

Saigon Securities Incorporation

Consolidated financial statements

31 December 2015



Saigon Securities Incorporation

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Saigon Securities Incorporation

GENERAL INFORMATION

THE COMPANY

Saigon Securities Incorporation ("the Company" or "SSI") is a joint stock company established under the Corporate Law of Vietnam and Operation License No. 3041/GP-UB dated 27 December 1999 issued by Ho Chi Minh City People's Committee and the first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company operates under Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 5 April 2000 and subsequent amended licenses.

The Company's principal activities are to provide brokerage service, securities trading, finance and investment advisory service, custodian service and underwriting for securities issues.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. Since 29 October 2007, the listing has been switched to Ho Chi Minh Stock Exchange.

The Company's Head Office is located at 72 Nguyen Hue Street, District 1, Ho Chi Minh City. The Company also has branches based in Ho Chi Minh City, Hanoi, Vung Tau, Hai Phong, and Nha Trang.

BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of the consolidated financial statements are:

<i>Name</i>	<i>Title</i>	<i>Election/ resignation</i>
Mr. Nguyen Duy Hung	Chairman	Re-elected on 23 April 2015
Mr. Nguyen Hong Nam	Member	Re-elected on 25 April 2014
Mr. Ngo Van Diem	Member	Re-elected on 20 April 2012
Mr. Bui Quang Nghiem	Member	Re-elected on 25 April 2014
Mr. Tetsuo Akuzawa	Member	Elected on 25 April 2013
		Resigned on 23 April 2015
Mr Nguyen Duy Khanh	Member	Elected on 23 April 2015
Mr Hironoki Oka	Member	Elected on 23 April 2015

BOARD OF SUPERVISION

The members of the Board of Supervision during the year and at the date of the consolidated financial statements are:

<i>Name</i>	<i>Title</i>	<i>Election</i>
Mr. Nguyen Van Khai	Head of the Board of Supervision	Re-elected on 28 April 2011
Mr. Dang Phong Luu	Member	Re-elected on 23 April 2015
Ms. Ho Thi Huong Tra	Member	Re-elected on 20 April 2012

Saigon Securities Incorporation

GENERAL INFORMATION (continued)

MANAGEMENT

The members of the Management during the year and at the date of the consolidated financial statements are:

<u>Name</u>	<u>Title</u>	<u>Appointment/ Re-appointment</u>
Mr. Nguyen Duy Hung	Chief Executive Officer	Appointed on 5 March 2007
Mr. Nguyen Hong Nam	Deputy Chief Executive Officer	Re-appointed on 5 September 2003

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of the consolidated financial statements is Mr. Nguyen Duy Hung, Chairman of the Board of Directors cum Chief Executive Officer.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

Saigon Securities Incorporation

REPORT OF THE MANAGEMENT

Management of Saigon Securities Incorporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements which give a true and fair view of the consolidated state of affairs of the Company and its subsidiaries, of the consolidated results of their operations, the consolidated cash flows and the consolidated changes in owners' equity for the year. In preparing those consolidated financial statements, Management is required to:

- ▶ select suitable accounting policies and apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and its subsidiaries and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Management confirms that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2015, of the consolidated results of their operations, their consolidated changes in cash flows and owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of the Board of Management:




Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam

28 March 2016



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Ho Chi Minh City, S.R. of Vietnam

Reference: 60755007/17932043-HN

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
 Saigon Securities Incorporation**

We have audited the consolidated financial statements of Saigon Securities Incorporation ("the Company") and its subsidiaries as prepared on 28 March 2016 and set out on pages 6 to 67 which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in owners' equity for the year then ended and the notes thereto.

Management's Responsibility

Management of the Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Auditors' Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company and its subsidiaries as at 31 December 2015, the consolidated results of their operations, their consolidated changes in cash flows and owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of consolidated financial statements.



Ernst & Young Vietnam Limited

Nguyen Xuan Dai
Deputy General Director
Audit Practising Registration
Certificate No. 0452-2013-004-1

Tran Mai Thao
Auditor
Audit Practising Registration
Certificate No. 2466-2013-004-1

Ho Chi Minh, Vietnam

28 March 2016

CONSOLIDATED BALANCE SHEET
as at 31 December 2015

Currency: VND

Code	ASSETS	Note	Closing balance	Opening balance
100	A. CURRENT ASSETS		10,944,974,283,833	6,412,052,850,650
110	I. Cash and cash equivalents	4	1,990,410,102,161	1,952,651,885,005
111	1. Cash in hand		1,755,410,102,161	1,577,651,885,005
112	2. Cash equivalents		235,000,000,000	375,000,000,000
120	II. Short-term financial investments		5,019,419,743,536	2,189,454,760,896
121	1. Short-term investments	6.1	5,061,932,791,680	2,263,108,546,961
129	2. Provision for short-term investments	6.3	(42,513,048,144)	(73,653,786,065)
130	III. Short-term receivables		3,693,497,164,753	2,251,215,021,177
131	1. Receivables from customers	7	3,646,040,547,557	2,107,978,862,280
132	2. Advances to suppliers	7	11,301,258,947	3,644,740,653
135	3. Receivables from securities trading activities	7	226,779,001	2,284,928,503
138	4. Other receivables	7	39,359,691,208	140,272,267,822
139	5. Provision for doubtful receivables	8	(3,431,111,960)	(2,965,778,081)
150	IV. Other current assets	9	241,647,273,383	18,731,183,572
151	1. Prepaid expenses		8,548,603,317	5,404,456,902
152	2. Value-added tax deductible		-	44,439,578
158	3. Other current assets		233,098,670,066	13,282,287,092
200	B. NON-CURRENT ASSETS		2,452,507,120,087	2,502,382,615,087
220	I. Fixed assets		131,980,403,084	139,466,904,286
221	1. Tangible fixed assets	10	14,797,817,761	19,380,118,523
222	Cost		87,250,084,078	86,467,395,084
223	Accumulated depreciation		(72,452,266,317)	(67,087,276,561)
227	2. Intangible fixed assets	11	116,884,245,323	120,086,785,763
228	Cost		167,521,245,561	165,851,719,836
229	Accumulated amortization		(50,637,000,238)	(45,764,934,073)
	3. Construction in progress		298,340,000	-
240	II. Investment properties	12	268,409,921,032	282,260,031,185
241	Cost		311,647,615,101	283,612,736,520
242	Accumulated depreciation		(43,237,694,069)	(31,352,705,335)
250	III. Long-term financial investments		1,961,444,584,362	1,994,645,599,205
252	1. Investments in associates and joint-ventures	13	637,417,114,391	1,043,972,898,151
253	2. Long-term securities investments	6.2	1,405,887,447,424	819,968,163,892
254	Available-for-sale securities		1,405,887,447,424	819,968,163,892
255	Held-to-maturity securities		-	-
258	3. Other long-term investments	6.2	65,000,000,000	538,617,000,000
259	4. Provision for long-term investments	6.3	(146,859,977,453)	(407,912,462,838)
260	IV. Other long-term fixed assets		90,672,211,609	116,010,080,411
261	1. Long-term prepaid expenses		2,405,087,368	1,084,463,623
262	2. Deferred income tax asset	31.2	50,979,884,031	88,452,941,782
263	3. Payment for settlement assistance fund	14	20,000,000,000	19,982,911,796
268	4. Other long-term assets	15	17,287,240,210	6,489,763,210
270	TOTAL ASSETS		13,397,481,403,920	8,914,435,465,737

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

Currency: VND

Code	RESOURCES	Note	Closing balance	Opening balance
300	A. LIABILITIES		6,669,872,389,630	3,140,629,721,212
310	i. Current liabilities		5,946,595,282,205	3,112,710,665,552
311	1. Short-term borrowings	16	3,913,847,967,537	1,506,127,466,877
312	2. Payables to suppliers		4,847,340,451	3,660,523,934
313	3. Advances from customers	17	4,893,483,331	71,967,220,419
314	4. Statutory obligations	18	91,848,160,110	48,730,855,015
315	5. Payables to employees		3,908,502,405	3,661,862,273
316	6. Accrued expenses	19	63,406,571,086	10,729,314,712
319	7. Other short-term payables	20	186,619,220,070	253,580,217,204
320	8. Payables on securities trading activities	21	1,550,598,384,658	1,097,851,004,560
321	9. Dividend and interest payables	22	10,002,807,034	9,609,207,880
322	10. Payables to securities issuers		689,438,960	1,884,039,160
323	11. Bonus and welfare fund	23	115,933,406,563	104,908,953,518
330	ii. Non-current liabilities		723,277,107,425	27,919,055,660
333	1. Other long-term payables		453,246,599	559,315,985
334	2. Long-term borrowings	24	687,500,000,000	-
335	3. Deferred income tax liability	31.2	1,812,751,858	27,359,739,675
338	4. Long-term unearned revenue	25	33,511,108,968	-
400	B. OWNERS' EQUITY	26	6,727,609,014,290	5,773,805,744,525
410	i. Owners' equity		6,727,609,014,290	5,773,805,744,525
411	1. Charter capital		4,800,636,840,000	3,537,949,420,000
412	2. Share premium		29,285,860,000	342,196,810,218
413	3. Other capital		(4,609,514,439)	(4,185,339,535)
414	4. Treasury shares		(170,482,400)	(54,900)
	5. Differences due to exchange rate		31,013,180,718	-
418	6. Financial and statutory reserves		451,646,309,750	372,998,887,930
420	7. Undistributed earnings		1,338,666,458,296	1,441,990,375,228
429	8. Non-controlling interest	32	81,140,362,365	82,855,645,584
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,397,481,403,920	8,914,435,465,737

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

OFF-BALANCE SHEET ITEMS

Currency: VND

Code	ITEMS	Closing balance	Opening balance
001	1. Leased fixed assets	-	-
002	2. Pledged materials and valuable papers	-	-
003	3. Security assets	-	-
004	4. Bad debts written off	-	-
005	5. Foreign currencies	-	-
006	6. Custody securities	22,246,591,720,000	16,971,498,980,000
	<i>In which</i>		
007	6.1. Tradable securities	17,545,682,100,000	13,385,339,520,000
008	6.1.1. Tradable securities of custody members	143,966,470,000	89,693,530,000
009	6.1.2. Tradable securities of local investors	15,678,590,640,000	11,856,981,100,000
010	6.1.3. Tradable securities of foreign investors	1,723,124,990,000	1,438,664,890,000
012	6.2. Temporarily untradeable securities	736,171,700,000	305,421,250,000
013	6.2.1. Temporarily untradeable securities of custody members	-	-
014	6.2.2. Temporarily untradeable securities of local investors	594,130,210,000	295,550,450,000
015	6.2.3. Temporarily untradeable securities of foreign investors	142,041,490,000	9,870,800,000
017	6.3. Mortgaged securities	2,912,938,010,000	2,519,004,810,000
018	6.3.1. Mortgaged securities of custody members	183,426,660,000	92,335,010,000
019	6.3.2. Mortgaged securities of local investors	2,729,511,350,000	2,426,669,800,000
022	6.4. Suspended securities	-	-
027	6.5. Securities awaiting settlement	1,031,209,930,000	741,167,730,000
028	6.5.1. Securities awaiting settlement of custody members	1,587,070,000	301,000,000
029	6.5.2. Securities awaiting settlement of local investors	1,018,534,010,000	735,731,330,000
030	6.5.3. Securities awaiting settlement of foreign investors	11,088,850,000	5,135,400,000
032	6.6. Isolated securities awaiting withdrawal	-	-
037	6.7. Securities awaiting for trading	20,589,980,000	20,565,670,000
038	6.7.1. Securities awaiting trading of custody members	-	-
039	6.7.2. Securities awaiting trading of local investors	20,589,980,000	20,309,180,000
040	6.7.3. Securities awaiting trading of foreign investors	-	256,490,000
042	6.8. Securities collateralized for borrowings	-	-
047	6.9. Securities used to correct trading errors	-	-

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

OFF-BALANCE SHEET ITEMS (continued)

Currency: VND

Code	ITEMS	Closing balance	Opening balance
050	7. Custody securities of unlisted public companies	1,888,233,800,000	1,025,917,840,000
	<i>In which:</i>		
051	7.1. Tradable securities	1,296,910,810,000	824,916,770,000
052	7.1.1. Tradable securities of custody members	14,496,610,000	14,439,920,000
053	7.1.2. Tradable securities of local investors	1,111,301,830,000	652,581,860,000
054	7.1.3. Tradable securities of foreign investors	171,112,370,000	157,894,990,000
056	7.2. Temporarily untradeable securities	153,126,160,000	148,800,330,000
057	7.2.1. Temporarily untradeable securities of custody members	1,000,000,000	1,000,000,000
058	7.2.2. Temporarily untradeable securities of local investors	64,703,180,000	60,377,350,000
059	7.2.3. Temporarily untradeable securities of foreign investors	87,422,980,000	87,422,980,000
061	7.3. Collateral securities	376,944,250,000	45,999,520,000
063	7.3.1. Collateral securities of local investors	376,944,250,000	45,999,520,000
066	7.4. Temporarily held securities	-	-
071	7.5. Securities awaiting settlement	61,252,580,000	6,201,220,000
072	7.5.1. Securities awaiting settlement of custody members	30,480,000	-
073	7.5.2. Securities awaiting settlement of local investors	61,038,100,000	6,201,220,000
074	7.5.3. Securities awaiting settlement of foreign investors	184,000,000	-
076	7.6. Isolated securities awaiting withdrawal	-	-
081	7.7. Securities used to adjust trading errors	-	-
082	8. Securities not in custody of investors	-	-
083	9. Securities not in custody of securities corporations	-	-
084	10. Trusted securities used for auction	-	-
	TOTAL OFF-BALANCE SHEET ITEMS	24,134,825,520,000	17,997,416,820,000

