

SSI

ANNUAL REPORT 2018

PROUDLY REACHING FURTHER FOR SUSTAINABLE DEVELOPMENT

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MESSAGE FROM THE CHAIRMAN

Dear Valued Shareholders,

We have just concluded the year of 2018 with a vibrant macroeconomic picture: The highest GDP growth rate since 2007 (7.08%), inflation curbed under 3.54% target threshold, tightened monetary policies (with a credit growth of 14%), stabilized exchange rate, and a record high of trade surplus - USD 6.8 billion. Meanwhile, Vietnam Stock Market experienced the highest volatility ever since the global financial crisis of 2008. The VN-Index peaked at record 1,211 points in April 2018, then declined sharply. At closing session of 2018, VN-Index dropped by 26.3% from its peak and 9.32% from the closing session of 2017. Global unstable events such as US - China trade war, interest rate raise by US FED, and signs of worldwide economic slowdown, etc. have detrimental effects on market psychology. Therefore, IPO and divestment efforts of state-owned enterprises slowed down in the second half of 2018.

Vietnam Stock Market hit a harsh time where both local and foreign investors are wary. SSI has therefore faced many challenges in our business activities. However, with our business philosophy - loyal to sustainable development strategy, adapting to all market situations - SSI continued to exceed our target approved by the General Meeting of Shareholders, and met growth targets in all respects, e.g. market share, customer size, products & services, branch network, and personnel. In 2018, the Company recorded a total operating income and other consolidated income of VND 3,997 billion, growing by 30.9% year-on-year. Pre-tax accounting profit reached over VND 1,623 billion, growing by 15.5% yoy. Total assets grew robustly to reach VND 23,825.6 billion and owner's equity reached approximately VND 9,156 billion. SSI has a healthy financial structure with high bank loans being backed by a large deposit balance as a reciprocal source. Operating expenses are tightly controlled for profit optimization.

All Business Units have recorded their positive outcomes. Securities Services kept holding its No. 1 position over the years in terms of stock and fund certificate brokerage market share in both HOSE and HNX, at 18.70% and 11.89% respectively in 2018. Investment Banking is a popular name in many established awards, local and international alike, thanks to a number of record value deals and diversified transaction types. Treasury played an important role in managing the Company's reserves efficiently, providing for liquidity, expanding cooperation with strong commercial banks, and pioneering in launching new products and services, e.g. structured products, corporate bond and VND interest rate swap (IRS). In 2018, SSI led the market in term of IRS revenue growth, at VND 8,000 billion. SSI Asset Management Co., Ltd. (SSIAM) has maintained our diversified distribution channels. By the end of 2018, the total assets of SSIAM were VND 5,573 billion. Principal Investment met the targeted profit for 2018, and mitigated risk on investment portfolio when the index declined.

This was owing to efforts by the Governance Unit in maintaining the best transparency and compliance and mitigating risks among the Company's activities. Given the increasing demands from both market and clients, information technology platform has increasingly become the backbone to the Company's product portfolio and operations. The Support Unit has made its great efforts in smoothly coordinating functions to accommodate the Company's growth in terms of improving technology quality, building and strengthening an attractive working environment and bridging the Company with the public to reflect all the Company's activities in an effective and honest manner.

2018 was the 18th milestone in our “Connecting Capital to Opportunities” journey, with positive impacts on shareholders, clients and partners. To prepare for the next milestones to come in our journey, SSI has officially decided to adopt a new name, “SSI Securities Corporation,” aiming for farther reaching, not just limited in local, but towards regional and international markets.

For 2019, Vietnam Stock Market is expected to remain unpredictably volatile, with positive and negative information intertwined. On the other hand, competition among securities companies will intensify as adoption of Circular No. 128/2018/TT-BTC eliminates securities sale & purchase service floor price. Vietnam’s market also welcomes an increasing number of international players with established resources in terms of capital, human and technology. Besides, there will be competitions in adoption of technology, artificial intelligence, development of trading system, etc. all that will contribute significantly to each company’s performance.

Given the predicted challenges in 2019, SSI will maintain our sustainable development strategy, uphold the principle of best interests for all stakeholders and transparency as our business philosophy. The Company set out the target - VND 3,775 billion in revenue, and VND 1,700.7 billion in profit before tax. Our adopted solutions for dedicated business line will focus on maintaining sustainable development: quality of products & services supplied to clients, development of network and human resources. SSI will continue our mission to assist companies in sustainable development journey, explore quality capital from local to international sources, establish long-term capital delivery and distribution channels, unlock potential resources and drive economic development. SSI understands that only with a significant number of transparent, efficient and sustainably developed companies will investors have safe options, economic potential be strengthened and securities market be developed to act as the most important capital mobilization channel for the economy.

We would like to thank our valued clients and partners for walking alongside SSI, to our valued shareholders for having your trust in the Board of Directors and Board of Management in approving the proposals at the General Meeting of Shareholders, and to the Members of the Board of Directors for coming up with efficient business development strategies and plans. And last but not least, my special thanks are dedicated to all the staff, who have joined the journey of hardship to bring our Company to a brand new level. With all of your unity, we will achieve outstanding greatness in 2019.

I wish you good health and success!

Ho Chi Minh City, April 10, 2019



Nguyen Duy Hung

Chairman cum Chief Excecutive Officer

GIVEN THE PREDICTED CHALLENGES IN 2019, SSI WILL MAINTAIN OUR SUSTAINABLE DEVELOPMENT STRATEGY, UPHOLD THE PRINCIPLE OF BEST INTERESTS FOR ALL STAKEHOLDERS AND TRANSPARENCY AS OUR BUSINESS PHILOSOPHY

2018 IN REVIEW

2018 TOTAL CONSOLIDATED REVENUE REACHED VND **3,997** BILLION

GROWTH RATE **30.9%**

2018 PROFIT BEFORE TAX REACHED VND **1,623** BILLION

GROWTH RATE **15.5%**

TOTAL ASSET REACHED VND **23,825.6** BILLION

GROWTH RATE **27%**

"AFFIRMING THE NO.1 POSITION IN VIETNAM, SSI IS ALSO THE SECOND LARGEST SECURITIES FIRM IN ASEAN IN TERMS OF MARKET CAP, TOTAL ASSET, REVENUE AND PROFIT"

5TH CONSECUTIVE YEAR ON TOP 1 OF BROKERAGE MARKET SHARE

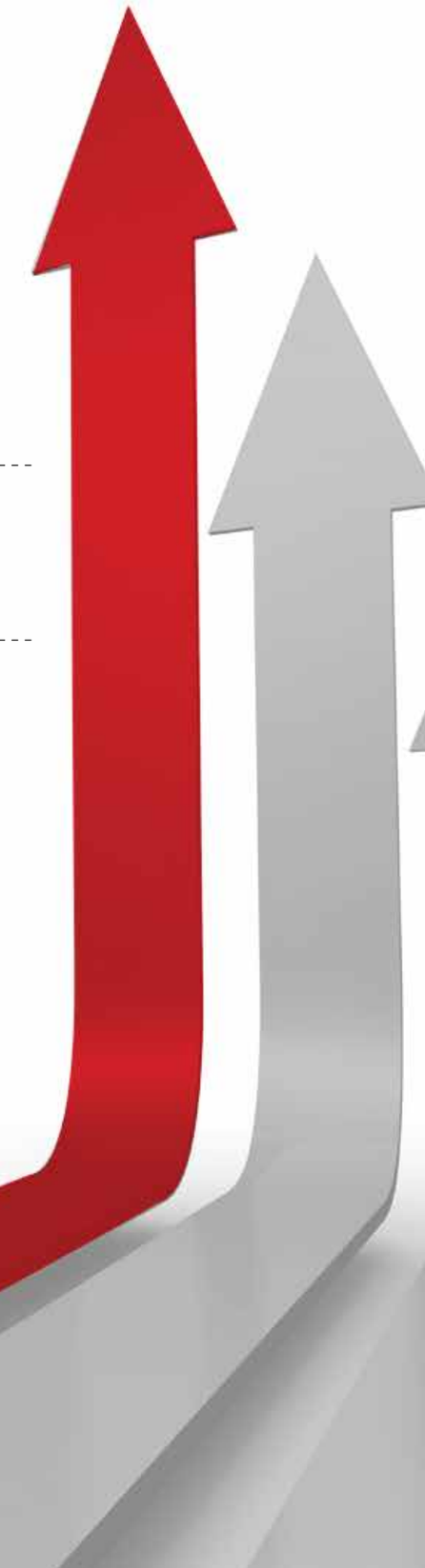
REACHED **17.44%**

SSI MANAGED OVER **153,000** ACCOUNTS

GROWTH RATE **20.5%**

NUMBER OF EMPLOYEES REACHED OVER **153,000** ACCOUNTS

GROWTH RATE **15.7%**



GENERAL INFORMATION



VISION:
THE BUSINESS OF SUCCESS

SSI Securities Corporation (SSI) operates based on the vision “The Business of Success”.

At the heart of all our products and services is a drive for achieving success. We help unlock opportunities in financial markets and turn these into prosperity and growth.

We put all our resources and ideas behind bringing success to our clients, our people, our shareholders and the communities we operate in.

MISSION:
CONNECTING CAPITAL TO OPPORTUNITIES

SSI’s mission is to connect capital to opportunities.

This mission unifies all the businesses under the SSI brand and will guide any future opportunities, which the brand may take on.

CORE VALUES

***S*olutions-Led:** We are focused on the outcome of making our customers successful, and we prioritize their individual needs over existing products or processes.

***S*killed:** We are experts in our industry and in our markets and will continually enhance our professional skills to provide the highest standards of service to our customers.

***I*nventive:** We empower and encourage our people to find creative new ways to bring success to SSI and its customers.

CORPORATE INFORMATION

SSI Securities Corporation (SSI – HOSE) was found in December 1999 as the first privately licensed securities firm and the smallest one in the market at that time. With more than 18 years of experience in Vietnam financial market, the Company has become a leading financial institution, which has the fastest growth rate in term of charter capital. With strong financial capability, high standard corporate governance, and professional human resource, SSI provides clients a comprehensive range of financial products and services, maximizing shareholders' value. Currently, The Company has a wide network with 14 Branches/ Transaction Offices in big cities in Vietnam, such as Hanoi, Ho Chi Minh City, Hai Phong, Nha Trang, Vung Tau.

Company name:	SSI Securities Corporation (SSI) (Formerly known as Saigon Securities Incorporation)
Legal Representative:	Mr. Nguyen Duy Hung (Chairman cum CEO)
Date of incorporation:	30/12/1999
Charter Capital (as at 31/12/2018):	VND 5,100,636,840,000
Owner's equity (as at 31/12/2018):	VND 9,155,664,527,633
Head Office:	72 Nguyen Hue, Ben Nghe Ward, District 1, Ho Chi Minh City
Website:	http://www.ssi.com.vn/
Telephone:	+84 28 38242897
Fax:	+84 28 38242997
Number of employees (as at 31/12/2018):	1,026 including 548 employees who are fully certified for securities license.



HISTORY

1999 - 2002

30/12/1999: SSI was founded with its head office based in Ho Chi Minh City, with two main operations: Brokerage Services & Investment Advisory. Initial charter capital was VND 6 billion

07/2001: Charter capital was raised to VND 20 billion with 4 main operations: Investment Advisory, Brokerage Services, Principal Investment & Securities Depository

07/2002: SSI established its first branch in Hanoi, expanding its networks to Northern areas

2003 - 2005

06/2005: SSI raised charter capital to VND 52 billion with 6 operations including Investment Advisory, Brokerage Services, Principal Investment, Securities Depository and Investment Portfolio Management, Underwriting Service

2006 - 2008

11/2006: Successfully advised the issuance of the first convertible bond in the Vietnam Stock Market of SSI, introducing a new funding vehicle for public companies other than issuing common shares

12/2006: SSI's stock was listed on the Hanoi Securities Trading Center (now known as Hanoi Stock Exchange)

08/2007: SSI Asset Management (SSIAM), a subsidiary of SSI, was founded

10/2007: SSI was officially listed on the Ho Chi Minh City Trading Center (now known as Ho Chi Minh Stock Exchange)

04/2008: Charter capital was raised to VND 1,366 billion

06/2008: Daiwa became Strategic Shareholder of SSI

2009 - 2011

07/2009: SSIAM became the first company to have a license to invest outside of Vietnam

05/2010: Charter capital was raised to VND 3,511 billion

2012 - 2014

03/2013: Charter capital was raised to VND 3,537.9 billion

2015 - 2017

04/2015: SSI successfully issued secured and non-transferable bonds via private placement: SSIBOND012015 bonds with total issuance value of VND 500 billion at Jan 2015 and SSIBOND022015 bonds with total issuance value of VND 300 billion at April 2015

09/2015: SSI became the first company that completed all required procedures to officially lift its limit of foreign ownership up to 100%

01/2017: Charter capital was raised to VND 4,900.6 billion

04/2017: SSI carried out successfully two private placements of corporate bonds with a total of VND 300 billion for each issue, in January and April 2017

05/2017: SSI was granted with securities trading license by the State Securities Commission for trading derivatives and providing clearing services and settlement of derivatives trading

Hanoi Stock Exchange (HNX) issued its decision to approve SSI as a trading member of derivatives market

2018

02/2018: SSI successfully issued its 3-year fixed rate convertible bonds with the total value of VND 1,150 billion at a coupon rate of 4 percent annually

12/2018: SSI celebrated its 18th anniversary and officially changed company name to SSI Securities Corporation, unifying company name with abbreviation and stock ticker

Charter capital was raised to VND 5,100.6 billion

18/12/2018

SSI CELEBRATED ITS 18TH ANNIVERSARY AND OFFICIALLY CHANGED COMPANY NAME TO SSI SECURITIES CORPORATION, UNIFYING COMPANY NAME WITH ABBREVIATION AND STOCK TICKER



BUSINESS UNITS



SECURITIES SERVICES

Products and Services for enabling investing in listed stocks and mutual funds including: opening of trading accounts, brokerage, order placing, advisory, cash transactions, securities depository; consultancy and support for OTC transactions, distribution of open-ended fund certificates, and distribution of certificates of deposit and corporate bond; Initial Public Offering (IPO) auction agent;

Products and Services for derivatives market including account opening, brokerage, advisory, order placing, cash transactions;

Financial services: margin lending, and cooperation with banks to support securities trading;

E-trading services: Web Trading, Pro Trading, Mobile Trading, Smart Trading, Contact Center and SMS;

Research and Investment Advisory: macro reports, investment advisory report, daily call report, industry research report, company reports, stock valuation reports, money market reports, fund flow reports, technical analysis reports;

Corporate access: company visits to listed/unlisted companies, seminars to introduce investment opportunities to Vietnam and international investors.

TREASURY

Treasury business activities including currency transaction and investment through term-deposits contracts, loan contracts, entrustment, bond repos, fixed income instruments and other structured product transactions;

Bond services including brokerage, auctions and underwriting services;

Providing flexible structured products to optimize advantage in funding needs as well as investment capital on the market with optimal interest rates and with appropriate maturities.

INVESTMENT BANKING

Corporate financing advisory: business evaluation, corporate financing restructuring, listing and IPO advisory;

Mergers and Acquisitions (M&A) advisory;

Advisory for capital raising in domestic and international capital market: stock, bond and derivatives issuance and underwriting via public offering or private placement

SSI ASSET MANAGEMENT (SSIAM)

Fund Management: capital mobilization and management for onshore and offshore funds;

Portfolio Management: discretionary and non-discretionary portfolio management for domestic/international institutions as well as individual customers, corporate clients and Private Wealth management;

Investment Advisory: for institutional and individual, domestic and foreign customers; strategy and asset allocation advisory.



AWARDS

BROKERS POLL 2018 ASIAMONEY

Awards from Asiamoney Brokers Poll for consecutive 6 years. In 2018, there are 22 awards including 3 ones for the company and 19 ones for 16 individuals, in 4 main categories:

- **Award for SSI:**

  “Best Local Brokerage in Vietnam”

- **Award for SSI Research and Investment Advisory:**

  “Best for Overall Country Research in Vietnam”

  “Best research coverage” for several SSI analysts covering different sectors (17 out of 19 categories)

- **Award for SSI Institutional Brokerage:**

  “Best overall sales services”

  “Best sales trader in Vietnam” in 2018: Ms. Ngo Thu Nga (Director) – 1st position, Mr. Banh Chan Oai (Deputy Manager) – 2nd position, Mr. Duong Quoc Thinh (Deputy Manager) – 3rd position

Other Awards from Asiamoney

- "Best Securities House in Vietnam" in 2018

Award from Euromoney

- "Best Bank in Vietnam for Equity Finance for Real Estate services" in 2018

Award from The Asset

- "Asset Management company of the year" in 2012 – 2014 – 2015 – 2016 – 2017 – 2018
- "Best Brokerage" in 2018
- "Best corporate and institutional adviser – Domestic" in 2018
- "Best IPO: Vinhomes US$1.35 billion IPO" in 2018

Award from FinanceAsia

- "Best Broker" in Vietnam in 2008 – 2009 – 2010 – 2011 – 2014 – 2015 – 2016
- "Best Equity House" in Vietnam in 2008 – 2009 – 2010 – 2012 – 2016
- "Best ECM House" in Vietnam in 2014 – 2015 – 2018
- "Best Investment Bank" in Vietnam in 2010 – 2011 – 2014 – 2016 – 2018
- "Best IPO" and "Best Vietnam Deal" in 2018 - Vinhomes VND30.8 trillion ($1.349 billion) Initial Equity Offering

Award from Asian Investor

- "Vietnam Onshore Fund House of the Year" in 2010 – 2016 – 2017 – 2018

Award from Alpha Southeast Asia

- "Best retail brokerage in Vietnam" in 2018

Award from Forbes

- Top 50 Best Listed Companies in Vietnam in 2014 – 2015 – 2016 – 2017 – 2018
- Top 40 Most Valuable Brands Vietnam in 2016 – 2017 – 2018

Award from Vietnam M&A Forum

- The most outstanding securities company of IPO Advisory and Private Placement category in the period 2017 – 2018

Award from Anphabe

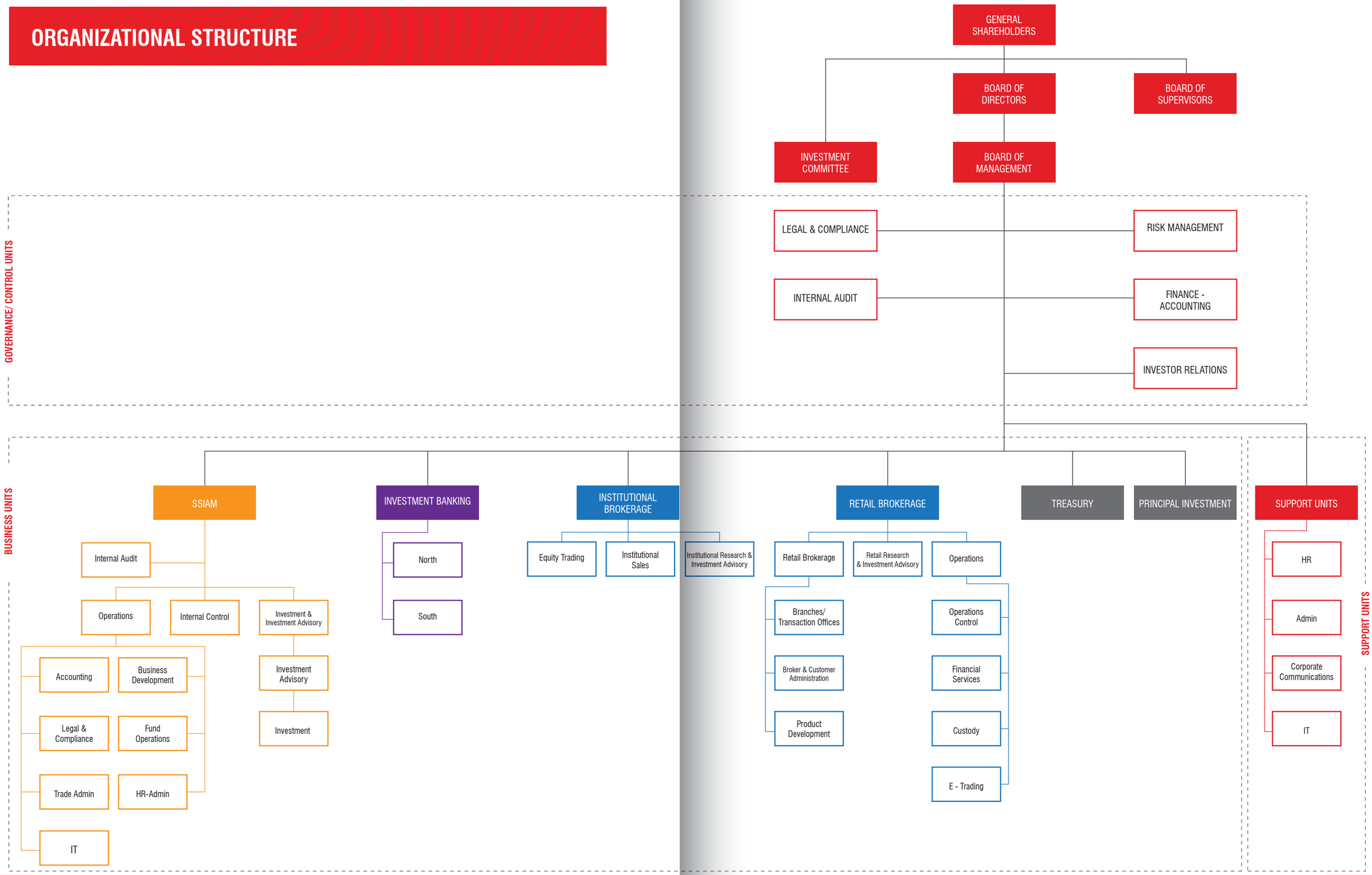
- Top 50 Most Attractive Employer Brands of 2017 – 2018
- Top 15 Best Workplaces in Vietnam in Investing/ Finance/ Audit in 2017

"Top 10 Best Annual Report – large-cap category" awarded by HOSE, HNX and Việt Nam Investment Review (VIR) magazine.

