

Deloitte.

PETROVIETNAM SECURITIES INCORPORATED

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED FINANCIAL
STATEMENTS**

For the year ended 31 December 2015

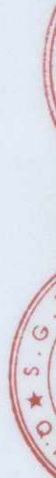


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PETROVIETNAM SECURITIES INCORPORATED

18 Ly Thuong Kiet, Hoan Kiem District

Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of PetroVietnam Securities Incorporated (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2015.

THE BOARDS OF MANAGEMENT AND DIRECTORS

The members of the Boards of Management and Directors of the Company who held office during year and to the date of this report are as follows:

Board of Management

Ms. Hoang Hai Anh	Chairwoman
Mr. Tran Minh Hoang	Member (resigned on 21 December 2015)
Mr. Pham Quang Huy	Member (resigned on 11 February 2015)
Mr. Nguyen Viet Ha	Member
Mr. Doan Thanh Nhan	Member
Mr. Nguyen Sinh Dung Thang	Member
Mr. Takahiro Yazawa	Member
Mr. Trinh The Phuong	Member (appointed on 11 February 2015)
Mr. Bui The Anh	Member (appointed on 21 December 2015)

Board of Directors

Ms. Hoang Hai Anh	Director (appointed on 18 March 2015)
Mr. Pham Quang Huy	Director (resigned on 11 February 2015)
Mr. Tran Hung Dung	Deputy Director
Mr. Nguyen Xuan Hung	Deputy Director
Mr. Mai Trung Dung	Deputy Director (resigned on 06 May 2015)
Mr. Dang Minh Quang	Deputy Director
Ms. Thai Viet Anh	Deputy Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company and of its results, cash flows and changes in equity for the year, in accordance with accounting standards, accounting regime applicable to securities companies issued by the Ministry of Finance in accordance with Circular No. 95/2008/TT-BTC dated 24 October 2008 guiding the accounting applicable to securities companies, Circular No. 162/2010/TT-BTC dated 20 October 2010 guiding the amendment and supplement to Circular No. 95/2008/TT-BTC, which do not exclude the item "Cash in bank from investors related to securities transactions" from the balance sheet in compliance with Circular No. 210/2012/TT-BTC dated 30 November 2012 issued by the Ministry of Finance guiding the incorporation and operation of securities companies, accounting regime for enterprises issued by the Ministry of Finance in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and legal regulations relating to financial reporting.

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)

In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with accounting standards, accounting regime applicable to securities companies in Vietnam and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,



Hoang Hai Anh
Director

Hanoi, 04 February 2016

No.: 806 /VNIA-HN-BC

INDEPENDENT AUDITORS' REPORT

To: The shareholders
The Boards of Management and Directors of PetroVietnam Securities Incorporated

We have audited the accompanying financial statements of PetroVietnam Securities Incorporated (the "Company"), prepared on 04 February 2016, as set out from page 05 to page 29, which comprise the balance sheet as at 31 December 2015, the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards, accounting regime applicable to securities companies issued by the Ministry of Finance in accordance with Circular No. 95/2008/TT-BTC dated 24 October 2008 guiding the accounting applicable to securities companies, Circular No. 162/2010/TT-BTC dated 20 October 2010 guiding the amendment and supplement to Circular No. 95/2008/TT-BTC, which do not exclude the item "Cash in bank from investors related to securities transactions" from the balance sheet in compliance with Circular No. 210/2012/TT-BTC dated 30 November 2012 issued by the Ministry of Finance guiding the incorporation and operation of securities companies, accounting regime for enterprises issued by the Ministry of Finance in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and legal regulations relating to financial reporting and for such internal control as the Board of Directors determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 financial statements.

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2015 and the results of its operations, its cash flows and changes in equity for the year then ended in accordance with Vietnamese accounting standards, accounting regime applicable to securities companies issued by the Ministry of Finance in accordance with Circular No. 95/2008/TT-BTC dated 24 October 2008 guiding the accounting applicable to securities companies, Circular No. 162/2010/TT-BTC dated 20 October 2010 guiding the amendment and supplement to Circular No. 95/2008/TT-BTC dated 24 October 2008, which do not exclude the item "Cash in bank from investors related to securities transactions" from the balance sheet in compliance with Circular No. 210/2012/TT-BTC dated 30 November 2012 issued by the Ministry of Finance guiding the incorporation and operation of securities companies, accounting regime for enterprises issued by the Ministry of Finance in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and legal regulations relating to financial reporting.

Emphasis of matters

We would like to draw readers' attention to following matters:

- As stated in Note 7 - *Short-term financial investments* of the Notes to the financial statements, as at 31 December 2015, total investment in unlisted shares - OTC amounts to VND 187,766,714,218, the entrusted investments in OTC-traded stocks is VND 50,122,076,026. Based on the information obtained from quotations provided by three (3) securities companies, the Company made provision for diminution in value of the investments in unlisted stocks (OTC) with an amount of VND 2,300,000,000. The Company has prudently assessed and been of view that information from obtained quotations reflect the transactions on the market of these investments.

- As stated in Note 8 - *Short-term receivable* of the Notes to the financial statements, the receivable balance as at 31 December 2015 included VND 40,000,000,000 of receivable from one group of individual investors in Ho Chi Minh City under investment cooperation contracts. As at 31 December 2015, the investors used stocks, cash and land use right certificates in Ho Chi Minh City (the Company signed a contract with an independent valuation company to evaluate the above land use rights) and some other assets with the total value of VND 61,772,954,968 as collaterals to secure the receivable balance. The Board of Directors believed that the mentioned land use right value was appropriately valued, taking market price into consideration and that collaterals are highly liquid and the Company is able to gain controls and liquidate collaterals to recover the receivables and that the recoverable amount is sufficient to cover the relevant receivable balance. Therefore, the Company did not make provision for such receivables. However, it should be noted that the recoverability of the receivables is dependent on the investors' financial situation and solvency as well as the ability of the investors and Company to handle the collaterals.

