3,638,284,131
254	4. Deposit to Settlement Supporting Fund	13	20,000,000,000	19,332,583,310
270	TOTAL ASSETS		3,892,805,499,451	3,616,842,334,688

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 March 2017

B01-CTCK

Code	ITEMS	Notes	Ending balance VND	Beginning balance (Audited) VND
300	C. LIABILITIES		1,378,994,894,075	1,224,924,883,425
310	I. Current liabilities		1,378,994,894,075	1,224,924,883,425
311	1. Short-term borrowings and financial leases	14	990,544,632,449	1,000,000,000,000
312	1.1. Short-term borrowings		990,544,632,449	1,000,000,000,000
318	2. Payables for securities transaction activities	15	60,718,555,800	32,610,005,800
320	3. Short-term payables to customers		3,053,340,275	2,936,065,430
322	4. Statutory obligations	16	31,563,760,464	39,140,841,363
324	5. Employee benefits		3,279,307,931	2,681,960,041
325	6. Short-term expense payables	17	16,053,922,827	23,851,769,991
329	7. Other current liabilities	18	273,017,252,241	108,811,108,212
331	8. Bonus and welfare fund		764,122,088	14,893,132,588
400	D. OWNERS' EQUITY		2,513,810,605,376	2,391,917,451,263
410	I, Capital		2,513,810,605,376	2,391,917,451,263
411	1. Share capital		1,626,839,121,491	1,581,839,121,491
411.1	1.1. Contributed capital		1,297,567,580,000	1,272,567,580,000
411.1	a			
a	1.1.1. Common shares		1,297,567,580,000	1,272,567,580,000
411.2	1.2. Share premium		330,343,798,499	310,343,798,499
411.5	1.3. Treasury shares		(1,072,257,008)	(1,072,257,008)
414	2. Capital supplementary reserve		117,012,921,701	117,012,921,701
415	3. Operational risk and financial reserve		117,012,921,702	117,012,921,702
416	4. Other funds belong to owners' equity		3,961,374,994	3,961,374,994
417	5. Undistributed earnings	19	648,984,265,488	572,091,111,375
417.1	5.1. Realized profit	19.2	698,212,109,793	628,246,013,560
417.2	5.2. Unrealized profit	19.2	(49,227,844,305)	(56,154,902,185)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,892,805,499,451	3,616,842,334,688

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 March 2017

B01-CTCK

OFF BALANCE SHEET ITEMS

Code	ITEMS	Notes	Ending balance VND	Beginning balance (Audited) VND
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
004	Bad debts handled	20.1	345,059,000	345,059,000
005	Foreign currency	20.2	590,236,635	1,074,482,842
	Original currency :			
	USD		23,868.80	45,182.58
	Yen		190,755	190,755
	Singapore Dollar		300	300
	Pound		100	100
	Taiwan Dollar		3,200	3,200
	Canada Dollar		100	100
006	Outstanding shares (shares)	20.3	129,655,368	127,155,368
007	Treasury shares (shares)	20.4	101,390	101,390
008	Financial assets of the Company listed/registered at VSD	20.5	116,944,680,000	74,178,610,000
009	Non-traded financial assets of the Company listed/registered at VSD	20.6	1,010,000	1,010,000
010	The Company's awaiting financial assets	20.7	1,906,300,000	2,099,960,000
012	Financial assets of the Company are not deposited at VSD	20.8	60,213,953,548	60,297,270,000
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	Investors' financial assets listed/registered at VSD	20.9	13,580,293,470,000	12,992,363,100,000
021.1	Unrestricted and traded financial assets		11,138,918,620,000	10,695,622,580,000
021.2	Restricted financial assets		11,913,780,000	12,819,940,000
021.3	Mortgaged financial assets		1,743,500,990,000	1,964,810,500,000
021.4	Blocked financial assets		90,276,820,000	90,276,820,000
021.5	Financial assets awaiting settlement		595,683,260,000	228,833,260,000

Ho Chi Minh City Securities Corporation

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 March 2017

B01-CTCK

OFF BALANCE SHEET ITEMS (continued)

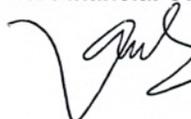
Code	ITEMS	Notes	Ending balance VND	Beginning balance (Audited) VND
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)			
022	Investors' non-traded financial assets deposited at VSD	20.10	56,021,270,000	38,878,010,000
022.1	<i>Unrestricted and non-traded financial assets deposited at VSD</i>		11,417,120,000	22,049,360,000
022.2	<i>Restricted and non-traded financial assets deposited at VSD</i>		44,604,150,000	16,828,650,000
023	Investors' awaiting financial assets	20.11	306,171,260,000	219,655,840,000
026	Investors' deposits	20.12	787,640,460,435	581,883,723,061
027	<i>Investors' deposits for securities trading activities managed by the Company</i>		787,640,460,435	581,883,723,061
031	Payables to investors relating to deposits for securities trading activities managed by the Company	20.13	787,640,460,435	581,883,723,061
031.1	- <i>Payables to domestic investors relating to deposits for securities trading activities managed by the Company</i>		787,456,222,244	581,657,003,061
031.2	- <i>Payables to foreign investors relating to deposits for securities trading activities managed by the Company</i>		184,238,191	226,720,000
035	Dividend pay principal and interest of bonds		66,862,328,777	11,057,768,772

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2017
Chief Executive Officer