- **Top 1000 Enterprises with Largest Tax Contribution in Vietnam** (V1000) for 7 consecutive years.
- **Merit from Ministry of Finance** for having many achievements and contributions in building and developing Vietnam Stock Market from 2016 to 2018
- **Top 500 Most Profitable Enterprises in Vietnam** (PROFIT500) in 2018
- **Top 500 Fastest Growing Firms in Vietnam** (FAST500) in 2016 – 2017 – 2018 – 2019
- **Top 500 Vietnamese Largest Private Enterprises** (VNR500) for 11 consecutive years (2008 – 2018)
- **Top 10 outstanding Securities Company** in HNX and HOSE
- **Awards from Vietnam Securities Depository:**
  - Outstanding member in securities depository activities in 2018
  - Outstanding member in stock/ cash transaction in 2018
  - Outstanding member in derivatives transaction in 2018

ORGANIZATIONAL STRUCTURE & KEY PERSONNEL

ORGANIZATIONAL STRUCTURE



KEY PERSONNEL

BOARD OF MANAGEMENT



Mr. Nguyen Duy Hung
Chairman cum Chief Executive Officer



Mr. Nguyen Hong Nam
Deputy Chief Executive Officer

GOVERNANCE/ CONTROL UNITS



Mr. Nguyen Kim Long
Director of Legal & Compliance



Ms. Le Cam Binh
Director of Internal Audit



Ms. Nguyen Thi Thanh Ha
Chief Financial Officer



Ms. Hoang Thi Minh Thuy
Chief Accountant



Mr. Dang Manh Cuong
Director of Risk Management



Ms. Bui Thi Hong Nhung
IR Manager

BUSINESS UNITS

SSIAM



Ms. Le Thi Le Hang
Chief Executive Officer



Ms. To Thuy Linh
Deputy Chief Executive Officer

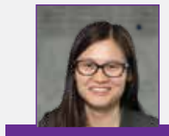


Mr. Nguyen Phan Dung
Deputy Chief Executive Officer

INVESTMENT BANKING



Ms. Nguyen Thi Huong Giang
Director - Southern Region



Ms. Nguyen Ngoc Anh
Director - Northern Region

INSTITUTIONAL BROKERAGE



Mr. Mai Hoang Khanh Minh
Managing Director



Mr. Michael Joseph Lynch
Managing Director



Ms. Ngo Thu Nga
Director of Equity Trading



Ms. Cao Thị Ngọc Quỳnh
Director of Institutional Sales



Ms. Hoàng Việt Phương
Director of Institutional Research & Investment Advisory

RETAIL BROKERAGE



Mr. Bui The Tan
Managing Director



Mr. Nguyen Duy Linh
Deputy Managing Director



Ms. Do Thi Thanh Thuy
Deputy Managing Director



Ms. Huynh Thi Thanh Thao
Director of Operations



Mr. Nguyen Duc Hung Linh
Director of Retail Research & Investment Advisory



Ms. Le Thi Thanh Tam
Director of Product Development

TREASURY

PRINCIPAL INVESTMENT



Ms. Nguyen Vu Thuy Huong
Managing Director

SUPPORT UNITS



Ms. Doan Ngoc Ly Ly
Chief Operating Officer



Ms. Do Thi Quynh
Chief Personnel Officer



Mr. Yam Wai On (Steve Yam)
Chief Information Officer



Ms. Luong Lan My
Director of Corporate Communications



Ms. Vu Thi Thu Trang
Admin Manager

BUSINESS ENVIRONMENT

VIETNAM ECONOMY IN 2018

BEAT ALL ESTIMATES

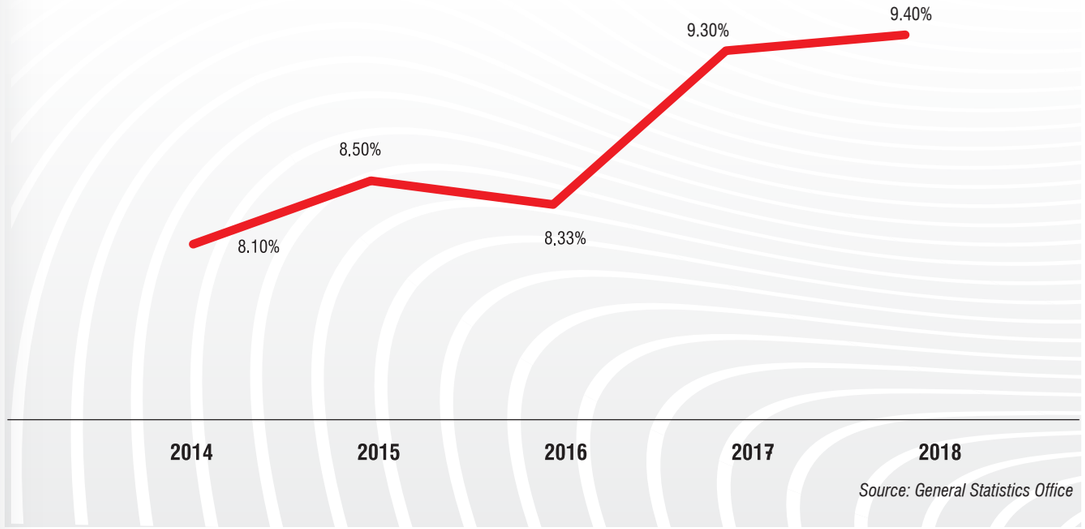
Vietnam economy growth hit a multiple year high in 2018, with top-tier growth in terms of global growth at 7.08% YoY, a pinnacle achievement and the highest since 2007. By sector, growth drivers originated from manufacturing (+12.98%) and construction (+9.1%), and also from the agriculture sector having posted growth at a 6-year high.

By expenditure, final consumption increased 7.17%, and fixed asset formation jumped by 8.22% YoY. For **retail sales**, nominal growth is 11.7% YoY, and real growth was similar to last year (9.4% vs 9.3%).

As for the **tourism** sector, Vietnam received 15.5 million pax of international tourist arrivals, another massive increase, this time at +20% YoY.

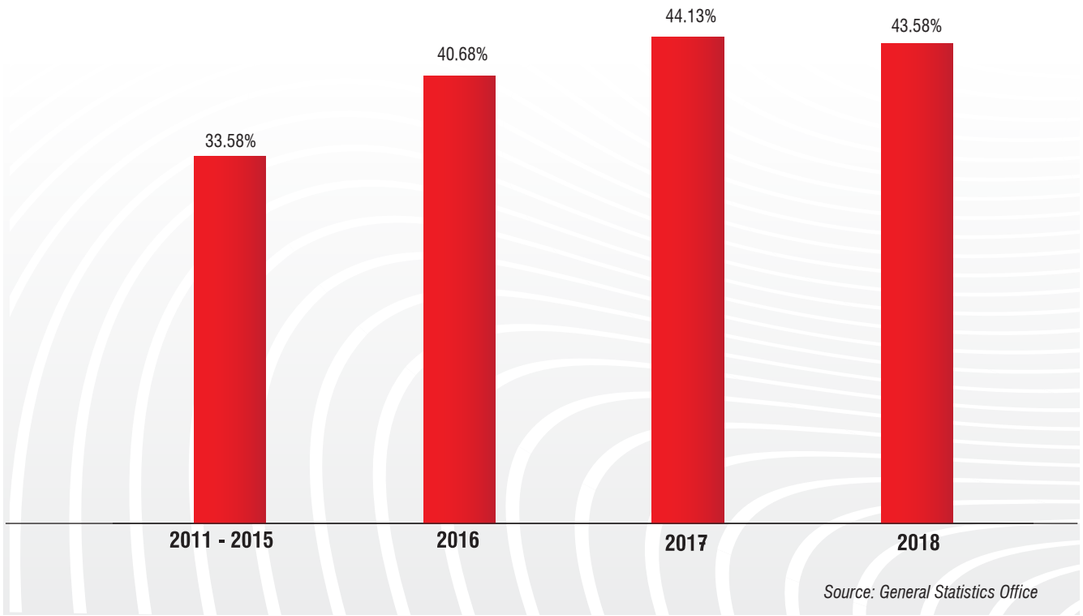
High growth still remains to be associated with low **inflation**. For the full year, CPI increased by 3.54% YoY on average, lower than the government target of 4%. Major drivers for the CPI in 2018 include the gasoline price, healthcare, food and the education fee. Core inflation is quite low, just 1.48% YoY on average.

Real retail sales growth in 2014 - 2018



Source: General Statistics Office

Total Factor Productivity (TFP) in 2011 - 2018



Source: General Statistics Office

In fact, the level of growth is close to the recent peak last seen from 2005 - 2007. The major difference resides within the quality of growth. During 2006 - 2007, the percentage of total factor productivity to GDP growth is quite small (around 5%), while it was 43.5% for 2018 (2016 - 2018 average: 43.29%). In layman terms, it means Vietnam needs less capital, yet requires a workforce increase in order to achieve a similar level of growth. Looking at the data, it becomes evident that the improvement in manufacturing and the construction sector, along with tamer inflation, resulted as key catalysts for this impressive growth.

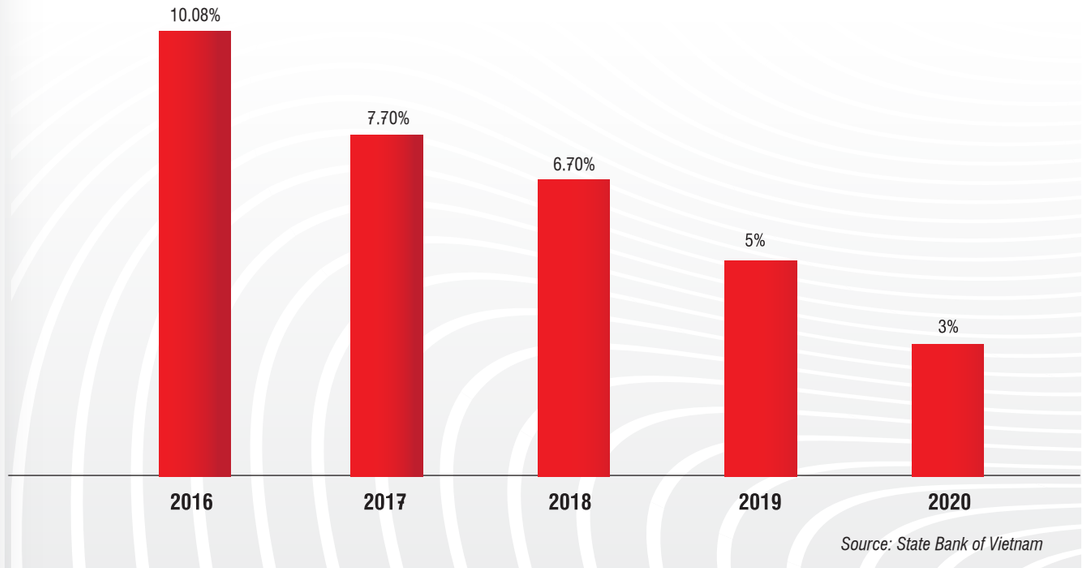
On **the investment side**, in total there was an increase to 11.2% YoY (at about $80 bn, or 33.5% GDP), and once again the private sector led the charge on growth (+18.5% YoY), followed by the FDI sector (+9.6%) and then the public sector (+3.9%). Please note that in the breakdown, the public sector only includes 100% state owned enterprises, so there might be some other SOE investment counted in the private sector that comprises of part state-owned enterprises in the mix.

For **FDI** in particular, SSI saw impressive rebound for FDI into Vietnam during the final month of 2018. In this surprise upside report, newly registered FDI added $2.22 bn USD, and helped to pare the decrease of registered FDI in 2018 to about -13.83% YoY, totaling $25.6 bn. Disbursed FDI came to approximately $2.6 bn in Dec 2018, leaping by +73% YoY and pushing the full year number to $19.1 bn, a 9.1% gain from last year's results. With such relatively high registered foreign investment being maintained (1.85x of annual disbursement), it could ensure further growth in terms of FDI implementation in 2019.

For **FII**, 2018 figures are also impressive at $9.89 bn, which also leaped nearly +60% YoY. So all together, registered foreign investment (FDI plus FII) was about $35.46 bn.

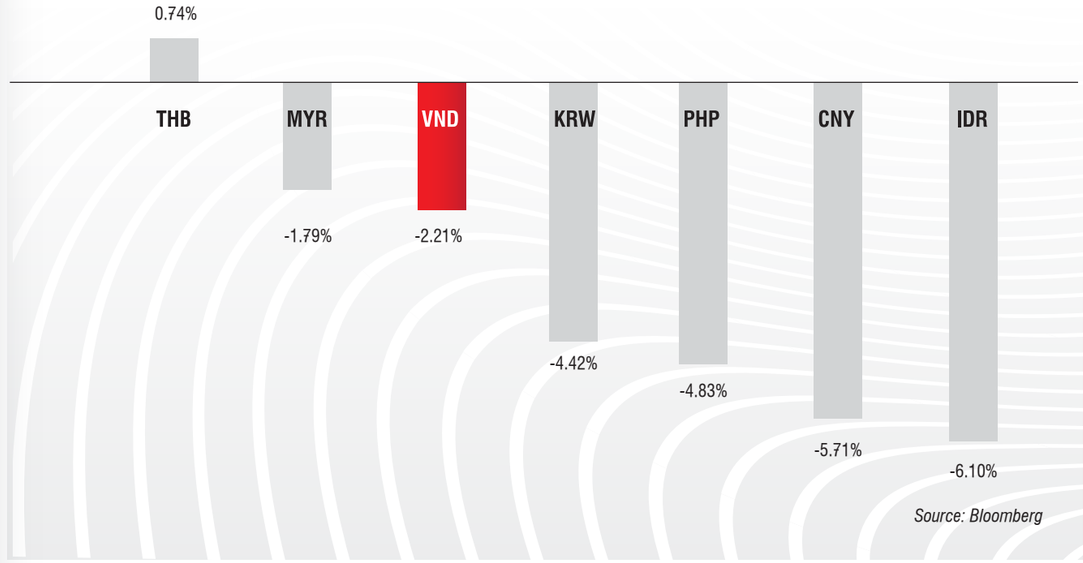
On the monetary side, **M2** increased by 12.5% YoY (2017: 14.19%), and **credit growth** was 14% (2017: 18.1%). It did show that monetary policy is more on the tightening side, which started from 2H 2018 after growth is in line with expectation and global volatility is rising. On the fiscal side, a **budget deficit** was not in sight, but the full year balance might be reported as deficit, as normally carry-over to 2019 is allowed. Anyway we could still say that state budget is at a surprisingly healthy level by end of 2018. This is mostly owed to the government that spent less than expected while development investment was at 65.1% of the full year plan.

Banking sector's NPL ratios in 2016 – 2020



Source: State Bank of Vietnam

Exchange rates of Asia's currencies vs. USD in 2018

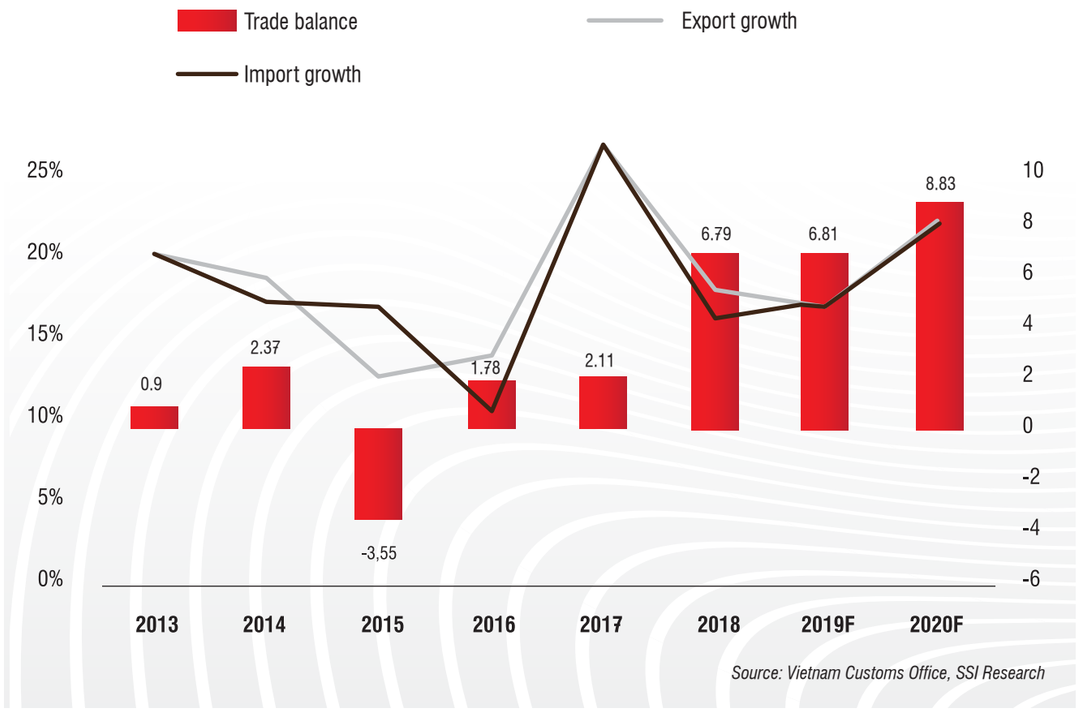


Source: Bloomberg

The most impressive factor, amongst other things, for Vietnam is on the trade front. **Export** growth was 13.2% YoY ($243.5 bn), and **import** growth was 11.1% YoY ($236.7 bn), pushing the Vietnam trade balance to a **huge surplus of $6.8 bn**, a record high level. Beside decent export growth also seen in Machinery +28.2%; Camera +37.8%;

Textile & garment +16.7% YoY, the key drivers for trade surplus come from (1) ***Strong net export of handphone*** (USD 33.21 bn in 2018 vs USD 28.84 bn in 2017), thanks to higher local content of mobile production and (2) ***Import substitution effect***, thanks to the new operation of Nghi Son Refineries and Formosa production.

Export – import growth and trade balance



Source: Vietnam Customs Office, SSI Research

However, the instability factors still exist in 2018. Remarkably, the VND devaluation was quite strong in the second half of the year (due to negative effects from the US-China trade war), and there were many fluctuations in the real estate market. (due to the impact of the Special Law draft and the limited supply due to legal problems).

VIETNAM STOCK MARKET IN 2018

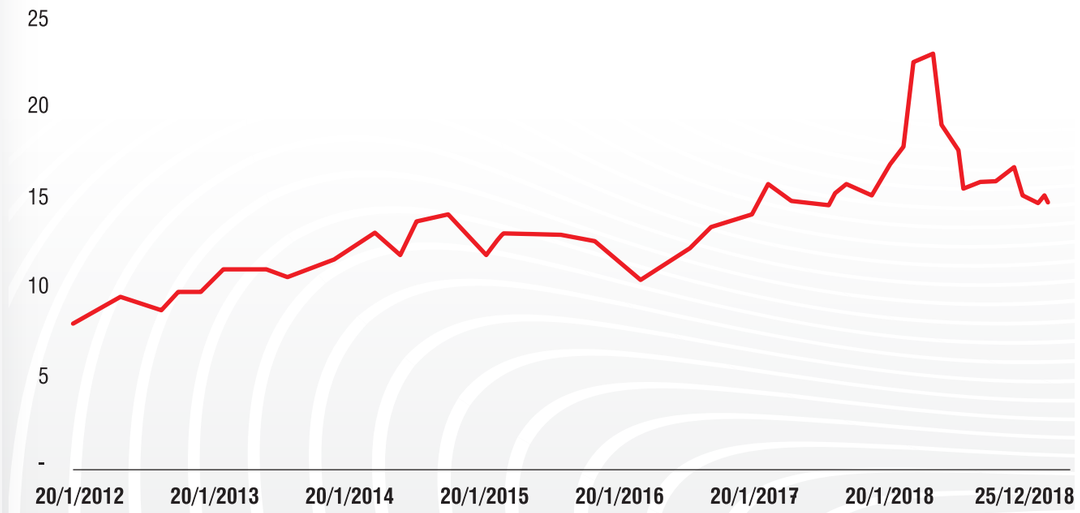
The Vietnam Stock Market's investor base has not changed much in 2018, as institutional investors just comprised 16% of daily market trading in 2018. The market therefore is influenced by the whims and sentiment of local retailed investors, whose behavior could be extreme in a year with a penchant for trading amidst high degrees of volatility. It seems to retail investors that the rally was over when the currency became more vulnerable with a sudden trade war risk and the fact that interest rates already having bottomed out in Q2 further compounded the vulnerability issue of the currency.

As local investors follow closely both the VND and the interest rate, it is worth zooming out to regional comparisons to better understand the real performance of the local currency for the year. VND outperformed regional peers in 2018, with only a ~2.4% depreciation thanks to higher-than-expected current account surplus and a tightened monetary policy. On the other hand, interest rates increased faster than our expectation, at 70-100 bps for lending rates and 50-70 bps for deposit rates by the end of 2018. Rising interest rates have molded investors' perspective to be more prudent in making investments in both the stock market and property market, and a risk-off mindset has dominated local investor sentiment.

It's a wide contrast from when the market P/E was 15-16x, and when the 1-year deposit rate was 6.5% one year ago. Nowadays, market P/E has reduced to 12-13x, as 1-year deposit rates has increased to 8% (please refer to our current P/E chart for Vietnam market below). The average dividend yield of Vietnam stocks has been reduced from 6.8% in 2015 to 4.1% in 2018 and 3.6% in 2019. It also effected a shift in which more individually-held assets pivoted from stocks to corporate bonds, some of which are offered at rates 200 bps higher than 1-year bank deposits.

While retail investors comprise the main driver of the market at current, they are also keen to watch closely what foreign institutional investors do. This is because foreign institutional investors end up having to buy the stock at a higher price than domestic investors are able to, hemmed in by Foreign Ownership Limits and two-tiered pricing for domestic vs. foreign investors. Investibility has been the key issue for foreign investors to further engage with the Vietnam market for a very long time. It is not only an obstacle for foreign investors, but it is also a key hurdle to address in order for the country to upgrade to emerging market status.

Vietnam Market P/E 2012 – 2018

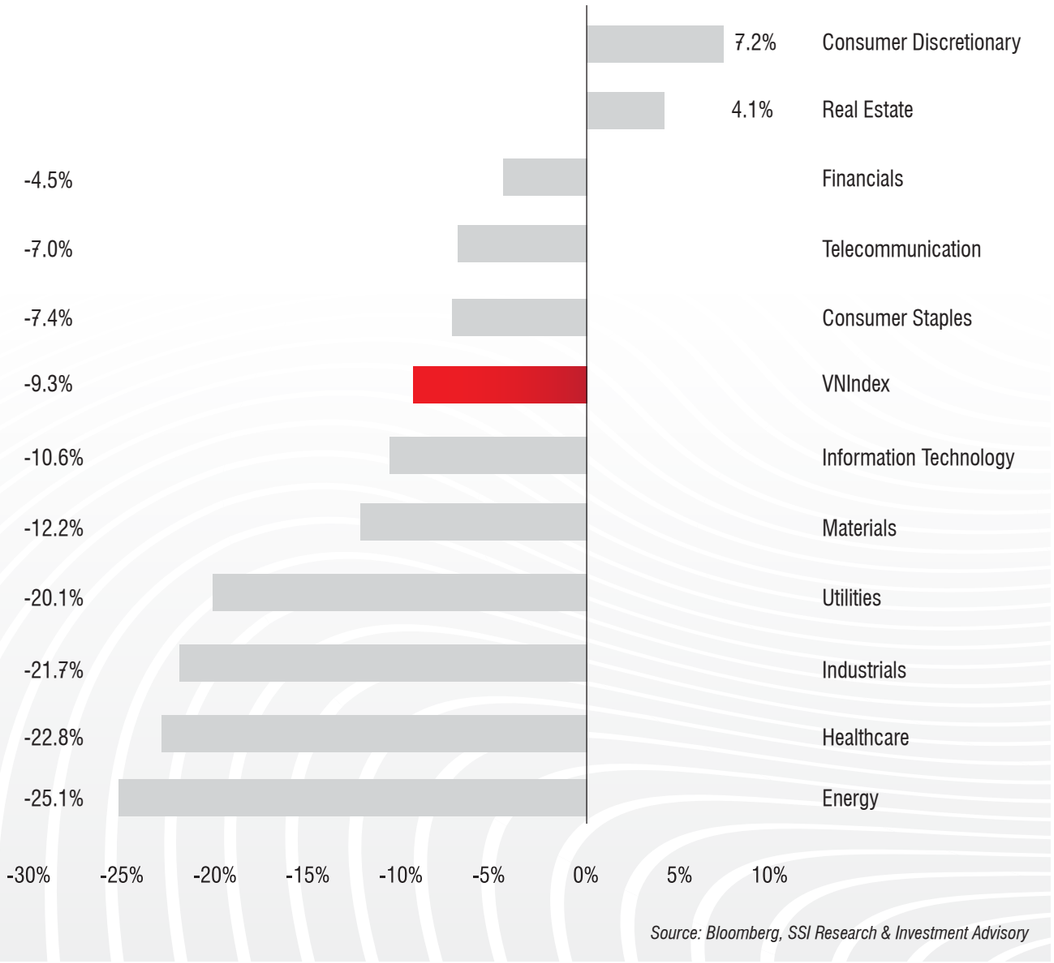


Source: SSI Research & Investment Advisory

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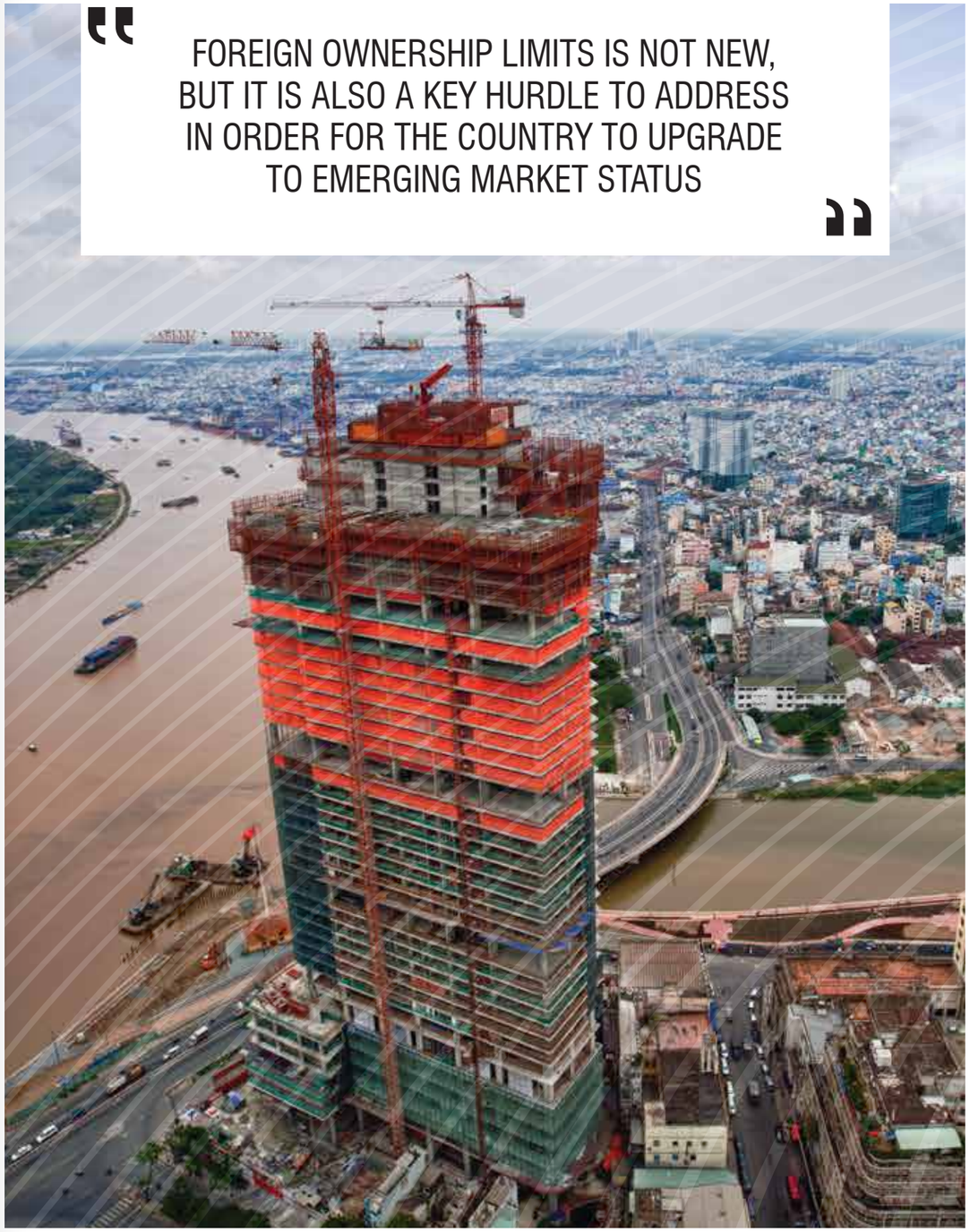
Initial public offering (IPO) activities of both SOEs and private enterprises were strong, making Vietnam the largest IPO market in Southeast Asia in 2018. However, the situation was getting worse quickly in the second half of the year, when the IPO/ divestment of SOEs slowed down. In addition, investors became more pessimistic when the participation in IPO, even for the State or private sector, led to big losses in this period.