Prepared by:

Ms. Hoang Thi Minh Thuy
Chief Accountant

Approved by:

Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Approved by:



Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam

28 March 2016

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Note	Current year	Previous year
01	1. Revenue	27	1,333,902,038,510	1,564,610,137,885
	<i>In which:</i>			
01.1	- Revenue from brokerage services		287,613,812,686	328,600,376,565
01.2	- Revenue from securities investments and capital contribution		389,744,410,192	721,120,170,953
01.3	- Revenue from securities underwriting		-	2,844,259,220
01.4	- Revenue from securities issuance agency services		12,390,049,452	543,481,183
01.4.1	- Revenue from investment portfolio management services for entrust investors		13,730,952,472	5,009,586,050
01.5	- Revenue from advisory services		44,704,036,602	20,966,718,460
01.6	- Revenue from securities custody services		7,363,774,946	5,623,352,899
01.8	- Revenue from property lease		7,234,566,832	7,771,606,391
01.9	- Other revenue		571,120,435,328	472,130,586,164
02	2. Deductions	27	1,023,661,971	100,000,000
10	3. Net revenue	27	1,332,878,376,539	1,564,510,137,885
11	4. Operating expenses	28	315,673,875,950	689,827,540,779
	<i>In which:</i>			
	- Direct operating expenses		612,871,847,693	508,714,462,610
	- (Expense)/ reversal of provision for securities		(297,197,971,743)	181,113,078,169
20	5. Gross profit from operating activities		1,017,204,500,589	874,682,597,106
25	6. General and administrative expenses	29	13,070,565,157	14,759,715,127
30	7. Net profit from operating activities		1,004,133,935,432	859,922,881,979
31	8. Other income	30	5,207,458,436	53,655,881,077
32	9. Other expenses	30	169,378,964	5,367,783
40	10. Other profit	30	5,038,079,472	53,650,513,294
41	11. Share of profit in associates	13	54,964,787,658	14,267,004,784
50	12. Profit before tax		1,064,136,802,562	927,840,400,057
51	13. Current corporate income tax expense	31.1	201,803,574,229	218,587,928,515
52	14. Deferred corporate income tax income/ (expense)	31.2	12,133,985,703	(35,443,063,119)
60	15. Profit after tax		850,199,242,630	744,695,534,661
61	16. Non-controlling interest		(1,706,475,257)	(134,659,179)
62	17. Profit after tax attributable to equity holders of the parent company		851,905,717,887	744,830,193,840
70	18. Basic earnings per share	34	1,680	1,492

Prepared by:



Ms. Hoang Thi Minh Thuy
Chief Accountant

Approved by:



Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Approved by:




Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam

28 March 2016

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Note	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Total accounting profit before tax		1,064,136,802,562	927,840,400,057
	2. Adjustments for		(529,801,144,854)	(338,101,375,353)
02	Depreciation of fixed assets		21,129,376,800	20,992,777,544
03	(Reversal)/Expenses of provisions		(296,732,637,863)	183,168,356,250
04	Unrealized foreign exchange gain/(loss)		-	-
05	Profits from investing activities		(379,403,995,303)	(558,800,771,847)
06	Interest expenses		125,206,111,512	16,538,262,700
08	3. Operating income before changes in working capital		534,335,657,708	589,739,024,704
09	Increase in receivables		(1,610,034,065,668)	(1,134,804,964,054)
10	Increase in trading securities		(267,915,015,273)	(585,893,007,012)
11	Increase/(decrease) in payables (excluding interest payables, corporate income tax payable)		273,872,601,853	(387,926,523,345)
12	Increase in prepaid expenses		(4,464,770,161)	(3,586,210,545)
13	Interest paid		(76,983,956,946)	(15,994,015,892)
14	Corporate income tax paid	31.1	(150,005,958,158)	(222,959,024,340)
15	Other proceeds from operating activities		3,225,000	27,000,000
16	Other payments for operating activities		(41,077,202,125)	(26,114,204,300)
20	Net cash flows used in operating activities		(1,342,269,483,770)	(1,787,511,924,784)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(6,101,959,114)	(9,678,007,454)
22	Proceeds from disposal of fixed assets and other long-term assets		12,136,004	1,000,000
23	Loans to and payments for purchase of debt instruments of other entities		(2,895,468,000,000)	(29,816,382,157)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		404,467,466,302	452,593,930,282
25	Payments for investments in other entities		(1,192,198,931,911)	(1,696,742,586,001)
26	Proceeds from sale of investments in other entities		1,612,069,326,007	2,144,521,987,240
27	Interests and dividends received		203,964,567,340	160,205,452,519
30	Net cash flows (used in)/from investing activities		(1,873,255,395,372)	1,021,085,394,429

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Note	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from share issuance, capital contribution	26.1	152,453,860,000	86,498,771,600
32	Capital redemption and payments for purchase of treasury shares		(170,427,500)	(54,900)
33	Drawdown of borrowings		19,821,505,132,020	20,735,961,702,782
34	Repayments of borrowings		(16,726,284,631,360)	(19,588,795,277,226)
36	Dividends paid to shareholders		(138,324,000)	(353,206,205,358)
40	Net cash flows from financial activities		3,247,365,609,160	880,458,936,898
50	Net increase in cash and cash equivalents during the year		31,840,730,018	114,032,406,543
60	Cash and cash equivalents at the beginning of the year		1,952,651,885,005	1,838,619,478,462
	Impacts of changes in foreign exchange rate		5,917,487,138	-
70	Cash and cash equivalents at the end of the year	4	1,990,410,102,161	1,952,651,885,005

Prepared by:



Ms. Hoang Thi Minh Thuy
Chief Accountant

Approved by:



Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Approved by:




Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam

28 March 2016

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the year ended 31 December 2015

Currency: VND

Items	Note	Opening balance		Increase/ (Decrease)				Ending balance	
		1 January 2014	1 January 2015	2014		2015		31 December 2014	31 December 2015
				Increase	Decrease	Increase	Decrease		
A	B	1	2	3	4	5	6	7	8
1. Charter capital	26.1	3,537,949,420,000	3,537,949,420,000	-	-	1,262,687,420,000	-	3,537,949,420,000	4,800,636,840,000
2. Share premium		344,944,356,378	342,196,810,218	-	(2,747,546,160)	29,423,360,000	(342,334,310,218)	342,196,810,218	29,285,860,000
3. Other capital		(5,358,122,972)	(4,185,339,535)	1,172,783,437	-	-	(424,174,904)	(4,185,339,535)	(4,609,514,439)
4. Treasury shares		(89,246,317,760)	(54,900)	(54,900)	89,246,317,760	(170,427,500)	-	(54,900)	(170,482,400)
5. Exchange rate difference		-	-	-	-	31,013,180,718	-	-	31,013,180,718
6. Financial and statutory reserve		335,813,119,252	372,998,887,930	37,185,768,678	-	78,647,421,820	-	372,998,887,930	451,646,309,750
7. Non-controlling interest	32	82,990,304,915	82,855,645,584	-	(134,659,331)	-	(1,715,283,219)	82,855,645,584	81,140,362,365
8. Undistributed earnings		1,118,079,667,080	1,441,990,375,228	745,062,019,228	(421,151,311,080)	852,221,822,401	(955,545,739,333)	1,441,990,375,228	1,338,666,458,296
TOTAL		5,325,172,426,893	5,773,805,744,525	783,420,516,443	(334,787,198,811)	2,253,822,777,439	(1,300,019,507,674)	5,773,805,744,525	6,727,609,014,290

Prepared by:



Ms. Hoang Thi Minh Thuy
Chief Accountant

Approved by:



Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Approved by:




Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam

28 March 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2015 and for the year then ended

1. THE COMPANY

Saigon Securities Incorporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam and Operation License No. 3041/GP-UB dated 27 December 1999 issued by Ho Chi Minh City People's Committee and first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company operates under Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 5 April 2000 and subsequent amended licenses.

The Company's principal activities are to provide brokerage service, securities trading, finance and investment advisory service, custodian service, and underwriting for securities issues.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. Since 29 October 2007, the listing has been switched to the Ho Chi Minh Stock Exchange.

Charter capital

According to Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment, the Company's initial charter capital was VND6,000,000,000. The charter capital has been supplemented from time to time in accordance with amended licenses. As at 31 December 2015, in accordance with the latest Amended License No. 24/GPDC-UBCK granted by the Chairman of State Securities Commission, which has been effective since 26 November 2015, the Company's total charter capital was VND4,800,636,840,000.

Location and Network

The Company's Head Office is located at 72 Nguyen Hue Boulevard, District 1, Ho Chi Minh City, Vietnam. As at 31 December 2015, the Company had one (01) Head Office, one (01) branch and one (01) transaction office in Ho Chi Minh City, two (02) branches and one (01) transaction office in Hanoi, one (01) branch in Hai Phong, one (01) branch in Vung Tau, and one (01) branch in Nha Trang.

Employees

Total number of employees of the Company and its subsidiaries as at 31 December 2015 was 616 (31 December 2014: 521).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

1. **THE COMPANY** (continued)

Subsidiaries

As at 31 December 2015, the Company had two (02) directly owned subsidiaries as follows:

<i>Company name</i>	<i>Established under</i>	<i>Business sector</i>	<i>Charter capital</i>	<i>% holding</i>
SSI Asset Management Company Ltd. (SSIAM)	Operating License No.19/UBCK- GP dated 3 August 2007.	Investment fund management and investment portfolio management.	VND 30 billion	100%
SSI Investment Member Fund (SSI IMF)	Approval Letter of Member Fund Foundation No.130/TB-UBCK dated 27 July 2010.	Investments in securities and other assets, including real estates.	VND 390 billion	80%

As at 31 December 2015, the Company had one (01) indirectly owned subsidiary via SSI Investment Member Fund as follows:

<i>Company name</i>	<i>Established under</i>	<i>Business sector</i>	<i>Maximum investment capital</i>	<i>% holding</i>
SSI International Corporation	Register No. SRV 090813396-4724807 dated 27 August 2009 in Delaware, USA. Foreign Investment License No. 249/BKH-DTRNN issued by Ministry of Planning and Investment dated 03 July 2009, and Amendment Certificate No. 249/BKH-DTRNN-DC1 issued by Ministry of Planning and Investment dated 31 August 2010.	Investments in real estates and office buildings in the United States of America.	USD 18.5 million	80% indirectly owned through SSI IMF.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

1. THE COMPANY (continued)

Associates

As at 31 December 2015, the Company had three (03) indirectly controlled associates as follows:

<i>Company name</i>	<i>Established under</i>	<i>Business sector</i>	<i>Charter capital (VND)</i>
The Pan Group (PAN)	Business Registration No. 0301472704 dated 3 October 2013 issued by Ho Chi Minh City Department of Planning and Investment (9 th amended license). At the initial stage, the company operated under Business Registration No. 4103003790 dated 31 August 2005. The Company's shares have been officially listed on Ho Chi Minh city Stock Exchange.	House cleaning services; Industrial cleaning equipment trading; House repairs services; Insecticide services; House, landscape, gardens, rockeries, parks, zoos decoration services; Real estate business; Building management services; Financial support services.	1,008,724,970,000
Vietnam Fumigation Joint Stock Company (VFG)	Vietnam Fumigation Joint Stock Company is transformed from State-owned enterprise, so called Vietnam Fumigation Company under Ministry of Agriculture and Rural Development, under Decision No. 70/QĐ-TTĐ dated 3 May 2001 issued by Prime Minister of the Socialist Republic of Vietnam. The Company operates under the first Business Registration No. 0302327629 dated 31 December 2001 issued by Ho Chi Minh City Department of Planning and Investment and 18 th amended license dated 22 February 2013. The Company's shares have been officially listed on Ho Chi Minh city Stock Exchange.	Production, processing, carton boxes, packaging; plant protection products and fumigating materials; Provision of fumigating services, eradication of harmful animals for agricultural and forestry products, and other materials; Trading of pesticide, plant protection materials, fumigation materials; Trading of materials and chemicals for agricultural production (except for toxic substances); Fertilizer wholesale; Handling, maintenance, sanitation in factories, warehouses, offices services; Anti - termite service; Anti-termite service for the construction work; Renting office, warehouse; Goods inspection; Caring service for agricultural products; Wholesale corn and other grains.	176,854,360,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

1. THE COMPANY (continued)

Associates (continued)

<i>Company name</i>	<i>Established under</i>	<i>Business sector</i>	<i>Charter capital (VND)</i>
Dong Nai Port Joint Stock Company	<p>The company was initially a State-owned enterprise, so called Dong Nai Port Company under Dong Nai Department of Transport, privatisation under Decision No. 3004 dated 24 August 2005 issued by People's Committee of Dong Nai Province.</p> <p>The Company operates under the first Business Registration No. 4703000301 dated 4 January 2006 and subsequent amended Business Registration No. 3600334112 dated 27 December 2009 and 27 December 2010 issued by Dong Nai Department of Planning and Investment.</p> <p>The Company's shares have been officially listed on Ho Chi Minh city Stock Exchange.</p>	Warehouses and wharf services; Loading and unloading, transportaton of goods in and out of the port; Loading and unloading equipments and vehicles repairs services; Agents and maritime services; Fuel supply services; Building materials trading; Entertainment services for ship's crews; Infrastruture and real estate invesment and business.	123,479,870,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system application

The consolidated financial statements of the Company and its subsidiaries expressed in Vietnam dong ("VND") are prepared in accordance with the accounting policies for securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 issued by the Ministry of Finance (in replacement of Decision No. 99/2000/QD-BTC dated 13 June 2000 of the Ministry of Finance), Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and Vietnamese Accounting Standards issued by the Ministry of Finance 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).