Johan Nyvene

Ho Chi Minh City Securities Corporation

INCOME STATEMENT

For the period from 01 January 2017 to 31 March 2017

B02-CTCK

Code	ITEMS	Notes	1 st Quarter		Year to date	
			Current year VND	Previous year (Restated) VND	Current year VND	Previous year (Restated) VND
	I. OPERATING REVENUE					
01	1. Revenue from financial assets at fair value through profit and loss (FVTPL)		24,954,724,739	11,822,693,141	24,954,724,739	11,822,693,141
01.1	1.1. Gain from sale of financial assets at FVTPL	21.1	9,582,879,985	4,205,856,398	9,582,879,985	4,205,856,398
01.2	1.2. Gain from revaluation of financial assets at FVTPL	6.3	5,250,420,687	1,649,273,971	5,250,420,687	1,649,273,971
01.3	1.3. Dividend, interest income from financial assets at FVTPL	21.3	10,121,424,067	5,967,562,772	10,121,424,067	5,967,562,772
03	2. Income from loans and receivables	21.3	91,307,065,226	72,707,997,968	91,307,065,226	72,707,997,968
06	3. Revenue from brokerage services	21.4	94,501,059,920	76,261,049,751	94,501,059,920	76,261,049,751
08	4. Revenue from securities investment advisory services	21.4	4,878,290,899	2,869,045,723	4,878,290,899	2,869,045,723
09	5. Revenue from custodian services	21.4	1,452,861,341	1,153,485,443	1,452,861,341	1,153,485,443
11	6. Other operating income	21.4	617,989,609	560,750,734	617,989,609	560,750,734
20	Total revenues from operating activities		217,711,991,734	165,375,022,760	217,711,991,734	165,375,022,760
	II. OPERATING EXPENSES					
21	1. Loss from financial assets at FVTPL		1,233,768,880	5,875,566,513	1,233,768,880	5,875,566,513
21.1	1.1 Loss from sale of financial assets at FVTPL	21.1	2,910,406,073	8,650,360,004	2,910,406,073	8,650,360,004
21.2	1.2 Loss from revaluation of financial assets at FVTPL	6.3	(1,676,637,193)	(2,774,793,491)	(1,676,637,193)	(2,774,793,491)
24	2. Provision expenses for financial assets, bad debts written off and loss from impairment of financial assets and borrowing costs to loan		16,103,547,288	4,782,265,359	16,103,547,288	4,782,265,359
26	3. Expenses for self-trading activities	22	8,096,961,884	4,407,911,682	8,096,961,884	4,407,911,682
27	4. Expenses for brokerage services	22	48,998,642,529	43,745,171,215	48,998,642,529	43,745,171,215
29	5. Expenses for securities investment advisory services	22	2,053,308,000	2,532,000,000	2,053,308,000	2,532,000,000
30	6. Expenses for securities custodian services	22	1,459,195,895	1,156,699,266	1,459,195,895	1,156,699,266
32	7. Other operating expenses	22	212,773,531	190,664,579	212,773,531	190,664,579
40	Total operating expenses		78,158,198,007	62,690,278,614	78,158,198,007	62,690,278,614

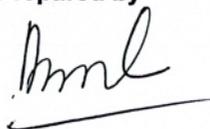
Ho Chi Minh City Securities Corporation

INCOME STATEMENT (continued)
For the period from 01 January 2017 to 31 March 2017

B02-CTCK

Code	ITEMS	Notes	1 st Quarter		Year to date	
			Current year VND	Previous year (Restated) VND	Current year VND	Previous year (Restated) VND
	III. FINANCIAL INCOME					
42	1. Revenue, accrued dividends, non-fixed interest income		1,105,622,002	1,000,746,885	1,105,622,002	1,000,746,885
50	Total financial income		1,105,622,002	1,000,746,885	1,105,622,002	1,000,746,885
62	VI. ADMINISTRATIVE EXPENSES	23	25,210,535,513	23,377,031,087	25,210,535,513	23,377,031,087
70	VII. OPERATING PROFIT		115,448,880,216	80,308,459,944	115,448,880,216	80,308,459,944
	VIII. OTHER INCOME EXPENSES		-	-	-	-
90	IX. PROFIT BEFORE TAX		115,448,880,216	80,308,459,944	115,448,880,216	80,308,459,944
91	1. Realized profit		108,521,822,336	75,884,392,482	108,521,822,336	75,884,392,482
92	2. Unrealized profit		6,927,057,880	4,424,067,462	6,927,057,880	4,424,067,462
100	X. CORPORATE INCOME TAX (CIT) EXPENSES		20,555,726,102	15,628,231,520	20,555,726,102	15,628,231,520
100.1	1. Current CIT expense		20,555,726,102	15,628,231,520	20,555,726,102	15,628,231,520
200	XI. PROFIT AFTER TAX		94,893,154,113	64,680,228,424	94,893,154,113	64,680,228,424

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2017

Chief Executive Officer




Johan Nyvene

Ho Chi Minh City Securities Corporation

STATEMENT OF CASH FLOWS
for the period from 01 January 2017 to 31 March 2017

B03b-CTCK

Code	ITEMS	Notes	Year to date	
			Current year VND	Previous year (Restated) VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		115,448,880,215	80,308,459,944
02	2. Adjustments for:			
03	Depreciation and amortization	9.10	1,550,907,833	1,372,142,696
04	Provisions		-	-
07	Profits from investing activities		-	-
08	Accrued interest	7	(6,922,462,779)	(1,817,395,834)
10	3. Increase in non-monetary expenses			
11	Loss from revaluation of financial assets at FVTPL		-	-
18	4. Decrease in non-monetary revenues			
19	Gain from revaluation of financial assets at FVTPL	5.3	(3,573,783,494)	(4,424,067,462)
30	5. Changes in operating assets and liabilities		106,503,541,775	75,407,525,178
31	(Increase)/decrease in financial assets at FVTPL		(209,677,092,646)	(19,664,995,883)
33	Increase in loans		(278,141,692,682)	271,955,111,047
37	(Increase)/decrease in in receivables from services provided by the Company		242,411,467,478	(198,780,225,061)
39	(Increase)/decrease in other receivables		(4,721,715,972)	2,682,124,515
41	Increase/(decrease) in accrued expenses (excluding borrowing costs)		(8,316,798,048)	(4,412,891,867)
42	Decrease in prepaid expense		43,473,823	(459,950,195)
43	Corporate income tax paid		(28,854,214,980)	(18,924,105,880)
45	Decrease in trade payables		28,225,824,845	233,196,502,776
46	(Decrease) /Increase in employees benefit payables		597,347,890	611,470,230
47	Increase/(decrease) in tax payables (excluding corporate income tax paid)		(7,577,080,899)	(1,323,138,192)
50	Increase/(decrease) in other payables		196,062,276,763	(161,591,794,556)
52	Other payments for business operation		6,801,430,999	729,666,738
60	Net cash flows used in operating activities		43,356,768,346	179,456,913,016

Ho Chi Minh City Securities Corporation

STATEMENT OF CASH FLOWS
for the period from 01 January 2017 to 31 March 2017

B03b-CTCK

Code	ITEMS	Notes	Year to date	
			Current year VND	Previous year (Restated) VND
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	Purchase and construction of fixed assets		(6,748,631,805)	(1,311,095,520)
62	Proceeds from disposals of fixed assets and other long-term assets		-	-
70	Net cash flows used in investing activities		(6,748,631,805)	(1,311,095,520)
	III. CASH FLOW FROM FINANCING ACTIVITIES			
71	Process from issuance of share capital		45,000,000,000	-
72	Payments for capital of owners and repurchasing issued shares		-	(615,510)
73	Principal Borrowings	14	4,880,374,926,698	2,080,885,638,742
73.2	- Other borrowings		4,880,374,926,698	2,080,885,638,742
74	Payments for principal borrowings	14	(4,889,830,294,249)	(2,308,388,689,866)
74.3	- Other borrowings		(4,889,830,294,249)	(2,308,388,689,866)
76	Dividends and profits paid to shareholders		(63,466,192,350)	(63,485,637,675)
80	Net cash flows from financing activities		(27,921,559,901)	(290,989,304,309)
90	(Increase)/decrease in cash and cash equivalents during period		8,686,576,640	(112,843,486,813)
101	Cash and cash equivalents at the beginning of the year	5	60,193,684,900	164,147,260,813
101.1	Cash		60,193,684,900	164,147,260,813
103	Cash and cash equivalents at the end of the period	5	68,880,261,540	51,303,774,000
103.1	Cash		68,880,261,540	51,303,774,000