Vietnam Stock Market performance by sector in 2018



Source: Bloomberg, SSI Research & Investment Advisory

> FOREIGN OWNERSHIP LIMITS IS NOT NEW, BUT IT IS ALSO A KEY HURDLE TO ADDRESS IN ORDER FOR THE COUNTRY TO UPGRADE TO EMERGING MARKET STATUS





2019 OUTLOOK

A BUD IN THE MUD

Vietnam's high growth trajectory might well extend into 2019, thanks to new production capacity and stable FDI. The National Assembly approved the plan for 2019 goals, with GDP growth at 6.6-6.8% YoY, CPI at about 4% on average, and budget deficit at 3.6% GDP. The government target will be at the higher end of the National Assembly plan, as it wants to push ahead growth and reform to mark the completion of the 5-year plan (2016 - 2020).

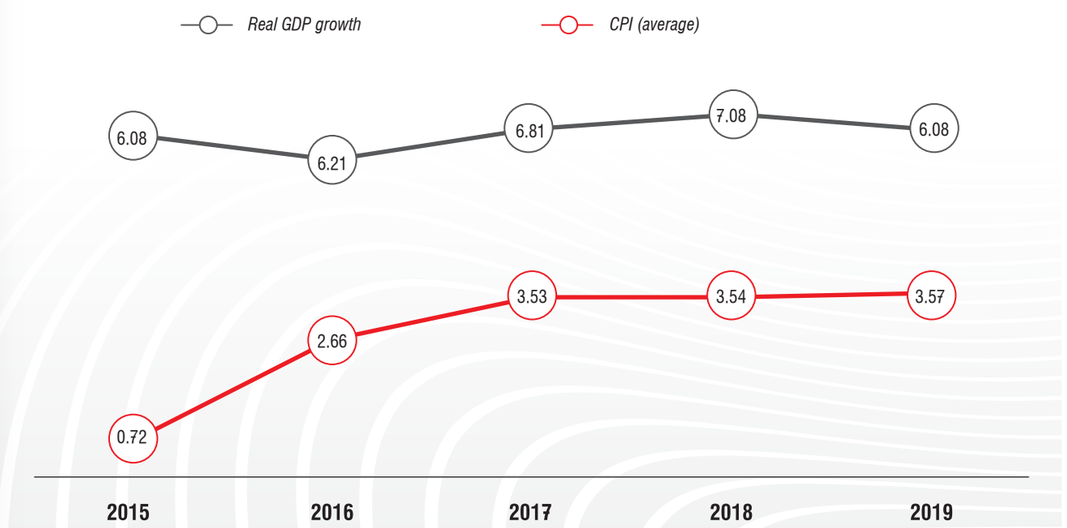
In the meantime, Vietnam has become **a highly preferred alternative location** where manufacturing conglomerates can diversify their production bases against the backdrop of the trade war of attrition currently ongoing between the US and China. Vietnam is seen as an attractive alternative for a production base, especially given the openness of the economy and its proximity to China. Therefore, the manufacturing sector could maintain its current momentum, thanks to new production capacity and stable FDI inflow. Construction of infrastructure projects could also bring in support, starting in 2H 2019. There is potential room for growth in this segment if the public investment engine could fire back up after a long lull as Vietnam wraps up its 5-year cycle 2016-2020. Current ongoing reforms in Vietnam are not just limited to SOEs sector or the banking system, but also are aimed towards more access to global markets through a number of new free trade agreements, such as the CPTPP or EU-Vietnam FTA, which should bring in additional waves of foreign investment.

For **inflation**, we believe that pressure is relatively tranquil and along schedule. This relatively lower pressure on inflation in turn paves the way for an acceleration in subsidies removal upon electricity (8.36%), domestic coal, healthcare, education, plus the imposition of the new environmental tax. Food & foodstuff prices are already at a high base in 2018, which might translate to a buffer to keep inflation in check.

Anyway, the rebound on the commodities price, the El Nino impact on agriculture products, and less bang for the buck with VND would be key risks to our assumptions. The National Assembly recently reminded the government that in the 2016-2020 plan, the inflation target for 2020 is "lower than 3%". The stance from the National Assembly essentially sets the tone from the top, one of inflation control, and a stance that will likely continue to remain a national priority for years to come.

With less pressure on inflation in the short-term, **monetary policy could see a slight dovish-tinged tightening** which means policy-makers could switch to easing if needed to support growth, which might be feasible with a tamer inflation print. While credit growth limit for 2019 is only 14%, signalling tightening stance, but flexibility is still there if weaker growth being witnessed. Meanwhile, **fiscal policy might continue to be accommodative** to allow fuel for public investment to focus on infrastructure projects.

GDP and CPI growth in 2015 - 2019



Source: GSO, SSI Research

For **interest rates**, a precedent of a tightening monetary policy would lead to higher lending rates by about 30 to 50 bps in 2019. Inflation risk is not significant, but there is a dynamic of a rising cost of funds (to comply with Basel II and other requirements from the central bank). While we believe the current trend of shifting more towards retail lending (which have higher yields) will continue at most banks, we also expect the lending rate for retail borrowers to increase at a larger scale. This is especially the case for long-term loans such as mortgages, loan instruments of which often carry favorable fixed rates in the first 1-2 years before converting into floating and commercial rates in the following years. On the upside risk, improved recapitalization for the banking system could be a positive catalyst for the manifestation of more stable interest rates.

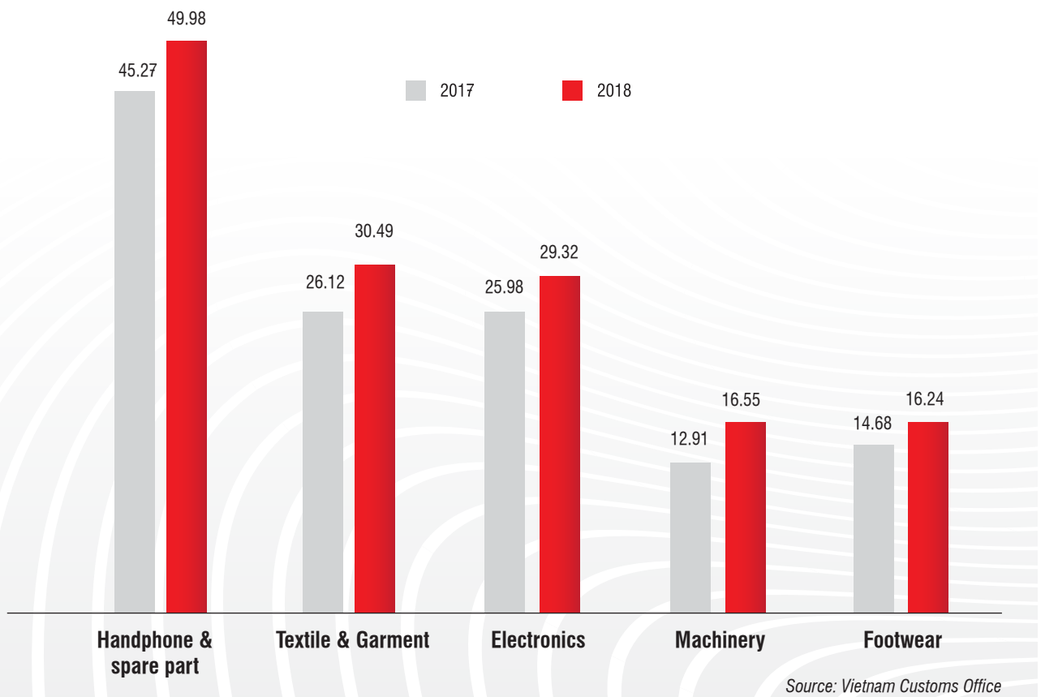
As the likelihood of USD rate hike by FED in 2019 subdues, **we believe that forex fundamentals for Vietnam are still alive and well,** with inflows from stable FDI disbursement, FII (on SOE divestment and IPOs, banking system recapitalization, and M&A in private sector), remittance, trade surplus, and other vectors that in aggregate helps to keep the balance of payment in surplus. So, the pressure on exchange rates might be less pronounced than it was in 2018. The X-factor is the trade war intensification, which can have a material impact on the CNY, and on VND indirectly.

On the trade front, Vietnam would be still able to post another trade surplus for 3 years in a row, based on:

- Growth in manufactured exports (not just from mobile phone, but also from other electronics)
- Improved value-added exports (not just limited to processing, but also with more developed supporting industries, and more build-up of integrated value chains)
- Import substitution (steel, petroleum products)
- Benefits from potential trade war/new FTAs (CPTPP, EVFTA, etc.)

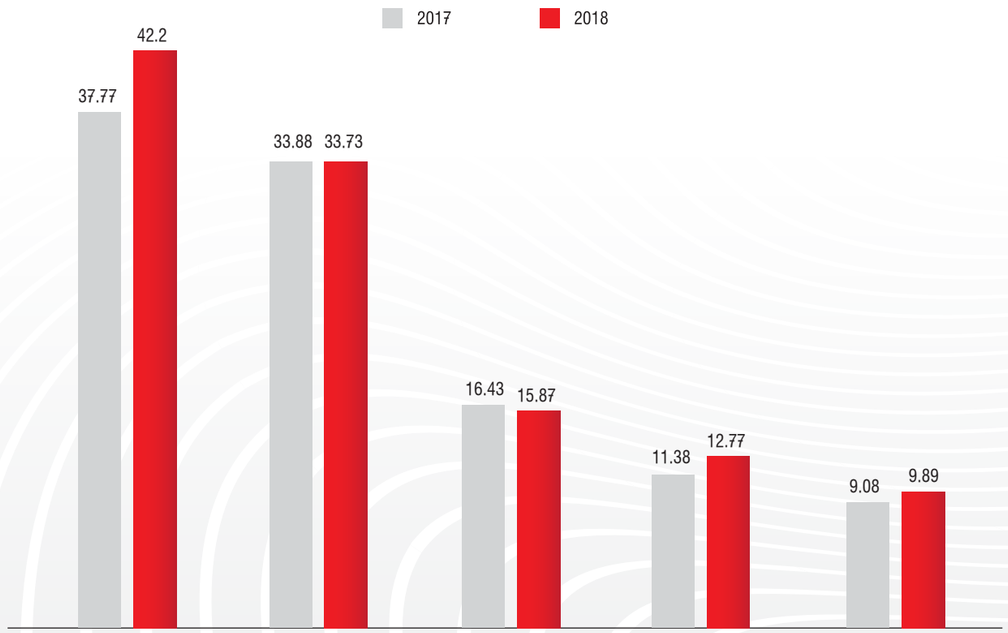
On the other hand, protectionism, weaker global demand (not just for slower growth in general, but weaker demand for some important sector to Vietnam such as smartphone) could pose a big risk to the growth potential.

Major exports of Vietnam in 2017 – 2018 (Unit: USD bn)



Source: Vietnam Customs Office

Major imports of Vietnam in 2017 – 2018 (Unit: USD bn)



Source: Vietnam Customs Office

On SOE reform, we expect state-owned enterprise (SOE) IPOs and divestments to accelerate in 2019-2020, a welcome change after a lull starting back in 2Q 2018. 2018 is a disappointing year for privatization. Regarding IPOs, the government ideally plans to equitize 127 SOEs during 2017-2020 (44 in 2018, 64 in 2019), but currently implementation of these equitizations is in actuality quite less than that (with only 24 by 2017 and 3 in 2018). Regarding divestment, the government planned 135 SOE divestments in 2017 (actual: 13) and 181 SOEs in 2018 (18 completed as of November). On listing, by mid-2017 there was then 747 unlisted SOEs. After a lot of efforts, there are still 667 unlisted SOEs as of Nov 2018.

On the positive side, the process for transferring SOEs to Commission for the Management of State Capital at Enterprises (CMSC) progressed at a more rapid clip recently. Basically, CMSC will directly represent state ownership of 19 economic groups and state corporations. It's expected that the management of a single entity, i.e. CMSC, would bring about more favour to the reform process of these SOEs, despite difficulties ahead.

In short, we believe that Vietnam economy faces a mixed bag of issues in 2019, with more headwinds from global economy slowdown, rising protectionism and a tightening monetary policy. On the other hand, tamed inflation and stronger fiscal position could leave ample room for policy makers in case growth is not on the right track, even though GDP target is only 6.6 – 6.8%, lower than 7.08% achieved in 2018.

VIETNAM STOCK MARKET IN 2019

As 2018 was a disappointing year for the VN-Index (YTD VN-Index reduced by 9.4%), it seems that Vietnam fundamentals and stock market performance has experienced a divergence, due to a number of reasons mentioned above. With a protracted US-China trade war of attrition as the base case for 2019, forward-facing stock market valuation has been lowered to reflect weaker sentiment from local investors. Looking forward, **the market needs a firecracker of a catalyst** to boost investor confidence amid global uncertainties.

Privatization remains a strong catalyst for the market in the next 2 years, as it benefits not only the macro side (capital inflow leading to strong currency) but also the stock market as well as corporate governance improvement. If privatization could be implemented in the right way, then an upgrade to emerging market status could be another catalyst for growth. However, words need to translate into action, else these growth catalysts may not be sparked into action for the near term.

Stock market reform, i.e. implementing stock market reform plan by 2020, revising the Securities Laws, or slashing the commission's floor level, launching new product such as covered warrants, etc. could attract more investors attention and improve liquidity.

Valuation could become more attractive over time, especially as the market overreacts to negative news. When that trough in negative sentiment touches bottom, it could then be the right timing to buy, as Vietnam underlying growth fundamentals are expected to be resilient and two important catalysts remain intact, with an impact for years to come. 2019 earnings growth is forecasted to be 18.3% YoY, lower than 2018 but still at a healthy level in our opinion. The stock market is trading at 2018 and 2019 PERs of 15.2x and 12.8x based on the market prices from 20th Dec 2018. Given a positive earnings Outlook in 2019 amid weaker sentiment, we lower our market PER expectation, and forecast that the stock market might edge up around 10%-15% in 2019 as compared with 2018 levels as our base case assumption. This translates to a market PER target of 13x, which could justify higher uncertainties amid a rising interest rate environment. Please note that during 2013-2016, Vietnam market PER always traded under a 14x level.

Most sectors that may have experienced high earnings growth in 2018 including property, banking, consumer discretionary, and industrials are expected to experience slower growth next year. However, these sectors continue to lead the market/economy in terms of its profit growth rate. Although the market still favors growth stocks, when gazing into a year with more uncertainties, we ultimately believe stocks with high dividend will be also favored. Some specific sectors might also attract attention, such as potential beneficiaries from US-China trade war (Industrial parks), e-commerce (thanks to a currently low penetration rate in Vietnam), retail or consumer discretionary.

BUSINESS ENVIRONMENT / 2019 OUTLOOK



SSI 2018 PROUDLY REACHING FURTHER

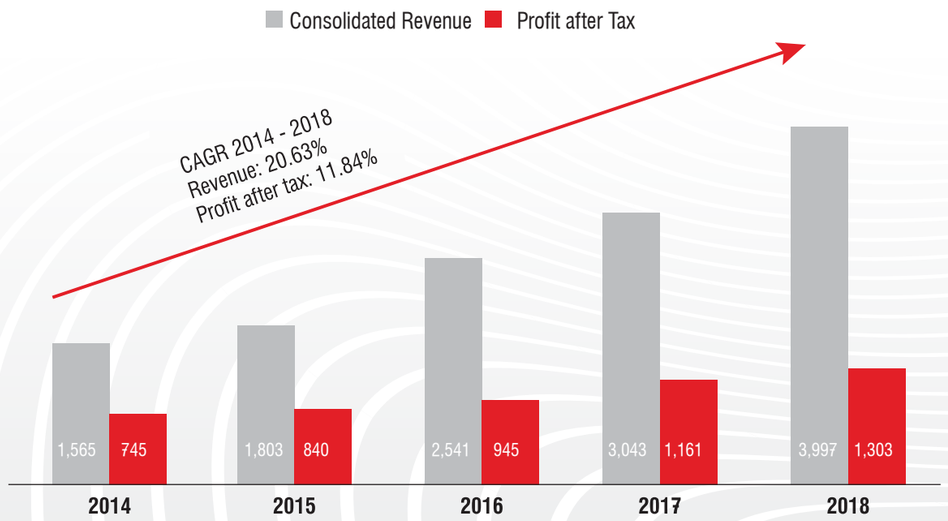
OVERALL PERFORMANCE REPORT FROM THE BOARD OF MANAGEMENT

2018 BUSINESS PERFORMANCE

2018 witnessed strong volatility of the Vietnam Stock Market and many adverse impacts from the international market. VN-Index surpassed the historical high, setting a record on April 10, 2018 with 1,211 points. However, it was also from this new peak then fell sharply, upon the closing of the last session in 2018, VN-Index stood at 892.54 points, down by 26.3% from the peak, and by 9.32 % YoY. Securities companies in general and SSI in particular were faced with multiple difficulties in business operations. However, with the position of the leading securities company with a sustainable development strategy, SSI still recorded effective business results, outperforming the business plan's targets approved by the General Meeting of Shareholders, growing all aspects of market share, customer base, services and products, branch network and human resources. In the context of challenging business environment and fierce competition from many other securities companies including foreign securities companies operating in Vietnam, SSI remained committed to diversifying products and services in core businesses, including Retail Brokerage and Institutional Brokerage (brokerage, custody, investment advisory), Investment Banking (financial advisory for corporate customers), Principal Investment, Treasury and Asset Management, to provide customers with a full range of services, enabling customers to optimize investment capital and business flexibility.

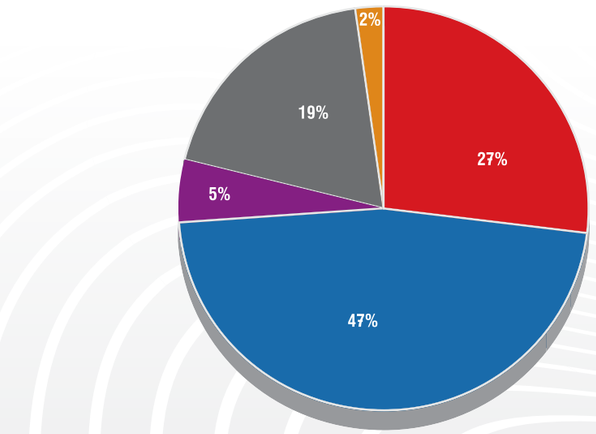
The company recorded a total operating revenue and other consolidated income in 2018 of VND 3,997 billion, growing by 30.9% YoY and exceeding the business plan by 17.2%. Pre-tax accounting profit reached over VND 1,623 billion, growing by 15.5% YoY and also exceeding the business plan. Total assets grew strongly to reach VND 23,825.6 billion and owner's equity reached VND 9,155.6 billion. SSI has a healthy financial structure with high bank loans being backed by a large deposit balance as a reciprocal source. Operating costs are strictly controlled within the budget.

Business performance from 2014 to 2018 (VND billion)



Source: SSI Consolidated Financial Statements

Consolidated revenue structure in 2018



Source: SSI Consolidated Financial Statements

Regard to **Securities Services**, SSI focuses on both institutional clients and individual clients, providing periodic and specialized analysis reports, improving the quality of investment advisory and efficient transaction support, expanding the network of branches and brokers, offering financial products and services, investing in improving trading technology. 2018 is the 5th year in a row SSI topped the brokerage market share for the whole year on HOSE and HNX, respectively at 18.7% and 11.89%. Customer base grew strongly to over 153 thousand accounts - an increase of 20% compared to the previous year. The revenues in 2018 from Securities Service reached over VND 1,893.6 billion or an increase of 42.6%.

Investment Banking focus on advisory on share issuance for businesses, seeking for investors, providing high quality advisory and active support for enterprises. SSI has secured many landmark deals in the market in 2018. Investment Banking's results also exceeded the business targets, reaching VND 125 billion.

Treasury plays a major role in effective management of the Company's capital, assisting customers to safeguard their business capital, making payment in a flexible and prompt manner, actively expanding cooperating relationships with commercial banks with strong brand names, pioneering in the launch of new products and services, striving to coordinate with Securities Services to expand margin lending activities to serve retail clients. In 2018, Treasury activities recorded a revenue of VND 759.1 billion, exceeding the business targets.

Principal Investment experienced a challenging year due to adverse developments of the market. However, the Company always pursues the investment strategy in the primary economic sector, which has the potential for sustainable development and timely divestment from mature sectors or in other words, no longer have potential to grow to make funds available for investment opportunities in 2019. The total revenue from Principal Investment mounted to VND 1,093 billion in 2018

SSI Asset Management Ltd. (SSIAM) is responsible for fund management, actively seeking investors, further diversifying product distribution channels, developing a number of funds to raise capital from foreign institutional investors and launching products for retail investors with large investment needs. At the end of 2018, SSIAM had total assets of VND 5,573 billion under its management, revenue from fund and portfolio management in 2018 reached VND 65.5 billion.

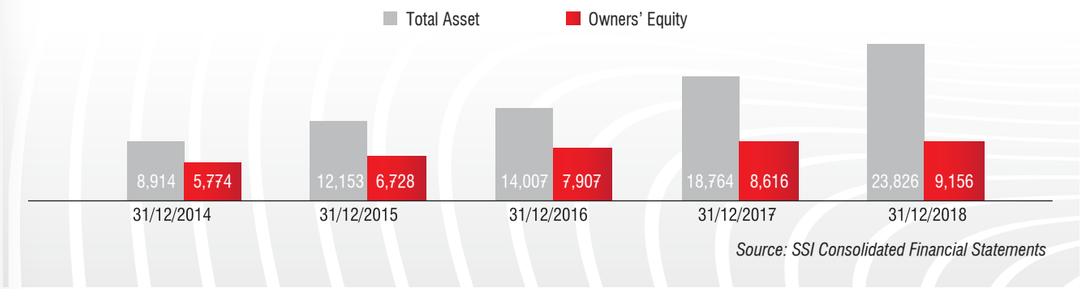
SSI 2018 / OVERALL PERFORMANCE REPORT FROM THE BOARD OF MANAGEMENT

2018 FINANCIAL POSITION

In 2018, the total assets of the Company increased dramatically from VND 18,764 billion (as at the end of 2017) to VND 23,826 billion, up by nearly 27% YoY. This growth is mainly attributed to the promotion of margin lending activities for retail investors and treasury activities.