At the reporting date, the investors' deposits for securities trading were presented on the consolidated balance sheet of the Company under the item "cash at bank" because these accounts are still maintained at commercial banks under the Company's name.

Accordingly, the accompanying consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in owners' equity and related notes, including their utilisation are not designed for those who are not informed of Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position, consolidated results of operations, consolidated cash flows and movements of owner's equity in accordance with accounting principles and practices generally accepted in countries and territories other than Vietnam.

2.2 Applied accounting documentation system

The 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 consolidated financial statements are prepared in VND, which is also the Company's functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

2. BASIS OF PRESENTATION (continued)

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of Saigon Securities Incorporation (the parent company), and its subsidiaries for the year ended 31 December 2015.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the parent company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the parent company and subsidiaries are prepared for the same reporting period using the consistent accounting policies.

All intra-company balances, incomes and expenses, and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries which are not held by the Company, and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

Circular No. 200/2014/TT-BTC providing guidance on the Accounting System applicable for enterprises in all business activities and economic sectors

On 22 December 2014, the Ministry of Finance promulgated Circular No. 200/2014/TT-BTC providing guidance on the Accounting System applicable for enterprises in all business types and economic sectors ("Circular 200"). The Circular supersedes the prevailing enterprise accounting system under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Circular is applied to financial years beginning on or after 1 January 2015. Following are the new points of Circular 200 which affect the accounting recognition and financial reporting of the Company.

- ▶ Some highlights on the profit appropriation:
 - The Company is entitled to distribute its earnings to shareholders which shall not exceed the undistributed after-tax profit on the consolidated financial statements after eliminating the impact of profits recognized from a bargain purchase (negative goodwill). If the undistributed after-tax profit on the Company's consolidated financial statements is higher than the undistributed after-tax profit on its separate financial statements, and if the earnings approved to be distributed exceed the undistributed after-tax profits on the separate financial statements, the Company is only allowed to make the appropriation of profits after its subsidiaries' profits are transferred to the Company.
 - The Company, when distributing profits, should consider the impact of non-monetary items included in the undistributed earnings on its cash flows and ability to pay dividends and distribute profits.
- ▶ The determination of overdue period of doubtful receivables and other items with similar nature for provision making purpose is based on the principal repayment schedule under initial contracts rather than the rescheduled repayment negotiated between contracting parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *Changes in accounting policies and notes to financial statements* (continued)

Circular No. 202/2014/TT-BTC providing guidance for the preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance issued Circular No. 202/2014/TT-BTC ("Circular 202") providing guidance on preparation and presentation of consolidated financial statements, which replace Section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007, and is effective for the preparation and presentation of consolidated financial statements for financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 200 and Circular 202 are applied on a prospective basis as this Circular does not required for a retrospective application.

Provision for diminution in value of long-term investments:

Provision for diminution in value of long-term investments is made based on the following principals:

- ▶ For investments in listed shares or shares which fair value can be determined reliably, provision shall be made based on the shares' market value (similarly to provision for diminution in value of trading securities).
- ▶ For investments which fair value cannot be determined reliably at the reporting date, provision shall be made based on the loss incurred by the investees (provision for loss of investments in other entities).

Revaluation of monetary assets and liabilities denominated in USD at the end of the accounting period:

- ▶ Monetary assets denominated in foreign currencies are translated using the bid exchange rate announced by the commercial bank where the Company frequently uses services.
- ▶ Liabilities denominated in foreign currencies are translated using the ask exchange rate announced by the commercial bank where the Company frequently uses services.

3.2 *Standards and regulations issued but not yet taken effect*

Circular No.210/2015/TT-BTC providing guidance on accounting policies applicable to securities companies

On 30 December 2014, the Ministry of Finance promulgated Circular No. 210/2015/TT-BTC providing guidance on accounting policies applicable to securities companies, which supersedes the accounting policies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance. The Circular prescribes contents relating to accounting vouchers, chart of account system as well as methods of preparation and presentation of financial statements applicable to securities companies. The Circular takes effect from 1 January 2016, except for regulations relating to fair value which will take effect from 1 January 2017.

3.3 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, investors' deposits for securities trading, highly liquid short-term 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *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 consolidated income statement.

As for overdue receivables, provision level is prescribed in Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 as follows:

<u>Age of the overdue receivable</u>	<u>Provision level</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	100%

3.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

Cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the asset into working condition as its intended use.

Expenditures for additions, advances and renewals are added to the carrying amount of the assets. Expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or disposed, their costs and accumulated depreciation are written off and gain or loss resulting from their disposal is recognised into the consolidated income statement.

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs to bring the asset into working condition as 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 consolidated income statement as incurred.

When the intangible fixed assets are sold or disposed, their costs and accumulated amortisation are written off and any gain or loss resulting from their disposal is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortisation

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

Buildings and architectures	6 years
Office machineries	3 years
Means of transportation	6 years
Office equipment	3 - 5 years
Software	3 years
Land use rights with indefinite life	not amortised
Other intangible fixed assets	2 years
Investment properties	27.5 years

3.8 Investment properties

Investment properties are stated at cost, inclusive of related transaction fees less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Depreciation and amortisation of the property is calculated on a straight-line basis over the estimated useful life of each asset. The depreciation period is 27.5 years.

3.9 Operating lease

Rentals respective to operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease.

3.10 Financial investments and provision for diminution in value of securities

Circular No. 95/2008/TT-BTC allows securities companies to account for securities investments under either the cost accounting method or the fair value accounting method. Accordingly, the Company chooses the cost accounting method to record its securities investments.

Trading securities and long-term investment securities are initially recognised at cost.

These securities are continually recognised at cost less received accumulative gains which incur before purchase date, if any.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Financial investments and provision for diminution in value of securities* (continued)

Provision for diminution in value of securities is made for individual stocks which have market values lower than book values. Determination of the actual securities price on the market for provision complied with Circular No. 146/2014/TT-BTC. Accordingly, the Company determined the market value of securities as below:

- ▶ For securities listed on the Stock Exchange, the actual price on the market shall be the closing price as at 31 December 2015.
- ▶ For traded registered securities (traded registered stocks in UPCOM), the actual price on the market shall be the average closing price on the latest trading date before the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- ▶ The market price for unlisted securities and securities unregistered for trading used as a basis for setting up the provision is the average of actual trading prices quoted by 3 securities companies conducting transactions within one month before the date of setting up the provision.
- ▶ For securities which do not have reference prices from the above sources, the impairment is determined based on the financial performance and the book value of securities issuers as at 31 December 2015.

Provision for diminution in the value of other long-term investments:

- ▶ For an investment in listed shares or shares which fair value can be determined reliably, provision is made based on the actual price of shares (similarly to the method of determination of the actual securities price when making provision for diminution in value of securities);
- ▶ For investments whose fair value cannot be determined reliably at the reporting date, allowance is made based on loss which the invested entities has suffered during the year.

3.11 *Investments in associates*

An associate is an entity in which the Company has significant influence but that is neither subsidiaries nor joint ventures. The Company generally deems they have significant influence if they have over 20% of the voting rights.

The Company's investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is carried in the consolidated balance sheet at cost. In term of the acquisition, the difference between cost of the investment and the determinable net asset fair value in correspondence with the Company's shares in associate at the acquisition date is defined as goodwill. Negative goodwill is recognized in share of profits/(loss) in associates. Positive goodwill arising from 2015 will be reflected in the value of investment in associates while positive goodwill arising before 2015 is amortized for a period of maximum 10 years to the Shares of profit from associates in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Investments in associates* (continued)

When determining the determinable fair value of net assets in associates, the Company applies principles and suppositions as follows:

- ▶ Fair value of cash and short term deposit, payables to suppliers and other short term liabilities approximates their carrying value due to their short term;
- ▶ Fair value of receivables is determined based on estimation of recoverability, therefore, the Company estimates fair value at the cost less provisions for receivables;
- ▶ Fair value of financial investments is determined at market prices;
- ▶ Fair value of fixed assets approximates their cost less accumulated depreciation
- ▶ Fair value of the qualification items in the auditors' report in the audited financial statements of associates is determined as zero (0); and
- ▶ Fair value of other immaterial assets and debts is determined as their carrying value.

After the initial recognition, the investment is adjusted to changes of the Company's shares in associates' post-acquisition net assets. Goodwill arising on acquisition prior to 2015 of the associate is amortized over a three-year period. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are deducted from the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period as the Company using the same accounting policies. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

3.12 *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase at a specified future date ("repos") are not recognised on the consolidated balance sheet. The corresponding cash receipt is recognised as a liability in the consolidated balance sheet. The difference between the selling price and repurchasing price is recognised as an asset/ unamortised cost and is allocated to the consolidated income statement over the life of the agreement.

3.13 *Payables and accrued expenses*

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

3.14 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the commercial bank's exchange rate ruling at the transaction date. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the consolidated balance sheet date. All realized and unrealized foreign exchange differences are taken to the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Conversion of subsidiaries' financial statements into the reporting currency of parent company

Subsidiaries' financial statements which were prepared in different currency from that of the parent company are translated into the accounting currency of the parent company at the end of the accounting period. The exchange rate used for translation is transfer exchange rate of commercial bank where the subsidiary frequently has transactions. Difference in exchange rate arising from the translation was recorded accumulatedly into "Difference due to exchange rate", an item in owners' equity of the consolidated financial statements.

3.16 Treasury shares

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

3.17 Revenue recognition

Revenue is recognised 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 receipts or receivables less trade discount, concessions and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised to the extent of work-completion when the result of the contract can be ensured. In case when the contractual result cannot be ensured, the revenue will only be recognised to the extent of recovery of recorded expenses.

Revenue from trading securities

Revenue from trading securities is determined by the differences between selling prices and the weighted average cost of securities sold.

Interest

Revenue is recognised in the consolidated income statement on an accrual basis (taking into account the effective yield on the asset), except for cumulative gains before purchase date (which is recognised as deductions to cost of securities) or doubtful collectability.

Dividend

Revenue is recognised when the Company's entitlement as an investor to receive the dividend is established, except for dividends received in form of stocks, the number of received stocks is accounted for in notes to the financial statements and no value of received stocks or financial revenue or an increase in investment value is recognised.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the term of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also taken to 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.

Deferred income tax

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

Deferred income tax liabilities are recognised 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 affects neither the accounting profit nor taxable profit or loss upon the occurrence of the related transaction; and
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries and associates, and capital contributions in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised 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 utilised, 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; and
- ▶ In respect of deductible temporarily differences associated with investments in subsidiaries, associates, and capital contributions in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 utilised. Previously unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Corporate income tax (continued)

Deferred income tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised 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 for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.19 Appropriation of net profits and reserves

In accordance with resolutions of Shareholders' Meetings, the Company distributes the annual net profit after corporate income tax and appropriation to reserves as regulated by the Company's policy and as required by Vietnamese Laws.

The Company uses retained earnings to create reserves in accordance with Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014 and Decision No. 210/2012/TT-BTC issued by the Ministry of Finance on 30 November 2012, as follows:

	<u>Percentage of profit after tax</u>	<u>Maximum level</u>
Capital Supplementary Reserve	5%	10% of charter capital
Statutory Reserve	5%	10% of charter capital

Other reserves and funds are created in accordance with resolutions of Shareholders' Meetings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

4. CASH AND CASH EQUIVALENTS

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Cash on hand	619,978,961	219,364,656
Cash at banks	1,754,790,123,200	1,577,432,520,349
<i>In which:</i>		
- <i>Cash at banks of the Company</i>	<i>510,740,316,309</i>	<i>552,684,374,215</i>
- <i>Cash at banks for trading securities of investors (investors' deposits)</i>	<i>1,244,049,806,891</i>	<i>1,024,748,146,134</i>
Cash equivalents	235,000,000,000	375,000,000,000
- <i>Term deposits with maturity of three months or less (*)</i>	<i>235,000,000,000</i>	<i>375,000,000,000</i>
	<u>1,990,410,102,161</u>	<u>1,952,651,885,005</u>

(*) As at 31 December 2015, the Company has VND135,000,000,000 of term deposits with maturity of three (03) months or less and an interest rate of 5.5% p.a. are used as collaterals for short-term loans at banks.