Ho Chi Minh City Securities Corporation

STATEMENT OF CASH FLOWS
for the period from 01 January 2017 to 31 March 2017

B03b-CTCK

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

Code	ITEMS	Notes	Year to date	
			Current year VND	Current year (Restated) VND
	I. CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS			
01	1. Cash receipt from disposal of securities on behalf of customers		14,475,074,714,500	11,192,314,262,500
02	2. Cash payment for acquisition of securities on behalf of customers		(14,541,497,546,000)	(11,234,885,733,750)
07	3. Cash receipt from investors for trading securities		273,632,430,215	62,728,073,073
09	4. Cash payment for securities depository fee of customers		(1,452,861,341)	(1,153,485,443)
20	Net increase/(decrease) in cash during the period		205,756,737,374	19,003,116,380
30	II. CASH AND CASH EQUIVALENT OF THE CUSTOMERS AT THE BEGINNING OF THE YEAR		581,883,723,061	493,009,558,764
31	Cash at banks at the beginning of the year:			
32	Investors' deposits managed by the Company for securities trading activities		581,883,723,061	493,009,558,764
33	- Investors' deposits for trading securities		581,883,723,061	493,009,558,764
40	III. CASH AND CASH EQUIVALENT OF THE CUSTOMERS AT THE PERIOD (40 = 20 + 30)		787,640,460,435	512,012,675,144
41	Cash at banks at the end of the period:			
42	Investors' deposits managed by the Company for securities trading activities	20.13	787,640,460,435	512,012,675,144
43	- Investors' deposits for securities trading activities.		787,640,460,435	512,012,675,144

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho



20 April 2017

Chief Executive Officer



Johan Nyvene

Ho Chi Minh City Securities Corporation

STATEMENT OF CHANGES IN OWNER'S EQUITY
for the period from 01 January 2017 to 31 March 2017

B04-CTCK

ITEMS	Notes	Beginning balance		Increase/(decrease)				Ending balance	
		1 January 2016 VND	1 January 2017 VND	Previous year		Current year		31 March 2016 VND	31 March 2017 VND
				Increase VND	Decrease VND	Increase VND	Decrease VND		
1. Share capital		1,582,140,489,041	1,581,839,121,491	(615,510)	-	45,000,000,000	-	1,582,139,873,531	1,626,839,121,491
1.1. Common shares		1,272,567,580,000	1,272,567,580,000	-	-	25,000,000,000	-	1,272,567,580,000	1,297,567,580,000
1.2. Surplus equity		310,343,798,499	310,343,798,499	-	-	20,000,000,000	-	310,343,798,499	330,343,798,499
1.3. Treasury shares		(770,889,458)	(1,072,257,008)	(615,510)	-	-	-	(771,504,968)	(1,072,257,008)
2. Operational risk and financial reserve fund		101,786,372,632	117,012,921,702	-	-	-	-	101,786,372,632	117,012,921,702
3. Capital supplementary reserve		101,786,372,631	117,012,921,701	-	-	-	-	101,786,372,631	117,012,921,701
4. Other funds belonging to owners' equity		3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Undistributed profit	19.2	489,874,717,764	572,091,111,375	64,680,228,424	-	94,893,154,113	(18,000,000,000)	554,554,946,188	648,984,265,488
5.1 Realized profit		547,779,193,929	628,246,013,560	60,256,160,962	-	87,966,096,233	(18,000,000,000)	608,035,354,891	698,212,109,793
5.2 Unrealized loss		(57,904,476,165)	(56,154,902,185)	4,424,067,462	-	6,927,057,880	-	(53,480,408,703)	(49,227,844,305)
TOTAL		2,279,549,327,062	2,391,917,451,263	64,679,612,914	-	139,893,154,113	(18,000,000,000)	2,344,228,939,976	2,513,810,605,376

Prepared by



Lam Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho

20 April 2017

Chief Executive Officer




Johan Nyvene

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 March 2017
and for the period from 01 January 2017 to 31 March 2017

B09-CTCK

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 current principal activities 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 2015, the Company had branches located in Ho Chi Minh City and Hanoi, and transaction offices in Ho Chi Minh City and Hanoi.

The number of the Company’s employees as at 31 March 2017 was 715 persons (31 December 2016: 701 persons).

Main features of operation of the Company

Capital size

As at 31 March 2017, the Company’s share capital amounted to VND 1,297,567,580,000 while its owners’ equity was VND 2,513,810,605,376 and its total assets were VND 3,892,805,499,451.

Investment target

Being a listed securities company in the Vietnamese securities market, the Company’s aims are to contribute to the development of the securities market and bring benefits to customers, investors and shareholders of the Company.

Investment restrictions

The Company complies with regulations at Article 44 of Circular No. 210/2012/TT-BTC dated 30 November 2012 promulgating the establishment and operation of securities companies, Circular No. 07/2016/TT-BTC dated 18 January 2016 amending and supplementing certain articles of Circular No. 210/2012/TT-BTC and current regulations on investment restrictions.

The corporation’s operational features during the period affected financial statements.

The profit after tax for Q1 2017 increased by 47% compared to that of the same period of last year because of the following reasons:

The operating revenue for Q1 2017 increased by 32% compared to Q1 2016

- Revenue from brokerage services for Quarter 1/2017 increased by 24% compared to that of the same period of last year as a result of 34% growth in market trading value although HSC’s market share decreased in Q1 2017. Heavily traded stocks (such as ROS, FLC...) in Q1 2017 were not transacted through HSC or lending to such stocks was limited, resulting in HSC’s decreasing market share.
- Revenue from margin lending activities (mentioned in gain from loans and receivables) for Q1 2017 increased by 26% compared to Q1 2016. Because of the growth in market trading value, both of trading value and margin lending balance of HSC increased in this period and consequently the revenue from margin lending activities was higher than the same period of last year.
- Revenue from proprietary trading activities for Q1 2017 was more than double Q1 2016 and contributed considerably to the total revenue.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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1. CORPORATE INFORMATION

The corporation's operational features during the period affected financial statements *(continued)*

The operating and administrative expenses for Q1 2017 increased by 20% compared to Q1 2016. Total expenses grew more slowly than total revenues did, in which:

- The operating expenses (expenditures that directly associated with activities generating revenues) grew by 25% in Q1 2017, corresponding to the increase in brokerage revenues, including brokerage fees for Stock Exchanges, salary and commission expenses for brokers and the increase in bank interest expenses related to margin lending activities.
- The administrative expenses for Q1 2017 were higher by 8% than Q1 2016.