Outstanding balance of margin lending increased from VND 5,764 billion at the beginning of the year to VND 5,966 billion as at 31/12/2018, being top 1 in the market. However, margin lending has been conducted with rigorous risk control thanks to the co-ordination of multiple control inspections of the Operations Control, Financial Services, Risk Management and periodic review of Internal Audit in collaboration with Internal Control. Risk management process for margin lending activities is an end-to-end process, from the development of a scoring system for stocks qualified for margin lending, to the determination of reasonable limits, monitoring of potential daily volatility, to compliance with risk management discipline when the warning thresholds are hit. Strict risk management supports customers to make flexible and safe investment transactions and preserve capital for the Company, in 2018 no bad debts were incurred in SSI. Margin lending activities were evaluated as fairly effective despite a year of ups and downs, outstanding loans at times reached a record level of over VND 7,043 billion and sometimes decreased to VND 5,000 billion, but overall posing no risk. The average lending interest rate of over 12% of the total outstanding loans has contributed significantly to revenue, accounting for more than 19% of the total operating income of the Company.

Growth in consolidated assets and owners' equity from 2014 to 2018 (VND billion)



Source: SSI Consolidated Financial Statements

In addition to margin lending activities, assets grew mainly thanks to treasury activities, i.e. the balance of term deposits at banks. Total bank deposits increased from VND 8,228 billion at the end of 2017 to VND 12,939 billion, equivalent to a 57% growth. This asset is fully financed by loans from commercial banks and some other mobilized sources without resorting to equity. The average interest rate difference between borrowing interest rates and deposit interest rates is 1.5%. Treasury not only bring a part of revenue to the Company, but these impressive figures are also testimony to SSI's creditworthiness, professionalism and dynamism in business relations with commercial banks. Furthermore, it also brings other benefits such as building a low-cost, fast and effective payment relationship in payment services for investors. Risk management for treasury activities is also very rigorous with partner banks for loans and deposits being prestigious banks with absolutely guaranteed liquidity. In 2018, the Company did not have any payment delay or disputes related to loan and deposit contracts.

Asset growth also corresponds to the growth of the Company's capital. In 2018, the Company raised minimal capital under the Employee Stock Ownership Plan (ESOP), equivalent to VND 100 billion. Owner's equity reached more than VND 9,155 billion in 2018, up from VND 8,616 billion at the end of 2017.

The remaining source mainly includes bank loans with outstanding short-term loans from banks at the end of 2018 being VND 11,193 billion and SSI's convertible bonds balance being VND 1,150 billion. The most remarkable deal in 2018 is that SSI successfully issued VND 1,150 billion of convertible bonds to foreign partners at low interest rates, reflecting the high level of credit rating of the Company. Although the loans and bond issuance grew at a large scale, SSI always ensured liquidity at the highest level, in 2018 as well as throughout the business process, the Company never had a liquidity risk event nor generated any bad debts. Capital raising is mainly done in VND, with the exception of one loan made in foreign currency from a foreign bank - Hongkong Sinopac but properly hedged by foreign currency swap contract. As mentioned above, the Company's loans are mainly to finance the asset growing transactions, namely bank deposits which are free of potential credit risks. Deposit terms are very flexible and are always signed with an overdraft loan limit, along with accurate projections of interest rate fluctuations, so the company are not faced with interest rates risks.

2018 FINANCIAL HIGHLIGHTS

Business performance	2014	2015	2016	2017	2018
Net revenue (VND)	1,564,510,137,885	1,802,941,289,604	2,540,929,472,830	3,043,190,092,433	3,938,662,332,650
Net profit from operating activities (VND)	859,922,881,979	1,048,759,561,596	1,141,560,999,946	1,392,314,526,117	1,567,029,926,018
Total profit before tax (VND)	927,840,400,057	1,053,797,641,057	1,144,062,998,942	1,405,021,409,033	1,623,213,463,955
Profit after tax of the parent company's shareholders (VND)	744,830,193,840	841,566,556,381	946,703,413,703	1,161,852,985,813	1,304,930,180,565

Balance sheet	2014	2015	2016	2017	2018
Total assets (VND)	8,914,435,465,737	12,153,431,597,528	14,006,830,388,635	18,764,375,171,848	23,825,626,725,361
Paid-in charter capital (VND)	3,537,949,420,000	4,800,636,840,000	4,900,636,840,000	5,000,636,840,000	5,100,636,840,000
Total number of weighted average shares	464,358,318	471,713,404	480,436,945	490,089,282	499,834,406
Owner's equity (VND)	5,773,805,744,525	6,727,609,014,290	7,906,811,867,993	8,616,249,695,902	9,155,664,527,633

SSI 2018 / OVERALL PERFORMANCE REPORT FROM THE BOARD OF MANAGEMENT

Asset structure	2014	2015	2016	2017	2018
Current assets/Total assets	71.9%	90.30%	90.41%	91.81%	93.47%
Long-term assets/Total assets	28.1%	9.70%	9.59%	8.19%	6.53%

Capital structure	2014	2015	2016	2017	2018
Liabilities/Total assets	35.2%	44.64%	43.55%	54.08%	61.57%
Equity/Total assets	64.8%	55.36%	56.45%	45.92%	38.43%

Rate of returns	2014	2015	2016	2017	2018
Profit after tax/Total assets (ROA)	8.4%	6.91%	6.74%	6.19%	5.47%
Profit after tax/equity (ROE)	13.1%	12.6%	12.1%	13.6%	14.3%
Profit after tax/Charter capital	21.1%	17.49%	19.28%	23.22%	25.54%
Profit after tax/Net revenue	47.6%	46.58%	37.18%	38.15%	33.08%
EPS (VND)	1,492	1,658	1,843	2,208	2,428

Solvency ratios	2014	2015	2016	2017	2018
Current ratio (Current assets/Current liabilities)	2.06	2.33	2.17	1.84	1.65
Quick ratio (Cash, cash equivalents and short-term financial investments/Current liabilities)	1.33	2.28	2.13	1.81	1.65

BUSINESS UNITS

SECURITIES SERVICES

2018 HIGHLIGHTS

- SSI continues to affirm its No. 1 position in stock and fund certificate brokerage market share on both HOSE and HNX, specifically as follows: market share at HOSE reached 18.70% or an increase of 2.5% YoY; market share on HNX reached 11.89%, up by 0.49% YoY. Combining 2 Stock Exchanges, SSI's market share remained at the top of the market, reaching 17.44% - up by 2.18% YoY; in particular, brokerage market share for foreign clients reached 25.25%, increasing by more than 20%.
- SSI Securities Services recorded impressive growth in business performance: revenue increased by 42.6%, profit increased by 16.2% compared to 2017.
- Margin lending balance increased from VND 5,764 billion at the beginning of the year to VND 5,966 billion at the end of the year, topping the market in terms of size, with a record level of over VND 7,043 billion at some time during the year. Other business targets of Securities Services all have been successfully achieved such as the growth in the number of new accounts and investors' management accounts in parallel with the market growth.
- SSI continued to win most prestigious team and individual awards from Asiamoney - the regional top prestigious magazine. Besides, SSI also won the "Best Brokerage" award by The Asset and "Best Retail Brokerage in Vietnam" awarded by Alpha Southeast Asia.

SSI CONTINUES TO AFFIRM ITS NO. 1 POSITION IN STOCK AND FUND CERTIFICATE MARKET BROKERAGE SHARE



2018 PERFORMANCE

In 2018, amidst market volatility and fierce competition environment, SSI still managed to succeed, as evidenced by the growth in market share, revenue, profit and human resource development, further asserting its No. 1 position in Vietnam.

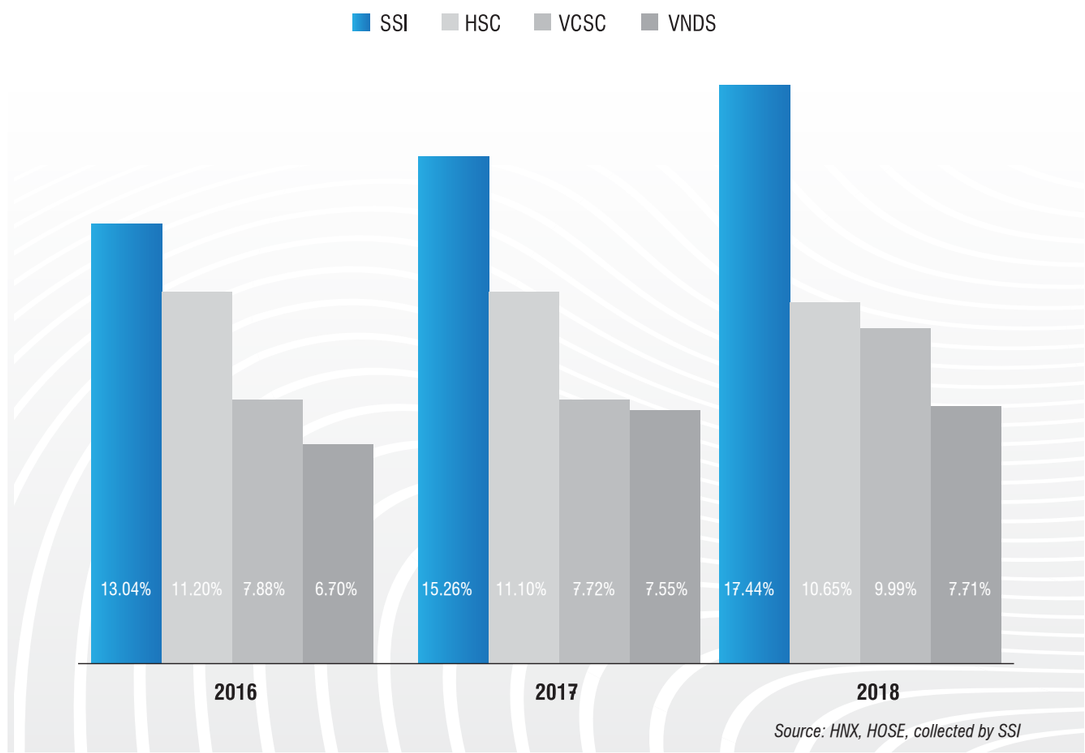
After a period of preparation, SSI Securities Services officially separated its management structure into two specialized Units: Retail Brokerage and Institutional Brokerage for better specialization and improved service quality for customers. In particular, Retail Brokerage has employed 87 additional brokers - bringing the total number of brokers to 566 as at the end of 2018, and opened two new Transaction Offices: Cach Mang Thang Tam and Nguyen Huu Canh Transaction Offices - raising the total number to 17 Branches/Transaction Offices and project teams. Institutional Brokerage has also recruited many highly qualified personnel and appointed 02 Co-Managing Directors - 01 American one with extensive experience in the international financial market, and 01 Vietnamese one with over 10 years of experience at SSI and insight of the local market and customers.

The success of SSI can be attributed to close and effective coordination between departments and two business units of Retail Brokerage and Institutional Brokerage. Retail Brokerage remains consistent with the customer-centric and result-oriented strategy in all activities. These achievements, in their turn, will drive each individual to strive to achieve greater goals in 2019. Institutional Brokerage continues to pursue its long-term development strategy towards providing top quality products and services to customers. Highly qualified and rational organizational structure is gradually taking shape and develops, promising a stronger development in the future with the determination to resume SSI's No. 1 position in the brokerage market share for foreign institutional clients. Operation Departments always accompany and support Business Units to complete transaction procedures in accordance with policies and regulations.

Here are some highlights of SSI Securities Services' achievements in 2018:

Largest market share

Overall market share in stocks/funds certificate

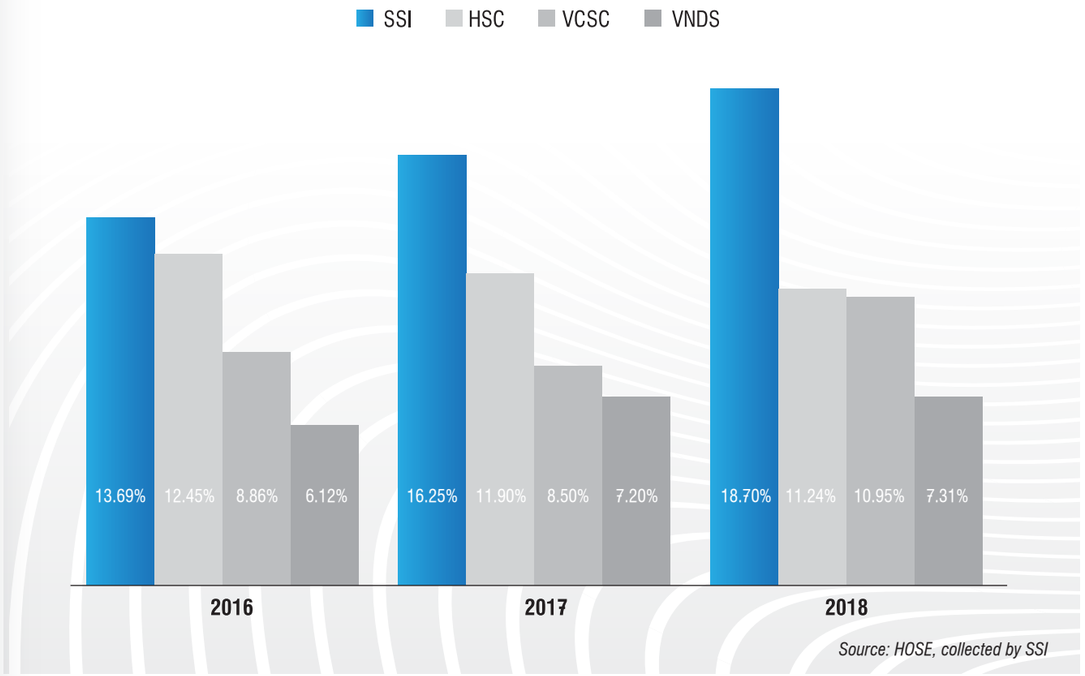


Source: HNX, HOSE, collected by SSI

Brokerage market share continues to affirm the number 1 position in the market for stock brokerage and fund certificates on both HOSE and HNX, representing 17.44% of the whole market - up by 2.18% YoY.

In particular, market share at HOSE reached 18.70%, up by 2.45% YoY

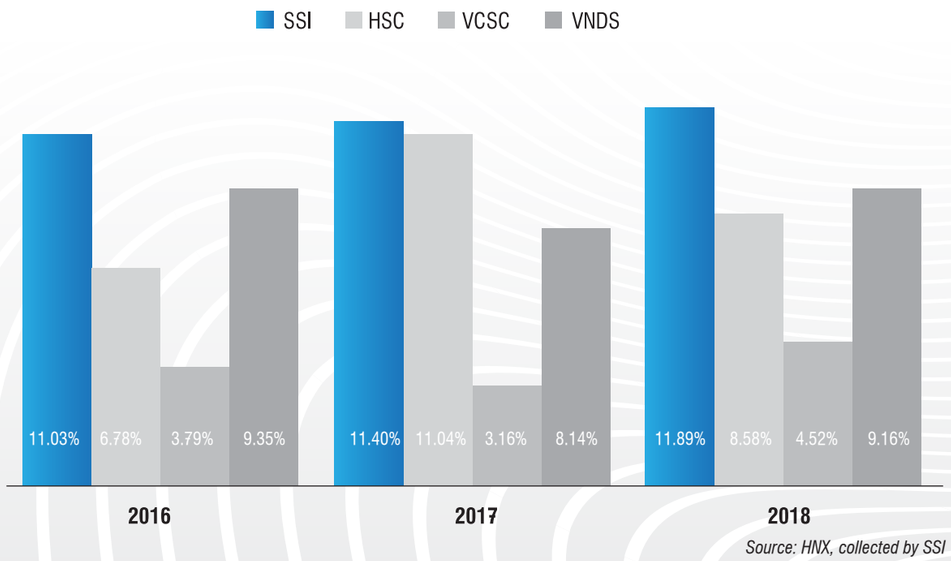
Top 4 stocks/funds certificate market share on HOSE



Source: HOSE, collected by SSI

The market share at HNX reached 11.89%, up by 0.49% YoY.

Top 4 stocks/funds certificate market share on HNX

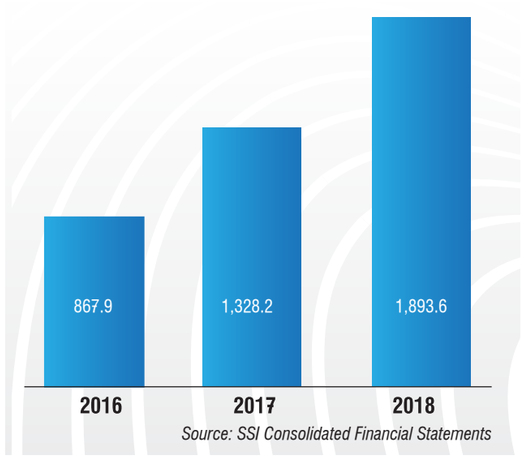


Source: HNX, collected by SSI

Significant growth in revenue and profit

Revenue from Securities Services continued to grow strongly and steadily over the years. Total revenues in 2018 reached VND 1,893.6 billion, increasing by 42.6% YoY. In particular, revenues from Retail Brokerage mainly come from brokerage fees and revenue from financial products (especially margin lending). For Institutional Brokerage, revenue comes from brokerage fees inside and outside the Stock Exchanges, from consulting contracts, investment advisory, investor relations advisory, and cross-sales with other businesses at SSI.

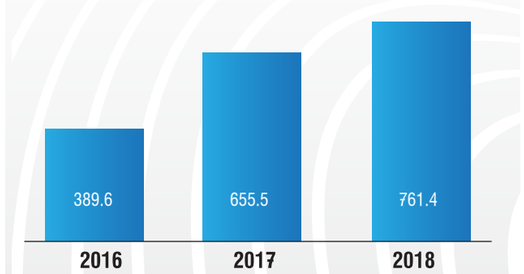
Revenue from Securities Services (VND billion)



Source: SSI Consolidated Financial Statements

Along with the revenue growth, the profitability of SSI Securities Services in 2018 also increased sharply to VND 761.4 billion, up by 16.2% YoY.

Profit from Securities Services (VND billion)

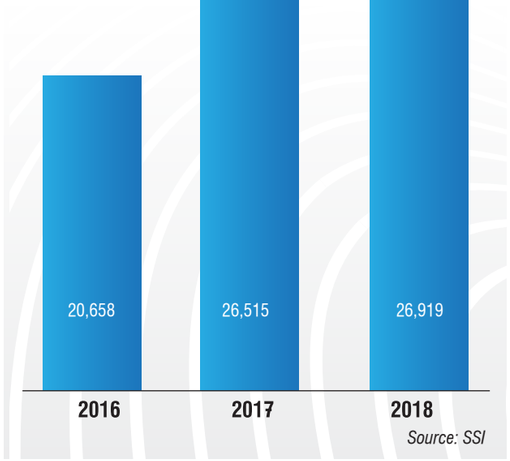


Source: SSI Consolidated Financial Statements

Strong growth of customer base and broker network

As at the end of 2018, SSI managed over 153,000 accounts, accounting for 7% of the total market. Among these, 26,919 new accounts were opened in 2018. The strong growth in the number of accounts represents a diversified customer development strategy and a targeted market with many customer segments such as: corporate customers who are listed companies, investment funds, domestic fund management companies; retail customers with regular transactions; foreign institutional customers from Hong Kong, Singapore, USA, Japan, Korea, Thailand and Europe.

Number of new accounts



Source: SSI

Taking advantage of market development opportunities, SSI continues to expand its network in key locations in Ho Chi Minh City. In 2018, there are 02 new Transaction Offices, namely Cach Mang Thang Tam Transaction Office and Nguyen Huu Canh Transaction Office. The company has also renovated and upgraded transaction facilities across the system, ensuring professional reputation of SSI and facilitating transaction conditions for investors.

Besides, to best serve the customers, SSI adopts a strategy to invest in competency of brokers. In 2018, the number of brokers increased from 479 to 566 brokers by the end of 2018 with a rigorous recruitment and evaluation process, focusing on ethics, professionalism, passion and aspiration work. Along with recruitment, training activities are also focused and implemented periodically at all branches/transaction offices to develop brokers into professional and dedicated investment advisors.

Improving service quality & developing new products

In 2018, SSI officially launched and operated a new core trading system for the stock market to better meet the needs of customers by providing modern technology, good connectivity, combined with business process automation, management of diverse products and high stability. The iBoard price board uses the latest technology for fast and accurate tracking of prices and customer transactions.

The company also upgrades Web Trading for derivatives market, aiming for 3 important focal points: **Speed, Conditional orders** and **Utilities**. Specifically, SSI provides 6 types of conditional orders to help investors apply flexible and diverse applications to create investment advantages, while managing risks of derivative transactions. Features, utilities, daily open and close position reports, historical close position reports, cash statements, profit-loss management, money transfers, etc. are also completed to help investors track and manage their account.

Also in 2018, SSI successfully developed a payment system connected with major banks such as Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB), Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), Asia Commercial Joint Stock Bank (ACB), Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank) to facilitate fast and convenient cash transfer of customers.

The company is also one of the first securities companies in Vietnam to coordinate with domestic and foreign depository banks to successfully implement business processes, support derivative transactions for foreign institutional customers.

Regard to Institutional Brokerage, SSI expanded its global partner network through securities companies and international banks to provide market information, as well as introduce investment opportunities for international customers. In 2018 only, the broker team conducted more than 2,000 meetings with international investment funds, organized 20 marketing trips to traditional financial markets such as the US, UK, Singapore, Hong Kong, South Korea, Japan and Thailand, co-organized 2 large investment conferences with Citi Group and Goldman Sachs to introduce nearly 40 Vietnamese enterprises to the world.

In addition, the Company continued to improve, automate and optimize business processes, and look for regional prestigious partners while adopting the customer relationship management (CRM) and quality management systems to further improve customer services. SSI has also completed the preparation of the system and business processes for covered warrant products, making it ready to supply such products to investors in 2019 according to the schedule of HOSE.



TREASURY

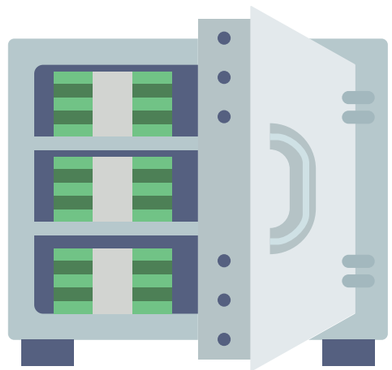


2018 HIGHLIGHTS

2018 is a year to affirm sustainable growth of both SSI and SSI Treasury. Total assets of SSI reached VND 23,825.6 billion (equivalent to USD 1 billion) - a record high thanks to the high and stable growth rate of 27% compared to 2017. As a result, the profit amount of Treasury reached VND 367.2 billion - an increase of 139% YoY. This is the result of its active treasury activities and pioneering position in the deployment of new products and services with the Bank, contributing significantly to the overall business performance of the Company. Besides, the staffing structure remains stable, with the addition of experienced and senior team members in the field, which is expected to deliver promising business performance in 2019.

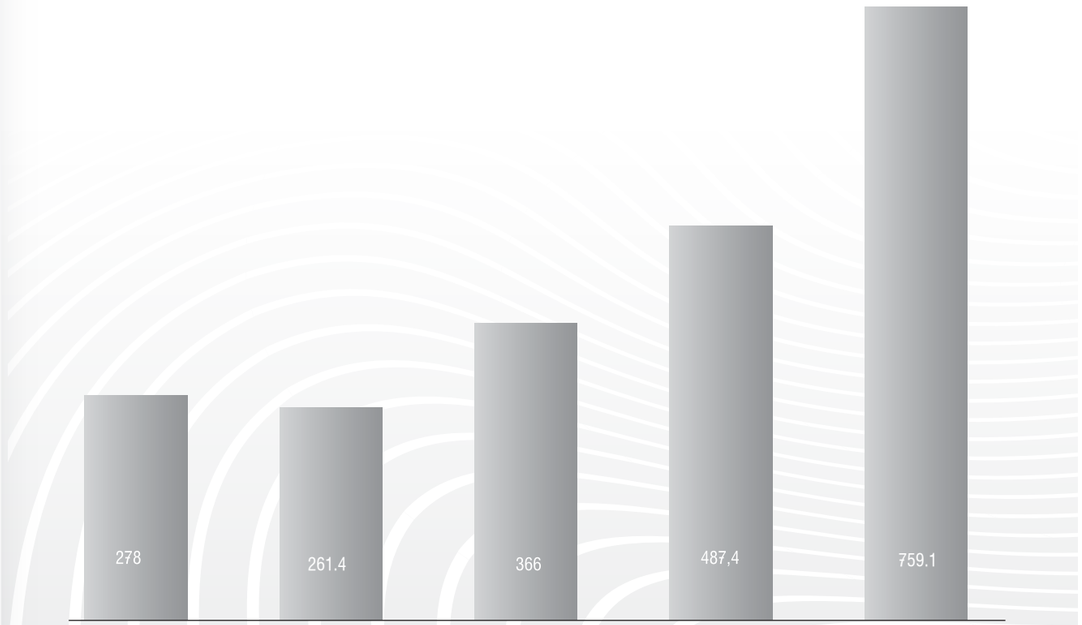
- Revenue and profit growth rate is over 55% and 139% respectively compared to the previous year, equivalent to VND 759.1 billion in revenue and VND 367.2 billion in profit.
- Total assets maintained a growth rate of 27% higher than the previous year. The company, for the first time ever, achieved the total assets of USD 1 billion (VND 23,825.6 billion).
- Liquidity safety is ensured while meeting all capital needs of customers and other business units.
- Diversification of partners with major domestic institutions is promoted while actively expanding relations with foreign financial institutions.
- Building, consolidating and developing staffing structure and gradually promoting business of structured and derivative products.