Our opinion is not qualified in respect of these matters.



Khúc Thị Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

04 February 2016
Hanoi, S.R. Vietnam

Pham Quynh Hoa
Auditor
Audit Practising Registration Certificate
No. 0910-2013-001-1

BALANCE SHEET

As at 31 December 2015

FORM B 01-CTCK
 Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014
A. CURRENT ASSETS	100		1,257,366,173,374	785,956,242,502
(100=110+120+130+140+150)				
I. Cash and cash equivalents	110	6	734,062,654,735	268,890,679,368
1. Cash	111		729,812,654,735	251,590,679,368
2. Cash equivalents	112		4,250,000,000	17,300,000,000
II. Short-term financial investments	120	7	258,953,951,937	262,512,211,922
1. Short-term investments	121		267,201,015,341	264,841,439,330
2. Provision for diminution in value of short-term investments	129		(8,247,063,404)	(2,329,227,408)
III. Short-term receivables	130	8	258,120,112,895	249,005,039,165
1. Trade accounts receivable	131		255,177,225,327	221,028,342,064
2. Advances to suppliers	132		598,879,500	372,512,500
3. Receivables from securities trading	135		-	1,090,000
4. Other receivables	138		9,003,931,542	29,175,097,835
5. Provision for short-term doubtful debts	139		(6,659,923,474)	(1,572,003,234)
IV. Inventories	140		3,025,745,352	2,819,516,733
V. Other short-term assets	150		3,203,708,455	2,728,795,314
1. Short-term prepayments	151		631,246,871	651,926,654
2. VAT deductibles	152		279,157,617	-
3. Taxes and other receivables from the State budget	154		181,062,898	85,580,739
4. Other short-term assets	158		2,112,241,069	1,991,287,921
B. NON-CURRENT ASSETS (200=220+260)	200		24,413,247,380	27,888,084,105
I. Fixed assets	220		1,442,704,188	3,600,052,147
1. Tangible fixed assets	221	9	993,092,108	2,805,330,987
- Cost	222		17,706,829,830	17,744,617,830
- Accumulated depreciation	223		(16,713,737,722)	(14,939,286,843)
2. Intangible assets	227	10	449,612,080	794,721,160
- Cost	228		14,029,653,695	14,029,653,695
- Accumulated amortisation	229		(13,580,041,615)	(13,234,932,535)
II. Other long-term assets	260		22,970,543,192	24,288,031,958
1. Long-term prepayments	261		12,525,137,628	14,176,804,128
2. Deposit to Settlement support funds	263	11	8,788,375,854	6,264,447,830
3. Other long-term assets	268		1,657,029,710	3,846,780,000
TOTAL ASSETS (270=100+200)	270		1,281,779,420,754	813,844,326,607

The notes set out on pages 11 to 29 are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2015

FORM B 01-CTCK
 Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014
A. LIABILITIES (300=310+330)	300		683,390,197,732	214,861,218,141
I. Current liabilities	310		683,289,724,990	214,850,745,399
1. Trade accounts payable	312		1,626,164,297	42,272,788
2. Advances from customers	313		140,156,645	170,406,645
3. Taxes and amounts payable to the State budget	314	12	1,925,986,026	1,974,164,723
4. Payables to employees	315		775,681,118	2,772,331,295
5. Accrued expenses	316	13	799,102,376	1,833,357,592
6. Other current payables	319	14	510,248,457,911	61,490,100,828
7. Payables for securities trading	320		136,644,446,963	116,561,806,802
8. Dividends, bond principal and interest payable	321		31,102,946,731	30,079,671,803
9. Bonus and welfare funds	323		26,782,923	(74,217,077)
10. Short-term unearned revenue	328		-	850,000
II. Long-term liabilities	330		10,472,742	10,472,742
1. Other long-term payables	334		90,000,000	-
2. Provision for loss of investors	339		10,472,742	10,472,742
B. EQUITY (400=410)	400		598,389,223,022	598,983,108,466
I. Shareholders' equity	410	15	598,389,223,022	598,983,108,466
1. Charter capital	411		598,413,000,000	598,413,000,000
2. Share premium	412		67,439,970,360	67,439,970,360
3. Financial reserve fund	418		6,740,232,026	6,740,232,026
4. Accumulated loss	420		(74,203,979,364)	(73,610,093,920)
TOTAL RESOURCES (440=300+400)	440		1,281,779,420,754	813,844,326,607


The notes set out on pages 11 to 29 are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2015

FORM B 01-CTCK
Unit: VND

OFF BALANCE SHEET ITEMS	Codes	31/12/2015	31/12/2014
1. Depository securities	006	17,122,193,370,000	12,241,614,990,000
1.1 Trading securities	007	14,989,349,400,000	10,365,445,110,000
1.1.1 Trading securities of depository members	008	13,809,330,000	135,170,000
1.1.2 Trading securities of domestic investors	009	14,897,819,460,000	10,287,591,820,000
1.1.3 Trading securities of foreign investors	010	77,720,610,000	77,718,120,000
1.2 Temporary non-trading securities	012	1,816,328,380,000	1,835,841,300,000
1.2.1 Temporary non-trading securities of domestic investors	014	1,727,165,380,000	1,746,678,300,000
1.2.2 Temporary non-trading securities of foreign investors	015	89,163,000,000	89,163,000,000
1.3. Mortgage stocks	017	234,046,780,000	20,000,000,000
1.3.1 Mortgage stock of domestic investors	019	234,046,780,000	20,000,000,000
1.4. Securities pending payment	027	26,126,160,000	19,068,470,000
1.4.1 Securities pending payment of depository members	028	47,820,000	-
1.4.2 Securities pending payment of domestic investors	029	26,078,340,000	19,068,470,000
1.5 Blocked securities awaiting withdrawal	032	55,442,090,000	-
1.5.1 Blocked securities awaiting withdrawal of domestic investors	034	55,442,090,000	-
1.6. Securities pending transaction	037	900,560,000	1,260,110,000
1.6.1 Securities pending transaction of depository members	038	10,000	50,000
1.6.2 Securities pending transaction of domestic investors	039	900,550,000	1,260,060,000
2. Unlisted depository securities of public entities	050	23,503,370,000	180,773,780,000