2. BASIS OF PREPARATION

2.1 **Accounting Standards and System**

The financial statements of the Company (the "Company") expressed in Vietnam dong ("VND"), are prepared in accordance with the 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. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Appendix 2 and Appendix 4 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and 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 **Registered 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 **Accounting currency**

The financial statements are prepared in VND which is also the Company's accounting records in VND.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *New accounting standards issued and taken effect in 2017*

On 20 November 2015, the National Assembly of Vietnam passed the Law on Accounting No. 88/2015/QH13 (“the new Accounting Law”). The new Accounting Law extends its governing scope to electronic accounting documents and allows the application of fair value concept for some types of assets and liabilities which their value frequently varies due to market fluctuation, provided that the fair value of these assets and liabilities can be reliably determined. The new Accounting Law takes effect from 1 January 2017.

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of three months or less 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 at 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 and subsequently recognized at cost less the reduction in the fair value of these financial assets as the prevailing securities regulations does not allow the use of fair value concept.

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

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 profit or loss statements;
- b) The amounts categorized by the entity as available for sale upon initial recognition; or

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Loans (continued)

- 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 ("EIR").

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 amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

3.5 Provision for impairment of financial assets

Provision for impairment of financial assets

Financial assets are assessed at the reporting date whether there is objective evidence that the assets are impaired.

Provision for impairment of transferable securities is the difference between the book value and market value of the financial assets as at the latest transaction date but not exceed one month compared to making provision date in accordance with Circular No. 146/2014/TT-BTC and Circular No. 228/2009/TT-BTC. Any increase or decrease in balance of provision is recognized in "Provision expense for financial assets, bad debts written off, impairment of financial assets and borrowing costs to finance for loans".

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 have not listed on Stock Exchange but registered for trading on the unlisted public company market (UPCom), their market prices are their average 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.

Provision for loans is made based on the expected loss which is calculated as the difference between market price of securities pledged for loans and outstanding loan balance.

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Derecognition of financial assets*

A financial asset (part of a group of similar financial assets) is derecognized when:

- ▶ The rights to receive cash flows from the asset have expired; or
- ▶ 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 *Financial assets reclassification*

Reclassification when disposing financial assets which are not recognized at FVTPL

The Company which disposes financial assets which are not financial assets at FVTPL is required to reclassify financial assets from other related groups to financial assets at FVTPL.

Reclassification due to change in intention or holding capability

The Company is allowed to reclassify financial assets into other groups as the result of change in its attention or holding ability. Accordingly

Non-derivative FVTPL financial assets which are not required to classify into FVTPL at initial recognition can be reclassified into loans and receivables in certain special circumstances or cash and cash equivalents if it meets the conditions to be classified in this group. Loss recorded from revaluation of financial asset at FVTPL before reclassification will not be reversed.

If the Company changes its intention or holding ability, the classification of an investment into held to maturity is no longer suitable. This investment must be reclassified to financial assets at AFS and revaluated at cost less provision for diminution (if any) as the prevailing Law on Accounting does not allow the use of fair value concept.

3.8 *Receivables*

Receivables are initially recorded at cost and subsequently presented at cost in the following periods.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Receivables* (continued)

Receivables are subject to review for impairment based on their overdue status or estimated loss of undue receivables from economic entities which fall bankruptcy or are undergoing dissolution procedures; or from debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increase or decrease to the provision balance is recorded as “operating expenses” in the income statement.

Provision for overdue receivables is made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From 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%

3.9 *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 income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the statement of financial position and any gain or loss resulting from their disposal is included in the income statement.

3.10 *Intangible fixed assets*

Intangible fixed 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 are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, their costs and accumulated amortization are removed from the statement of financial position and any gain or loss resulting from their disposal is included in the income statement.

3.11 *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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Prepaid expenses*

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

The following types of expenses are recorded as long-term prepaid expense and are amortized to the income statement over two (02) to forty (40) years:

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

3.13 *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase at a specified future date (“repos”) are not derecognized from the financial statements. The corresponding cash received is recognized in the financial statements as a liability. The difference between the sale price and repurchase price is recognized as interest expense and is accrued over the life of the agreement using the straight-line method.

Conversely, securities purchased under agreements to resell at a specified future date (“reverse repos”) are not recognized in the financial statements. The corresponding cash paid is recognized in the statement of financial position as an liability. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the straight-line method.

For overdue commitments, the Company considers to make provision base on the aging of commitments or expected losses in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance.

3.14 *Payables and accruals*

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

3.15 *Employee benefits*

3.15.1 *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 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.

3.15.2 *Provision for retrenchment allowance*

Retrenchment allowance occurs as a result of a constructive obligation to restructure when the Company has a detailed and formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Retrenchment allowance is provided at the rate of one month’s salary for each working year up to 31 December 2008 and the minimum amount for each employee is two months’ salary in accordance with the Labor Code and related implementing guidance. From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. The increase in this provision will be accounted in income statement.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Employee benefits (continued)*

3.15.2 *Provision for retrenchment allowance (continued)*

According to current regulation the Company is obliged Provision for retrenchment allowance fund used for payment of unemployment allowance arising termination labor contract.

3.15.3 *Unemployment benefits*

According to current regulation 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.

3.16 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates of commercial banks at transaction dates. At the end of the year, monetary balances denominated in foreign currencies are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly.
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the revaluation of monetary accounts denominated in foreign currencies at the end of the year are taken to the income statement.

3.17 *Treasury shares*

Các công cụ vốn chủ sở hữu được Công ty mua lại (cổ phiếu quỹ) được ghi nhận theo nguyên giá và trừ vào vốn chủ sở hữu, Công ty không ghi nhận các khoản lãi/(lỗ) khi mua, bán, phát hành hoặc hủy các công cụ vốn chủ sở hữu của mình,

3.18 *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 determined according to fair value of receivables which were received or not after deducted trading discounts, price reductions and returned goods. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from brokerage activities

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 trading securities

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 income

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Revenue recognition (continued)

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 only changing number of shares is reflected the Company's investment portfolio.

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 as stipulated by VAS 14 – "Revenue and other income", 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; payable debts 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.