5. TRADING VALUE AND TRADING VOLUME IN THE PERIOD

	<i>Trading volume</i> <i>during the year</i> Unit	<i>Trading value</i> <i>during the year</i> VND
The Company	97,744,493	7,924,179,055,600
- <i>Shares</i>	<i>24,792,893</i>	<i>528,825,935,600</i>
- <i>Bonds</i>	<i>72,660,000</i>	<i>7,392,680,180,000</i>
- <i>Others (investment fund certificates)</i>	<i>291,600</i>	<i>2,672,940,000</i>
Investors	8,135,432,582	165,554,787,951,522
- <i>Shares</i>	<i>7,991,549,346</i>	<i>151,277,938,463,580</i>
- <i>Bonds</i>	<i>136,119,706</i>	<i>14,203,071,388,942</i>
- <i>Others (investment fund certificates)</i>	<i>7,763,530</i>	<i>73,778,099,000</i>
	<u>8,233,177,075</u>	<u>173,478,967,007,122</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS

6.1 Short-term investments

The Company's short-term investment portfolio as at 31 December 2015 and 31 December 2014 were as follows:

Items	Shares	Book value VND	In comparison with market value		Market value VND
			Increase VND	Decrease VND	
As at 31 December 2015					
Trading securities	22,210,487	670,832,791,680	86,802,922,291	(42,513,048,144)	715,122,665,827
Listed shares (i)	20,821,980	642,120,682,743	86,785,244,173	(20,490,082,215)	708,415,844,701
Unlisted shares (ii)	1,388,506	28,712,008,937	17,678,118	(22,022,965,929)	6,706,721,126
Bonds	1	100,000	-	-	100,000
Other short-term investments	-	4,391,100,000,000	-	-	4,391,100,000,000
Term deposits with maturity of over three months (iii)	-	4,391,100,000,000	-	-	4,391,100,000,000
	22,210,487	5,061,932,791,680	86,802,922,291	(42,513,048,144)	5,106,222,665,827
As at 31 December 2014					
Trading securities	18,711,464	339,108,546,961	27,236,450,899	(73,653,786,065)	292,691,211,795
Listed shares	7,066,363	167,966,593,028	27,229,214,459	(1,314,628,366)	193,881,179,122
Unlisted shares	11,645,100	171,141,853,932	7,236,440	(72,339,157,699)	98,809,932,673
Bonds	1	100,000	-	-	100,000
Other short-term investments	-	1,924,000,000,000	-	-	1,924,000,000,000
Term deposits with maturity of over three months	-	1,924,000,000,000	-	-	1,924,000,000,000
	18,711,464	2,263,108,546,961	27,236,450,899	(73,653,786,065)	2,216,691,211,795

- (i) As at 31 December 2015, there were 3,656,000 listed shares with par value of VND36,560,000,000 included in trading securities were used as collaterals for straight bond issuance in phase 2 (Note 24 – Long-term loans and borrowings).
- (ii) Market value of these securities is determined at net asset value/book value of issuers, or determined based on the Company's own assessment of potential recoverability of the investment.
- (iii) Term deposits with maturity of over three months as at 31 December 2015 included approximately VND2,041,100,000,000 which were used as collaterals for the Company's overdrafts with banks; and VND2,315,000,000,000 which were used as collaterals for the Company's short-term borrowings. Refer to Note 16 – Short-term borrowings for more information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS (continued)

6.2 Long-term financial investments

The Company's long-term investment portfolio as at 31 December 2015 and 31 December 2014 were as follows:

Items	Shares	Book value VND	In comparison with market value		Market value VND
			Increase VND	Decrease VND	
As at 31 December 2015					
Available-for-sales securities	46,653,480	1,405,887,447,424	579,073,683,639	(146,859,977,453)	1,838,101,153,610
Listed shares (i)	40,874,236	1,105,147,594,845	551,773,779,128	(114,307,512,973)	1,542,613,861,000
Unlisted shares (ii)	3,361,343	85,167,499,174	1,082,157,916	(32,552,464,480)	53,697,192,610
Bonds (iii)	2,417,901	215,572,353,405	26,217,746,595	-	241,790,100,000
Other long-term investments	1,499,999	65,000,000,000	19,761,408,826	-	84,761,408,826
Shares of Sunway Investment J S Company (iv)	1,499,999	15,000,000,000	19,761,408,826	-	34,761,408,826
Term deposits with the maturity over 1 year	-	50,000,000,000	-	-	50,000,000,000
	48,153,479	1,470,887,447,424	598,835,092,465	(146,859,977,453)	1,922,862,562,436
As at 31 December 2014					
Available-for-sales securities	18,422,764	819,968,163,892	50,820,165,641	(110,169,462,838)	760,618,866,696
Listed shares	11,424,556	493,872,588,058	42,882,134,304	(68,077,726,036)	468,676,996,327
Unlisted shares (ii)	4,747,557	108,968,507,171	-	(42,091,736,802)	66,876,770,369
Bonds	2,250,651	217,127,068,663	7,938,031,337	-	225,065,100,000
Other long-term investments	11,766,999	538,617,000,000	9,846,668,411	(297,743,000,000)	250,720,668,411
Sunway Joint stock Company (iv)	1,499,999	15,000,000,000	9,846,668,411	-	24,846,668,411
Hoang Anh Gia Lai Rubber Joint Stock Company	10,267,000	523,617,000,000	-	(297,743,000,000)	225,874,000,000
	30,189,763	1,358,585,163,892	60,666,834,053	(407,912,462,838)	1,011,339,535,107

Saigon Securities Incorporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS (continued)

6.2 Long-term financial investments (continued)

- (i) Among the listed securities available for sale as at 31 December 2015, there were 1,020,000 shares with the par value of VND10,200,000,000 which were used as collaterals for straight bonds issued in phase 2 (Note 24 – Long-term loans and borrowings).
- (ii) Market value of these securities is determined at net asset value/book value of issuers, or determined based on the Company's own assessment of potential recoverability of the investment.
- (iii) As at 31 December 2015, the Company held 2,200,000 bonds issued by other credit institutions with carrying amount of VND193,782,253,404. These bonds were sold at VND176,000,000,000 and committed to be repurchased at VND180,500,400,000. Refer to Note 20 and Note 37.5 for more information.
- (iv) Long-term investments represent the Company's contributed capital in entities with the purpose of holding in long-term. As at 31 December 2015, the Company has contributed capital in Sunway Investment Joint Stock Company as a founding shareholder. Main activities of Sunway Investment Joint Stock Company are housing business; industrial parks, residential quarters, office buildings investment and trading; managing services, lands and offices leasing, real estate bidding advisory, financial operations support and commercial brokers.

Saigon Securities Incorporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS (continued)

6.3 Provision for investment diminution

Provision for short-term investments

<i>Items</i>	<i>Quantity</i>	<i>Cost VND</i>	<i>Decrease in comparison with market value VND</i>	<i>Market value VND</i>
Listed shares				
KDC	29,481	768,078,392	(51,690,095)	716,388,297
GAS	5,000	320,000,000	(139,000,000)	181,000,000
VAF	2,751,782	67,766,743,877	(18,234,667,877)	49,532,076,000
DBC	6,989,858	184,957,167,636	(2,064,724,243)	182,892,443,393
	9,776,121	253,811,989,905	(20,490,082,215)	233,321,907,690
Unlisted shares				
Ba Hien Viglacera Joint Stock Company	6,054	253,765,058	(253,765,058)	-
Sam Phu Plastic Joint Stock Company	418,273	4,182,730,000	(2,760,601,800)	1,422,128,200
Pythis Joint Stock Company	260,118	4,284,711,000	(3,504,357,000)	780,354,000
Eden Joint Stock Company	199,650	4,650,000,000	(3,452,100,000)	1,197,900,000
Dai Nam Real Estates Joint Stock Company	70,500	7,050,000,000	(7,050,000,000)	-
AGF Delta Investment and Construction Joint Stock Company	200,000	2,000,000,000	(2,000,000,000)	-
Descon Industrial Construction Joint Stock Company	226,120	6,131,898,718	(2,884,409,496)	3,247,489,222
Vien Dong Pharmaceutical Joint Stock Company	2,874	117,732,575	(117,732,575)	-
	1,383,589	28,670,837,351	(22,022,965,929)	6,647,871,422
	11,159,710	282,482,827,256	(42,513,048,144)	239,969,779,112

Saigon Securities Incorporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS (continued)

6.3 Provision for investment diminution (continued)

Provision for long-term investments

<i>Items</i>	<i>Quantity</i>	<i>Cost VND</i>	<i>Decrease in comparison with market value VND</i>	<i>Marker value VND</i>
Listed shares				
HPG	8,000,055	274,834,808,580	(41,233,202,580)	233,601,606,000
GIL	2,707,226	81,968,204,098	(24,532,598)	81,943,671,500
ELC	4,089,025	101,933,671,837	(12,599,747,700)	89,333,924,137
PET	3,039,000	45,055,590,741	(4,636,890,741)	40,418,700,000
PVS	2,413,700	91,890,222,350	(51,581,432,350)	40,308,790,000
HTI	512,550	8,359,437,060	(1,132,482,060)	7,226,955,000
DPR	529,980	22,125,506,944	(3,099,224,944)	19,026,282,000
	21,291,536	626,167,441,610	(114,307,512,973)	511,859,928,637
Unlisted shares				
Viglacera Dap Cau Glass Joint Stock Company	800,000	15,200,000,000	(14,575,200,000)	624,800,000
VMG Media Joint Stock Company	1,414,000	44,488,000,000	(8,240,110,000)	36,247,890,000
Viet Tin Joint Stock Company	6,299	6,654,826,400	(4,135,226,400)	2,519,600,000
Descon Industrial Construction Joint Stock Company	398,470	11,324,672,774	(5,601,928,080)	5,722,744,694
	2,618,769	77,667,499,174	(32,552,464,480)	45,115,034,694
	23,910,305	703,834,940,784	(146,859,977,453)	556,974,963,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. FINANCIAL INVESTMENTS (continued)

6.3 Provision for investment diminution (continued)

Changes in provision for investment diminution during the year:

<i>Items</i>	<i>Opening balance VND</i>	<i>Increase in provision VND</i>	<i>Reversal of provision VND</i>	<i>Reclassification of provision VND</i>	<i>Closing balance VND</i>
<i>Provision for short-term investments</i>					
Listed shares	(1,314,628,366)	(2,255,414,338)	35,218,328,367	(52,138,367,878)	(20,490,082,215)
Unlisted shares	(72,339,157,699)	(1,822,176,108)	-	52,138,367,878	(22,022,965,929)
	(73,653,786,065)	(4,077,590,446)	35,218,328,367	-	(42,513,048,144)
<i>Provision for long-term investments</i>					
Listed shares	(68,077,726,036)	(69,771,654,297)	23,541,867,360	-	(114,307,512,973)
Unlisted shares	(42,091,736,802)	(1,929,297,008)	11,468,569,330	-	(32,552,464,480)
Other long-term investments	(297,743,000,000)	-	247,748,510,284	49,994,489,716	-
	(407,912,462,838)	(71,700,951,305)	282,758,946,974	49,994,489,716	(146,859,977,453)
	(481,566,248,903)	(75,778,541,751)	317,977,275,341	49,994,489,716	(189,373,025,597)

Saigon Securities Incorporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

7. SHORT-TERM RECEIVABLES

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Receivables from investors	3,646,040,547,557	2,107,978,862,280
- <i>Advances to investors</i>	93,457,735,870	97,679,567,228
- <i>Advances under securities brokerage contracts (i)</i>	284,251,211,500	-
- <i>Receivables from margin contracts (ii)</i>	3,256,363,621,210	2,003,553,536,747
- <i>Receivables from advisory services</i>	5,491,684,179	2,904,869,361
- <i>Receivables from portfolio and fund management services</i>	1,917,721,021	805,269,952
- <i>Other receivables</i>	4,558,573,777	3,035,618,992
Advances to suppliers	11,301,258,947	3,644,740,653
Receivables from securities activities	226,779,001	2,284,928,503
Other receivables	39,359,691,208	140,272,267,822
- <i>Deposit interest receivables</i>	17,092,784,423	6,829,185,739
- <i>Receivables from securities issuers (bond coupons, dividends)</i>	17,753,194,839	21,148,672,807
- <i>Purchase of auction securities in waiting for share certificate</i>	-	109,073,594,000
- <i>Other receivables</i>	4,513,711,946	3,220,815,276
	<u>3,696,928,276,713</u>	<u>2,254,180,799,258</u>

(i) These relate to brokerage contracts for selling bonds held by customers. Accordingly, the Company made advances to customers for the period that bonds are awaiting to be sold.

(ii) During the year, interest rate for margin contracts within the maturity period is 0.0389% per day, and is amended from time to time. Please refer to Note 37.5 for more information on assets used as collaterals for margin contracts.