Nguyen Nguyet Minh
Preparer

Hanoi, 04 February 2016



Dinh Thi Lan Phuong
Chief Accountant



Hoang Hai Anh
Director



The notes set out on pages 11 to 29 are an integral part of these financial statements

INCOME STATEMENT

For the year ended 31 December 2015

FORM B 02-CTCK
Unit: VND

ITEMS	Codes	Notes	2015	2014
1. Revenue from securities trading activities	01		95,371,707,494	97,034,154,119
Revenue from securities brokerage	01.1		14,631,034,826	22,671,625,069
Revenue from principal investments	01.2		4,986,142,530	12,796,251,204
Revenue from securities underwriting	01.3		-	800,000,000
Revenue from advisory services	01.5		27,964,409,703	13,895,224,847
Revenue from securities depository	01.6		10,402,606,152	5,319,700,285
Other revenue	01.9	16	37,387,514,283	41,551,352,714
2. Net sales	10		95,371,707,494	97,034,154,119
3. Securities trading expenses	11	17	60,921,860,477	58,236,722,216
4. Gross profit from operating activities (20=10-11)	20		34,449,847,017	38,797,431,903
5. General and administration expenses	25	18	34,266,759,278	33,722,942,647
6. Operating profit (30=20-25)	30		183,087,739	5,074,489,256
7. Other income	31		139,381,292	488,000
8. Other expenses	32		17,954,475	52,982,674
9. Profit/(loss) from other activities (40=31-32)	40		121,426,817	(52,494,674)
10. Accounting profit before tax (50=30+40)	50		304,514,556	5,021,994,582
11. Current corporate income tax expense	51		-	-
12. Net profit after corporate income tax (60=50-51)	60		304,514,556	5,021,994,582
13. Basic earnings per share	70	19	5	69



Nguyen Nguyet Minh
Preparer

Hanoi, 04 February 2016



Dinh Thi Lan Phuong
Chief Accountant



Hoang Hai Anh
Director

The notes set out on pages 11 to 29 are an integral part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 December 2015

FORM B 03-CTCK
Unit: VND

ITEMS	Codes	2015	2014
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	304,514,556	5,021,994,582
2. Adjustments for:			
Depreciation and amortisation	02	2,220,147,959	5,214,571,553
Provisions	03	11,005,756,236	(29,239,891,263)
(Gain) on investing activities	05	(8,830,988,944)	(10,820,253,516)
Interest expense	06	-	731,923,612
3. Operating profit/(loss) before movements in working capital	08	4,699,429,807	(29,091,655,032)
Change in receivables	09	(14,197,570,636)	(4,894,747,840)
Change in inventories	10	(206,228,619)	(33,238,775)
Change in accounts payable (not including accrued interest and corporate income tax payable)	11	465,814,051,567	(79,754,907,845)
Change in prepaid expenses and short-term assets	12	(1,182,822,652)	198,359,882,169
Interest paid	13	-	(827,923,612)
Other cash inflows	15	2,743,000,000	-
Other cash outflows	16	(1,260,649,710)	(682,250,000)
Net cash generated by operating activities	20	456,409,209,757	83,075,159,065
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets and other long-term assets	21	(62,800,000)	(854,297,000)
2. Proceeds from disposals of fixed assets and other long-term assets	22	7,313,636	-
3. Interest earned, dividends and profit received	27	8,818,251,974	10,542,744,849
Net cash from investing activities	30	8,762,765,610	9,688,447,849
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	-	70,000,000,000
2. Repayment of borrowings	34	-	(110,000,000,000)
Net cash used in financing activities	40	-	(40,000,000,000)
Net increase in cash (50=20+30+40)	50	465,171,975,367	52,763,606,914
Cash and cash equivalents at beginning of the year	60	268,890,679,368	216,127,072,454
Cash and cash equivalents at the end of the year (70=50+60)	70	734,062,654,735	268,890,679,368

Nguyen Nguyet Minh
Preparer

Hanoi, 04 February 2016

Dinh Thi Lan Phuong
Chief Accountant

Hoang Hai Anh
Director

The notes set out on pages 11 to 29 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

FORM B 05-CTCK
 Unit: VND

ITEMS	Notes	Opening balance		Increase/Decrease				Closing balance	
		01/01/2014	01/01/2015	2014		2015		31/12/2014	31/12/2015
				Increase	Decrease	Increase	Decrease		
Charter capital	15	598,413,000,000	598,413,000,000	-	-	-	-	598,413,000,000	598,413,000,000
Share premium	15	67,439,970,360	67,439,970,360	-	-	-	-	67,439,970,360	67,439,970,360
Financial reserve fund	15	6,740,232,026	6,740,232,026	-	-	-	-	6,740,232,026	6,740,232,026
Accumulated loss	15	(78,132,088,502)	(73,610,093,920)	(500,000,000)	5,021,994,582	(898,400,000)	304,514,556	(73,610,093,920)	(74,203,979,364)
		594,461,113,884	598,983,108,466	(500,000,000)	5,021,994,582	(898,400,000)	304,514,556	598,983,108,466	598,389,223,022



Nguyen Nguyet Minh
 Preparer

Hanoi, 04 February 2016



Dinh Thi Lan Phuong
 Chief Accountant



Hoang Hai Anh
 Director

The notes set out on pages 11 to 29 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS**FORM B 09-CTCK***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***1. GENERAL INFORMATION****Structure of ownership**

PetroVietnam Securities Incorporated (the "Company") is a joint stock company established in Vietnam by Vietnam Oil and Gas Group and other strategic shareholders under Business License No. 0103014903 dated 14 December 2006 issued by Hanoi Department of Planning and Investment and Securities Trading License No. 26/UBCK-GPHDKD dated 19 December 2006 issued by the State Securities Commission with the initial charter capital of VND 150,000,000,000. On 18 February 2011, the State Securities Commission granted Revised License No. 15/GPDC-UBCK. Accordingly, the Company's registered charter capital is VND 598,413,000,000.