3.19 Borrowing cost

Borrowing cost comprised interest expense and other expense related directly to the Company's loans.

Borrowings costs are recognized on the accrual basis into the income statement.

3.20 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.

3.21 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years 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 statement of financial position.

Current income tax is charged or credited to the income statement, 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 set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 *Taxation (continued)*

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amount for 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 transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, 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 statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each statement of financial position 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 year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the statement of financial position date.

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

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.

3.22 *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 year is total difference between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets which are in the financial assets portfolio of the Company, charged into the income statement.

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 *Owners' equity (continued)*

Reserve

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:

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

Supplementary capital reserve is used to supplement annual Charter capital of the Company.

Financial and operational risk reserve is used to compensate for remaining loss, property damage arising in business after receiving indemnity from related organization, individual, insurance company.

3.23 *Appropriation of net profits*

Net profit after tax is available for appropriation to investors/shareholders 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.

3.24 *Item with nil balance*

The items those are not presented in the financial statements according to Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 and Circular No.146/2014/TT-BTC dated 6 October 2014 issued by the MOF are items with nil balance.

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4. SEGMENT INFORMATION OF EACH BUSINESS LINE

4.1. Segment information

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

	<i>Brokerage and customer services VND</i>	<i>Trading VND</i>	<i>Advisory services VND</i>	<i>Treasury activities VND</i>	<i>Other segments VND</i>	<i>Unallocated VND</i>	<i>Total VND</i>
<i>For the period from 01 January 2017 to 31 March 2017</i>							
1. Revenue from operating activities	95,953,921,261	24,954,724,739	4,293,517,435	92,412,687,228	1,202,763,073	-	218,817,613,736
2. Direct costs	63,662,719,367	2,958,035,441	2,133,475,425	32,523,157,681	423,293,102	-	101,700,681,016
3. Depreciation and amortization	646,212,921	334,680	1,139,151	1,007,256,183	13,109,569	-	1,668,052,504
Profit before tax	31,644,988,973	21,996,354,618	2,158,902,859	58,882,273,364	766,360,402	-	115,448,880,216
<i>As at 31 March 2017</i>							
1. Segment assets	1,665,202,955,998	519,622,571,695	-	1,591,153,956,063	510,589,175	-	3,776,490,072,931
2. Allocated assets	83,474,478,105	740,021,968	1,776,052,726	6,512,193,328	13,320,395,441	-	105,823,141,568
3. Unallocated assets	-	-	-	-	-	10,492,284,952	10,492,284,952
Total assets	1,748,677,434,103	520,362,593,663	1,776,052,726	1,597,666,149,391	13,830,984,616	10,492,284,952	3,892,805,499,451
1. Segment liabilities	71,227,645,823	-	-	1,191,771,916,666	1,672,716,713	-	1,264,672,279,202
2. Unallocated liabilities	-	-	-	-	-	114,322,614,873	114,322,614,873
Total liabilities	71,227,645,823	-	-	1,191,771,916,666	1,672,716,713	114,322,614,873	1,378,994,894,075

Geographical segment

All operations of the Company are taken place within Vietnam territory

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5. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i> <i>VND</i>	<i>Beginning balance</i> <i>VND</i>
Cash on hand	614,010,669	614,575,794
Cash at banks for the Company's operation	68,266,250,871	59,579,109,106
Total	68,880,261,540	60,193,684,900

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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6. FINANCIAL ASSETS

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

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	456,870,222,452	451,619,801,765	116,041,876,192	115,341,556,730
HAGL Joint Stock Company (HAG)	26,111,985,200	24,979,500,000	-	-
Hoa Sen Group (HSG)	55,413,518,334	56,925,000,000	-	-
Military Commercial Joint Stock Bank (MBB)	33,759,364,943	36,074,065,700	-	-
The gioi Di dong Joint Stock Company (MWG)	69,684,340,516	73,048,932,000	18,645,308,328	19,187,220,000
GTNFOODS Stock Company (GTN)	17,500,000,000	19,875,000,000	17,500,085,500	20,750,083,000
Saigon Beer-Alcohol-Beverage Joint Stock Corporation (SAB)	21,707,305,612	21,442,000,000	15,239,160,000	15,675,633,000
ETF VFMVN30 Fund (VFMVN30)	6,199,955,889	6,416,027,000	10,603,043,078	10,798,506,000
Other shares	226,493,751,958	212,859,277,065	54,054,279,286	48,930,114,730
Unlisted shares	111,980,193,548	68,002,769,930	246,484,721,548	191,030,138,825
Viet Nam Investment Fund Management Joint Stock	21,803,640,000	21,803,640,000	21,803,640,000	21,803,640,000
HD Saison Finance Co., Ltd	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
DongA Joint Stock Commercial Bank	16,967,999,502	1,511,472,000	16,967,999,502	1,511,472,000
Tan Binh Real Estate Joint Stock Company	12,025,000,000	6,200,000,000	12,025,000,000	6,300,000,000
Ca Mau Seafood Joint Stock Company	10,950,000,000	585,000,000	10,950,000,000	585,000,000
Minh Hai Export Frozen Seafood Processing Joint Stock Company	8,000,000,000	330,000,000	8,000,000,000	330,000,000
Special Aquatic Products Joint Stock Company	7,550,000,000	2,160,000,000	7,550,000,000	2,160,000,000
Can Tho Import – Export Seafood Joint Stock Company	4,900,000,000	1,586,117,750	4,900,000,000	1,586,117,750
Other shares	12,783,554,046	16,826,540,180	147,288,082,046	139,753,909,075
Total	568,850,416,000	519,622,571,695	362,526,597,740	306,371,695,555

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6, FINANCIAL ASSETS (continued)

6.2 Loans

	Ending balance		Beginning balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Receivables from margin	3,019,846,499,170	3,019,846,499,170	2,666,330,636,119	2,666,330,636,119
Receivables from advance to customers	9,240,426,906	9,240,426,906	84,614,597,275	84,614,597,275
Total	3,029,086,926,076	3,029,086,926,076	2,750,945,233,394	2,750,945,233,394