8. PROVISION FOR DOUBTFUL RECEIVABLES

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Provisions for doubtful receivables	<u>(3,431,111,960)</u>	<u>(2,965,778,081)</u>

Saigon Securities Incorporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

9. OTHER CURRENT ASSETS

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Short-term prepaid expenses	8,548,603,317	5,404,456,902
Value Added Tax deductible	-	44,439,578
Other current assets	233,098,670,066	13,282,287,092
- <i>Advance to employees</i>	3,278,848,232	1,735,380,092
- <i>Short-term pledges and deposits</i>	851,648,005	11,546,907,000
- <i>Other short-term assets</i>	228,968,173,829	-
	241,647,273,383	18,731,183,572

Other short-term assets represent short-term cost of investment relating to the contract between SSI and its customers for selling the shares of Hoang Anh Gia Lai International Agriculture JSC's shares, previously known as Hoang Anh Gia Lai Rubber JSC. Accordingly, the customer will make payments to the Company in accordance with the payment schedule specified in the contract. The control of shares will be transferred to the buyer in line with the payment schedule. The underlying shares after transfer will be blocked and used as collateral assets for the contract.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

10. TANGIBLE FIXED ASSETS

	<i>Buildings and architectures VND</i>	<i>Office machineries VND</i>	<i>Means of transportation VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
Cost					
Opening balance	2,609,391,520	68,196,998,519	14,504,261,403	1,156,743,642	86,467,395,084
Increase	-	2,609,954,494	-	37,840,000	2,647,794,494
- <i>Purchases</i>	-	2,609,954,494	-	37,840,000	2,647,794,494
Decrease	-	(1,865,105,500)	-	-	(1,865,105,500)
- <i>Disposals</i>	-	(1,865,105,500)	-	-	(1,865,105,500)
Closing balance	2,609,391,520	68,941,847,513	14,504,261,403	1,194,583,642	87,250,084,078
Accumulated depreciation					
Opening balance	2,609,391,520	55,157,869,212	8,263,775,521	1,056,240,308	67,087,276,561
Increase	-	5,799,632,635	1,379,431,955	51,030,666	7,230,095,256
- <i>Depreciation</i>	-	5,799,632,635	1,379,431,955	51,030,666	7,230,095,256
Decrease	-	(1,865,105,500)	-	-	(1,865,105,500)
- <i>Disposals</i>	-	(1,865,105,500)	-	-	(1,865,105,500)
Closing balance	2,609,391,520	59,092,396,347	9,643,207,476	1,107,270,974	72,452,266,317
Net book value					
Opening balance	-	13,039,129,307	6,240,485,882	100,503,334	19,380,118,523
Closing balance	-	9,849,451,166	4,861,053,927	87,312,668	14,797,817,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

11. INTANGIBLE FIXED ASSETS

	<i>Software VND</i>	<i>Land use right with indefinite life VND</i>	<i>Other tangible fixed assets VND</i>	<i>Total VND</i>
Cost				
Opening balance	49,872,228,399	109,671,558,000	6,307,933,437	165,851,719,836
Increase	1,328,243,320	-	341,282,405	1,669,525,725
- Purchases	1,328,243,320	-	341,282,405	1,669,525,725
Decrease	-	-	-	-
Closing balance	<u>51,200,471,719</u>	<u>109,671,558,000</u>	<u>6,649,215,842</u>	<u>167,521,245,561</u>
Accumulated amortisation				
Opening balance	43,695,216,214	-	2,069,717,859	45,764,934,073
Increase	3,828,854,677	-	1,043,211,488	4,872,066,165
- Amortisation	3,828,854,677	-	1,043,211,488	4,872,066,165
Decrease	-	-	-	-
Closing balance	<u>47,524,070,891</u>	<u>-</u>	<u>3,112,929,347</u>	<u>50,637,000,238</u>
Net book value				
Opening balance	<u>6,177,012,185</u>	<u>109,671,558,000</u>	<u>4,238,215,578</u>	<u>120,086,785,763</u>
Closing balance	<u>3,676,400,828</u>	<u>109,671,558,000</u>	<u>3,536,286,495</u>	<u>116,884,245,323</u>

As at 31 December 2015, land use right with indefinite life and carrying amount of VND109,671,558,000 was used as collaterals for straight bonds issuance in phase 2 (refer to Note 24 and Note 37.5).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

12. INVESTMENT PROPERTIES

	<i>Buildings and lands VND</i>
Cost	
Opening balance	283,812,736,520
Increase	28,034,878,581
- <i>Value of assets improvements</i>	169,292,800
- <i>Revaluation of exchange rate in financial statements conversion</i>	27,865,585,781
Closing balance	<u>311,647,615,101</u>
Accumulated depreciation	
Opening balance	31,352,705,335
Increase (depreciation)	9,027,215,379
Other increase	61,104,039
Increase due to exchange rate changes	2,796,669,316
Closing balance	<u>43,237,694,069</u>
Net book value	
Opening balance	<u>252,260,031,185</u>
Closing balance	<u>268,409,921,032</u>

Investment properties are six (06) buildings in the United States of America which were bought by SSI International Company for leasing purpose. As at 31 December 2015, the cost of those assets was recorded in USD and converted into VND in SSIIC financial statements using transfer exchange rate of commercial bank where the Fund maintains bank account. Difference arising from the conversion is to be presented as a reconciling item (named "difference due to accounting currency conversion") in the movement of retained earnings. Rental revenue for the fiscal year ended at 31 December 2015 amounted to VND6,513,247,965.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

13. INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

Investments in associates of the Company as at 31 December 2015 and 31 December 2014 are as follows:

	<i>Voting right of the Company %</i>	<i>Ownership of the Company %</i>	<i>Closing balance VND</i>	<i>Opening balance VND</i>
The PAN Group Joint Stock Company	20.01%	19.93%	428,152,498,940	238,871,479,158
Dong Nai Port Joint Stock Company	20.01%	20.00%	67,007,510,494	62,606,030,071
Vietnam Fumigation Joint Stock Company	20.06%	20.04%	142,257,104,957	122,964,194,036
Binh Thanh Import-Export Production and Trade Joint Stock Company	-	-	-	96,960,394,866
Southern Seed Joint Stock Company	-	-	-	78,668,460,888
Long An Food Processing Export Joint Stock Company	-	-	-	29,141,573,807
Electronic Communications Technology Investment Development Joint Stock Company	-	-	-	158,366,014,557
Transimex-Saigon Corporation	-	-	-	150,240,358,241
Bibica Joint Stock Company	-	-	-	106,154,392,527
			637,417,114,391	1,043,972,898,151

The movement of investments in associates of the Company for the year ended 31 December 2015 and 31 December 2014 is as follows:

	<i>Current year VND</i>	<i>Previous year VND</i>
Opening balance	1,043,972,898,151	1,349,760,867,243
Acquisition	203,940,333,949	185,903,651,338
Disposal	(569,522,184,768)	(467,638,148,672)
Adjustments for changes in associate's ownership portion in its subsidiaries	(27,099,286,669)	-
Profit from associates recognized in the consolidated income statement	54,964,787,658	14,267,004,783
- Negative goodwill incurring during the year	-	8,854,427,311
- Goodwill amortized during the year	(24,362,534,318)	(47,623,499,717)
- Shares of profit in associates	93,789,245,209	111,776,824,382
- Loss from disposal of investments in associates	(14,461,923,233)	(58,740,747,193)
Dividend received	(65,100,941,300)	(38,161,429,400)
Other capital	(3,738,492,630)	(159,047,141)
Closing balance	637,417,114,391	1,043,972,898,151

In 2015, the Company sold its investment in Southern Seed Joint Stock Company; Bibica Joint Stock Company; Binh Thanh Import-Export Production and Trade Joint Stock Company; Long An Food Processing Export Joint Stock Company; Electronics Communications Technology Investment Development Joint Stock Company and Transimex-Saigon Corporation, thus these companies are no longer associates of the Company at the reporting date.

As at 31 December 2015, the Company had 15,914,666 shares of associates with the total par value of VND159,146,660,000 which were used as collateral for straight bonds issued in phase 2 (refer to Note 24 and Note 37.5).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

14. PAYMENT FOR SETTLEMENT ASSISTANCE FUND

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Initial payment and annual supplements	13,960,535,062	13,960,535,062
Annual allocated interest	6,039,464,938	6,022,376,734
	20,000,000,000	19,982,911,796

15. OTHER LONG-TERM ASSETS

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Long-term deposits	17,287,240,210	6,489,763,210

16. SHORT-TERM BORROWINGS

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Short-term borrowings	2,207,500,000,000	230,000,000,000
- <i>Joint Stock Commercial Bank for Foreign Trade of Vietnam</i>	2,007,500,000,000	-
- <i>Vietnam International Commercial Joint Stock Bank</i>	200,000,000,000	-
- <i>Petrolimex Group Commercial Joint Stock Bank</i>	-	230,000,000,000
Bank overdrafts	1,706,347,967,537	1,276,127,466,877
- <i>Joint Stock Commercial Bank for Investment and Development of Vietnam</i>	635,073,055,621	387,823,413,353
- <i>Bao Viet Joint Stock Commercial Bank</i>	-	161,837,457,364
- <i>Vietnam Prosperity Joint Stock Commercial Bank</i>	-	154,033,358
- <i>Joint Stock Commercial Bank for Foreign Trade of Vietnam</i>	400,276,995,705	526,357,360,661
- <i>Vietnam International Commercial Joint Stock Bank</i>	-	199,955,202,141
- <i>Vietnam Joint Stock Commercial Bank for Industry and Trade</i>	670,997,916,211	-
	3,913,847,967,537	1,506,127,466,877

As at 31 December 2015, the Company has short-term borrowings with maturity ranging from 1 to 12 months and interest rate ranging from 4.9% to 6.1% p.a. and bank overdrafts with interest rate ranging from 1.3% to 6.5% p.a. The Company used its term deposits as collaterals for short-term borrowings and bank overdrafts. Refer to Note 37.5 for details.

17. ADVANCES FROM CUSTOMERS

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Advances for advisory services	4,893,483,331	6,957,820,419
Advances for securities purchases	-	65,009,400,000
	4,893,483,331	71,967,220,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

18. STATUTORY OBLIGATIONS

Summary of the Company's and its subsidiaries' statutory obligations for the year ended 31 December 2015 is presented as follows:

No.	Items	Opening balance VND	Payable in the year VND	Paid in the year VND	Closing balance VND
I	Tax	48,730,855,015	311,966,382,598	(268,849,077,503)	91,848,160,110
1	Value added tax on domestic goods and services	766,442,891	6,932,194,844	(6,795,115,329)	903,522,406
2	Corporate income tax (Note 31)	23,038,276,709	202,183,085,122	(150,005,958,158)	75,215,403,673
3	Other taxes	24,926,135,415	102,851,102,632	(112,048,004,016)	15,729,234,031
	- Personal income tax	4,801,761,908	24,609,478,695	(25,223,074,420)	4,188,166,183
	- Personal income tax of investors	15,215,147,616	53,663,746,688	(59,746,704,142)	9,132,190,162
	- Business registration tax	-	14,000,000	(14,000,000)	-
	- Others	4,909,225,891	24,563,877,249	(27,064,225,454)	2,408,877,686
II	Other payables	-	161,923,192	(161,923,192)	-
		48,730,855,015	312,128,305,790	(269,011,000,695)	91,848,160,110

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

19. ACCRUED EXPENSES

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Accrued payables to Stock Exchanges and Vietnam Securities Depository	5,779,486,553	5,198,754,935
Payable to Custodian Bank	22,750,000	22,950,000
Bond interest payable	45,617,847,224	-
Loan interest payable	3,265,485,311	658,386,632
Accrued interest under repurchase contracts and bonds brokerage contracts	3,068,427,838	1,890,738,020
Accrued service fee	690,000,000	674,000,000
Commission payable to partners	4,619,539,121	1,656,492,169
Others	343,035,039	627,992,956
	<u>63,406,571,086</u>	<u>10,729,314,712</u>

20. OTHER SHORT-TERM PAYABLES

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Payables under repurchase contracts (i)	176,000,000,000	164,000,000,000
Payables to foreign customers	24,943,229	24,943,229
Short-term deposits of investors (ii)	8,750,000,000	85,126,479,812
Other payables	1,844,276,841	4,428,794,163
- <i>Insurance payables</i>	6,742,952	42,840,840
- <i>Payables to others</i>	1,837,533,889	4,385,953,323
	<u>186,619,220,070</u>	<u>253,580,217,204</u>

- (i) Payables under repurchase contracts represent cash receipts from sale of securities with commitment to repurchase these securities at future dates (Note 37.5).
- (ii) Short-term deposits of investors represent cash deposits of customers related to securities brokerage and securities purchasing contracts. These deposits will be used to purchase securities as requested by customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

21. PAYABLES FOR SECURITIES TRADING ACTIVITIES

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Payable for securities transaction clearing and settlement	204,729,206,000	152,264,610,800
Payable to Stock Exchange	104,212,959,127	1,442,394,883
Securities trading payables to investors	1,241,656,219,531	944,143,998,877
- Deposits for securities trading of investors at Head Office	238,875,678,168	870,207,692,263
- Deposits for securities trading of investors at Hanoi Branch	345,672,842,867	13,557,540,867
- Deposits for securities trading of investors at other branches and offices	657,107,698,496	60,378,765,747
	<u>1,550,598,384,658</u>	<u>1,097,851,004,560</u>

22. DIVIDEND AND INTEREST PAYABLES

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Dividend, bond principal and coupon payables to other shareholders	4,698,571,460	4,163,856,969
Dividend, bond principal and coupon payables to SSI shareholders	5,304,235,574	5,445,350,911
	<u>10,002,807,034</u>	<u>9,609,207,880</u>

23. BONUS AND WELFARE FUND

	<i>Current year</i> VND	<i>Previous year</i> VND
Opening balance	104,908,953,518	89,950,440,876
Increase of bonus and welfare, charity fund (Note 26.1)	52,096,910,169	29,748,614,943
Use of bonus and welfare fund	<u>(41,072,457,124)</u>	<u>(14,790,102,301)</u>
Closing balance	<u>115,933,406,563</u>	<u>104,908,953,518</u>

Bonus and welfare fund are mainly used for rewarding and paying bonus to the Company's management and employees, as well as other welfare purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

24. LONG-TERM LOANS AND BORROWINGS

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Bonds	<u>687,500,000,000</u>	<u>-</u>

SSIBOND012015 are straight bonds, issued in phase 1 in January 2015 under Resolution No. 02/2014/NQ/DHDCD dated 22 December 2014 with quantity of 1,000 bonds and par value of VND 500 million per bond. These are unsecured bonds, with a 2 year-term and a commitment to repurchase on 6 months basis. Its interest rate, which was 8.2% per annum in the first year, will be adjusted in subsequent year. In July 2015, the Company repurchased 225 bonds with total par value of VND112,500,000,000.