TOTAL ASSETS OF SSI REACHED USD 1 BILLION



2018 PERFORMANCE

Revenue from Treasury (VND billion)



Source: SSI Consolidated Financial Statements

Treasury continues to grow at a stable rate while there are not any major changes in macroeconomic conditions

In 2018, thanks to a relatively favorable business environment: interest rates on both capital and money markets experienced little volatility, the exchange rate was guaranteed, the liquidity in terms of both the Vietnamese dong and foreign currencies was positive, which all facilitated an enabling conditions for investors and market members. SSI Treasury has performed effectively both in terms of quantity and quality, which is seen in its scale and frequency of significant growth of transactions, along with high transaction efficiency to deliver sudden but expected growth in profits.

SSI continues to maintain its position in focusing on long-term asset transactions with reasonable interest rates and acceptable risk level to increase profits. Specifically, the investment is allocated to valuable papers of credit institutions, corporate bonds, derivative products and special structures with large financial institutions. Besides, the Treasury has also gradually prepared and developed financial products for non-professional financial investors through cross-sales with other Business Units in SSI.

Liquidity safety is always a secured top priority

In SSI's total assets, bank deposits always take up a very high proportion. In 2018, that proportion continued to be maintained in order to optimize profits and provide a liquidity tool to support all the needs of customers as well as other business activities of SSI. The company continues to introduce credit limits applicable to major domestic and foreign financial institutions to ensure the above objectives. These achievements contributed significantly to the development of SSI into the largest, most reputable, most financially secured securities company in the system which receives a high credit score in the financial market.

Optimization of investment opportunities through derivative and structured trading products

The Structured Products Department, established in 2018, is tasked to design and develop structured and derivative products such as corporate bond products and VND interest rate swaps (IRS). Following the success in 2017, the investment value of corporate bond reached approximately VND 1,000 billion and the revenue from sales of IRS products grew at a high level of VND 8,000 billion, which were highest among securities companies.

INVESTMENT BANKING



2018 HIGHLIGHTS

- SSI Investment Banking once again affirmed its leading position in Vietnam Stock Market with many record deals, various forms of transactions such as Advisory on secondary offering and listing of Vinhomes Joint Stock Company (VHM - HOSE), Advisory on private placement and listing of Tien Phong Commercial Joint Stock Bank (TPB - HOSE), Advisory on private placement of The PAN Group (PAN - HOSE), Advisory on transaction structure and public offering agents of shares of Hau Giang Pharmaceutical Joint Stock Company (DHG - HOSE), Advisory on divestment of the State Capital Investment Corporation (SCIC) from the Binh Minh Plastics Joint Stock Company (BMP - HOSE).
- The revenue from the Investment Banking in 2018 stood at its highest level in recent years, reaching VND 125 billion.
- SSI Investment Banking has become a popular name for many prestigious awards at home and abroad.

ASSET ASIA AWARDS TRIPLEA

COUNTRY AWARDS FOR ACHIEVEMENT FinanceAsia

EUROMONEY



2018 PERFORMANCE

2018 recorded a memorable start when VN-Index surpassed the peak of 1,200 points for the first time after 10 years while large-scale IPO deals at regional level were successfully traded. However, the market experienced strong fluctuations in the second half of the year, causing capital mobilization activities of enterprises to show signs of slowing down, and affecting the global and domestic stock markets. Even so, in 2018, the SSI Investment Banking continued to affirm its leading position thanks to many transactions of record values carried out in different forms.

Some impressive deals of SSI in 2018:

VINHOMES

The co-advisors for secondary offering of shares of Vinhomes Joint Stock Company (VHM - HOSE) to foreign investors for a total sale revenue of over USD 1.35 billion - which is considered the biggest offer of stock sale to foreign investors in the history of Southeast Asian and Vietnam stock markets. This successful deal has earned SSI many prestigious awards such as “Best Bank in Vietnam for Equity Finance for Real Estate services” by Euromoney magazine; “Best IPO: Vinhomes US$1.35 billion IPO” at The Asset Triple A Country Awards 2018; “Best IPO: Vinhomes VND30.8 trillion ($1.349 billion) Initial Equity Offering” and “Best Vietnam Deal - Vinhomes VND30.8 trillion ($1.349 billion) Initial Equity Offering” at FinanceAsia Achievement Awards.

BM PLASCO BINH MINH

Advisory on SCIC’s divestment from Binh Minh Plastics Joint Stock Company (BMP - HOSE) with a total transaction value of USD 103 million - SCIC’s largest divestment transaction among listed Companies in 2018.

TPBank

Advisory on private offering of shares of Tien Phong Commercial Joint Stock Bank (TPB - HOSE), with a total value of over USD 94 million. Most investors are foreign organizations, including PYN Elite Fund, SBI Ven Holdings, etc. This is considered the second largest private offering of shares in the banking sector in 2018.

THE PAN GROUP

Advisory on private offering of shares of The PAN Group (PAN - HOSE) with a total value of USD 35 million. PAN’s partner in this issuance is Sojitz, a multidisciplinary Japanese corporation, which is a mutually beneficial cooperation aimed to improve Vietnamese agricultural products and foodstuffs, and market distribution both domestically and internationally.

DHG PHARMA Vì một cuộc sống khỏe đẹp hơn

Advisory on transaction structure and the agents in charge of public offering of shares of Hau Giang Pharmaceutical Joint Stock Company (DHG - HOSE) for Taisho Drug Manufacturing Joint Stock Company (Japan) with a total transaction value of USD 48 million.

Besides, understanding the demand for bond market in the context of year-end stock market adjustments, SSI continues to develop such products as Certificates of deposit and corporate bonds to be offered to institutional and individual customers. In 2018, SSI acted as an agent to issue Certificates of Deposit for Home Credit worth USD 153 million and acted as a bond issuance agent for Hochiminh City Housing Development Commercial Joint Stock Bank (HDB - HOSE), Orient Commercial Joint Stock Bank (OCB), Ho Chi Minh City Infrastructure Investment Joint Stock Company (CII - HOSE), The PAN Group (PAN - HOSE), Vietnam National Seed Corporation (NSC - HOSE) with a total issuance value of more than USD 210 million.

ASSET MANAGEMENT (SSIAM)



2018 HIGHLIGHTS

- The fund and portfolio management activities generated VND 65.5 billion in total revenue and VND 38 billion in profit before tax.
- Further diversification of investment product distribution channels of SSIAM: SSIAM has successfully been linked with a number of major financial partners in Vietnam to distribute investment products, especially fund products, to potential customers of these partners.
- Successful deployment of SSIAM On The Go (SSIAM OTG) as an open online trading system with convenient functions for registration, safe and accurate placement of orders anytime and anywhere, which saves investor time and helps them in their account management and placement of trading orders for fund certificates.
- Higher frequency of trading open-ended fund certificates of SSIBF and SSI-SCA: This change has facilitated investors to buy/sell fund certificates while improving the liquidity of open-ended fund certificates.

SSIAM STAYED PUT IN ITS INVESTMENT GOALS AND STRATEGIES, FOCUSING ON INVESTMENT IN IMPORTANT ECONOMIC SECTORS OF VIETNAM



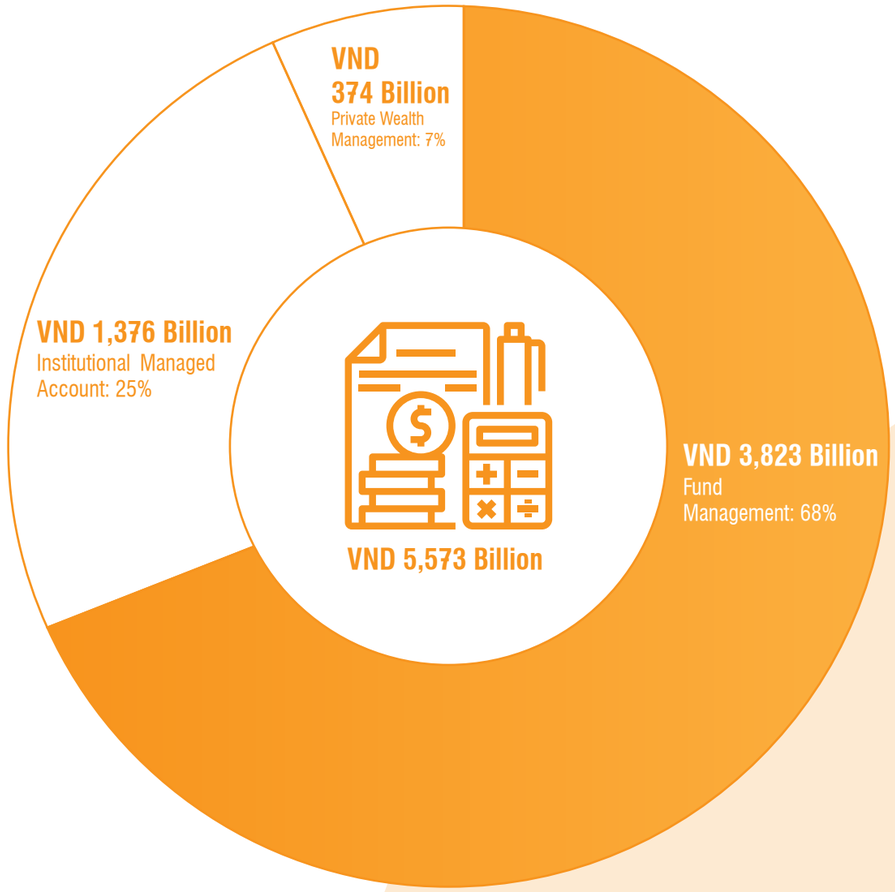
2018 PERFORMANCE

Vietnam Stock Market in general and asset management in particular experienced much volatility in 2018 with pressures from the market adjustments. Facing these challenges, SSIAM stayed put in its investment goals and strategies, focusing on investment in important economic sectors of Vietnam and targeting companies whose business lines and internal structure prove sustainable. However, market adjustments also lowered the actual investment efficiency of the funds and portfolios compared with initial expectations of the customers. Some customers have divested their capital for other short-term investment channels, which somehow affects the SSIAM's asset-under-management size and private wealth management services.

In difficult business conditions, SSIAM still attracted a number of new domestic customers. The purchase rate of fund certificates was 50% higher than selling rate of such certificates at SSI Sustainable Competitive Advantage Fund (SSI-SCA) which continued to be one of two best domestic open funds with effective investment records since establishment. For private wealth management, the number of new customers continued to increase by 10% compared to 2017. In Vietnam, the number of investors in the stock market with long-term investment mindset is small, blocking the growth in the number of customers in case of market adjustments.

As of the end of 2018, the total assets under management of SSIAM reached VND 5,573 billion. The structure of total assets by business segments is as follows:

Total Asset Under Management



Source: SSIAM

Investment fund management

SSIAM currently manages VND 3,823 billion of customer assets in domestic and foreign investment funds.

For the domestic market, in 2018, SSIAM did not introduce any new investment funds but rather focus on developing open funds and current ETF funds as well as distribution channels with its external partners to increase the accessibility of open funds to investors. The company has successfully partnered with a number of major financial partners and will strive to improve the effectiveness of these channels in the coming years.

In November 2018, SSIAM also successfully launched the first phase of its open online trading system, SSIAM On The Go (SSIAM OTG), with convenient functions for registration, safe and accurate placement of orders anytime and anywhere to save investor time and help them in their account management and placement of trading orders for fund certificates.

To increase the fund liquidity for investors, SSIAM also increased frequency of trading fund certificates of SSI Competitive Advantage Fund (SSI - SCA) and SSI Bond Fund (SSIBF) from once per week to daily.

For foreign markets, SSIAM successfully converted Andbanc Investments SIF - Vietnam Value and Income Portfolio (an open-ended fund incorporated in Luxembourg to invest in Vietnam stock market) into SSIAM SIF fund - Vietnam Active Value Portfolio under the model of an umbrella fund with independent sub-funds branded as SSIAM. This will help promote brand recognition of SSIAM with global investors in general and European investors in particular.

Investment funds under SSIAM's managementv

OPEN-ENDED FUND	MEMBER FUND	EXCHANGE-TRADED FUND PORTFOLIO
EQUITY FUND SSI Sustainable Competitive Advantage Fund (SSI-SCA)	PE FUND DAIWA-SSIAM Vietnam Growth Fund II	SSIAM VNX50 ETF FUND
BOND FUND SSI Bond Investment Fund (SSIBF)	SSI Member Fund (SSI-IMF)	
EQUITY FUND SSIAM SIF Fund - Vietnam Active Value Portfolio		
EQUITY FUND SSIAM UCITS - Vietnam Value Income and Growth Fund		

Investment efficiency

Following the overall adjustment trend of Vietnam Stock Market, SSI - SCA fund recorded a decrease of 12.1% in 2018. From its establishment in September 2014, the profit margin of SSI - SCA Fund reached 74.3%.

Besides, the SSIAM VNX50 ETF fund, with passive investment strategy according to the reference indexes, has a growth of -7.1%. Contrary to the declines of stock funds, SSIBF bond investment fund has maintained its growth in 2018 by generating a profit margin of 6.85%.

SSI Sustainable Competitive Advantage Fund (SSI – SCA)

- Fund type: Open-ended fund registered in Vietnam
- Scale: VND 429.7 billion as of December 31, 2018
- Investment objectives: Long-term growth of net asset value and generation of stable income for investors by investing in shares of companies that present sustainable competitive advantages and fixed income assets.

Volatility of NAV/Fund certificates (NAV/CCQ)

	NAV/CCQ (VND)	Rate of Returns (%)					
		2014*	2015	2016	2017	2018	From the launch date*
SSI-SCA	17,428.28	-1.8%	17.7%	24.1%	38.2%	-12.1%	74.3%
VN-Index		-9.8%	6.1%	14.8%	48.0%	-9.3%	47.5%

**Launch date: September 26, 2014*

SSI Bond Investment Fund (SSIBF)

- Fund type: Open-ended fund registered in Vietnam
- Scale: VND 75.5 billion as of December 31, 2018
- Investment objectives: The investment goal of the fund is to optimize profits for investors on the basis of effective utilization of investment opportunities and tools for fixed income generation.

NAV/CCQ volatility

	NAV/CCQ (VND)	Rate of Returns (%)		
		2017*	2018	From the launch date*
SSIBF	11,112.25	4.0%	6.9%	11.1%

**Launch date: August 30, 2017*

SSIAM VNX50 ETF FUND

- Fund type: Exchange-traded fund registered in Vietnam
- Scale: VND 115.9 billion as of December 31, 2018
- Investment objectives: Investment efficiency, focusing on the actual profitability of VNX50 Index in all stages.
- Investment strategy: Application of passive management with the goal of following the growth rate of VNX50 Index. The Fund does not actively target a growth rate higher than the Reference Index, nor does it use defensive measures in case of adverse fluctuations of the stock market.

NAV/CCQ volatility

	NAV/CCQ (VND)	Rate of Returns (%)					
		2014*	2015	2016	2017	2018	From the registered end date of capital contribution*
SSIAM VNX50 ETF (FUESSV50)	11,947.51	-13.1%	-11.0%	3.6%	60.4%	-7.1%	19.5%
Reference index**		-13.1%	-12.2%	1.7%	71.4%	-9.5%	20.3%

**Launch date: December 10, 2014, the registered end date of capital contribution: October 17, 2014*
*** Before August 22, 2017, the reference index is HNX30. From August 22, 2017, the reference index is VNX50.*

SSIAM SIF Investment Fund - Vietnam Active Value Portfolio

- Fund type: Special Investment Fund registered in Luxembourg
- Investment market: Vietnam
- Fund management company: Andbank Asset Management Luxembourg
- Portfolio management company: SSIAM
- Type of investment currencies: USD, EUR, GBP (Reporting currencies, not for risk prevention)

Type of fund certificates	NAV/CCQ	Volatility (%) - in USD		
		From the beginning of the month	From the beginning of the year	From the launch date*
A1 (USD)	114.07	-0.65%	-19.40%	14.07%
A1D (USD)	105.48	-0.63%	-22.32%	5.48%
B1 (GBP)	130.06	-0.47%	-14.36%	30.06%
B1D (GBP)	120.3	-0.45%	-17.48%	20.30%
C1 (EUR)**	108.6	-1.59%	-15.60%	8.60%
D1 (USD)***	98.09	-0.69%	-19.81%	-1.91%
		-3.12%	-11.19%	52.68%

Source: Bloomberg, Adepa, Notes: Fund movement, net of all expenses
Launch date: December 18, 2015, ** Type C1 (EUR) is calculated from the start date of January 8, 2016, * Type D1 (USD) is calculated from the start date of July 15, 2016. Price of Type-D fund certificates has not been adjusted for dividend payments in 2016 and 2017.*

SSIAM UCITS Investment Fund- Vietnam Value Income and Growth Fund

- Fund type: UCITS Fund registered in Luxembourg
- Investment market: Vietnam
- Fund management company: Andbank Asset Management Luxembourg
- Portfolio management company: SSIAM
- Type of investment currencies: USD, EUR, GBP (Reporting currencies, not for risk prevention)

CCQ types	NAV/CCQ (USD)	Rate of Returns (%) – USD			
		2016	2017	2018	From the launch date*
A (USD)	117.12	-1.6%	19.0%	-8.90%	6.70%
AD (USD)	117.14	-1.6%	19.0%	-12.07%	3.00%
B (GBP)	108.99	0.3%	8.7%	-3.20%	5.50%
BD (GBP)	108.99	0.3%	8.7%	-6.59%	1.81%
C (EUR)	105.86	1.39%	4.5%	-4.29%	1.32%
VN-Index		-4.01%	48.4%	-11.19%	26.53%

Source: Bloomberg, EFA report. Notes: Fund movement, net of all expenses
**Launch date: November 11, 2016; Type CD (EUR) is currently not active.*

Portfolio management for Institutional Customers

In 2018, SSIAM maintained its treasury from institutional customers, which are large insurance companies and other organizations wishing to entrust their capital for a total asset management value of external Institutional Customers to stand at VND 1,376 billion, an increase of 11% compared to the same period last year. SSIAM is also working with a number of Customers to deploy new discretionary portfolios in 2019.

Private Wealth Management for Retail Customers

Asset management value of retail customers reached VND 374 billion at the end of 2018. The number of entrusted retail customers grew by 10% last year; however, the total investment capital has decreased significantly - 30% as many individual investors decided to cut/withdraw their capital from the market to respond to strong market adjustments. The profit margin of the portfolios is also affected by the overall trend of the stock market, standing below the investors' profit expectations and encouraging investors to look for other investment channels for better profitability. SSI believes that capital inflows from individual investors are still in a pending state, waiting for positive developments such as macroeconomic stability, market upgrading, etc. to be driven in the near future.

PRINCIPAL INVESTMENT



2018 HIGHLIGHTS

- Successful divestments from some investments resulted in expected profits in 2018.
- Risks of flexible portfolios in case of market declines were minimized - profit margin surpassed VN-Index.

2018 PERFORMANCE

2018 was the first year SSI took over the investment mandate through SSIAM, except for the parallel investment portfolios with Daiwa and the portfolio of unlisted companies (Private Equity), to ensure transparency and fairness in management of external customer's assets which is independent of management of the parent company's assets.

With active investment strategy, SSI successfully divested from 2 Associated Companies, namely Dong Nai Port Joint Stock Company (PDN - HOSE) and Vietnam Fumigation Joint Stock Company (VFG - HOSE). Thus, at the end of 2018, The PAN Group JSC. (PAN - HOSE) is the only associated company. SSI maintains its practices in personnel appointment to participate in the Board of Directors and has been working closely with the Management of the Company. With the strategy of developing a value chain of Farm - Food - Family, PAN aims to become one of the leading enterprises in agriculture & food, providing organic, safe and traceable products.

TOTAL PORTFOLIO VALUE IN 2018 REACHED VND 3,514 BILLION (*)



Information on Associated Companies

Company name, address and logo	Business sectors	Paid-in charter capital	Ownership ratio in associates	2018 business performance	(SSI) Members in the Board of Directors/Board
The PAN Group Joint Stock Company **(PAN – HOSE)** Lot A1-9, VL3 Road, Vinh Loc 2 Industrial Park, Long Hiep Commune, Ben Luc District, Long An Province THE PAN GROUP	■ Agriculture ■ Food (confectionery, seafood, fish sauce and food processing)	VND 1,701,011,410,000	19.93%	Thanks to the drastic transformation to high-tech products, effective adaptation to climate change and centralized production and business management in core areas of Agriculture and Food, the PAN's business performance in 2018 generated numerous achievements. The business performance indicators all indicated growth compared to 2017. Consolidated net revenue and profit reached VND 7,832 and VND 569 billion respectively, equivalent to growth rate of 92% and 13% compared to 2017.	2 members in Board of Directors 1 member in Board of Supervisory

For passive investment strategy, SSI performed reasonable asset allocation, analyzed the factors that affect the market, analyzed industrial sectors, and selected companies with growth potential to map out specific investment plans. In addition, SSI focused on divesting its investments to deliver expected profits. The SSI strategy which focuses on divestment and rising cash holdings in 2018 helped it respond to negative impacts of global macroeconomic fluctuations while harnessing disbursement opportunities in case of market declines.

(*) Market price as of 31/12/2018

KEY SUCCESS FACTORS



INFORMATION TECHNOLOGY

2018 was a year full of excitements. SSI's major focus and efforts in the first half of the year were on replacing the outdated core trading system for the cash market. With the full contribution from the technical teams and business users, the replacement of the core trading system for the cash market had been made in March with successful status. With the new and advance core system, SSI is ready to enrich our services to customers in a fast and robust manner. This also enabled the Company to proceed the other strategy projects in the organization. In fact, six new service development projects were started right after we launched the new core system for cash market.

2018 was also a year full of challenge. SSI faced several subjects causing unstable environments for business operation. Those subjects included hardware issues, application issues, and human issues. SSI immediately put in full efforts to stabilize it and resolved the root causes. Later stage of 2018, the environment became stable.

IT Operations

Due to significant high demands of technology in 2018, the SLA compliance was maintained at 96%.

A task force was set up to review and improve the service quality of the technology section in the organization. The monitor of the service quality is bundled inside the Quality Assurance team with the target at 98% SLA achievement in 2019.

Stability & Availability

Due to several issues in 2018, the availability of our technology achievement was dropped to 99%, which was far below our target as 99.9%. Even though SSI tested the new core system for cash market for an intensive period with comprehensive coverages of any foreseeable issues, certain obstacles still existed. The Company took actions rectified the situations to minimize the impact to the business operation.

SSI made 2 strategy moves on improving the stability and availability, double the team size taking care infrastructure, and triggered the hardware recycling project 2 years earlier.

Information Security

Cybercrime becomes serious in the recent years. Attacking, hijacking, or stealing information by any unexpected approaches are common. This year, SSI set up a new team dedicated on information security. They in-charges all aspects related to this field.

However, no matter how well we defend ourselves, there may have tiny holes not able to get our attention. Therefore, the Company got the tier one international consultancy service to review all our facilities included all end-points to determine any other unaware leakages. SSI also continuously revised our policy to further tighten our security.

Innovative

With the latest core systems for both cash and derivative markets, SSI were ready to start the other solution development in the organization to gain back the benefit edge on technology.

In the second half of 2018, SSI started six projects related to the front line of the business. These included the following.

1. Customer Relationship Management for leads and sales management as well as customer retention focusing on their satisfactory
2. Next generation online trading environment (NGOT) for bringing in the best and content rich self-trading facilities for customers
3. iBoard, Information Portal, for centralizing all information customers needed for trading
4. iWin, Trading Simulator, for our customers to test and discuss their trading strategy
5. iData, 3rd party solution support, for our customers to use their own application on strategy analysis
6. Business Intelligence for the leaders in the organization having 360-degree view of their relevant business areas
7. Other 3 projects are on the pipeline of 2019 to provide cutting edge technology for our professional traders as well as our institutional clients. SSI is also revamping our ERP environment to adapt the latest business model with the most effective utilization on our resources.