On 21 July 2010, the stocks of the Company were officially traded in Hanoi Securities Trading Center (which is currently known as Hanoi Stock Exchange - HNX).

The number of the Company's employees as at 31 December 2015 was 149 (31 December 2014: 149).

Operating industry and principal activities

The Company operates in the securities sector.

The principal activities of the Company are to provide securities brokerage, financial advisory, securities investment advisory, proprietary trading, securities underwriting and depository services.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to securities companies issued by the Ministry of Finance in accordance with Circular No. 95/2008/TT-BTC dated 24 October 2008 guiding the accounting applicable to securities companies, Circular No. 162/2010/TT-BTC dated 20 October 2010 guiding the amendment and supplement to Circular No. 95/2008/TT-BTC, which do not exclude the item "Cash in bank from investors related to securities transactions" from the balance sheet in compliance with Circular No. 210/2012/TT-BTC dated 30 November 2012 issued by the Ministry of Finance guiding the incorporation and operation of securities companies, accounting regime for enterprises issued by the Ministry of Finance in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and legal regulations relating to financial reporting.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE**New guidance on accounting regime for enterprises**

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Board of Directors has adopted Circular 200 in the preparation and presentation of the financial statements for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-CTCK

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

4. NEW ACCOUNTING GUIDANCE IN ISSUE NOT YET ADOPTED

On 30 December 2014, the Ministry of Finance issued Circular No. 210/2014/TT-BTC ("Circular 210") guiding the accounting applicable to securities companies. This Circular will take effect from 01 January 2016 and supersedes Circular No. 95/2008/TT-BTC dated 24 October 2008 of the Ministry of Finance guiding the accounting applicable to securities companies and Circular No. 162/2010/TT-BTC dated 20 October 2010 of the Ministry of Finance guiding the amendments and supplements to Circular No. 95/2008/TT-BTC. The Board of Directors of the Company is assessing the impact of the adoption of this circular to the financial statements of the Company in the future.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to securities companies issued by the Ministry of Finance in accordance with Circular No. 95/2008/TT-BTC dated 24 October 2008 guiding the accounting applicable to securities companies, Circular No. 162/2010/TT-BTC dated 20 October 2010 guiding the amendment and supplement to Circular No. 95/2008/TT-BTC, which do not exclude the item "Cash in bank from investors related to securities transactions" from the balance sheet in compliance with Circular No. 210/2012/TT-BTC dated 30 November 2012 issued by the Ministry of Finance guiding the incorporation and operation of securities companies, accounting regime for enterprises issued by the Ministry of Finance in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash and cash equivalents, trade accounts receivables, receivables from securities trading, other receivables and short-term investments.

Financial liabilities: At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade accounts payable, accrued expenses, other payables, payables for securities trading, dividends, bond principal and interest payable and provision for loss of investors.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying financial statements

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents (Continued)

Cash in bank includes deposits entrusted by securities investors in designated settlement bank for securities trading purpose.

Cash in bank for settlement relating to securities trading includes deposits subject to securities clearance and settlement with Securities Trading Center and Vietnam Securities Depository.

Short-term investments

Short-term investments include the Company's trading securities and other short-term securities investments. Other short-term investments are mainly made in the form of investment cooperation, entrusted investment portfolio management, and entrusted fund management with investors, under which, profit distributed to the Company is not dependent on investor's results. The Company earns profit based on fixed percentage on its invested capital and number of actual contribution days.

Short-term investments are stated at cost less provision for diminution in their values.

Provision for diminution in value of investments is made in accordance with guidance issued by Ministry of Finance. Accordingly:

- Regarding listed securities, the Company adopts the closing price as at the latest trading date up to provision-making date.
- Regarding unlisted securities, the Company adopts the average of the actual transactions prices according to the quotations of 03 securities trading companies at the latest trading date but not more than one month from the provision making date. If securities do not have arising actual transactions during such period, provision shall not be made.
- Regarding investment cooperation activities, provision is made based on the management's evaluation of each investment cooperation contract in consideration of the current securities market as at provision-making dates.

Provision for diminution in value of short-term investments is recorded in the Company's securities trading expenses.

Cost of the investments is measured using the weighted average method.

Trade accounts receivable

Trade accounts receivable include amounts receivable relating to brokerage service, advisory service to investors, accrued interest receivable from financial services and receivables from other services.

Dividends, bond principal and interest payables

Dividends, bond principal and interest payable represent amounts payable and status of dividend, bond principal and interest payment that the Company makes to securities holders as authorized by securities issuers. Dividends payable to shareholders represent amounts payable and the status of dividend payment/profit distribution to shareholders and owners of a securities company.

Payables related to securities trading

Payables related to securities trading represent the amount received by the Company from investors to execute securities brokerage transactions and manage securities trading accounts of investors.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying financial statements

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

Securities brokerage

Revenue from the securities brokerage is recognized in the income statement upon receipt.

Investments in securities and capital contribution

Revenue from investments in securities and capital contribution include gains from sales of proprietary securities of the Company (it is recognized upon receipt of the notice for settlement of securities trading transactions from Vietnam Securities Depository), dividends from shares, interest from bonds, gains from capital contribution to joint ventures and associates (dividends are recognized in the income statement based on the notice of dividend declaration of the investees; interest from bonds and gains from capital contribution to joint ventures and associates are recognized in the income statement on accrual basis).

Securities underwriting and public offering agent

Revenue from underwriting and public offering agent is recognized in the income statement upon completion of notification of securities issuance.

Advisory services

Revenue from advisory services is recognized in the income statement upon completion of services, reliable measurement of revenue, and of the costs incurred for the transaction and costs to complete the transaction.