SSIBOND022015 are the straight bonds, which were issued in phase 2 in April 2015 under Resolution No. 02/2014/NQ/DHDCD dated 22 December 2014 with quantity of 600 bonds and par value of VND 500 million per bond. These bonds are collateralized using the Company's listed shares and other real estate properties in accordance with the bond contracts. These bonds are secured in 2 years which bear interest at rate which is the maximum of 1.5% per annum and the average interest rate of 12 months savings deposit denominated in VND, published by JSC Bank for Foreign Trade of Vietnam (operation center), JSC Bank for Investment and Development of Vietnam (operation center branch No. 1), JSC Bank for Industry and Trade of Vietnam (Hanoi branch) and Vietnam International Commercial Joint Stock Bank (Ly Thuong Kiet branch, Hanoi). Refer to Note 37.5 for details.

25. UNEARNED REVENUE

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Unearned revenue from disposals of associated company's shares (BBC)	8,144,100,724	-
Unearned revenue from disposals of associated company's shares (SSC)	19,186,831,881	-
Unearned revenue from disposals of associated company's shares (LAF)	1,688,248,597	-
Unearned revenue from selling other shares to associated company	<u>4,491,927,766</u>	<u>-</u>
	<u>33,511,108,968</u>	<u>-</u>

These represent unearned revenue incurred from sale of the Company's shares to its associates. The above figures are equivalent to the ownership portion of SSI in the associates which purchased the shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

26. OWNERS' EQUITY

26.1 Changes in owners' equity

Movement of the Company's equity for the year ended 31 December 2015 was as follows:

	Charter capital VND	Share premium VND	Other capital VND	Treasury shares VND	Exchange rate difference VND	Financial and statutory reserves VND	Undistributed earnings VND	Non-controlling interest VND	Total VND
Opening balance	3,537,949,420,000	342,196,810,218	(4,185,339,535)	(54,900)	-	372,998,887,930	1,441,990,375,228	82,855,645,584	5,773,805,744,525
Shares issuance during the year (i)	1,262,687,420,000	(312,910,950,218)	-	-	-	-	(797,322,609,782)	-	152,453,860,000
Statutory and financial reserves	-	-	-	-	-	74,424,157,384	(74,424,157,384)	-	-
Fund reserves of SSIAM	-	-	-	-	-	4,223,264,436	(4,223,264,436)	-	-
Bonus, charity and welfare fund	-	-	-	-	-	-	(52,096,910,169)	-	(52,096,910,169)
Purchases of treasury shares	-	-	-	(170,427,500)	-	-	-	-	(170,427,500)
Adjustment of current corporate income tax	-	-	-	-	-	-	(379,510,893)	-	(379,510,893)
Adjustment of deferred corporate income tax	-	-	-	-	-	-	207,915,770	-	207,915,770
Adjustment of subsidiaries' profits	-	-	-	-	-	-	108,188,744	-	108,188,744
Exchange rate difference arising from translation of SSIIC's financial statements	-	-	-	-	31,013,180,718	-	-	-	31,013,180,718
Differences arising from additional capital contribution of associates in subsidiaries	-	-	-	-	-	-	(27,099,286,669)	-	(27,099,286,669)
Differences arising from changes in outstanding shares of associates	-	-	(3,738,492,630)	-	-	-	-	-	(3,738,492,630)
Disposal of associates	-	-	3,314,317,726	-	-	-	-	-	3,314,317,726
Changes in non-controlling interest (Note 32)	-	-	-	-	-	-	-	(1,715,283,219)	(1,715,283,219)
Profit after tax for the year	-	-	-	-	-	-	851,905,717,887	-	851,905,717,887
Ending balance	4,800,636,840,000	29,285,860,000	(4,609,514,439)	(170,482,400)	31,013,180,718	461,646,309,750	1,338,666,458,296	81,140,362,365	6,727,609,014,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

26. OWNERS' EQUITY (continued)

26.1 Changes in owners' equity (continued)

(i) During the year, the Company has the following shares issuances:

- ▶ On 28 January 2015, the Company issued new shares to its key personnel to increase its charter capital to VND3,561,117,420,000. The Company received the amended Securities Trading License No.13/GPDC-UBCK dated 13 February 2015 by the State Securities Commission. Hochiminh Stock Exchanges accepted the listing of the Company's additional newly issued shares from 4 March 2015 under Decision No. 49/QD-SGDHCM dated 27 February 2015.
- ▶ On 20 March 2015, the Company issued new shares to increase its charter capital to VND4,273,327,990,000 from outstanding share premium and undistributed earnings. The Company received the amended Securities Trading License No.24/ GPDC-UBCK dated 18 May 2015 by the State Securities Commission. Hochiminh Stock Exchange accepted the listing of the Company's additional newly issued shares from 27 May 2015 under Decision No. 185/QD-SGDHCM dated 22 May 2015.
- ▶ On 28 August 2015, the Company issued new shares for dividend payments with the rate of 10% to current shareholders to increase charter capital to VND4,700,636,840,000. The Company received the amended Securities Trading License No.41/ GPDC-UBCK dated 24 September 2015 by the State Securities Commission. Hochiminh Stock Exchange accepted the listing of the Company's additional newly issued shares from 5 October 2015 under Decision No. 436/QD-SGDHCM dated 30 September 2015.
- ▶ On 23 October 2015, the Company issued new shares to its key personnel to increase its charter capital to VND4,800,636,840,000. The Company received the amended Securities Trading License No.55/GPDC-UBCK dated 26 November 2015 by the State Securities Commission. Hochiminh Stock Exchanges accepted the listing of the Company's additional newly issued shares from 15 December 2015 under Decision No. 558/QD-SGDHCM dated 11 December 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

26. OWNERS' EQUITY (continued)

26.2 Shares

	<i>Closing balance</i>	<i>Opening balance</i>
Number of shares authorized for issue	480,063,684	353,794,942
Number of shares issued	480,063,684	353,794,942
Issued shares of which capital was fully contributed	480,063,684	353,794,942
- Ordinary shares	480,063,684	353,794,942
- Preference shares	-	-
Issued shares of which capital was not fully contributed	-	-
- Ordinary shares	-	-
- Preference shares	-	-
Number of treasury shares	(6,319)	(2)
Treasury shares held by the Company	(6,319)	(2)
- Ordinary shares	(6,319)	(2)
- Preference shares	-	-
Treasury shares held by subsidiaries of the Company	-	-
- Ordinary shares	-	-
- Preference shares	-	-
Number of shares under circulation	480,057,365	353,794,940
- Ordinary shares	480,057,365	353,794,940
- Preference shares	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

27. REVENUE

	<i>Current year</i> VND	<i>Previous year</i> VND
Revenue from business operations	1,333,902,038,510	1,564,610,137,885
Revenue from brokerage services	287,613,812,686	328,600,376,565
Revenue from securities investments and capital contribution	389,744,410,192	721,120,170,953
- <i>Dividends</i>	59,952,438,250	85,488,446,025
- <i>Bond coupons</i>	20,091,271,124	38,468,835,998
- <i>Gains from sales of shares and bonds</i>	168,398,685,948	198,519,167,395
- <i>Gains from securities portfolio trusted to SSIAM</i>	141,302,014,870	393,818,321,535
- <i>Gains from other investment activities</i>	-	4,825,400,000
Revenue from securities underwriting	-	2,844,259,220
Revenue from securities issuance agency services	12,390,049,452	543,481,183
Revenue from investment portfolio management services for trust investors	13,730,952,472	5,009,586,050
Revenue from advisory services	44,704,036,602	20,966,718,460
Revenue from securities custody services	7,363,774,946	5,623,352,899
Revenue from property lease	7,234,566,832	7,771,606,391
Others	571,120,435,328	472,130,586,164
- <i>Deposit interest</i>	231,655,342,226	248,540,289,480
- <i>Revenue from advances to investors</i>	9,334,924,031	-
- <i>Revenue from margin services</i>	289,056,470,123	207,182,947,809
- <i>Revenue from management of investors' accounts</i>	30,782,851,130	9,010,595,953
- <i>Others</i>	10,290,847,818	7,396,752,922
Deductions	1,023,661,971	100,000,000
Net revenue	1,332,878,376,539	1,564,510,137,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

28. OPERATING EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Brokerage and custody expenses	80,673,175,282	76,627,792,335
Securities investment expenses, capital contribution	43,756,618,332	44,284,244,204
Expenses from securities underwriting, and securities issuance agency services	85,000,000	-
Expenses/(reversal) of provision	(297,197,971,743)	181,113,078,169
Capital costs	160,529,751,135	111,166,294,271
- <i>Interest expense on loans and borrowings</i>	74,924,088,177	16,538,262,700
- <i>Interest expense on bonds</i>	50,282,023,335	-
- <i>Interest expense on securities transactions</i>	5,436,526,398	12,518,373,349
- <i>Other expenses</i>	29,887,113,225	82,109,658,222
Investment advisory, financial advisory and other advisory expenses	1,561,257,766	816,046,765
Other direct expenses for operating activities	326,266,045,178	275,820,085,036
- <i>Staff costs</i>	197,875,150,936	164,675,293,383
- <i>Salary expenses</i>	170,892,634,699	143,765,157,079
- <i>Statutory insurance expenses</i>	11,483,934,600	8,838,074,305
- <i>Training costs</i>	15,498,581,637	12,072,061,999
- <i>Office supplies</i>	7,354,940,354	5,135,035,699
- <i>Depreciation and amortization</i>	20,417,366,510	20,169,292,254
- <i>Outsourced services</i>	57,986,503,497	54,683,108,391
- <i>Office rental</i>	32,243,029,111	28,131,289,149
- <i>Other expenses</i>	10,389,054,770	3,026,066,160
	315,673,875,950	689,827,540,779

29. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Staff costs	11,139,086,142	11,407,010,693
Depreciation and amortization	712,010,290	823,485,290
Provision expense	604,468,725	1,925,143,235
Outsourced services	615,000,000	604,075,909
	13,070,565,157	14,759,715,127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

30. OTHER INCOMES AND EXPENSES

	<i>Current year VND</i>	<i>Previous year VND</i>
Other incomes		
Gain from asset disposals	48,818,188	1,000,000
Gain from contract performance penalties	2,008,086,000	50,766,027,779
Others	3,150,554,248	2,888,853,298
	5,207,458,436	53,655,881,077
Other expenses		
Others	(169,378,964)	(5,367,783)
	5,038,079,472	53,650,513,294

31. CORPORATE INCOME TAX

Current corporate income tax

Current Corporate Income Tax applicable for the Company in 2015 is 22% of taxable profit in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014 issued by the Ministry of Finance (tax rate in 2014 was 22%).

The Company and its subsidiaries tax reports are subject to examination by the tax authorities which are filed and finalized separately. As the application of tax laws and regulations to various types of transactions is susceptible to various interpretations, the amounts reported in the consolidated financial statements are subject to later change according to final determination of the tax authorities.