6.3 Statement of changes in market values of financial assets

No.	Types of financial assets	Ending balance					Beginning balance				
		Cost VND	Market value or fair value VND	Revaluation difference		Revaluation Value VND	Cost VND	Market value or fair value VND	Revaluation difference		Revaluation value VND
				Increase VND	Decrease VND				Increase VND	Decrease VND	
1	FVTPL	568,850,416,000	519,622,571,695	5,250,420,687	(59,724,421,970)	519,622,571,695	362,526,597,740	306,371,695,555	5,246,169,979	(61,401,072,164)	306,371,695,555
1	Listed shares	456,870,222,452	451,619,801,765	5,250,420,687	(4,269,852,218)	270,807,371,945	116,041,876,192	115,341,556,730	5,246,169,979	(5,946,489,441)	115,341,556,730
2	Unlisted shares	111,980,193,548	68,002,769,930	-	(55,454,569,752)	248,815,199,750	246,484,721,548	191,030,138,825	-	(55,454,582,723)	191,030,138,825
	Total	568,850,416,000	519,622,571,695	5,250,420,687	(59,724,421,970)	519,622,571,695	362,526,597,740	306,371,695,555	5,246,169,979	(61,401,072,164)	306,371,695,555

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7. RECEIVABLES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Receivables from services provided by the Company	127,596,936,198	370,008,403,676
<i>In which:</i>		
<i>Receivables from VSD (i)</i>	67,459,033,645	312,618,075,234
<i>Receivables from purchasing securities (ii)</i>	59,044,295,155	51,168,439,301
<i>Receivables from other activities</i>	1,093,607,398	6,221,889,141
Other receivables	43,967,718,331	35,167,679,780
<i>In which: Accrued interest</i>	6,922,462,779	1,817,395,834
Provision for impairment of financial assets	(34,910,725,751)	(34,910,725,751)
Total	136,653,928,778	370,265,357,705

(i) *This is the receivables from VSD relating to securities selling on the last 2 days of quarter. These receivables were settled in beginning of April 2017.*

(ii) *This is the receivables relating to securities purchasing of an organization and it was paid on 3 April 2017.*

8. OTHER CURRENT ASSETS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Advances	328,900,386	433,534,797
Short-term prepaid expense	4,848,213,103	4,052,697,143
- <i>Maintenance expenses</i>	1,779,137,503	1,231,762,818
- <i>Used tools expenses</i>	477,800,608	498,091,845
- <i>Other short-term prepaid expenses</i>	2,591,274,992	2,322,842,480
Deposits, collaterals and pledges	27,758,600	27,758,600
Total	5,204,872,089	4,513,990,540

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9. TANGIBLE FIXED ASSETS

	<i>Transportation vehicles VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
Cost			
Beginning balance	3,462,891,640	42,309,152,870	45,772,044,510
Additions	-	122,686,300	122,686,300
Disposal	-	-	-
31 March 2017	<u>3,462,891,640</u>	<u>42,431,839,170</u>	<u>45,894,730,810</u>
Accumulated depreciation			
Beginning balance	2,031,687,575	38,109,400,005	40,141,087,580
Depreciation for the period	86,963,475	714,168,828	801,132,303
Disposal	-	-	-
31 March 2017	<u>2,118,651,050</u>	<u>38,823,568,833</u>	<u>40,942,219,883</u>
Net carrying amount			
Beginning balance	<u>1,431,204,065</u>	<u>4,199,752,865</u>	<u>5,630,956,930</u>
31 March 2017	<u>1,344,240,590</u>	<u>3,608,270,337</u>	<u>4,952,510,927</u>

10. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>
Cost	
Beginning balance	29,853,565,250
Additions	420,000,000
31 March 2017	<u>30,273,565,250</u>
Accumulated amortization	
Beginning balance	26,368,145,854
Amortization for the period	749,775,530
31 March 2017	<u>27,117,921,384</u>
Net carrying amount	
Beginning balance	<u>3,485,419,396</u>
31 March 2017	<u>3,155,643,866</u>

11. CONSTRUCTIONS IN PROGRESS

	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Software purchase	5,489,404,276	5,298,570,886
Building systems IT	9,497,331,236	4,052,293,236
Others assets	2,377,521,535	1,807,447,420
Total	<u>17,364,257,047</u>	<u>11,158,311,542</u>

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12. LONG-TERM PREPAID EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Prepaid office rentals	94,660,764,164	95,368,949,432
Office renovation cost	611,116,271	723,757,334
Office tools and equipment	49,964,682	68,128,134
Total	<u>95,321,845,117</u>	<u>96,160,834,900</u>

13. ADVANCE TO SETTLEMENT ASSISTANCE FUND

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

According to Decision No. 57/QD-VSD dated 28 May 2012 issued by the General Director of the Vietnam Securities Depository and Decision No. 87/2007/QD-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. 27/QD-VSD dated 13 March 2015 and Decision No. 45/QD-VSD dated 22 May 2014 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, 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 VND2.5 billion per annum and the highest contribution limit to Vietnam Securities Depository is VND20 billion. The Company deposited VND20 billion in 2017.

Details of the advance to settlement assistance fund are as follows:

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
First payment	120,000,000	120,000,000
Additions	19,212,583,310	18,224,666,297
Received interest during the period	667,416,690	987,917,013
Total	<u>20,000,000,000</u>	<u>19,332,583,310</u>

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14. SHORT-TERM BORROWINGS AND FINANCIAL LEASES

	<i>Interest rate</i> <i>%/p.a</i>	<i>Beginning balance</i> <i>VND</i>	<i>Addition</i> <i>VND</i>	<i>Repayment</i> <i>VND</i>	<i>Ending balance</i> <i>VND</i>
Short-term borrowings (*)	7,0-7,2	1,000,000,000,000	3,000,000,000,000	3,050,000,000,000	950,000,000,000
Bank overdraft	6,0-6,5	-	1,880,374,926,698	1,839,830,294,249	40,544,632,449
Total		<u>1,000,000,000,000</u>	<u>4,880,374,926,698</u>	<u>4,889,830,294,249</u>	<u>990,544,632,449</u>

(*) *Short-term borrowings have term from 1 to 3 months used for supplement working capital.*

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15. PAYABLES FOR SECURITIES TRADING

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Payables to investors for shares deposits	17,170,000,000	17,170,000,000
Other payables	43,548,555,800	15,440,005,800
Total	60,718,555,800	32,610,005,800

16. TAXATION AND OTHER STATUTORY OBLIGATIONS

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Corporate income tax	20,555,726,101	28,854,214,980
Personal income tax paid on behalf of investors	6,591,264,521	3,547,047,973
Corporate income tax paid on behalf of foreign	2,920,315,572	4,073,130,728
Contractors tax	-	1,297,255,563
Personal income tax of employees	1,414,695,930	1,033,089,189
VAT	81,758,339	336,102,930
Total	31,563,760,463	39,140,841,363

17. SHORT-TERM ACCRUED EXPENSES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Allowance for working performance payable to employees	4,500,000,000	12,000,000,000
Brokerage fee payables to SSC	6,682,388,063	4,733,085,057
Interest expenses	518,950,884	3,615,835,487
Others payables	4,352,583,880	3,502,849,447
Total	16,053,922,827	23,851,769,991