Securities depository

Revenue from securities depository for investors is recognized in the income statement upon receipt.

Authorised auction

Revenue from authorized auction is recognized in the income statement upon receipt.

Other income

Other income includes interest from bank deposits, promissory notes, gains from securities sales contract and margin trading which is recognized in the income statement on accrual basis.

Borrowing costs

All borrowing costs are recognized in the income statement when incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying financial statements

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Although the Company had tax losses as at 31 December 2015, no deferred tax assets or liabilities were recognized in the period due to the uncertainty of the Company's utilization of these tax losses and there were no material temporary differences for corporate income tax computation.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examination.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

6. CASH AND CASH EQUIVALENTS

	31/12/2015 VND	31/12/2014 VND
Cash on hand	154,453,150	102,686,219
Cash in bank	726,183,128,454	215,016,476,281
<i>In which: Deposit of investors</i>	158,628,463,725	140,664,891,576
Cash in bank for securities trading and settlement	3,475,073,131	36,471,516,868
<i>In which: Deposit of investors</i>	2,074,534,916	35,529,019,608
Cash equivalents	4,250,000,000	17,300,000,000
	<u>734,062,654,735</u>	<u>268,890,679,368</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying financial statements

7. SHORT-TERM FINANCIAL INVESTMENTS

	31/12/2015 VND	31/12/2014 VND
Trading securities		
Unlisted securities - over the counter market (i)	187,776,045,924	209,537,345,644
Listed securities	27,933,543,928	105,441,842
	215,709,589,852	209,642,787,486
Other short-term investments		
Investment cooperation, entrusted fund management and entrusted investment portfolio management (ii)	50,122,076,026	50,122,076,026
Purchasing and selling securities contracts	1,369,349,463	5,076,575,818
	51,491,425,489	55,198,651,844
Provision for diminution in value of short-term investments		
Unlisted securities	(2,307,698,806)	(2,302,953,326)
Listed securities	(5,939,364,598)	(26,274,082)
	(8,247,063,404)	(2,329,227,408)
Short-term financial investments	258,953,951,937	262,512,211,922

- (i) Of which included amount of VND187,766,714,218 represents short-term investments in unlisted over-the-counter shares – OTC. As at 31 December 2015, the Company prudently assessed price risk of these investments and relied on quotations obtained from three securities companies to make provision for diminution in value of these investments with the amount of VND 2,300,000,000. The Company has prudently assessed and been of view that the information from obtained quotations reflects the market prices of these investments.
- (ii) Represents the total amount of investment cooperation, entrusted fund management and entrusted investment portfolio management contracts on unlisted securities. As at 31 December 2015, the Company prudently assessed and relied on quotations obtained from three securities companies and decided to make no provision for the diminution in value of these investments.

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7. SHORT-TERM FINANCIAL INVESTMENTS (Continued)

Details of market value fluctuations of trading securities:

Items	Carrying value		Increase in value		Impairment		Total value per market price	
	31/12/2015	01/01/2015	31/12/2015	01/01/2015	31/12/2015	01/01/2015	31/12/2015	01/01/2015
	VND	VND	VND	VND	VND	VND	VND	VND
Listed shares	27,933,543,928	105,441,842	181,562,270	36,114,040	5,939,364,598	26,274,082	22,175,741,600	115,281,800
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	21,762,104,210	-	-	-	5,641,340,210	-	16,120,764,000	-
International Gas Shipping Joint Stock Company	2,183,927,500	-	43,480,500	-	-	-	2,227,408,000	-
PetroVietnam Transportation Corporation	1,848,811,200	129,960	89,290,800	-	-	10,040	1,938,102,000	119,920
PetroVietnam General Services Joint Stock Corporation	1,644,385,630	103,830	-	-	273,022,630	330	1,371,363,000	103,500
PetroVietnam Ca Mau Fertilizer Joint Stock Company	402,403,900	-	19,632,500	-	-	-	422,036,400	-
Other shares	91,911,488	105,208,052	29,158,470	36,114,040	25,001,758	26,263,712	96,068,200	115,058,380
Unlisted shares	187,776,045,924	209,537,345,644	9,100	35,100	2,307,698,806	2,302,953,326	185,468,356,218	207,234,427,418
Total	215,709,589,852	209,642,787,486	181,571,370	36,149,140	8,247,063,404	2,329,227,408	207,644,097,818	207,349,709,218

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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8. SHORT-TERM RECEIVABLES

Item	Beginning		Accumulated from beginning to closing of the year				Closing		
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful	Provision
	VND	VND	VND	VND	VND	VND	VND	VND	VND
1. Trade accounts receivable (i)	221,028,342,064	2,226,938,794	-	2,778,872,536,008	2,744,723,652,745	255,177,225,327	9,272,627,671	-	6,659,923,474
2. Advances to suppliers	372,512,500	-	-	13,995,452,388	13,769,085,388	598,879,500	-	-	-
3. Receivables from securities trading	1,090,000	-	-	9,866,436,000	9,867,526,000	-	-	-	-
- Trade accounts receivable from securities trading	-	-	-	9,840,000,000	9,840,000,000	-	-	-	-
- Receivables from securities issuer (underwriter)	1,090,000	-	-	26,436,000	27,526,000	-	-	-	-
4. Value added tax deductibles	-	-	-	765,643,414	486,485,797	279,157,617	-	-	-
5. Inter-company receivables	-	-	-	7,916,644,777,864	7,916,644,777,864	-	-	-	-
6. Other receivables (ii)	29,175,097,835	-	-	4,176,570,591,881	4,196,741,758,174	9,003,931,542	-	-	-
Total	250,577,042,399	2,226,938,794	-	6,980,070,659,691	6,965,588,508,104	265,059,193,986	9,272,627,671	-	6,659,923,474

(i) Mainly including VND 40,000,000,000 of receivable from one group of individual investors in Ho Chi Minh City under investment cooperation contracts. As at 31 December 2015, the investors used stocks, cash and land use right certificates in Ho Chi Minh City (the Company signed a contract with an independent valuation company to evaluate the above land use rights) and some other assets with the total value of VND 61,772,954,968 as collaterals to secure payment for the receivable balance. The Board of Directors believed that the mentioned land use right value was appropriately valued, taking market price into consideration and that collaterals are highly liquid and the Company is able to gain controls and liquidate collaterals to recover the receivables and that the recoverable amount is sufficient to cover the relevant receivable balance; therefore, the Company did not make provision for such receivables.