The current tax liability is based on taxable profit for current period. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other periods as well as items which are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

31. CORPORATE INCOME TAX (continued)

31.1 Current corporate income tax

The estimated current corporate income tax for the year ended 31 December 2015 and 31 December 2014 is calculated as follows:

	<i>Current year</i> VND	<i>Previous year</i> VND
Profit before tax	1,064,136,802,562	927,840,400,057
Adjustments to accounting profit	(202,579,458,459)	11,507,663,276
- Provision for unlisted securities in the year	40,956,993,400	402,058,826,278
- Provision for investments of which pay-back receipt is in progress	49,994,489,716	-
- Non-deductible expenses	442,378,600	888,017,917
- Tax-deductible expenses from previous year	(945,071,681)	-
- Unrealized profits under consolidation	28,291,257,836	-
- Disposal of investments in associates	51,403,634,635	(49,626,798)
- (Reversal)/expenses of provision for investments in associates for consolidation purpose	54,760,416,789	(9,568,081,282)
- Profit before tax from subsidiaries	(47,233,988,765)	(54,047,547,505)
- Profit from associates (*)	(54,964,787,658)	(14,267,004,784)
- Income from CIT exempted activities – Dividends	(58,882,634,250)	(83,115,566,025)
- Reversal of provision for unlisted shares in the previous year	(402,058,826,278)	(230,391,354,525)
- Temporary taxable difference in 2015	135,656,679,197	-
Estimated current taxable income	861,557,344,103	939,348,063,334
Corporation income tax rate	22%	22%
Estimated CIT expenses of the parent company	189,542,615,702	206,656,573,933
Estimated CIT expenses of the subsidiaries	12,260,958,527	11,931,354,581
Current CIT payable	201,803,574,229	218,587,928,515
Opening CIT payable	23,038,276,709	26,987,387,074
CIT adjustment arising from CIT finalization	379,510,893	421,985,460
CIT paid in the year	(150,005,958,158)	(222,959,024,340)
Ending CIT payable	75,215,403,673	23,038,276,709

(*): Accounted using the equity method (excluding dividends received).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

31. CORPORATE INCOME TAX (continued)

31.2 Deferred corporate income tax

Movement of deferred tax asset for the year ended 31 December 2015 and 31 December 2014 was presented below:

	<i>Current year</i> VND	<i>Previous year</i> VND
Deferred income tax asset		
Beginning balance	88,452,941,782	50,719,770,447
Deferred tax arising from increase/ (decrease) of non-deductible provision for unlisted shares	(80,261,543,101)	37,766,843,785
Deferred tax on provision for investments of which pay-back receipt is in progress	9,998,897,944	-
Deferred tax relating to unrealized revenue under consolidation	5,658,251,567	-
Deferred tax arising from temporary taxable difference in the year	27,131,335,839	-
Deferred tax relating to deductible expenses in the following year	-	(33,672,450)
Ending balance	50,979,884,031	88,452,941,782

Movement of deferred tax liability for the year ended 31 December 2015 and 31 December 2014 is presented below:

	<i>Current year</i> VND	<i>Previous year</i> VND
Deferred income tax liability		
Beginning balance	27,359,739,675	25,301,456,910
Tax on profit of subsidiaries	(1,404,966,074)	(20,495,526)
Tax on (expense)/ reversal of provision for associates	(24,142,021,743)	2,078,778,291
Ending balance	1,812,751,858	27,359,739,675

Impact of deferred corporate income tax on the consolidated income statement during the year is as below:

	<i>Consolidated balance sheet</i>		<i>Impact on the consolidated income statement</i>
	<i>Closing balance</i> VND	<i>Opening balance</i> VND	<i>Current year</i> VND
Deferred tax assets	50,979,884,031	88,452,941,782	(37,473,057,751)
Deferred tax liability	(1,812,751,858)	(27,359,739,675)	25,546,987,817
Deferred tax adjustment arising from CIT finalization	-	-	(207,915,769)
Net deferred tax asset	49,167,132,173	61,093,202,107	
Net deferred tax expense			(12,133,985,703)

Deferred income tax assets incurred relating to provision for unlisted securities in 2015 will be deductible in the following years using the applied tax rate of 20%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

32. NON-CONTROLLING INTERESTS

	<i>Current year</i> VND	<i>Previous year</i> VND
Opening balance	82,855,645,584	82,990,304,915
Net loss for the year	(1,706,475,257)	(134,659,331)
Other decreases	(8,807,962)	-
Ending balance	81,140,362,365	82,855,645,584

33. TRANSACTIONS WITH RELATED PARTIES

List of related parties and their relationship with Saigon Securities Incorporation is presented below:

<i>Related parties</i>	<i>Relationship</i>
NDH Invest Company Ltd.	SSI's Chairman is one of the owners of this company
Sunway Investment Joint Stock Company	SSI invested in this company and Chairman of the Company is the younger brother of SSI's chairman
Daiwa Securities Group Inc.	Strategic shareholder
The PAN Group Jsc. and its subsidiaries	Associate. SSI's Chairman is also the Chairman of this company, Acting General Director of this company is Chief Supervisory Board of SSI
Vietnam Fumigation Joint Stock Company	Associate
Dong Nai Port Joint Stock Company	Associate
Saigon Dan Linh Real Estate Co., Ltd.	Deputy CEO of SSI is also Chairman of this company
Nguyen Saigon Co., Ltd.	Chairman of this company is the younger brother of SSI's Chairman

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and significant transactions with related parties as at 31 December 2015 and during the year then ended were as follows:

Related parties	Transaction	Receivable/(Payable)			Ending balance VND	Revenue/ (Expense) VND
		Opening balance VND	Increase VND	Decrease VND		
Sunway Investment Joint Stock Company	Capital contribution	15,000,000,000	-	-	15,000,000,000	-
	Advances for securities selling, custody fees, securities transaction fee	-	2,226,378,492	(2,226,378,492)	-	2,226,378,492
	Rental expenses	-	(16,049,663,850)	16,049,663,850	-	(11,286,934,195)
	Deposit for office rental	10,800,702,000	-	-	10,800,702,000	-
	Interest on deposit for office rental	-	1,095,071,178	(1,095,071,178)	-	1,095,071,178
	Receivable from margin trading	275,064,403	731,791,647,648	(628,361,643,209)	103,705,068,842	-
	Advance for bond brokerage contracts	-	885,877,932,143	(743,431,720,643)	142,446,211,500	-
	Advisory fee	-	2,000,000,000	(2,000,000,000)	-	2,000,000,000
	Dividend	-	5,999,996,000	(5,999,996,000)	-	5,999,996,000
	Purchase of bonds	-	(150,000,000,000)	-	(150,000,000,000)	-
	Securities trading	-	530,636,615,125	(530,636,615,125)	-	-
	Bonds interest	-	(11,821,666,667)	-	(11,821,666,667)	(11,821,666,667)
	Margin services fees	-	5,428,852,635	(5,428,852,635)	-	5,428,852,635
	NDH invest Company Ltd.	Securities transaction fee and advance for selling securities	-	1,372,198,713	(1,372,198,713)	-
Service fee		-	3,154,079,753	(3,154,079,753)	-	2,867,345,230
Saigon Dan Linh Real Estate Co., Ltd	Advances for securities selling, custody fees, securities transaction fee	-	351,895,008	(351,895,008)	-	351,895,008
	Receivable from margin transaction	-	49,662,603,382	(49,662,603,382)	-	-
	Margin fee	-	638,852,601	(638,852,601)	-	638,852,601
	Service fee	-	6,590,101,388	(6,590,101,388)	-	5,991,001,262
Nguyen Saigon Co., Ltd.	Receivable from margin transaction	818,336,672	12,786,466,668	(13,604,803,340)	-	-
	Margin fee	-	15,823,205	(15,823,205)	-	15,823,205
	Advances for securities selling, custody fees, securities transaction fee	-	574,842,703	(574,842,703)	-	574,842,703
	Service fee	-	2,190,894,444	(2,190,894,444)	-	1,991,722,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

<i>Related parties</i>	<i>Transaction</i>	<i>Receivable/(Payable)</i>			<i>Closing balance</i> VND	<i>Revenue/ (Expense)</i> VND
		<i>Opening balance</i> VND	<i>Increase</i> VND	<i>Decrease</i> VND		
The PAN Group Jsc. and its subsidiaries	Advances for securities selling, custody fees, securities transaction fee	-	2,765,698,040	(2,765,698,040)	-	2,765,698,040
	Receivable from margin trading	-	164,993,424,297	(120,369,726,771)	44,623,697,526	-
	Margin services fees	-	283,288,396	(283,288,396)	-	283,288,396
	Advisory fee	227,900,000	2,741,000,000	(2,888,900,000)	80,000,000	2,690,000,000
	Advance revenue on advisory service	-	(100,000,000)	-	(100,000,000)	-
	Advance for purchasing securities	(50,100,000,000)	(35,589,210,483)	85,688,513,158	(697,325)	-
	Storage rental	-	(1,425,396,856)	1,379,001,486	(46,395,370)	(1,425,396,856)
	Deposit for brokerage	(85,126,479,812)	(4,124,112,760,216)	4,209,239,240,028	-	-
	Interest on deposit for brokerage	(191,591,866)	(21,099,879,520)	21,291,471,386	-	(21,099,879,520)
	Sell securities	-	538,715,272,000	(538,715,272,000)	-	-
	Deposit for storage rental	78,262,800	-	-	78,262,800	-
	Capital contribution	238,871,479,159	227,673,264,927	(43,812,636,669)	422,732,107,417	-
	Dong Nai Port Joint Stock Company	Capital contribution	62,606,030,071	8,600,907,123	(4,199,426,700)	67,007,510,494
Vietnam Fumigation Joint Stock Company	Capital contribution	122,964,194,036	26,798,675,922	(7,505,765,000)	142,257,104,958	-
Others	Bond purchase	-	(50,000,000,000)	50,000,000,000	-	-
	Bond interest	-	(2,072,800,000)	2,072,800,000	-	(2,072,800,000)
	Services fee	-	15,663,898,889	(15,663,898,889)	-	14,239,908,081

Total remuneration of members of the Board of Directors and the Board of Management for the year ended 31 December 2015 amounted to VND12,805,380,000 (including personal income tax and compulsory insurance).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

34. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss after tax attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Profit after tax distributed to ordinary shareholders for the year ended 31 December 2015 is based on profits after tax, taking into account provision for funds which do not belong to the shareholders under the actual provision rate of the year 2014.

The Company used the below information for calculation of basic earnings per share:

	<u>Current year</u>	<u>Prior year</u>
Profit after tax attributable to ordinary shareholders of the Company – VND	792,272,317,635	692,692,080,271
Weighted average number of ordinary share to calculate basic earnings per share	471,713,404	464,358,318
Basic earnings per share – VND	1,680	1,492

Weighted average number of ordinary shares to calculate basic earnings per share has been adjusted for the effects of the issuance of shares to increase its charter capital from equity share capital at the rate of 20% under General Meeting Resolution No. 02/2014/NQ-DHDCD and to pay stock dividends for the year 2014 at the rate of 10% under General Meeting Resolution No. 01/2015/NQ-DHDCD implemented in 2015.

Basic earnings per share in previous year are restated due to the impact of bonus shares and stock dividends made during the year, and creation of provision for funds which do not belong to shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

35. SEGMENT INFORMATION

Business segment

	<i>Brokerage and customer services VND</i>	<i>Trading VND</i>	<i>Treasury activities VND</i>	<i>Portfolio Management VND</i>	<i>Investment banking and others VND</i>	<i>Total VND</i>
For the year ended 31 December 2015						
1. Net income from securities trading	601,180,239,076	444,709,197,857	268,790,852,389	13,730,952,469	59,431,922,409	1,387,843,164,199
2. Direct expenses	211,768,315,459	(253,441,353,351)	162,530,375,446	18,530,165,811	11,932,518,803	151,320,022,168
3. Depreciation and allocated expenses	123,694,458,749	11,320,370,441	6,383,295,908	16,168,372,147	14,819,842,354	172,386,339,599
Profit before tax	265,717,464,868	686,830,180,767	99,877,181,035	(20,967,585,489)	32,679,561,382	1,064,136,802,562
As at 31 December 2015						
1. Direct segment assets	4,614,097,942,972	3,058,820,362,769	4,977,465,570,610	2,381,721,022	6,971,262,528	12,659,736,859,901
2. Allocated segment assets	127,543,868,241	7,275,992,484	2,567,997,347	14,979,984,525	11,983,987,620	164,351,830,216
3. Unallocated assets	-	-	-	-	-	573,392,713,803
Total Assets	4,741,641,811,213	3,066,096,355,252	4,980,033,567,957	17,361,705,547	18,955,250,148	13,397,481,403,920
1. Direct segment liabilities	1,462,823,255,388	146,846,979,931	4,830,015,033,733	-	7,186,688,770	6,446,871,957,822
2. Allocated segment liabilities	93,007,788,850	5,305,813,458	1,872,640,044	10,923,733,590	8,738,986,872	119,848,962,814
3. Unallocated liabilities	-	-	-	-	-	103,151,468,994
Total liabilities	1,555,831,044,238	152,152,793,389	4,831,887,673,777	10,923,733,590	15,925,675,642	6,669,872,389,630

Geographical segment

Most of the Company's operations are taken place within Vietnam territory.

The Company has a subsidiary incorporated in the United States of America named SSI International Company ("SSI IC") which operates in real estates and offices investment business. However, revenue and expense from business operation as well as total assets of SSI IC account for an insignificant portion of total revenue, expense and total assets of the Company (about 2% to 4%). Therefore, the Company does not present segment report by geographic area.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

36. COMMITMENTS AND CONTINGENCIES

36.1 Operating lease commitment

The Company leases office under operating lease arrangements. Rentals are determined on basis of contracted price effective on 31 December 2015. As at 31 December 2015, the future rental payable under the operating lease agreements is as follows:

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Less than 1 year	31,297,190,825	25,309,731,406
From 1 - 5 years	54,035,694,786	21,646,648,140
More than 5 years	988,202,160	-
	86,321,087,771	46,956,379,546

36.2 Margin service

The Company's commitment to provide funds under outstanding margin contracts as at 31 December 2015 and 31 December 2014 are as follows:

<i>Branch</i>	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Head Office (Ho Chi Minh City)	113,910,667,241	112,823,010,354
Hanoi	69,731,029,762	103,588,349,799
Hai Phong	5,431,335,427	4,190,775,415
Nguyen Cong Tru (Ho Chi Minh City)	38,607,675,482	42,596,092,225
Nha Trang	4,012,330,310	670,350,558
Vung Tau	3,027,785,117	3,524,991,793
My Dinh	8,915,555,451	10,308,833,458
	243,636,378,790	277,702,403,602

37. FINANCIAL RISK MANAGEMENT POLICIES

The Company's principal financial liabilities comprise loans and borrowings, payables to suppliers and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has cooperation contracts, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also holds short-term and available-for-sale investments. The Company does not hold or issue derivative financial instruments.

The Company is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to maintain an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for monitoring each of the risks associated with business activities which are summarized below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

37.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: interest rate risk, currency risk, stock price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, short-term and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2015 and 31 December 2014.