Besides all these projects, SSI started new project on how to get the best benefit for our customer from the new matching systems going to launch in Stock Exchanges.

In summary, we are ready to serve our customers in all segments for all their needs.

SSI 2018 / KEY SUCCESS FACTORS

"SSI CONTINUOUSLY REVISED OUR POLICY TO FURTHER TIGHTEN OUR SECURITY"



HUMAN RESOURCES MANAGEMENT



“A BRAND BECOMES A SYMBOL”

Human resources - Trust and Pride

In its development journey over 18 years of ups and downs, SSI has constantly managed to create, affirm and maintain a transparent, modern and honest working environment, centered around the development of a human resource team as well as its Trust and Pride. Its people are SSI’s most valuable assets.

Attracting “talents”

Attracting talents in the financial industry is one of the key directions, establishing impression and identity of SSI brand in the market and financial community in recent years. Grounded by this direction, SSI always welcomes talented, enthusiastic, aspiring candidates who are ready to take new opportunities and challenges.

As the human resource market is facing major challenges in terms of both quantity and quality, SSI has actively connected itself strongly with potential candidates through building a professional Employer Brand towards open information approaches and making the most of the professional services provided by the market such as “headhunting” service, boosting and promoting activities of “Cooperation and partnerships” while harnessing advantages derived from Trust and Pride of its people on SSI brand and reputation to jointly look for, attract and recruit talents; especially for senior positions and leading experts.

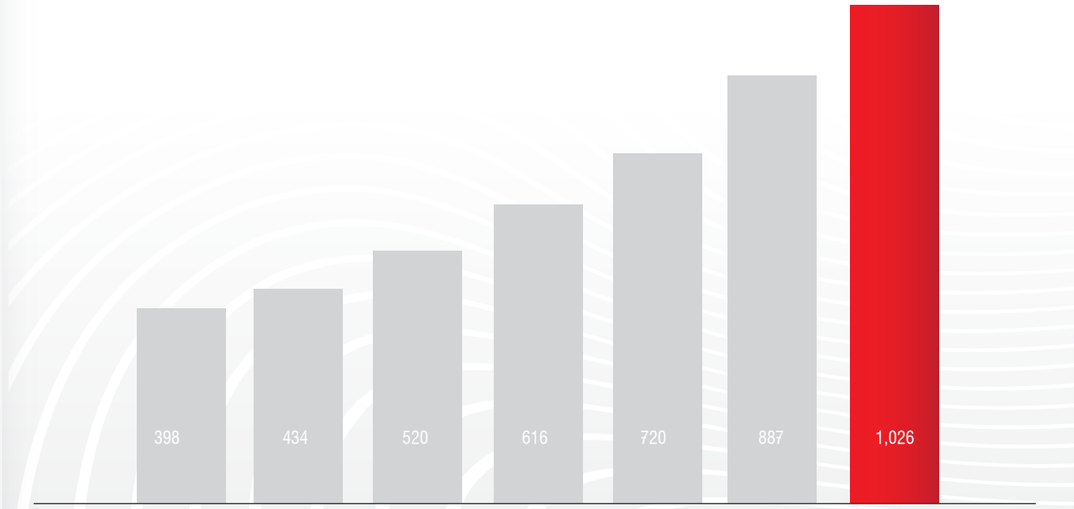
In addition to “doing a job”, “building a career” is also targeted in the journey of development with the Company.

SSI highly appreciates and gives priority, in its selection, to those candidates who show an active attitude in study and application as well as a strong desire to develop their career at SSI.

SSI has strengthened strong multi-dimensional cooperation activities with major universities in Vietnam, international student communities in the financial sector through a series of programs: Internships, Talk-shows about career orientation, sponsorship, scholarships, etc. to sow trust and pride among newcomers at SSI for them to contribute to the shared development journey.

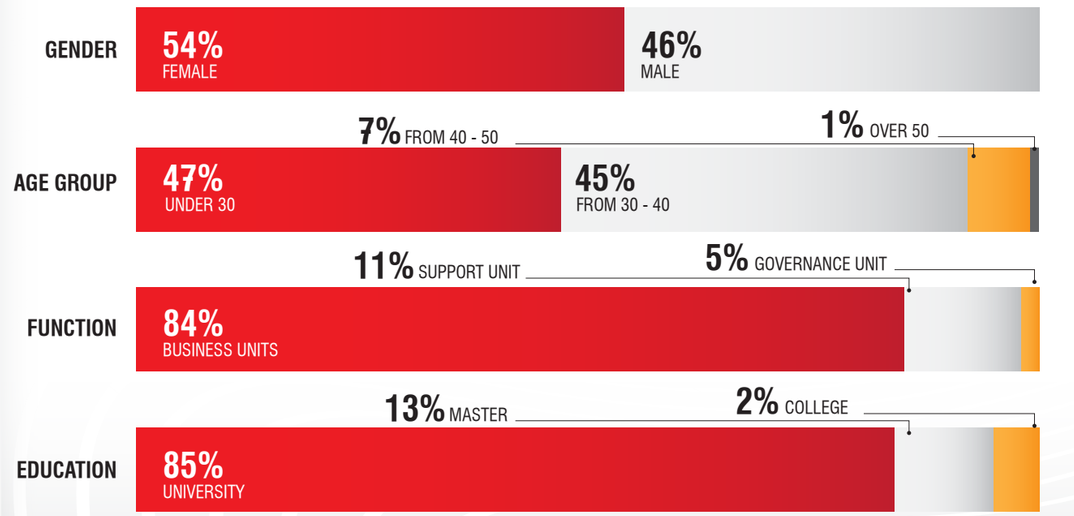
To prepare for next steps and complete key tasks in the transition period after 18 years of establishment and development, as of December 31, 2018, SSI’s human resources reached 1,026 in quantity (Business Units accounting for 84%), new recruitment was 317 employees, most of whom were under 30 years old, well-trained (88% university degree holders and 12% graduate degree holders), dynamic and creative.

Number of employees over the years



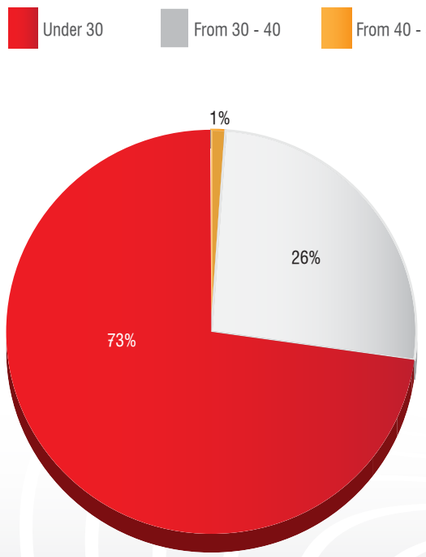
Source: SSI

Personnel structure

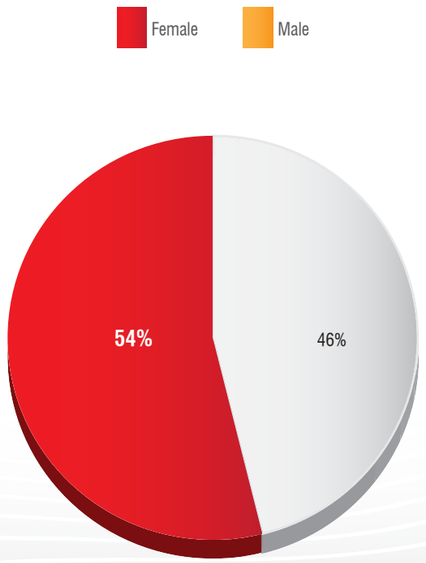


Source: SSI

New employee structure by age group



New employee structure by gender



Source: SSI

Building a foundation for sustainable development through promoting the internal strength of the organization and its strategic message of "accompanying the company in its endeavors"

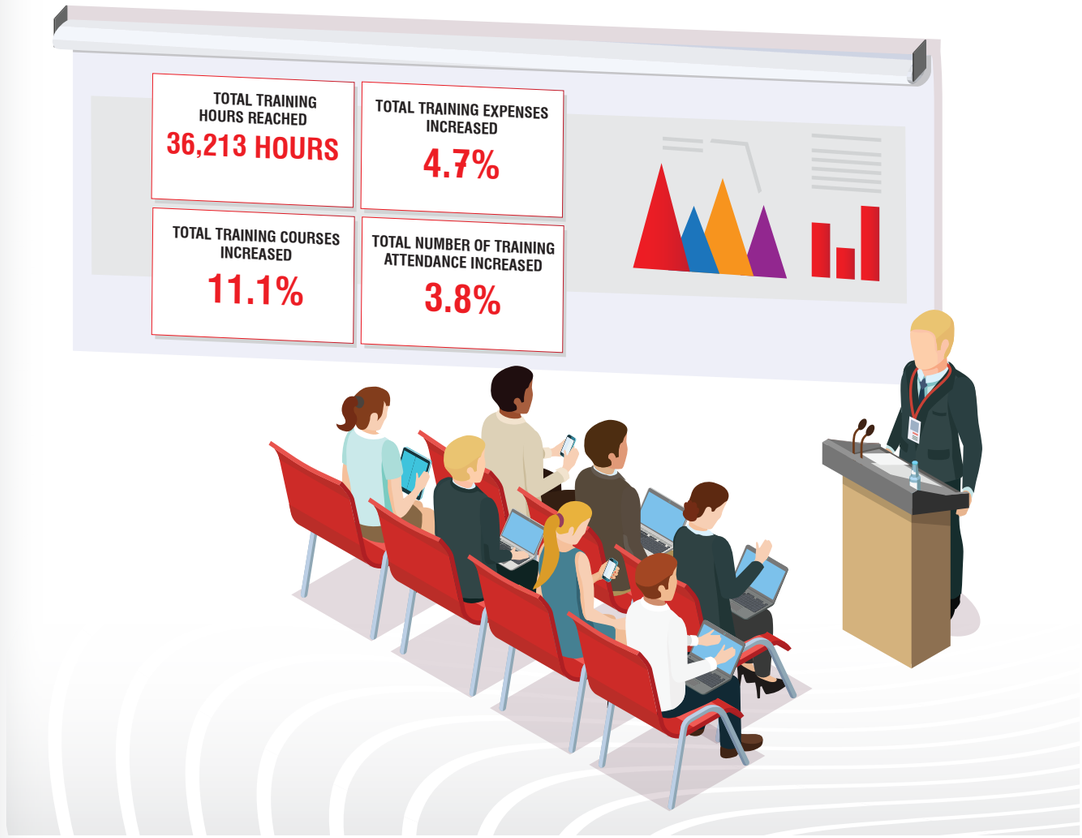
The aspiration of the organization is to gather personal aspirations. Success to the organization means success to each and every individual.

To SSI, human resources are the key factor that make the difference and generate competitive advantages of the Company. Based on this, SSI has proactively built trust with employees through a series of activities, companion programs, comprehensive training and capacity development, which should develop their professional knowledge, understanding and competency while supporting them in effective use of management skills, developing long-term vision for career improvement and achievements.

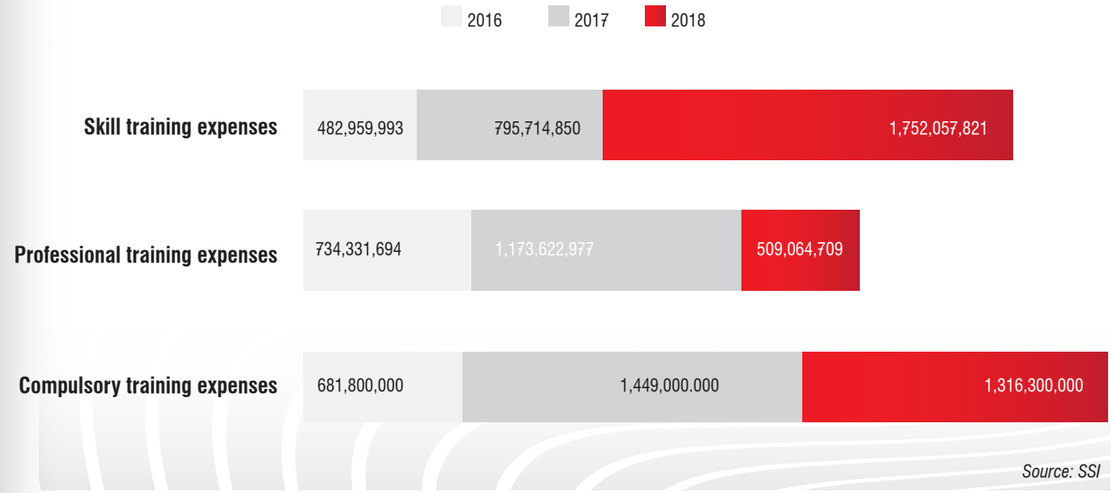
Employees at all levels were trained on corporate culture, the development directions of the organization to promote their long-term commitment and strengthen the trust and pride of newly recruited members and throughout their career development journey.

Training and development activities at SSI continued to be designed and implemented comprehensively, including compulsory training courses required by SSC, training courses on specialist skills, training programs to establish a management platform (customers, teams, organizational structure) with high applicability to contribute significantly to the growth of the team and SSI success in 2018.

Items	31/12/2018	31/12/2017	Growth rate
Total training hours	**36,213**	33,054	9.6%
Total training expenses (VND million)	**3,578**	3,418	4.7%
Total training courses	**90**	81	11.1%
Total number of training attendance	**1,331**	1,282	3.8%



Training expenses over the years (VND)



Source: SSI



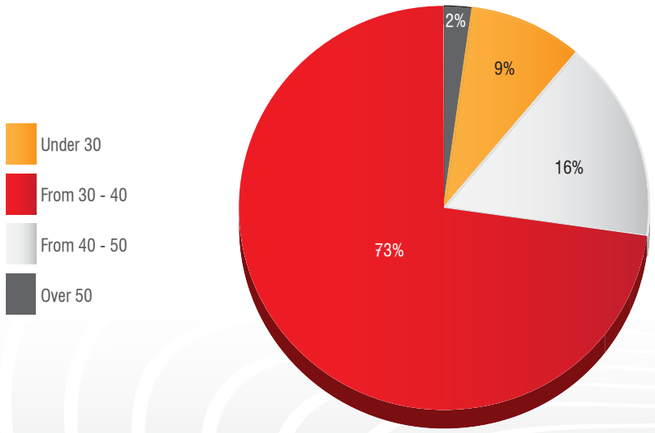
The whole organization is engaged in learning.

Internal training courses throughout the system via technical training sessions, seminars, and consultations to share experiences, GALA (annual meetings), etc ...created enabling conditions to link members from the South - North regions, Managers with Staff, Staff members in one department and those from different departments for them to contribute feedback on activity orientation, operational experience, spiritual connection, and together create a “transparent, honest, effective and creative working environment”, contribute to development of the company, and maintain its position as the leading financial institution with “talented, pioneering and enthusiastic ” staff members.

SSI adopts modern management practices.

SSI pays special attention to the hunting and development of potential and talented candidates under its human resource development plan to deliver short-term plans and long-term strategies of the organization.

Management structure by age group



In 2018, the number of middle-level managers (from Managers or higher) of the Company is 187/1,026, accounting for 18.2% of the total number of SSI staff. The number of new promotions was 42, mainly in the age group of 30 to 40.

Source: SSI

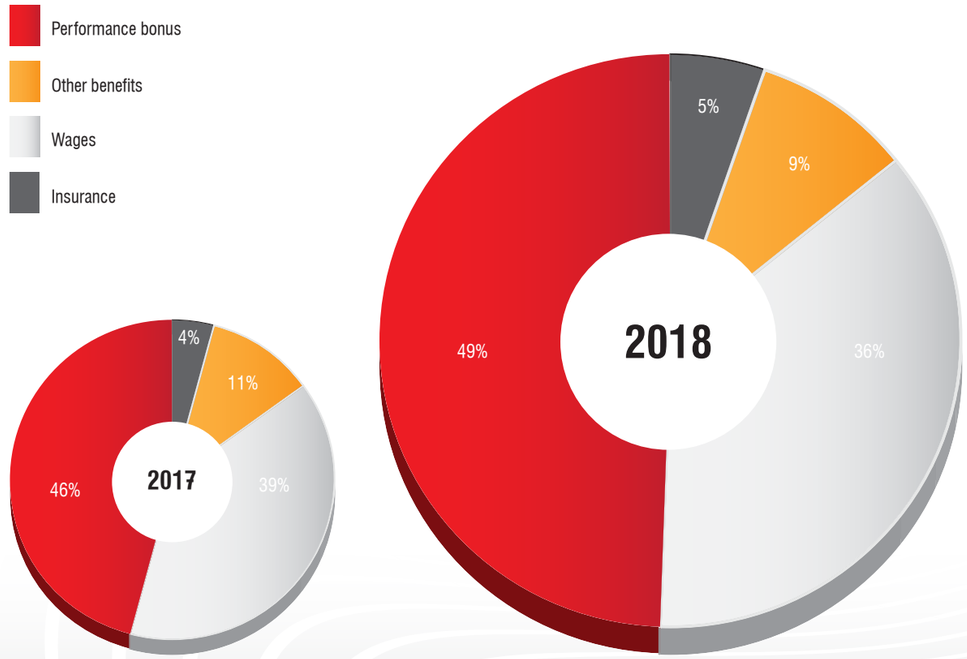
The newly promoted employees are provided with training courses to supplement skills, knowledge and tools for the work, including leadership skills, governance skills, business strategy development and implementation; at the same time, direct support and on-the-job training are conducted regularly to facilitate newly appointed employees accomplished the assigned tasks and continue to develop.

Training and development are one of the key factors that promote the career advancement of each individual. Each step of personal career advancement is a constructive contributor to the common success of SSI.

365 days of welfare

Available benefits are linked with competence, achievement and work performance.

In 2018, SSI continued to increase the budget and released more than VND 480 billion to its employees, in which spending as rewards for work efficiency accounted for 49% of the total payment and 1.35 times higher than the payroll.



Source: SSI

Expense (Unit: VND million)	**31/12/2018**	**31/12/2017**	**Growth rate**
Wages	**175,042**	144,940	20.8%
Insurance	**23,044**	16,711	37.9%
Performance bonus	**236,684**	172,317	37.4%
Other benefits	**45,542**	41,036	11.0%
Total expense	**480,312**	375,004	28.1%

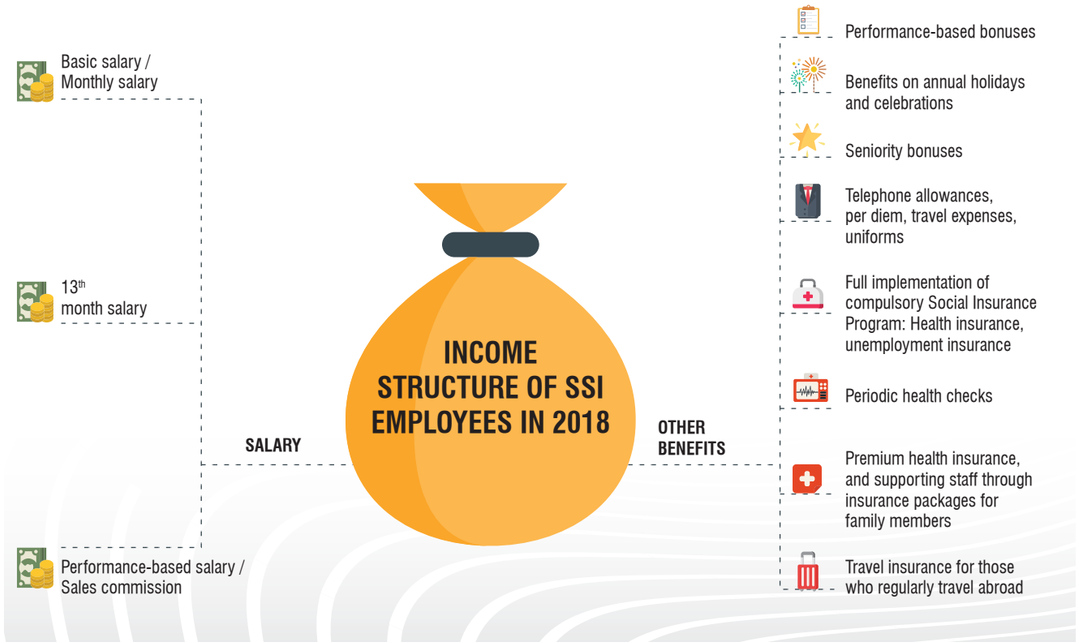
SSI operates a system that indicates goals and work performance results of each individual at all positions and levels in order to better recognize their achievements and contributions to the overall achievement while monitoring the performance and development roadmap of individuals associated with SSI's and its devisions' plans and strategies.

Based on established annual goals, the management at corresponding level assigns specific activities and targets for each individual, including the Strategy and Plans assigned by the Management; individuals shall understand the objectives of their task and methods to measure work performance results to properly allocate time and resources to their work. By this, the Company's Strategy is better understood, gradually realized and put into practice in the daily activities of each SSI Staff.

In parallel with its competitive salary and benefits policies compared with others in the market, in the past year, SSI successfully issued 10 million shares, staying as the leading organization in the Employee Stock Ownership Plan (ESOP) to align employees' interests with the organization's; attract, retain and motivate qualified and committed employees to contribute to the company in the long time.

Besides financial remuneration, SSI establishes and enhances the system of comprehensive non-financial benefits policies for employees such as welfare packages for annual public holidays, additional health insurance policies for employees and their families, periodic health checkups, sponsor for participation in clubs such as yoga, zumba, football, table tennis, etc. with the aim of motivating and facilitating its staff to be peace of mind at work, make efforts and engage further with the entire Company.

365 days of welfare



Development towards a work - life balance

In line with the development trend of human resources in the world, SSI staff members are mainly in the age group of 25 to 35 (Millennials generation; they are interested in strong brands, desire to make a difference and have a vision towards a balanced life).



SSI keeps its working policies that require 5 working days per week, 14 days of leave per year to enable employees to have more quality time for their personal interests, care of their relatives and better enjoyment of their life family.

SSI continued to maintain its Great Workplace Campaign, which transforms co-workers into great partners at work as well as in daily life activities.

Other events on which SSI focused on include: Mid-Autumn Festival and Children's Day for the young members, Special gifts in Lunar New Year holiday for families, Organic food and Price incentives for SSI individuals, Annual SSI Family Day, ...that are expected by all members.

Grounded by the idea that personal success of individuals will shape the sustainable development of the Company, SSI commits its best efforts for the creation of a work-life balanced environment in many ways and will continue to study and develop policies and activities to achieve this balance.

CORPORATE CULTURE



During 18 years of development, besides achievements as recorded in numerous reports, statistics and awards, SSI's unique corporate culture represents one of the biggest pride of the company and the core value in the company's formation and development. It is these cultural distinctions of SSI that attract talents and establish foundation to help the company overcome all difficulties and challenges, contributing to a strong "SSI Big Family" as today. SSI's unique culture is demonstrated not only in the 9 business principles, but also in the consistent communication, key personnel solidarity and shared vision of each individual within SSI.

SSI's 9 business principles have consistently been exerted in every activity of the Company and a declaration of its identity and brand.

At SSI, these 9 business principles are also core values of the Company and guiding principles of all SSI employees and activities. The meanings embedded in the SSI's 9 business principles encompass all aspects from working culture, communication within the Company, communication with Customers, and behavioral culture to the Community and Society. These are sustainable values that remain unchanged regardless of time and external conditions.

1. The customer's success is at the center of all our efforts.

2. We deliver the best of the firm to every client and take pride in the quality of our work.

3. Our shareholders and our staff are invested in us, and our aim is to maximize returns to them.

4. We recruit, reward and nurture the best talent in the industry.

5. We value and encourage initiative among our people.

6. We will uphold the highest standards of integrity in all aspects of our operation.

7. Teamwork is an integral part of our culture.

8. We are committed to strengthening and improving the financial market of Vietnam.

9. We strive to better the communities in which we work.

Along with the Vision of "The Business of Success" and the mission of "Connecting Capital to Opportunities", the above business principles help SSI individuals understand their position and responsibility, develop their pride in each person on the Company to which they are committed. These values are made clear to the staff members right from the early orientation sessions at the start of their first assignment at the Company, and then are continuously repeated as reminders on the internal media, events and training, or placed in the solemn and visible positions in the working rooms for SSI employees to better understand them every day. And this is also the legacy and motivation for SSI employees to pass it down future generations.