(ii) Details of other receivables are as follows:

	31/12/2015	31/12/2014
	VND	VND
Dividends and deposit interest	288,966,267	283,542,933
Interest from entrusted investment contracts	2,799,899,991	-
Payment for partners	150,539,264	215,580,178
Receivables from margin contracts	-	23,176,862,123
Others	5,764,526,020	5,499,112,601
	9,003,931,542	29,175,097,835

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying financial statements

9. TANGIBLE FIXED ASSETS

	Office equipment VND	Motor vehicles VND	Total VND
COST			
As at 01/01/2015	14,847,754,130	2,896,863,700	17,744,617,830
Additions	62,800,000	-	62,800,000
Disposal	(100,588,000)	-	(100,588,000)
As at 31/12/2015	14,809,966,130	2,896,863,700	17,706,829,830
ACCUMULATED DEPRECIATION			
As at 01/01/2015	12,916,834,553	2,022,452,290	14,939,286,843
Charge for the year	1,613,392,618	261,646,261	1,875,038,879
Disposal	(100,588,000)	-	(100,588,000)
As at 31/12/2015	14,429,639,171	2,284,098,551	16,713,737,722
NET BOOK VALUE			
As at 31/12/2015	380,326,959	612,765,149	993,092,108
As at 31/12/2014	1,930,919,577	874,411,410	2,805,330,987

The cost of the Company's fixed assets includes VND 10,380,256,750 (31 December 2014: VND 4,421,841,513) of assets which have been fully depreciated but are still in use.

10. INTANGIBLE ASSETS

	Application software VND	Others VND	Total VND
COST			
As at 01/01/2015	12,989,653,695	1,040,000,000	14,029,653,695
As at 31/12/2015	12,989,653,695	1,040,000,000	14,029,653,695
ACCUMULATED AMORTISATION			
As at 01/01/2015	12,923,104,578	311,827,957	13,234,932,535
Charge for the year	66,506,929	278,602,151	345,109,080
As at 31/12/2015	12,989,611,507	590,430,108	13,580,041,615
NET BOOK VALUE			
As at 31/12/2015	42,188	449,569,892	449,612,080
As at 31/12/2014	66,549,117	728,172,043	794,721,160

The cost of the Company's fixed assets includes VND 13,247,253,695 (31 December 2014: VND 12,192,905,425) of assets which have been fully depreciated but are still in use.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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11. DEPOSIT TO SETTLEMENT SUPPORT FUND

	31/12/2015 VND	31/12/2014 VND
Beginning balance	120,000,000	120,000,000
Additions	8,653,949,307	6,130,021,283
Interest received for the year	14,426,547	14,426,547
	8,788,375,854	6,264,447,830

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	31/12/2015 VND	31/12/2014 VND
Output value added tax	86,773,535	569,277,352
Personal income tax	520,878,428	1,404,887,371
Withholding tax	1,318,334,063	-
	1,925,986,026	1,974,164,723

13. ACCRUED EXPENSES

	31/12/2015 VND	31/12/2014 VND
Accrued compensation for Board of Management and Supervisory Board	110,520,000	121,427,004
Accruals for consulting engagements	-	700,000,000
Others	688,582,376	1,011,930,588
	799,102,376	1,833,357,592

14. OTHER CURRENT PAYABLES

	31/12/2015 VND	31/12/2014 VND
Payables to Stock Exchange for offset transaction of the last three days of the year	22,784,279,700	57,830,240,123
Payables to investors for buying securities	483,136,832,686	-
Others payables	4,327,345,525	3,659,860,705
	510,248,457,911	61,490,100,828

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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15. SHAREHOLDERS' EQUITY

Movement in shareholders' equity

	Charter capital VND	Share premium VND	Financial reserve fund VND	Accumulated losses VND	Total VND
As at 01/01/2014	598,413,000,000	67,439,970,360	6,740,232,026	(78,132,088,502)	594,461,113,884
Profit for the year	-	-	-	5,021,994,582	5,021,994,582
Allocation to bonus and welfare funds	-	-	-	(500,000,000)	(500,000,000)
As at 01/01/2015	598,413,000,000	67,439,970,360	6,740,232,026	(73,610,093,920)	598,983,108,466
Profit for the year	-	-	-	304,514,556	304,514,556
Allocation to bonus and welfare funds	-	-	-	(500,000,000)	(500,000,000)
Disbursement for executive board bonus	-	-	-	(398,400,000)	(398,400,000)
As at 31/12/2015	598,413,000,000	67,439,970,360	6,740,232,026	(74,203,979,364)	598,389,223,022

	31/12/2015	
	Number of shares	VND
Authorised share capital	59,841,300	598,413,000,000
Issued share capital		
Ordinary shares	59,841,300	598,413,000,000
Shares currently in circulation		
Ordinary shares	59,841,300	598,413,000,000
Movement in share capital during the year was as follows:	From 01/01/2015 to 31/12/2015	
	Number of shares	VND
Opening balance	59,841,300	598,413,000,000
Shares issued during the year	-	-
Closing balance	59,841,300	598,413,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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16. OTHER REVENUE

	2015	2014
	VND	VND
Revenue from securities repo contracts	233,511,412	2,215,230,390
Deposit interest income	5,898,905,091	5,037,432,782
Interest income on entrusted investment portfolio management, investment cooperation and entrusted funds management (*)	6,856,422,986	2,967,479,545
Revenue from margin trading	18,395,131,167	22,989,827,940
Others	6,003,543,627	8,341,382,057
	37,387,514,283	41,551,352,714

(*) Represents the interest earned on contracts signed with business entities and individuals during the year. The Company bears risk in respect of entrusted portfolio management contracts and earns a fixed rate and bears no risk in respect of entrusted funds management and investment cooperation contracts.