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18. OTHER CURRENT LIABILITIES

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Dividends payables to shareholders of HSC	4,299,755,338	67,765,947,688
Shares purchase right payables	62,944,200,000	35,453,170,000
Dividends payables on behalf	3,918,128,777	2,566,598,772
Investor's deposits for buying bonds	200,708,333,333	-
Other payables	1,146,834,793	3,025,391,752
Total	273,017,252,241	108,811,108,212

19. OWNERS' EQUITY

19.1 *Undistributed profit*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Realized profit	698,212,109,793	628,246,013,560
Unrealized profit	(49,227,844,305)	(56,154,902,185)
Total	648,984,265,488	572,091,111,375

19.2 *Dividends allocation to shareholders*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Realized gain from previous year (1/1/2017 and 1/1/2016)	572,091,111,375	547,779,193,929
Gain/(loss) in the period (at 31/03/2017 and 31/12/2016)	6,927,057,880	(56,154,902,185)
Realized gain in the period	87,966,096,233	302,781,407,323
Undistributed retain earning allocated to shareholders	666,984,265,488	794,405,699,067
Reserves made for current year	(18,000,000,000)	(40,478,672,852)
Dividends distributed to shareholders	-	(181,835,914,840)
Total dividends distributed to shareholders	648,984,265,488	572,091,111,375

20. DISCLOSURE OF OFF BALANCE SHEET ITEMS

20.1 *Write-off bad debts*

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Other receivables	345,059,000	345,059,000

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20. DISCLOSURE OF OFF BALANCE SHEET ITEMS (continued)

20.2. Foreign currency

	<i>Ending balance</i>	<i>Beginning balance</i>
	<u> </u>	<u> </u>
USD	23,868,80	45,182,58
Yen	190,755	190,755
Singapore Dollar	300	300
Pound	100	100
Taiwan Dollar	3,200	3,200
Canada Dollar	100	100
Convert to VND	<u>590,236,635</u>	<u>1,074,482,842</u>

20.3 Outstanding shares

	<i>Ending balance</i>	<i>Beginning balance</i>
	<u>VND</u>	<u>VND</u>
Detail in types <= 1 year	<u>1,296,553,680,000</u>	<u>1,271,553,680,000</u>

20.4 Treasury shares

	<i>Ending balance</i>	<i>Beginning balance</i>
	<u>VND</u>	<u>VND</u>
Detail in types <= 1 year	<u>1,013,900,000</u>	<u>1,013,900,000</u>

20.5. Financial assets listed/registered at VSD of company

	<i>Ending balance</i>	<i>Beginning balance</i>
	<u>VND</u>	<u>VND</u>
Financial asset		
Unrestricted trading financial assets	114,453,380,000	39,289,910,000
Restricted financial assets	585,000,000	585,000,000
Financial assets awaiting for settlement	<u>1,906,300,000</u>	<u>34,303,700,000</u>
Total	<u>116,944,680,000</u>	<u>74,178,610,000</u>

20.6. Non-traded financial assets of the Company deposited at VSD

	<i>Ending balance</i>	<i>Beginning balance</i>
	<u>VND</u>	<u>VND</u>
Financial asset		
The Company's awaiting financial assets	<u>1,010,000</u>	<u>1,010,000</u>

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20. DISCLOSURE OF OFF BALANCE SHEET ITEMS (continued)

20.7. The Company's awaiting financial assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Financial asset		
The Company's awaiting financial assets	1,906,300,000	2,099,960,000

20.8. Financial assets of the Company are not deposited at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Financial asset		
Financial assets of the Company are not deposited at VSD	60,213,953,548	60,297,270,000

20.9. Financial assets of investors listed/registered at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Financial asset		
Unrestricted and traded financial assets	11,138,918,620,000	10,695,622,580,000
Restricted financial assets	11,913,780,000	12,819,940,000
Mortgaged financial assets	1,743,500,990,000	1,964,810,500,000
Blocked financial assets	90,276,820,000	90,276,820,000
Financial assets awaiting settlement	595,683,260,000	228,833,260,000
Total	13,580,293,470,000	12,992,363,100,000

20.10. Investors' non-traded financial assets deposited at VSD

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Financial asset		
Unrestricted and non-traded financial assets deposited at VSD	11,417,120,000	22,049,360,000
Restricted and non-traded financial assets deposited at VSD	44,604,150,000	16,828,650,000
Total	56,021,270,000	38,878,010,000

20.11. Investors' awaiting financial assets

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Financial asset		
Investors' awaiting financial assets	306,171,260,000	219,655,840,000

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20. DISCLOSURE OF OFF BALANCE SHEET ITEMS (continued)

20.12. Investors' deposits

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Investors' deposits for securities trading activities managed by the Company	<u>787,640,460,435</u>	<u>581,883,723,061</u>

20.13. Payables to investors relating to deposits for securities trading activities managed by the Company

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
Liabilities		
Payables to investors - Deposits of investors for securities trading activities managed by the Company	787,640,460,435	581,883,723,061
<i>Domestic investors</i>	787,456,222,244	581,657,003,061
<i>Foreign investors</i>	<u>184,238,191</u>	<u>226,720,000</u>
Total	<u>787,640,460,435</u>	<u>581,883,723,061</u>

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21. GAIN, LOSS FROM FINANCIAL ASSETS

21.1. Gain, loss from sale of financial assets at FVTPL

<i>Financial assets</i>	<i>Quantity</i>	<i>Selling price VND</i>	<i>Proceeds VND</i>	<i>Weighted average cost at the end of transaction date VND</i>	<i>Gain from disposal over the current period VND</i>	<i>Loss from disposal over the current period VND</i>
Listed shares						
Viettronics Tan Binh Joint Stock Company (VTB)	412,630	18,899	7,798,127,390	17,200	-	1,887,400,890
ETF VFMVN30 Fund (VFMVN30)	5,457,030	10,461	57,084,777,450	11,300	1,588,429,650	-
Other shares	9,120,850	26,127	238,298,544,771	26,127	7,994,450,335	1,023,005,183
Total	14,990,510		303,181,449,611		9,582,879,985	2,910,406,073

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21. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