The sensitivity analyses have been prepared on the assumption that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, Management assumed that the sensitivity of the balance sheet relating to available-for-sale debt instruments and the sensitivity of the relevant income statement item are the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held by the Company and its subsidiaries at 31 December 2015 and 31 December 2014.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cooperation contracts, trade and other receivables, cash and short-term deposits and financial loans and borrowings. These investments are mainly short term in nature and they are not held for speculative purposes. Financial liabilities have fixed interest rates.

The Company manages interest rate risk by looking at the competitive structure of the market to identify a proper interest rate policy which is favorable for its purposes within its risk management limits.

Interest rate sensitivity

No analysis on interest sensitivity was performed at 31 December 2015 since interest rate risk was low and a significant portion of borrowings had fixed interest rate.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in which revenue or expense is denominated in currencies other than the Company's functional currency.

Foreign currency sensitivity

At the reporting date, SSI International Corporation held USD5,050,868.79, equivalent to VND157,678,951,675. The 10% increase (or decrease) of the interbank exchange rate would possibly result in an increase (or decrease) of VND15,767,895,168 in the Company's profit.

As at 31 December 2015, the Company held a cash position of USD1,174, equivalent to VND24,943,229 of some foreign investors. This amount is classified in "Other short-term payables" on the consolidated balance sheet. Interest rate risk is not significant to net profit of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

37.1 Market risk (continued)

Foreign currency risk (continued)

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities.

At the reporting date, the fair value of listed shares was VND2,251,029,705,702 (31 December 2014: VND662,558,175,449). The 10% increase (or decrease) of market index would possibly result in a respective increase (or decrease) of the Company's investment income, depending on its magnitude and length as well as the Company's ownership position of securities which have significant influence on market index.

37.2 Commodity price risk

The Company is not exposed to commodity price risk.

37.3 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Investment in debt securities

Credit risk associated with investment in debt securities is managed by the Company based on its policy, procedure and control steps over securities investments. At each of reporting date, the Company assesses its exposure to credit risk related to investments in debt securities based on market information and recoverability of the investments.

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Due to the Company's receivables relate to a large number of diversified customers and corresponding collateral assets, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's accounting and treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting date is the book value. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

37.4 Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The below table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	<i>On demand VND</i>	<i>Less than 3 months VND</i>	<i>3 – 12 months VND</i>	<i>1 - 5 years VND</i>	<i>Total VND</i>
As at 31 December 2015					
Loans and borrowings	1,706,347,967,537	2,207,500,000,000	-	687,500,000,000	4,601,347,967,537
Payables relating to securities trading activities	1,241,656,219,531	308,942,165,127	-	-	1,550,598,384,658
Payable to securities underwriting agency	606,457,160	82,981,800	-	-	689,438,960
Accrued expenses	-	50,005,043,307	13,401,527,779	-	63,406,571,086
Other payables	6,763,209,628	189,858,817,475	-	453,246,600	197,075,273,703
	2,955,373,853,856	2,756,389,007,709	13,401,527,779	687,953,246,600	6,413,117,635,944
As at 31 December 2014					
Loans and borrowing	1,276,127,466,877	230,000,000,000	-	-	1,506,127,466,877
Payables relating to securities trading activities	944,143,998,877	153,707,005,683	-	-	1,097,851,004,560
Payable to securities underwriting agency	606,457,160	1,277,582,000	-	-	1,884,039,160
Accrued expenses	7,755,626	10,721,559,086	-	-	10,729,314,712
Other payables	6,714,546,616	256,474,878,469	-	559,315,985	263,748,741,070
	2,227,600,225,154	652,181,025,239	-	559,315,985	2,880,340,566,378

The Company assessed the concentration of risk with respect to refinancing its debt. Payables on securities trading activities relating to investors' deposits which are monitored separately from the Company's deposits and for which the Company always maintains an available cash balance at banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

37. FINANCIAL RISK MANAGEMENT POLICIES (continued)

37.5 Collaterals

At the reporting date, the Company entered into selling and repurchases commitment agreements with term of 6 months. The contractual underlying assets were bonds issued by credit institutions with total carrying value of VND193,782,253,404, total selling price of VND176,000,000,000 and total repurchase price of VND180,500,400,000.

The Company uses term deposits as collaterals for the bank overdrafts and short-term bank loans at commercial banks. As at 31 December 2015, total outstanding deposit balances used for security of bank overdrafts and bank short term loans amounted to VND2,041,100,000,000 and VND2,450,000,000,000, respectively.

As at 31 December 2015, there were 20,590,666 listed securities available for sales with the par value of VND 205,906,660,000 which were used as collaterals for straight bonds issued in the phase 2.

As at 31 December 2015, indefinite land use right at carrying amount of VND109,671,558,000, which included in intangible fixed assets, used as collaterals for straight bond issued in phase 2.

The Company also held shares as collaterals for customer receivables as at 31 December 2015.

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 provides definitions of financial instruments, including financial assets and financial liabilities; derivative financial instruments and equity instruments as well as the classification, presentation and disclosures of these instruments.

The Circular 210 only requires the presentation of financial statements and disclosures of financial instruments; therefore, the following definitions of financial assets, financial liabilities and other relating definitions are applied solely for the preparation of this Note. The Company's assets and liabilities are still recognised and recorded in accordance with Vietnamese Accounting Standards and System applicable to securities companies, the accounting policies applicable to the securities companies as prescribed in Circular No. 95/2008/TT-BTC dated October 24, 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and comply with relevant statutory requirements.

Financial assets

In accordance with the Circular 210/2009/TT-BTC, financial assets of the Company and its subsidiaries include cash, deposits at credit institutions, trading securities, investment securities, receivables and underlying assets under monetary derivative contracts.

Financial assets within the scope of Circular 210/2009/TT-BTC are classified, for disclosures in the notes to the consolidated financial statements, are classified into either of the followings:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES
(continued)

Financial assets (continued)

▶ *Financial asset at fair value through profit or loss:*

Financial asset at fair value through profit and loss is a financial asset that meets 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 an effective hedging instrument).
- b) Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

▶ *Held-to-maturity investments:*

Held to maturity investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- a) those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) those that the entity designates as available for sale; and
- c) those meet the definition of loans and receivables.

▶ *Receivables:*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) those that the entity upon initial recognition designates as available for sale; or
- c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

▶ *Available-for-sale financial assets:*

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as:

- a) loans and receivables;
- b) held-to-maturity investments; and
- c) financial assets at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES
(continued)

Financial liabilities

According to the Circular No 210/2009/TT-BTC, financial liabilities of the Company include borrowings, payables and payables under monetary derivative contracts.

Financial liabilities within the scope of Circular 210/2009/TT-BTC are classified, for disclosures in the notes to the consolidated financial statements, are classified into either of the followings:

▶ *Financial liability at fair value through profit or loss*

Financial liability at fair value through profit and loss is a financial liability that meets either of the following conditions:

- a) It is classified as held for trading. A financial liability 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, it is designated by the Company as at fair value through profit or loss.

▶ *Financial liabilities at amortized cost*

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The Company uses the followings assumptions to determine the fair value:

- ▶ Fair value of cash and short-term deposits, customer receivables, payables to suppliers and other short-term debts will be approximate to the book value of those items due to their short-term nature.
- ▶ Fair value of receivables is valued on basis of market situation and customers' possibility to fulfill their obligation. Basing on the valuation, the Company estimates provision for the part of receivable which is subject to default risk. As at 31 December 2015, book value of receivables less provision is not materially different from fair value.
- ▶ Fair value of listed securities is determined based on quoted prices, if available, on active trading market.
- ▶ Value of unlisted securities is determined based on price quotations or net asset value/book value of issuers, quotations on investment journals. In case, price quotations from reliable and prestigious sources are not available, fair value will be stated at book value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Set out below is a comparison of the carrying value and fair value of the Company's financial instruments as presented in the consolidated financial statements:

Currency: VND

	Carrying value				Fair value	
	Closing balance		Opening balance		Closing balance	Opening balance
	Cost	Provision	Cost	Provision		
Financial assets						
Financial assets at fair value through profit and loss	5,061,932,791,680	(42,513,048,144)	2,263,108,546,961	(73,653,786,065)	5,106,222,665,827	2,216,691,211,795
- Trading securities	670,832,791,680	(42,513,048,144)	339,108,546,961	(73,653,786,065)	715,122,665,827	292,691,211,795
Listed shares	642,120,682,743	(20,490,082,215)	167,966,593,028	(1,314,628,366)	708,415,844,701	193,881,179,122
Unlisted shares	28,712,008,937	(22,022,965,929)	171,141,853,932	(72,339,157,699)	6,706,721,126	98,809,932,673
Bonds	100,000	-	100,000	-	100,000	100,000
- Held-to-maturity investments	4,391,100,000,000	-	1,924,000,000,000	-	4,391,100,000,000	1,924,000,000,000
Short-term deposits	4,391,100,000,000	-	1,924,000,000,000	-	4,391,100,000,000	1,924,000,000,000
Customer receivables and other receivables	3,685,627,017,766	(3,431,111,960)	2,250,536,058,605	(2,965,778,081)	3,682,195,905,806	2,247,570,280,524
Available-for-sale financial assets	1,405,887,447,424	(146,859,977,453)	819,968,163,892	(110,169,462,838)	1,838,101,153,610	760,618,866,696
- Available-for-sale investments	1,405,887,447,424	(146,859,977,453)	819,968,163,892	(110,169,462,838)	1,838,101,153,610	760,618,866,696
Listed shares	1,105,147,594,845	(114,307,512,972)	493,872,588,058	(68,077,726,036)	1,542,613,861,001	468,676,996,327
Unlisted shares	85,167,499,174	(32,552,464,481)	108,968,507,171	(42,091,736,802)	53,697,192,609	66,876,770,369
Bonds (*)	215,572,353,405	-	217,127,068,663	-	241,790,100,000	225,065,100,000
Other long-term investments	65,000,000,000	-	538,617,000,000	(297,743,000,000)	84,761,408,826	250,720,668,411
- Other long-term securities investments	15,000,000,000	-	538,617,000,000	(297,743,000,000)	34,761,408,826	250,720,668,411
- Term deposits with maturity of more than 1 year	50,000,000,000	-	-	-	50,000,000,000	-
Cash and cash equivalents	1,990,410,102,161	-	1,952,651,885,005	-	1,990,410,102,161	1,952,651,885,005
Total	12,208,857,359,031	(192,804,137,557)	7,824,881,654,463	(484,532,026,984)	12,701,691,236,230	7,428,252,912,431
Financial liabilities (*)						
Loans and borrowings	4,601,347,967,537	-	1,506,127,466,877	-	4,601,347,967,537	1,506,127,466,877
Payables to securities trading activities	1,550,598,384,658	-	1,097,851,004,560	-	1,550,598,384,658	1,097,851,004,560
Payable to securities issuers	689,438,960	-	1,884,039,160	-	689,438,960	1,884,039,160
Accrued expense	63,406,571,086	-	10,729,314,712	-	63,406,571,086	10,729,314,712
Other payables	197,075,273,703	-	263,748,741,069	-	197,075,273,703	263,748,741,069
Total	6,413,117,635,944	-	2,880,340,566,378	-	6,413,117,635,944	2,880,340,566,378

(*) Fair value of these items is stated at carrying value since available information is insufficient to determine the fair value.

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39. OTHER DISCLOSURE

SSIAM, a subsidiary of the Company, performs portfolio management activities. As at 31 December 2015 and 31 December 2014, SSIAM's off-balance sheet items related to portfolio management including: deposits, investment portfolios, receivables and payables were as follows:

	<i>Closing balance</i> VND	<i>Opening balance</i> VND
Investor's deposits	35,284,770,097	68,984,837,986
Portfolio of trust investments	46,383,293,717	54,503,327,173
Receivables from investors	236,360,869	5,024,356,566
Payables to investors	3,537,758,416	563,096,396

In which, list of securities under portfolio of trust investment has the decreased value as follows:

	<i>Closing balance</i>			<i>Opening balance</i>		
	<i>Quantity</i>	<i>Purchase cost</i>	<i>Decreased value</i>	<i>Quantity</i>	<i>Purchase cost</i>	<i>Decreased value</i>
REE	-	-	-	438,000	12,562,346,984	(210,746,984)
VNM	-	-	-	30,175	3,211,057,723	(329,345,223)
ACB	265,900	4,404,706,988	(161,566,988)	-	-	-
PLC	239,000	8,627,900,000	(258,071,811)	-	-	-
CAV	164,270	8,295,635,000	(144,114,842)	-	-	-
MBB	152,261	2,226,280,275	(3,269,675)	275,157	4,143,874,946	(539,318,246)
Other	104,523	3,225,686,331	(84,625,030)	35,589	990,624,016	(30,687,016)
	925,954	26,780,208,594	(651,648,346)	778,921	20,907,903,669	(1,110,097,469)

40. EVENT AFTER THE BALANCE SHEET DATE

There has been no matter or circumstance that has arisen since the balance date that has affected or may significantly affect the operations of the Company, the results of its operations or the state of affairs of the Company which is required to be disclosed in the consolidated financial statements.

Prepared by:



Ms. Hoang Thi Minh Thuy
Chief Accountant

Approved by:



Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Approved by:



Mr. Nguyen Duy Hung
Chief Executive Officer



Ho Chi Minh City, Vietnam

28 March 2016