17. SECURITIES TRADING EXPENSES

	2015	2014
	VND	VND
Securities brokerage services	5,485,164,942	9,289,791,943
Securities investments and capital contribution	1,649,097,896	44,100,106,570
Advisory services	21,928,254,555	10,052,062,220
Securities depository services	7,891,131,841	4,551,040,573
Provisions/(reversal)	5,917,835,996	(29,669,877,663)
Others (i)	18,050,375,247	19,913,598,573
	60,921,860,477	58,236,722,216

(i) Other expenses mainly represent deposit interest charges for customers' accounts for securities trading and expense corresponding with revenue from provision of PVN-Index recognized for the year.

18. GENERAL AND ADMINISTRATION EXPENSES

	2015	2014
	VND	VND
Management staff cost	10,226,315,575	9,615,736,104
Office equipment	317,919,475	340,302,755
Depreciation and amortisation	1,343,814,557	1,857,581,331
Fees, tax and charges	1,300,498,217	1,486,695,303
Provision	5,087,920,240	429,986,400
Outsourced and other expenses	15,990,291,214	19,992,640,754
	34,266,759,278	33,722,942,647

PETROVIETNAM SECURITIES INCORPORATED18 Ly Thuong Kiet, Hoan Kiem District
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For the year ended 31 December 2015**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FORM B 09-CTCK***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***19. BASIC EARNING PER SHARE**

	2015	2014 (Restated)
Net profit after corporate income tax (VND)	304,514,556	5,021,994,582
Allocation to bonus and welfare funds and disbursement for executive board bonus according to General Shareholders Meeting Resolution (VND)	-	(898,400,000)
Earnings used to calculate earnings per share (VND)	304,514,556	4,123,594,582
Number of weighted average of ordinary shares used to calculate earnings per share (shares)	59,841,300	59,841,300
Basic earnings per share (VND)	5	69

As per guidance in Circular 200, bonus and welfare funds from profit after tax should be eliminated from profit after tax when calculating basic earnings per share. Hence, basic earnings per share for the year ended 31 December 2014 was restated as VND 69 per share (which was VND 84 per share as presented in the financial statements for the year ended 31 December 2014).

20. OPERATING LEASE COMMITMENTS

On 09 May 2012, PetroVietnam Securities Incorporated - Vung Tau Branch entered into a lease contract for a building at 5th floor, Silver SeaTower Building, 47 Ba Cu, Vung Tau City. The rental charge is VND 26,250,000 per month. According to Appendix to Contract No. 1/01/SilverseaTower/2012, lease term is 02 years, from 15 June 2014 to 15 June 2016.

On 01 July 2013, the Company signed a lease contract with Hanoi Tourist Corporation in respect of leasing a part of the building at 18 Ly Thuong Kiet, Hanoi as office at a monthly rental charge of VND 190,530/m²/month with a 10-year-term from 01 August 2013.

On 27 April 2015, PetroVietnam Securities Incorporated - Ho Chi Minh City Branch entered into a lease contract for a building at District 1, Ho Chi Minh City. The rental charge is VND 154,416,570 per month. The contract term is 02 years from 30 April 2015 to 30 April 2017.

On 08 May 2015, PetroVietnam Securities Incorporated - Da Nang Branch entered into a lease contract for a building at Plot B2.8.07 and No. 08 Nguyen Van Linh Street, Hai Chau District, Da Nang City with the rental charge of VND 10,000,000 per month for the first year. The contract term is 03 years from 25 April 2015 to 24 April 2018.

21. REPORT ON THE VALUE AND NUMBER OF TRANSACTIONS DURING THE YEAR

Items	2015	
	Number of transactions	Value of transactions (VND)
1. Proprietary trading		
Stocks	2,971,284	46,626,672,300
Bonds	-	-
2. Investors' securities		
Stocks	515,999,161	8,020,952,683,600
Bonds	1,000,000	107,731,000,000
Fund certificates	1,001,600	107,745,680,000
	520,972,045	8,283,056,035,900

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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22. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

<u>Party</u>	<u>Relationship</u>
Vietnam Public Joint Stock Commercial Bank	Major shareholder
Vietnam Oil and Gas Group	Major shareholder's related party

During the year, the Company entered into the following significant transactions with its related parties:

	2015	2014
	VND	VND
Deposit interest for the Bond Purchase Contract		
- Vietnam Public Joint Stock Commercial Bank	-	2,850,738,888
Revenue from advisory services		
- Vietnam Oil and Gas Group	1,039,041,069	5,451,698,484
- Vietnam Public Joint Stock Commercial Bank	-	135,454,545
Revenue from shareholder management service		
- Vietnam Public Joint Stock Commercial Bank	300,000,000	300,000,000
Revenue from depository service		
- Vietnam Oil and Gas Group	4,508,121,968	2,283,784,900
Revenue from provision of PVN-Index		
- Vietnam Oil and Gas Group	1,427,401,598	1,571,535,010
Remuneration of Board of Directors and Management	3,564,644,560	3,549,028,282

Related-party balances as at the balance sheet date were as follows:

	31/12/2015	31/12/2014
	VND	VND
Current account		
- Vietnam Public Joint Stock Commercial Bank	250,309,347,874	76,512,544,275
Receivables		
- Vietnam Oil and Gas Group	428,172,650	679,000,000
- Vietnam Public Joint Stock Commercial Bank	35,000,000	35,000,000