21.2. Gain, loss from revaluation of financial assets

No.	Financial assets	Cost VND	Market value or Fair value VND	Revaluation difference as at 31 March 2017 VND	Revaluation difference as at 31 December 2016 VND	Adjustment difference in this period VND
I	FVTPL					
1	Listed shares	-	-	-	-	-
	Military Commercial Joint Stock Bank (MBB)	33,759,364,943	36,074,065,700	2,314,700,757	-	2,314,700,757
	HAGL Joint Stock Company (HAG)	26,111,985,200	24,979,500,000	(1,132,485,200)	-	(1,132,485,200)
	Hoa Sen Group (HSG)	55,413,518,334	56,925,000,000	1,511,481,666	-	1,511,481,666
	The gioi Di dong Joint Stock Company (MWG)	69,684,340,516	73,048,932,000	3,364,591,484	-	3,364,591,484
	Hoang Huy Investment Services Joint Stock Company (HHS)	2,240,059,204	972,300,000	(1,267,759,204)	-	(1,267,759,204)
	GTNFOODS Stock Company (GTN)	17,500,085,500	19,875,000,000	2,374,914,500	3,249,997,500	(875,083,000)
	Other shares	252,160,868,755	223,256,997,000	(28,903,871,755)	(3,950,329,933)	(24,953,541,822)
2	Unlisted shares	-	-	-	-	-
	DongA Joint Stock Commercial Bank	16,967,999,502	1,511,472,000	(15,456,527,502)	(15,456,527,502)	-
	Ca Mau Seafood Joint Stock Company	10,950,000,000	585,000,000	(10,365,000,000)	(10,365,000,000)	-
	Minh Hai Export Frozen Seafood Processing Joint Stock Company	8,000,000,000	330,000,000	(7,670,000,000)	(7,670,000,000)	-
	Tan Binh Real Estate Joint Stock Company	12,025,000,000	6,200,000,000	(5,825,000,000)	(5,725,000,000)	(100,000,000)
	Special Aquatic Products Joint Stock Company	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)	(5,328,600,000)	-
	Can Tho Import – Export Seafood JSC	4,900,000,000	1,586,117,750	(3,313,882,250)	(3,313,882,250)	-
	Sai Gon Postel Corporation	4,406,400,000	2,200,840,000	(2,205,560,000)	(2,205,560,000)	-
	Other shares	41,738,194,046	69,803,347,245	28,065,153,199	-	28,065,153,199
	Total	568,850,416,000	519,622,571,695	(49,227,844,305)	(56,154,902,185)	6,927,057,880

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21. GAIN, LOSS FROM FINANCIAL ASSETS (continued)

21.3. Dividend, interest income from financial assets at FVTPL, loans and receivables

	<i>Current period</i> VND	<i>Current period</i> VND
From financial assets at FVTPL	10,121,424,067	5,967,562,772
From loans and receivables	91,307,065,226	72,707,997,968
Total	101,428,489,293	78,675,560,740

21.4. Revenue other than gain from financial assets

	<i>Current period</i> VND	<i>Current period</i> VND
Revenue from brokerage services	94,501,059,920	76,261,049,751
Revenue from financial advisory services	4,878,290,899	2,869,045,723
Revenue from securities custodian services	1,452,861,341	1,153,485,443
Other operating incomes	617,989,609	560,750,734
Total	101,450,201,769	80,844,331,651

22. OPERATING EXPENSES

	<i>Current period</i> VND	<i>Current period</i> VND
Expenses for brokerage services	48,998,642,529	43,745,171,215
Borrowing costs to loan	16,103,547,288	4,782,265,359
Expenses for propriety trading activities	8,096,961,884	4,407,911,682
Expenses for investment advisory services	2,053,308,000	2,532,000,000
Expenses for securities custodian services	1,459,195,895	1,156,699,266
Other operating expenses	212,773,531	190,664,579
Total	76,924,429,127	56,814,712,101

23. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current period</i> VND	<i>Current period</i> VND
Payroll expenses for administration	14,061,713,011	11,818,107,141
- Salary and bonus	12,833,108,011	10,702,107,141
- Social insurance, health insurance, union fee and unemployment insurance	1,228,605,000	1,116,000,000
External service expenses	4,184,495,187	5,125,450,834
Depreciation and amortization expenses	882,250,998	759,549,892
Tools and equipment expense	139,861,027	156,666,894
Tax and fee expenses	49,810,012	216,744,315
Other expenses	5,892,405,278	5,300,512,011
Total	25,210,535,513	23,377,031,087

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24. OTHER INFORMATION

24.1. 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 Deputy General Director of DC. The Company's member of the Board of Directors, cum Chief Executive Officer is representative for DC's shares.
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder – holding 29.47% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy Director of HFIC. The Company's member of the Board of Directors is Deputy Head of Finance and accounting Department at HFIC.
Vietnam Debt Fund SPC (VDF)	DC's subsidiary
Vietnam Enterprise Investments	DC's subsidiary
Amersham Industries Limited	DC's subsidiary
Vietnam Property Fund Limited	DC's subsidiary
Cam Vietnam Mother Fund	DC's subsidiary
DC Developing Markets Strategies Public Limited Company	DC's subsidiary

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

<i>Related parties</i>	<i>Transactions</i>	<i>Current period VND</i>
Dragon Capital Markets Limited	Brokerage service - Purchasing securities	105,165,500,000
	Brokerage service - Selling securities	290,409,115,000
	Brokerage income	386,017,124
	Advisory expenses	1,800,000,000
Vietnam Debt Fund SPC.	Brokerage service - Purchasing securities	211,899,500,000
	Brokerage service - Selling securities	55,577,000,000
	Brokerage income	53,495,300
Vietnam Enterprise Investments Limited	Brokerage service - Purchasing securities	5,109,000,000
	Brokerage service - Selling securities	12,023,188,800
	Brokerage income	25,698,283
Cam Vietnam Mother Fund	Brokerage service - Purchasing securities	102,972,376,500
	Brokerage service - Selling securities	150,399,473,500
	Brokerage income	380,057,783
DC Developing Markets Strategies Public Limited Company	Brokerage service - Purchasing securities	108,868,471,300
	Brokerage service - Selling securities	10,928,000,000
	Brokerage income	179,694,707
Amersham Industries Limited	Brokerage service - Purchasing securities	27,146,125,000
	Brokerage service - Selling securities	23,430,924,750
	Brokerage income	75,865,575
The Board of Directors, the Board of Supervisors and the Board of Management	Remuneration and salary	4,976,709,056

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24. OTHER INFORMATION (continued)

24.1. Related party transactions (continued)

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

Amounts due to related parties at the statement of financial position date are as follows:

<u>Related parties</u>	<u>Transactions</u>	<u>Current period VND</u>
Dragon Capital Markets Limited (DC)	Advisory expenses	1,800,000,000
Ho Chi Minh City Fund and Investment Corporation (HFIC)	Deposits for trading securities	24,876,734

Prepared by



Le Thi Thuy Duong

Chief Financial Officer



Lam Huu Ho



20 April 2017

Chief Executive Officer



Johan Nyvene