Consistent internal communication is the key success factor in SSI's corporate culture

As the company expands, consistent and seamless internal communication is crucial to all activities. Therefore, SSI has paid due attention to establishing and frequently improving internal communication channels so that it is complete, accessible and connecting all members.

Internal Communication is the common voice of SSI employees. Not only an effective communication channel to convey information from the Management to employees and vice versa, Internal Communication is also a communication channel, connecting members in the Company and playing an important role in internal solidarity.

Given the importance of internal communication, any information from the leadership, events and activities of the company are communicated thoroughly to each SSI member. Internal newsletters, activities and events of SSI, with carefully selected contents, are sent to each employee every two weeks in a well-presented manner through the internal email system. Featured categories include internal news updates; information, judgment on SSI and markets; personal interviews or important internal notices. Members can contribute their personal opinions and perspectives, and provide new information for diversity of newsletters.

If Internal Newsletters provide simple information, then internal forum – SSI Insider expands the interaction between members. This is a place for SSI individuals to share not only information and events but also their work experience, life experiences, joys and laughters, and even sadness. Stories are constantly updated, expanding the network to cover new members and stimulating exchanges among long-time members. Against the backdrop of technological advancement and social network prominence, SSI's internal communication channels are also improved to responds to emerging needs and trends and deliver information to each SSI member more effectively.

Especially, interactive information sharing within SSI is increasingly advanced and effective. SSI's Management always wants to stay abreast of business situation and new policies to actively and promptly update the employees accordingly, ensuring consistent and precise communication. Employees' feedback on workplace environment is highly valued by the Board of Management. Through surveys, e-mailing campaigns, online voting or direct comments on internal communication channels, employees at all levels can express their views and expectations to help SSI improve and develop more sustainably.

In addition, SSI's awards, achievements and charity/sponsoring activities are frequently updated in all media channels to uphold pride among SSI individuals.









Nurture and promote SSI's unique culture

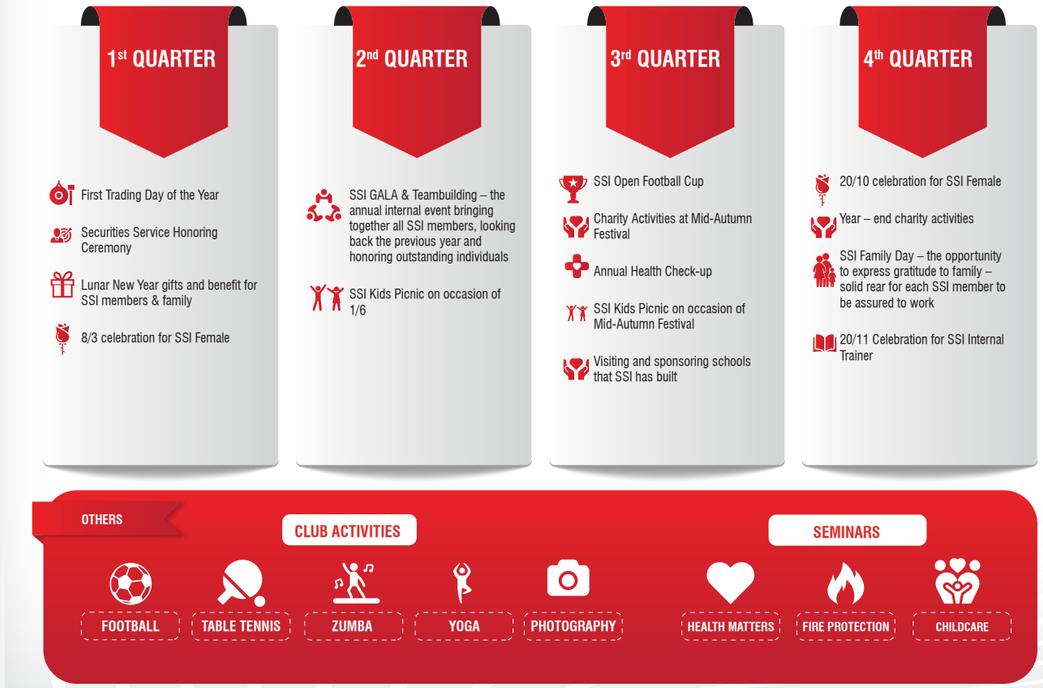
SSI people are not only talents in the financial world with professionalism and expertise but also the people who know to work hard and play hard - a culture highly valued within the company.

SSI GALA - Corporate culture day is the largest annual event held at the end of the financial year (April). This is an opportunity for the members to relax and enjoy the joyful and refreshing moments in the team building activities, and to have some reflections on the past journey, including achievements and ongoing issues in the operation of the previous year, from which they can be more motivated and committed to together work on the goal of the following year.

The award "Employee of the year" that honors SSI individuals who have been and will continue to have the significant contributions to the development of the whole company is considered as the most anticipated award every year. The award highlights the core values of SSI, that focus on individuals, and encourages further efforts and development of the members themselves. In particular, individuals with outstanding contributions honored in 3 GALA events will be awarded their own trophies.

Understanding the broker team is a key force, SSI organizes annual ceremony to honor SSI Securities Services to honor individuals with outstanding achievements in business activities of the Unit in particular and contribution to SSI development in general. These are not only talents in the Company but also high-quality experts in Vietnam Finance - Securities industry.

With staff members of different age groups who share optimistic and enthusiastic attitude, in 2018, SSI members continued to maintain and develop physical activities outside of working hours. Football, Yoga and Photography Clubs meet on a regular basis. In particular, the Photography Club organized additional competitions on the Company-wide scale Photography and coordinated with other clubs to organize effective joint activities. In addition to the annual Open Football Championship, SSI Football and Table Tennis Clubs last year also participated in major friendly tournaments such as the Football tournament of the securities companies (ranked 3rd), the 3rd open VSD table tennis tournament (ranked 2nd in men's singles, 3rd in women's singles and 3rd in doubles).



In addition to improvement to spiritual life of employees, SSI also introduced programs for their families and relatives. On the major public holidays such as Children's Day (June 1) and Mid-Autumn Festival, SSI organized extracurricular activities for SSIKids who are children of SSI members. Every December, i.e. the end of a year, also marks the organization of SSI Family Day. The event is designed in an elaborate manner, with entertainment activities to be held in the afternoon and artistic programs in the evening, to honor the spiritual values for which the families have extended their support to SSI.

In parallel with the welfare policy, these events/activities contributed significantly to the improved linkage between the members and the Company. Not just a workplace, SSI wishes to bring a truly positive environment and create the most favorable conditions for SSI individuals to work with all their hearts and souls at the Company.

Combination of unique personalities, innovation, professionalism and specific expertise in each SSI individual altogether has made SSI's unity and harmonization

SSI people always strive to learn and improve knowledge, taking initiative at work for better performance. However, it takes more than a single talent to build a sustainable business. For this reason, SSI always uphold the unity across the entire company, team spirit, and team work, which are shown in the 9 business principles, internal communication and other activities.

Each individual is an indispensable chain which makes SSI "system" operate in a seamless and efficient manner. SSI members are complementary to each other and work closely together in sharing ideas, discussing, seeking initiatives, solutions and how to achieve the best results.

A sustainable business must focus on internal resources, emphasizing personal development without overlooking internal harmonization so that every individual can devote to the company's mission and vision. Professional, enthusiastic staff who always strive to become an active factor in the company's development is the greatest pride of SSI.

SSI 2019 SUSTAINABLE DEVELOPMENT

MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

Since our early days, SSI defined and has relentlessly pursued **our target to become a leading financial institution in Vietnam and reach out to international markets, to uphold the "Connect Capital to Opportunities" mission, and customer-centric approach.** Our persistent target yet flexible approach in addition to business acumen not only help SSI remain resilient against ups and downs on the market, but also justify our position as the No. 1 Securities Company in Vietnam. In addition, every five-year development strategy is accompanied by a three-year action plan which has helped SSI gain its impressive milestones.

The medium and long-term development strategy of the coming phase for each business unit is set out as follows:

Securities Services

SSI's Securities Services aims to hold the No. 1 position by the brokerage market share, No. 1 position by the diversity and quality of product and service offering, No. 1 position by personnel efficiency and inspiring working environment through:

- Develop specific products for each customer segment, pioneer to develop and offer new products;
- Diversify customer base including traditional customer groups and expand new customer groups; customer group in need of quality trading platform with reasonable cost; and the customer group demanding value-added products and services, in order to achieve a harmonization of market share and profit targets;
- Improve broker performance through training, coaching as well as performance supervision and management programs;
- Develop the retail distribution network;
- Investment in technology system, including focus on online trading channels to improve connectivity and transaction smoothness for customers.

Treasury

Justify our established position of No. 1 financial resources on the market through:

- Improving the quality of treasury management;
- Stable year-on-year growth in total assets;
- Offering diversified and effective structured products.

Asset Management

Improve asset under management size, establish the position as the leading Asset Management Company in Vietnam in the direction of:

- Enhancing the existing products & excelling in the development of new products to meet the needs of investors over time;
- Maintaining and cultivating local and overseas distribution channels to better approach potential investors to Vietnam Stock Market.

Investment Banking

Maintain our leading position in investment banking in the stock market through:

- Providing comprehensive financial solutions to clients;
- Establishing close cooperation with major global financial institutions;
- Carrying out specialization of human resources.

Principal Investment

Investment activities will maintain significant contribution to total revenue through:

- Defining value investment strategy providing flexibility and adaptability against the market; regularly reviewing and considering macro elements; keeping up with firms' business approach; determining proper corporate values;
- Leveraging market growth in portfolio allocation with hedging against local and foreign risks;
- Balancing between long-term strategic investments and passive investments.

2019
BIG OPPORTUNITIES BIG CHALLENGES

In 2019, Vietnam maintains exciting investment prospects thanks to positive economic outlook against lower anticipated inflation than other regional countries, expectations of manufacturing hubs moved from China to Vietnam, and limited negative externalities thanks to Vietnam's ratification of Free Trade Agreements (CPTPP and EVFTA). In addition, the economy faces a series of challenges from global economic recession, increasing protectionism and tightening monetary policies.

Vietnam Stock Market is expected to fluctuate extensively in 2019 due to a mix of positive and negative information; however, it will remain attractive, especially to foreign investors. Shares already in all-time low and expected growth of 13.3% in earnings compared to similar period by listed companies are the impetus for stock market growth. Ongoing privatization and divestment in the next two years will supply capital to the economy and substantial and quality capitalized shares to the stock market. Macro restructuring of stock market will facilitate market liquidity and better attract investors. M&A activities are expected to be vibrant in 2019, with focus on retail, food processing, fast moving consumer goods (FMCG) and pharmaceuticals etc. due to significant growth potential in this industry and high market demands.

2019 will also witness more aggressive competition in business activities of securities companies. Circular No. 128/2018/TT-BTC replacing Circular 242/2016/TT-BTC stipulates minimum 0.5% transaction fee for sale and purchase of stocks/fund certificate, and covered warrant (applicable to listed and registered securities). This replacement annuls the previous 0.15% floor price for trading securities, and will initiate a brokerage fee competition in the future. Local market is welcoming an increasing presence of foreign securities companies with substantial capital, human, and technology resources. On top of that is a race in technological application, artificial intelligence, and developed transaction systems, which contributes greatly in business performance of securities companies.

Given these opportunities and challenges for 2019, SSI will propose the below business plan to the General Meeting of Shareholders for approval late April 2019:



TOTAL REVENUE (INCLUDING PROFIT FROM ASSOCIATES):

VND 3,775 BILLION

TOTAL EXPENSES

VND 2,074.3 BILLION

CONSOLIDATED PROFIT BEFORE TAX

VND 1,700.7 BILLION

To successfully achieve these targets, specific solutions are identified for dedicated business lines based on long-term strategic vision and focus for sustainability enablers: Product and Service Quality, Human Resources Development and System Development Customer-Centric Approach 2019 action plans by business units are presented as follows.

RETAIL BROKERAGE

Diversify product offering to successfully tailor for all customer segments

SSI will maintain our focus on traditional customers - shareholders of listed companies, future listed companies and public companies, and existing investors in the stock market, etc. In addition, the growing economy results in high-income, investment-savvy segment, therefore, SSI will design competitive product offering with other investment channels to attract these customer segments.

Customer segmentation based on actual demand will also be a focus for 2019 to identify appropriate approach and engagement strategies. Customer survey, customer satisfaction, gift and loyalty programs will be launched regularly to strengthen customer relationship. And finally, with the ultimate view to accompany with customers across their journey, SSI will continue to conduct training and conference sessions to provide retail customers with insights into investment, both on primary and derivative markets.

Quality and diversification are determining factors in customers' decision

Amid a fierce competition, product quality and diversification are the determining factors. Bearing this in mind, SSI persists in our research & development efforts to introduce the best products and services and maximize added value offered to customers. We will improve our investment recommendation and consulting services, diversify financial instruments that offer leverage to customers, develop and refine purchasing power calculation, disbursement and automatic debt management utilities.

In addition, we will further invest in transaction tools supporting new instruments, including derivatives or covered warrants, and online transaction utilities. A simulated stock market is under development and will be introduced to investors as a trial playground for practice and learning before committing to actual transactions. Experienced also benefit from this simulation by applying various strategies before selecting the optimal strategy.

Vibrant working environment where motivations are desired is the differentiating advantage in attracting and retaining talents.

The right people are the determining factor to an organization's success. Bearing this in mind, SSI adopts specific selection criteria in recruitment perfectly aligned with job requirements and corporate culture. The recruiting process must go through rigorous screening against predetermined criteria. SSI targets university students of regular training program, develops an incubation plan even before they graduate, provides on-the-job training during internship so that they become full-fledged and qualified to do the job. On-boarding for new hires include approach, culture, expertise and skills required for the job. In addition to initial on-boarding, on-going training is also delivered in form of discussion and sharing sessions held at branches/transaction offices to nurture a learning culture.

On top of training efforts, performance management is also maintained to improve human resources quality. This includes target setting, supervision, and providing feedback on-the-go to offer prompt support as well as recognition.

Internal succession planning

Outstanding individuals are inclined to seek new challenges when they have familiarized themselves with the day-to-day jobs. SSI Retail Brokerage, in an attempt to preserve corporate culture and core values, responds to this expectation by screening, training and nurturing high-performing candidates with leadership potentials, then designating them to management positions. This will enable them to uphold the strategy of developing and expanding high-quality broker force. Competence assessment regulations and career path policies are well defined.



INSTITUTIONAL BROKERAGE

Clients

SSI promotes engaging new target customer in traditional markets – major financial hubs from US, UK, Singapore, Hong Kong, Thailand, Japan, South Korea in tandem with developing new markets interested in Vietnamese market, and opening investment opportunities in Vietnam for international retail and institutional investors. On one hand, SSI is accelerating implementation of Customer Relationship Management (CRM) system to allocate customer service resources more efficiently, accurately and adequately. On the other hand, we dignify partnerships with international financial institutions and securities companies to cater new markets. Given the Government's efforts in bringing Vietnam to the rank of emerging market, investment capital injected to the stock market is expected to surge subsequently. This requires service providers to enhance their innovation and specialization. Different customer groups and markets have different investment approaches. SSI responds to this by improving servicing quality, coming up with new solutions to optimize customer servicing, and diversifying product offering to cater all customer types over time.

Also for 2019 client target, Institutional Brokerage will be more aggressive in promoting in-depth cooperation with existing international partners and developing new global partnership for mutual benefits. Relevant partnership policies will be adopted appropriately to balance benefits between SSI and partners.

Products

2017 – 2018 saw excellent efficiency in internal collaboration and cross-selling. Collaborative participation in IPO and listing advisory efforts result in outstanding revenues and renown for SSI. In the near future, SSI Institutional Brokerage will prioritize cross-selling products to capture the opportunities of major IPOs and the privatization movement ordered by the Government through the newly established Commission for the Management of State Capital at Enterprises (CMSC). As Vietnam stock market matures, diversified investment portfolio and service quality are the two preconditions to attract and retain customers. SSI currently excels in both of them.

In addition to share market opportunities, SSI diversifies its product portfolio with ETF, corporate bonds, future contracts and covered warrants. SSI pioneers in coordinating with the State Securities Commission (SSC) and stock exchanges in developing new products or proposing new ideas to support investors and improve markets. Human resources efforts are prioritized to accommodate this strategy in short, medium and long terms.

For traditional products, Institutional Brokerage adopts dedicated policies for relevant customer groups. Product and service policies are modified against any updates in local and international regulations. For example, with the Markets in Financial Instruments Directive (MIFID II) across the European Union effective as of 2018, SSI will offer investment transaction, brokerage, analysis and advisory products to customers regulated by MIFID II.



Human resources

Foreign markets differ in properties and requirements; therefore diversifying human resources with senior international executives knowledgeable of local practices is a must to serve efficiently and thoroughly. In 2019, SSI will further recruit international staff to cater European markets and derivative specialists to support futures and covered warrants instruments. Compensation policies were improved significantly in 2018 to attract quality resources to SSI.

System

Optimizing trading and ordering system is first priority to maintain system stability and interests of customers. In the next one or two years, SSI will i) refine the existing trading system for both stock and derivatives transactions, ii) develop new order placement channels, and iii) enable faster connectivity with transaction systems of international clients. In addition, Institutional Brokerage will promote low-cost order placement channel DMA and algorithmic trading for relevant customers, and test simple version of program trading system.

Refining CRM system is the must-do task for 2019 to allocate resources and develop new product offerings for relevant customer groups more thoughtfully and efficiently. Set premises for servicing and catering global investor network.

TREASURY

Provide liquidity, seek new capital sources to cut cost and increase long-term earnings for SSI

Optimizing our existing advantages from highest total assets in the market has proven SSI's established position in accessing diversified capital sources from major local and international financial institutions. SSI emphasizes our responsibility in ensuring capital safety and quality, providing liquidity to both ourselves and our customers.

In addition to developing traditional credit relationship, SSI will continue seeking local and foreign currency bond issuing opportunities to local and international financial institutions, or individual investors to diversify source of capital and cut cost of borrowing.

Recently, both market and SSI transaction volumes are growing. To mitigate risk and modernize customer servicing procedures, SSI is revamping our internal procedures, regulations and policies in compliance with market practices, legal statutes and our business activities.

Develop new financial instruments to accommodate customers' demand

In tandem with developing SSI's Private Wealth Management, Structured Product department diversifies the financial instrument mix to accommodate customers' demand. In combination with existing advantages in customer base of stock brokerage and fund certificate, SSI Treasury wishes to offer customers bond and derivative products to serve both investment and hedging purposes.

INVESTMENT BANKING

In 2019, SSI Investment Banking will **offer domestic and international bond issuance and debt instruments advisory services** to private companies in addition to **share issuance advisory** - SSI's innate advantage.

Besides, SSI will continue to serve **advisory contracts to both acquiring and acquired parties in merger & acquisition (M&A) deals,** including advising deal structure and procedures.

ASSET MANAGEMENT

In 2019, **SSIAM continues to develop new distribution channel through commercial bank network** to engage potential customers from their customer base. Some commercial banks are currently more open with referring their customers to investment products on top of traditional products. These will be the target for SSIAM to approach. We determine that market competitive pressure will be both challenge and motivation to our teams in interacting and coordinating with partners' sales teams to achieve capital raising objective for 2019 and coming years.

SSIAM analysis indicates that in 2019, asset management will continue to face challenges in raising capital for products with underlying assets being stocks, therefore **SSIAM will promote open-ended fund certificate on bonds and bond investment portfolio, promote offering ETF certificate to international retail and institutional customers.**

As Vietnam's leading domestic Asset Management company with a great partner network, SSIAM will seek investment opportunities in private companies and potential IPO deals with state-owned enterprises and refer them to high-net-worth individual segment to diversify their options.

In addition, while waiting for finalization of legal framework and feasibility of Voluntary Supplementary Pension Fund, SSIAM plans to gradually engage companies and interested partners, and refine business model for this product in preparation for launching when the market is ready.

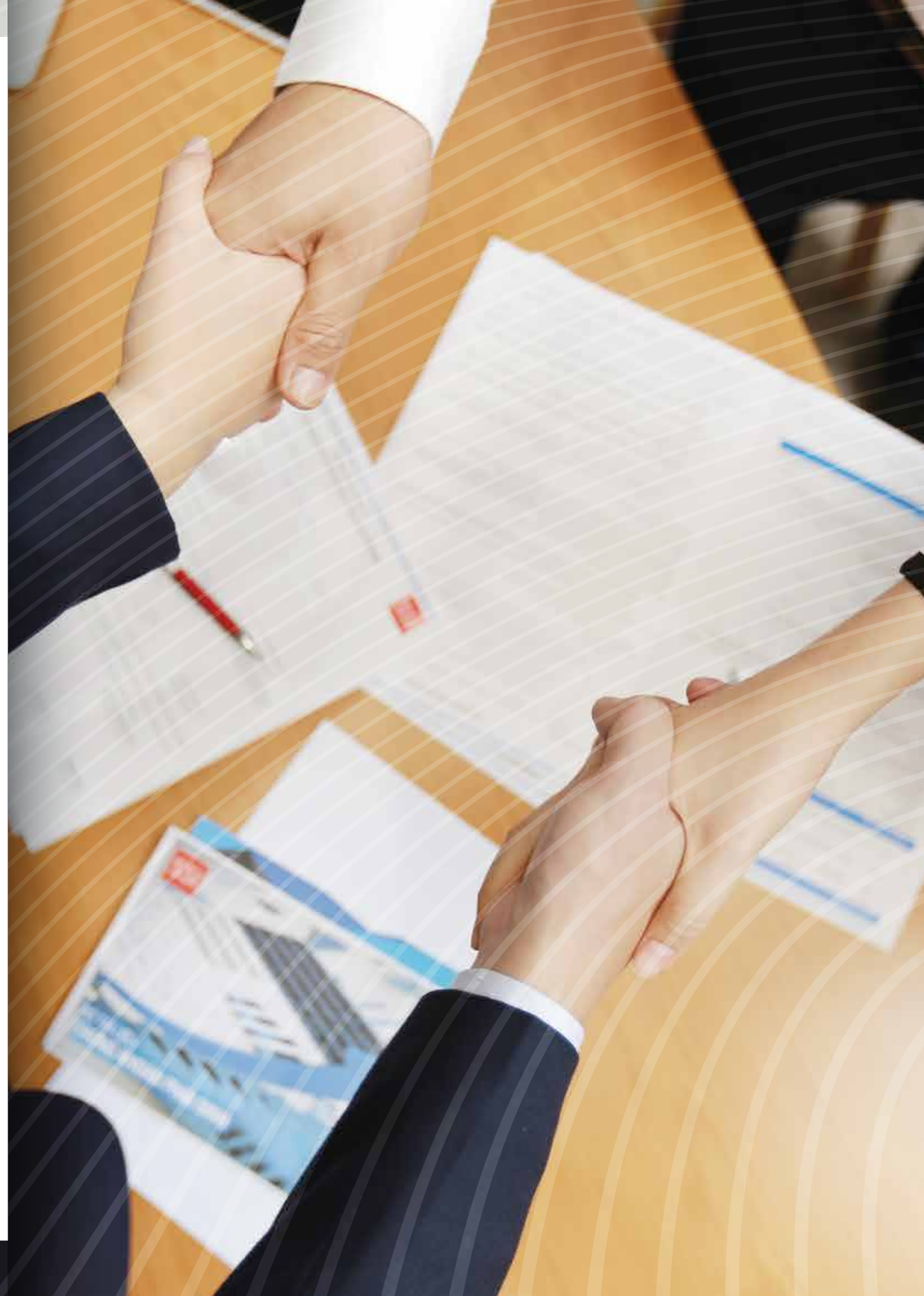
PRINCIPAL INVESTMENT

SSI selects a dynamic investment strategy with flexible portfolio adapted to market developments.

In particular, SSI follows value investment approach given our business platform and reasonable valuation; maintaining balance between long-term strategic investments and flexible portfolio. Investment criteria are also adapted to new economic developments: bilateral and multilateral free trade agreements (FTA), Vietnam's potential benefits from US - China trade war, etc. Focus on sustainable sectors, e.g. retail, manufacturing, telecommunication, aerospace, etc. In addition, SSI will continue to seek opportunities from IPO, state capital divestment or new listing in 2019, and issuance and investment in structured products, e.g. derivatives, covered warrants, etc.

In addition, SSI will divest from mature projects gaining expected profit and non-strategic investments.

In 2019, building on our advantage over rich equity, SSI Principal Investment is determined to cooperate more with other business units: Investment Banking (underwriting, co-invest), Securities Services (new products), and SSIAM in seeking new investment opportunities.