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23. SEGMENT REPORTING

Items	Brokerage and customer services VND	Securities trading Capital contribution VND	Financial services and deposit VND	Others VND	Total VND
Year 2015					
1. Net sales from operating activities	45,443,212,866	11,842,565,516	27,964,409,703	10,121,519,409	95,371,707,494
2. Direct expenses	(25,453,213,604)	(12,896,678,651)	(22,160,179,355)	(5,499,709,107)	(66,009,780,717)
3. Depreciation and allocation expenses	(17,507,303,423)	(2,917,883,904)	(4,668,614,246)	(4,085,037,465)	(29,178,839,038)
4. Other income	-	-	-	139,381,292	139,381,292
5. Other expense	-	-	-	(17,954,475)	(17,954,475)
Profit/(loss) from operating activities	2,482,695,839	(3,971,997,039)	1,135,616,102	658,199,654	304,514,556
As at 31 December 2015					
1. Direct segment assets	933,925,980,810	250,924,679,000	5,424,053,739	7,087,561,041	1,197,362,274,590
2. Unallocated assets	-	-	-	-	84,417,146,164
Total assets	933,925,980,810	250,924,679,000	5,424,053,739	7,087,561,041	1,281,779,420,754
1. Direct segment liabilities	677,020,773,261	-	-	90,000,000	677,110,773,261
2. Unallocated liabilities	-	-	-	-	6,279,424,471
Total liabilities	677,020,773,261	-	-	90,000,000	683,390,197,732

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-CTCK

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

24. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings less cash and cash equivalents) and shareholders' equity (comprising capital, reserves less accumulated losses).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 5.

Categories of financial instruments

	Carrying amount	
	31/12/2015 VND	31/12/2014 VND
Financial assets		
Cash and cash equivalents	734,062,654,735	268,890,679,368
Trade and other receivables	253,187,069,896	248,632,526,665
Short-term investments	258,953,951,937	262,512,211,922
Total	1,246,203,676,568	780,035,417,955
Financial liabilities		
Trade and other payables	677,742,103,558	208,184,324,963
Accruals	799,102,376	1,833,357,592
Total	678,541,205,934	210,017,682,555

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC ("Circular 210") issued by Ministry of Finance dated 06 November 2009 and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-CTCK

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of markets to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; however, exposures to foreign exchange rate are not significant.

Interest rate risk management

The Company has significant interest rate risks arising from advances from customers for purchasing bonds on their behalf and the Company's deposits. The Company has managed this risk through analysing the competitive edge in the market to maximize the benefit of interest rate on the Company's part but to keep it within the limit of risk management. The Board of Directors has evaluated the interest rate exposure as insignificant at the date of the financial statements.

Price risk

Investments include investments in listed and unlisted shares, and investment cooperation contracts whose future values are affected by risks due to securities market movements. The Company has managed this share price risk through setting up investment limit, diversifying investment portfolios and profit or setting loss achieving point.

As at 31 December 2015, the book value of listed shares was VND 27,933,543,928. If the value of these shares decreased by 10%, the Company's profit before tax would decrease by VND 2,793,354,393.

Regarding OTC-traded stocks, as there is no official trading price available on the market, the Company did not analyse the sensitivity of price movement.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit risk mainly consists of receivables and bank deposits and other financial instruments of the Company.

Regarding receivables, the Company usually monitors and evaluates receivables and makes provision for doubtful debts (if any) for each customer in time when preparing financial statements.

Receivables relating to margin trading, the Company manages risks through monitoring the quantity and value of investors' securities at any time.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-CTCK

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

24. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that year. The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay. The maturity dates are the earliest dates on which the Company may be required to pay.

31/12/2015	<u>Less than 1 year</u> VND	<u>From 1 - 5 years</u> VND	<u>Total</u> VND
Financial assets			
Cash and cash equivalents	734,062,654,735	-	734,062,654,735
Trade and other receivables	253,187,069,896	-	253,187,069,896
Short-term investments	258,953,951,937	-	258,953,951,937
Total	1,246,203,676,568	-	1,246,203,676,568
Financial liabilities			
Trade and other payables	677,742,103,558	-	677,742,103,558
Accruals	799,102,376	-	799,102,376
Total	678,541,205,934	-	678,541,205,934
Net liquidity gap	567,662,470,634	-	567,662,470,634
31/12/2014	<u>Less than 1 year</u> VND	<u>From 1 - 5 years</u> VND	<u>Total</u> VND
Financial assets			
Cash and cash equivalents	268,890,679,368	-	268,890,679,368
Trade and other receivables	248,632,526,665	-	248,632,526,665
Short-term investments	262,512,211,922	-	262,512,211,922
Total	780,035,417,955	-	780,035,417,955
Financial liabilities			
Trade and other payables	208,184,324,963	-	208,184,324,963
Accruals	1,833,357,592	-	1,833,357,592
Total	210,017,682,555	-	210,017,682,555
Net liquidity gap	570,017,735,400	-	570,017,735,400

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-CTCK

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

24. FINANCIAL INSTRUMENTS (Continued)

Collaterals

The Company has not had any mortgages or collaterals under any form for its loans at the date of the financial statements.

The Company is holding securities accounts, land use right certificates, deposit account as collaterals for investment cooperation contracts and margin trading agreements.

25. SUBSEQUENT EVENTS

As at the date of these financial statements, there were no significant events occurring after the balance sheet date that require disclosure in the financial statements.

26. COMPARATIVE FIGURES

The comparative figures are those of the audited financial statements for the year ended 31 December 2014.

Certain reclassifications and restatements have been made to the prior year's figures to ensure their comparability with the current year's figures, as follows:

Items	Codes	reported amount	Reclassification and	Restated amount
			restatement	
		VND	VND	VND
Balance sheet		VND		
Short-term investments	121	404,596,329,975	(139,754,890,645)	264,841,439,330
Trade accounts receivable	131	81,273,451,419	139,754,890,645	221,028,342,064



Nguyen Nguyet Minh
Preparer

Hanoi, 04 February 2016



Dinh Thi Lan Phuong
Chief Accountant



Hoang Hai Anh
Director