CORPORATE GOVERNANCE

TOWARDS SUSTAINABLE DEVELOPMENT

REPORT ON ACTIVITIES OF THE BOARD OF DIRECTORS

MEMBERS OF THE BOARD OF DIRECTORS

In 2018, the SSI Board of Directors (BOD) continued to carry out activities in accordance with the law, the Company's Charter and Management Regulation.

The Board of Directors has 06 members, including 02 independent members: Mr. Ngo Van Diem and Mr. Bui Quang Nghiem. The Board of Directors were selected deliberately among those who had tremendous experiences, relevant qualification and knowledge about governance, law, finance and securities, the roles of whom were also appropriately allocated (executive, non-executive and independent members). One-third of the BOD were independent, non-executive members to ensure the independence and objectivity of the BOD's activities.

BOD members maintained business as usual during their terms without any abnormal events leading to member changes in 2018. In addition, 04 out of 06 BOD members had completed the training course on corporate governance and received certificates of the SSC.



Mr. Nguyen Duy Hung

Chairman and Chief Executive Officer

Mr. Hung is the founder of SSI Securities Corp. He is also the founder and Chairman of The PAN Group JSC. (PAN – HOSE) - a leading company in agriculture and high-quality packaged food industry.



Mr. Nguyen Hong Nam

BOD Member, Deputy CEO;

Spokesman

Mr. Nam has been a successful business executive in various areas. He holds a Master of Science from Lugansk University, Ukraine.



Mr. Ngo Van Diem

BOD Member

Mr. Diem has many years of experiences in foreign and domestic investments, state-owned enterprise reform, and industrial zone development and economic integration holding middle and senior positions in Government agencies.

Mr. Diem graduated from Leipzig University and has a PhD in Economics from Martin Luther University from Germany.

CORPORATE GOVERNANCE / REPORT ON ACTIVITIES OF THE BOARD OF DIRECTORS



Mr. Bui Quang Nghiem

BOD Member

Mr. Nghiem is the Director of Nghiem & Chinh Lawyers and Vice Chairman of Ho Chi Minh Bar Association. Mr. Nghiem graduated from Martin Luther Halle University, Germany.



Mr. Nguyen Duy Khanh

BOD Member

Mr. Khanh holds a Bachelor of Finance, George Washington University, the United States.

Mr. Khanh used to work with SSI during the implementation of the Reforming Consultancy Project provided by McKinsey (2010). He also helped in the founding of SSI International Corp. and made significant contribution to its successes. He is a member of BOD of The PAN Group JSC. (PAN – HOSE)



Mr. Hironori Oka

BOD Member

Mr. Hironori Oka has over 20 years of experiences in the finance and securities fields, holding various positions in Japan, Hong Kong, the United States, Singapore and Taiwan. He used to be in charge of many senior positions in Daiwa Group Inc. and started to assume the leading position since 1994. Mr. Oka is currently the executive managing director, head of Asia and Oceania region, and Chairman and Chief Executive Officer of Daiwa Capital Markets Hong Kong Limited.

List of BOD member and their share ownership are as below:

No.	BOD member	Position	Year of birth	Share ownership as of 01/01/2018 (*)(**)		Share ownership as of 31/12/2018 (*)(***)	
				Number	Percentage	Number	Percentage
1	Nguyen Duy Hung	Chairman and Chief Executive Officer	1962	4,884,400	0.98%	6,783,400	1.33%
2	Nguyen Hong Nam	BOD Member, Deputy CEO	1967	1,000,000	0.20%	1,400,000	0.27%
3	Ngo Van Diem	BOD Member *Independent, Non-executive member*	1951	150,000	0.03%	200,000	0.04%
4	Bui Quang Nghiem	BOD Member *Independent, Non-executive member*	1957	263,174	0.053%	263,174	0.05%
5	Nguyen Duy Khanh	BOD Member *Non-executive member*	1991	500,000	0.10%	700,000	0.14%
6	Hironori Oka	BOD Member *Non-executive member*	1963	0	0.00%	0	0.00%

(*) All are common shares

(**) Ratio is calculated against 500,063,684 shares which is equal to 100% charter capital as of 01 Jan 2018

(***) Ratio is calculated against 510,063,684 shares which is equal to 100% charter capital as of 31 Dec 2018

ROLES, RESPONSIBILITIES AND ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors always determines the leadership, orientation, direction, management and supervision of the Company's business activities between two annual General Meeting of Shareholders (GSM) according to the Resolution of the GSMs and the Charter of the Company, except for decisions under the jurisdiction of the GSM.

The Board of Directors operates by issuing resolutions and directing the Board of Management to implement the resolutions. The management policy of the Company is expressed via compliance with the law, the charter and management regulation of the company, and via resolutions of the GMS and of the BOD. These documents are kept at the Company's head office and disclosed to all shareholders according to regulations.

When carrying out their functions and responsibilities, the BOD must comply with the law, the Company's Charter, Resolutions of the GSM and the Corporate Governance Policy. In case the decision passed by the BOD is against the law or the Company's Charter, causing loss for the Company, the members in favor of such decision must take joint responsibility and indemnify the Company; members who voted against such decision will be exempted.

In 2018, the BOD maintained business according to the Law, the Company's Charter and Regulation on Corporate Governance. In addition, the BOD made their efforts to enhance the company's managerial capacity in accordance with current laws and in line with regional as well as global practice. Specifically:

- The BOD ensured that the number of BOD meetings and the number of invited members met legal requirements and effectiveness while specifying each member's role, differentiating between independent and executive members in order to ensure interests of shareholders according to legal regulations.

- The BOD passed Resolutions which fitted the Company's vision and business strategy for each specific period, ensuring the interests of Clients, Shareholders and Employees, respecting associates, contributing to the building of a strong business community which would provide social values and eventually fulfill the Company's mission.
- The BOD monitored the implementation of resolutions issued by the GMS and the BOD while evaluating the effectiveness of these resolutions; regularly reviewed policies and regulations of the Company and made timely adjustments in accordance with new situations and requirements.
- The BOD decided on the direction, led and supervised on a regular basis all activities of the Board of Management as well as supporting departments, ensuring that the BOM's leadership was in line with the company's regulations and policies.

In 2018, the BOD had organized 06 meetings, including 03 in-person meetings and 03 meetings for soliciting written opinions (among those, the meeting on December 18, 2018 summarized corporate governance issue without any resolution passed). All BOD meetings were attended by 100% of its members, who discussed and voted on every issue.

The contents of the Resolutions passed by the BOD were as follows:

No.	Resolution No.	Date	Content
1	01/2018/NQ-HĐQT Written opinions solicited	22/01/2018	Issuing convertible bonds according to issuance plan specified in Article 2, Resolution No. 01/2018/ND-DHDCD dated January 12, 2018 of the GMS
2	02/2018/NQ-HĐQT Voting at the meeting	08/03/2018	Adopting the 2018 Annual General Meeting of Shareholders
3	03/2018/NQ-HĐQT Voting at the meeting	08/03/2018	Authorizing the BOD Chairman to decide the establishment of the Company's Transaction Offices, names, business lines and locations thereof.
4	04/2018/NQ-HĐQT Voting at the meeting	08/03/2018	Changing the operation scope of Hai Phong Branch to include: Stock brokerage; Securities investment consultancy; Securities depository
5	05/2018/NQ-HĐQT Voting at the meeting	08/03/2018	Passing the offering of covered warrant
6	06/2018/NQ-HĐQT Written opinions solicited	09/04/2018	Adding proposal for ESOP program I to the 2018 Annual General Meeting of Shareholders
7	08/2018/NQ-HĐQT Written opinions solicited	10/08/2018	Changing location of Nguyen Cong Tru Branch
8	09/2018/NQ-HĐQT Voting at the meeting	05/09/2018	Promulgating the regulations to issue ESOP shares in accordance with Article 9 Resolution No. 02/2018/NQ-ĐHĐCĐ
9	10/2018/NQ-HĐQT Voting at the meeting	05/09/2018	Promulgating Regulations on operation of the BOD
10	11/2018/NQ-HĐQT Voting at the meeting	05/09/2018	Deciding to change the Company's name from 18/12/2018 and carry out necessary procedures thereof; Reorganizing the Securities Services Unit into the Institutional Brokerage Unit and Retail Brokerage Unit and establishing the Principal Investment Unit.

OPERATIONS OF THE SUB-COMMITTEES UNDER THE BOARD OF DIRECTORS

The corporate governance model consists of independent sub-committees of the BOD to take charge of Risk Management and Internal Audit to help the BOD perform these functions. Currently, the BOD has appointed independent Members of the BOD to be in charge of Risk Management and Internal Audit.

Activities of the independent BOD member in charge of risk management:

- Reviewing and commenting before submitting to the BOD for approval the risk management policies and limits;
- Reviewing reports of the CEO, the Risk Management and other departments related to the operation of RM;
- Assessing the Company's overall effectiveness in risk management.

Activities of the independent member in charge of internal audit:

- Reviewing and evaluating issues related to the organizational structure of internal audit; draft internal audit strategy and policy before presenting to the BOD for approval and decisions;
- Examining and evaluating the compliance with procedures, accounting standards and principles of operation of Internal Audit;
- Reporting on the performance and effectiveness of internal audit performed during the year; proposing solutions to overcome shortcomings and limitations in order to improve the business operations of the Company;
- Advising the BOD on the issuance of internal audit strategies and policies.

In addition, independent BOD Member when attending meetings of the BOD, also provide inputs, feedbacks and suggestions on business strategies and plans.

ACTIVITIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the BOD is responsible for overall guidance of the BOD's activities in accordance with the functions, tasks, and authority provided for in the Company Charter as well as the current provisions of the law, particularly:

- Preparing programs and action plans of the BOD;
- Preparing programs, agenda, and documents for the meetings; convening and chairing BOD meetings;
- Organizing the ratification of BOD's resolutions;
- Supervising the implementation of the BOD;
- Chairing GSM and meetings of the BOD.

In addition, the Chairman also acts as the Chief Executive Officer, leading the Board of Management and employees to effectively carry out the resolutions of the GSM and the BOD on business plans, investment plans and other activities. The plurality of offices is adopted by the annual GSM.

ACTIVITIES OF INDEPENDENT BOARD MEMBERS

Independent BOD members are assigned to perform risk management and internal audit tasks as described in the activities of the subcommittees. In addition, these members also participate in meetings of the BOD to review proposed strategic orientation, business plan; monitor activities and monthly report on the activities of the Board, monitoring results of the Board of Managers sent to members of the BOD in accordance with the Company Charter.

BOD EVALUATION OF SSI PERFORMANCE

2018 was a year of ups and downs of Vietnam Stock Market. VN-Index surpassed the historical peak, setting a record on April 10, 2018 at 1,211 points. However, from this new peak, VN-Index dropped sharply, with the last session in 2018 ended at 892.54 points, decreasing by 26.3% from the peak and marking a decrease of 9.32% YoY.

However, as the largest securities company in the market, grounded with sustainable development strategies and ceaseless efforts of all Company's employees and leaders, SSI business achievements were still beyond the plan. The total revenue of the parent Company in 2018 reached VND 4,060 billion, increasing by 37.2% compared to 2017. Pre-tax profit reached VND 1,738 billion, recording an increase of 36%. Total consolidated revenue reached more than VND 3,997 billion and consolidated pre-tax profit reached VND 1,623 billion, exceeding the business plan for 2018. At the year end, SSI's total assets reached VND 23,825.6 billion, observing an increase of 30% year to date.

On December 18, 2018, Saigon Securities Incorporation celebrated its 18th anniversary and officially changed its name to SSI Securities Corporation, creating the consistency between the Company's name and its abbreviated name and stock ticker. This is considered a necessary change to promote SSI brand recognition among investors, in the context that SSI is gradually becoming a valuable brand, valued at USD 30.8 million.

After 18 years of establishment and development, SSI won itself No. 1 position in the market with a network of 14 Branches and Transaction Offices. Moreover, as of early 2019, SSI became No. 1 securities company in terms of total assets and charter capital, reaching over USD1 billion and VND5,000 billion, respectively. At regional level, SSI is now among the largest ASEAN securities companies in terms of capitalization, total assets, revenue, and profit.

SSI operation always complies with the law, fully fulfills its obligations to the State, evidencing by its place in top 100 most tax-paying private companies, performing well its social responsibility, including charity work.

Corporate governance activities are transparent, harmonizing the Company's interests with the interests of Shareholders, Clients, Partners, Employees and Communities. At the end of 2018, the Company had more than 1,000 well-trained employees who always embrace professional ethics, business culture, dedicated service and great trust as their top values.

BOD EVALUATION OF BOARD OF MANAGEMENT'S PERFORMANCE

The BOD highly appreciated and recognized the Board of Management's performance in 2018. The Board of Management always showed their solidarity and creativity, actively organized and fully implemented the Resolutions of the GMS and BOD in a timely and effective manner.

The Board of Management maintained monthly meetings to have timely and appropriate directions, continue good momentum, overcome weaknesses, and give creative directions and ideas for timely implementation in the month.

Internal audit and control were carried out regularly to prevent and control risks.

SSI had formed business ethics and company culture through promulgating regulations, organizing team-building activities, enhancing teamwork skills.

The Company's 18th anniversary was well organized, which provided a good chance to review the Company's development in the past 18 years, and at the same time, showing its gratitude to Customers for accompanying the Company for nearly two decades and soliciting new Customers. Customers were always put at the center of SSI's operation.

Relations with the public, investors, media agencies were always paid great attention to, making the Company's image more popular to the public.

BUSINESS PLANS AND ORIENTATION IN 2019

SSI's 2019 business orientations: maintain the leading position; build professional and creative team who always show ceaseless efforts for company's development; maintain the No. 1 position in brokerage market share; offer the best products and services, tailored to each customer segment.

The Company continues to pursue the strategy of expanding brokerage networks, Branches and Transaction Offices, developing flexible products and services to support customers in optimizing their investment, ensuring capital adequacy in margin lending.

The year 2019 witnesses a continued trend in privatization and divestment of state-owned enterprises. The Government's new decree which facilitates the issuance of corporate bonds, along with the development and expansion of the securities market, are creating greater opportunities for investment banking activities. Taking this opportunity, SSI Investment Banking will improve competitiveness to provide advisory, underwriting, securities brokerage and securities investment services.

SSI Asset Management Co., Ltd. (SSIAM) continues to research new products related to bonds and fixed-rate instruments, pension funds to offer under appropriate market conditions. In terms of Retail Customers, SSIAM will promote cooperation with securities companies and commercial banks to introduce investment fund products/portfolio to the public. In terms of institutional customers, SSIAM enhances access to insurance institutions and companies, proactively deepens cooperation with existing institutional customers in order to not only expand entrusted assets value but also grasp cross-selling opportunity from both sides for mutual development.

Improving IT quality, ensuring information security and safety in any situation. Human resource development is coupled with streamlining, improving efficiency and operational capacity of the apparatus.

SSI continues to implement corporate governance and social responsibility in a transparent manner in compliance with laws, balancing interests of the Company, Employees, Investors, Shareholders and Communities.

REPORT ON ACTIVITIES OF THE BOARD OF SUPERVISORY

MEMBERS OF THE BOARD OF SUPERVISORY



Mr. Nguyen Van Khai

Mr. Khai joined the Board of Supervisory (BOS) of SSI since 1999 and has been consistently voted as the Head of the SB through the terms.

Mr. Khai is experienced in corporate management and currently is Vice Chairman of Long An Food Processing Export JSC. (LAF – HOSE), and Member of the BOD of Bentre Aquaproduct Import and Export JSC. (ABT – HOSE).

Mr. Khai holds a Master's Degree of Technology Management.



Mr. Dang Phong Luu

Mr. Luu has been a member of SSI BOS since 2005. He has held the position of Director of Tan Binh Branch - Vietnam International Commercial Joint Stock Bank (VIB). He has over 20 years of experiences in finance and banking. He graduated from University of Banking, Ho Chi Minh City.

He currently runs his own business An Bao Production Trading Co., Ltd as the Chairman of the Member Board.



Ms. Le Cam Binh

Ms. Binh had many years of experience in accounting, auditing and consulting. She has been Director of Internal Audit Department since 05/2017. Before that, she had a long time working for Auditing and Consulting Company – A&C, in charge of managing audit contracts with insurance and finance corporations.

Apart from Degree of Financing and Accounting issued by Thang Long University, she has recognized as Certified Public Accountant (CPA) by Vietnam Ministry of Finance since 2005. She completed the ICAEW IFRSs learning and assessment program from 02/2017.

Full name	Position	Year of birth	Independent level	Share Ownership (*)	
				Number	Percentage
Mr. Nguyen Van Khai	Head of BOS	1967	Non-employed by SSI Holding SSI stock	130,455	0.03%
Mr. Dang Phong Luu	Member of BOS	1967	Non-employed by SSI Holding SSI stock	60,068	0.01%
Ms. Le Cam Binh	Member of BOS	1979	SSI's Director of Internal Audit Holding SSI stock	142,500	0.03%

(*) Ratio is calculated against 510,063,684 shares which is equal to 100% charter capital as of 31 Dec 2018

OVERALL OPERATION AND RECOMMENDATIONS OF THE BOARD OF SUPERVISORY

Assignment of tasks to members of the BOS

- Mr. Nguyen Van Khai, Head of the BOS, takes general responsibility and supervises the activities of the Board of Directors, Board of Management, participates in meetings of the Board of Directors and reports to the General Meeting of Shareholders; takes lead in settlement of complaints and requests of Shareholders;
- Mr. Dang Phong Luu, Member of the BOS, is in charge of overseeing the compliance with law, the Company's Charter and implementation of the GMS's Resolutions in business management and operation; jointly reviewing and evaluating reports of Internal Audit, Internal Control and Risk Management;
- Ms. Le Cam Binh, Member of the BOS, is in charge of checking, reviewing accounting books, appraising the Company's financial statements; jointly reviewing and evaluating reports of the Internal Audit, Internal Control and Risk Management.

Summary of the BOS's activities in 2018:

- Reported to shareholders on the supervision of the activities of the BOD and Board of Management in 2018, and the BOS's action plan for 2019.
- Mr. Nguyen Van Khai, Head of the BOS, represented the BOS to participate in all meetings of the BOD in 2018.
- Carried out the examination and supervision of the preparation of audited financial statements of 2017, quarterly, financial statements, semi-annual statements and annual statement of 2018.
- Carried out the examination and supervision of compliance to regulations and the Company's Charter as well as the implementation of the Shareholder's Meeting's resolutions by the BOD and Board of Management in 2018.
- Supervised the issuance of convertible bonds, issuance of warrants and issuance of shares under the selection program for employees in 2018.
- On June 1, 2018, the BOS conducted periodic meetings and adopted the following contents:
  - Operation regulations of the BOS;
  - Task assignment to members of the BOS;
  - Unanimous consent to recommend the BOD to select Ernst & Young Vietnam Limited the independent auditor of the Company's financial statements in 2018.
- On August 15, 2018, the BOS conducted periodic meetings and adopted the following contents:
  - Evaluated the governance of the BOD and management of the BOM;
  - Evaluated the performance of internal management system;
  - Review accounting books, appraised semi-annual financial statement 2018.

  In assessing the performance of internal management system, the BOS reviewed reports of internal control, internal audit, risk management departments and worked with these departments to attract their attention to some activities of the Company in 2018 as follows:
  - Continued to promote training for improving knowledge and skills of internal control staff to ensure relevance with the development of the securities market in general and responding to the development of new products in particular;
  - Communicated and raised awareness on professional ethics, continuously update new provisions of law relating to the Company's operations to enhance employees' compliance;
  - The Risk Management Department implemented a comprehensive and professional risk management process in terms of business and internal operations.

Compliance to regulations and the Company's Charter, and execution of resolutions of General Meeting of Shareholders

The Company's operations in 2018 were in compliance with regulations of law as well as the Company's Charter. The Company strictly complied with regulations on information disclosure for securities companies, which were also a listed company on HOSE. Internal people fully complied with regulations on information disclosure when trading SSI shares.

The Company fully implemented the decisions of the General Meeting of Shareholders, including the issuance of 1,200,000 convertible bonds under Resolution No. 01/2018/NQ-DHDCD dated January 12, 2018, issuance of 10,000,000 shares under the selection program for employees according to Resolution No. 02/2018/NQ-DHDCD dated April 20, 2018 of the General Meeting of Shareholders in December 2018. Dividends were paid to shareholders within 6 months since the end of the Annual Shareholders' Meeting.

The Company Charter had been amended and supplemented regarding the issuance of warrants, change of the Company's name and new charter capital, new shares after the issuance of shares under the selection program for employees in consistence with the decisions of the General Meeting of Shareholders and the amended license issued by SSC.

Implemented the procedures to change the name of the Company, Branches, Transaction Offices and related procedures quickly and promptly to enhance the brand identity to investors.

Financial supervision

The Company prepared and disclosed periodical financial statements in accordance with regulations governed by SSC. Semi-annual financial statements, financial safety ratio report, and annual report of 2018 were reviewed and audited by an independent auditor, i.e. Ernst & Young Vietnam Limited, in accordance with existing regulations governed by SSC and MOF. There was not any discrepancy in the figures of semi-annual financial statements before and after review.

The financial report of 2018 gave a true and fair view, in all material respects, of SSI's financial position as at 31 December 2018, and results of its operations, its cash flows and change in owner's equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese accounting policies for enterprises, accounting guidelines applied to securities companies and related legal regulations. The provision of funds and remuneration for the Board of Directors and the BOS were performed in accordance with the resolution of the Shareholders' Meeting in 2018.

The BOS conducted the periodic meeting for the last 6 months of 2018 on March 23, 2019 and evaluated that the accounting and book-keeping of the Company was carried out prudently. The financial data of the Company was transparent.

Supervision of members of the Board of Directors, Chief Executive Officer and Board of Management

The BOD and Board of Management directed the Company operations according to the objectives set by the General Meeting of Shareholders at the annual meeting. So far, the BOS had found no violations of responsibilities and obligations of the Company's managers. Information on transactions with internal persons and related persons was fully disclosed as required.

In the management and administration activities, no violation or error was found from regulators. The BOS noted the fluctuations of the economic market in general and the securities market in particular, so the Board of Management should be cautious, maintain the achievements and have solutions to ensure safe, effective operation.

Results of handling shareholder recommendations to the Company

In 2018, the BOS received no recommendations or claims from shareholders as to the Company's operations or governance.

Coordination between the BOS and the BOD, CEO and Shareholders

In the year 2018, the BOS received close coordination and facilitation to carry out its supervisory tasks from the BOD, the Board of Management and the management of the Company through the provision of full information and documents relating to corporate governance, business operations, and financial situation of the Company.

REMUNERATION AND BENEFITS FOR BOARD OF DIRECTORS AND SUPERVISORY BOARD

2018 operation fund for BOD and BOS was VND 3 billion, which was approved by the GSM and in accordance with GSM's Resolution 02/2018/NQ-ĐHĐCĐ dated 20 April 2018.

At 31/12/2018, the BOD comprised of 06 members, of which 02 are executive members, 04 are non-executive members. The BOS comprised 03 members, in which Ms. Le Cam Binh is internal person, who was appointed on 20 April 2018.

No.	Name	Position	Non-executive member	Executive Member	Salary	Remuneration	Performance bonus	Welfare
		Board of Directors						
1	Mr. Nguyen Duy Hung	Chairman		√	√		√	√
2	Mr. Nguyen Hong Nam	Member of BOD		√	√		√	√
3	Mr. Ngo Van Diem	Member of BOD	√		√		√	√
4	Mr. Bui Quang Nghiem	Member of BOD	√			√		√
5	Mr. Nguyen Duy Khanh	Member of BOD	√			√	√	
6	Mr. Hironori Oka	Member of BOD	√			√		
		Board of Supervisors						
1	Mr. Nguyen Van Khai	Head of BOS	√					√
2	Mr. Dang Phong Luu	Member of BOS	√					√
3	Ms. Le Cam Binh	Member of BOS	√		√		√	√

Periodic bonus and welfare of members of the BOD and SB

The BOD executive members, BOD members who participated in Company's operation, and BOS members received periodic bonus and welfare from the Company welfare fund, which was created from retained earnings and based on 2018 business performance approved by the GSM.

Other benefits for members of the Board of Directors and Board of Supervisors

Currently, the Company' business expenses benefits (including those relating to the use of company cars, telephones, social, medical and other insurance, the annual health check) and other benefits in internal policies are only applicable to the executive member of BOD or the member who participated in Company's operation activities. The Company only pays expense related to business trip (if any) to other members of BOD and member of BOS.

ESOP for Members of BOD and BOS

In 2018, SSI has successfully issued shares under the Employee Stock Ownership Plan (ESOP), which aims to align the interests of employees and the Company; attract, maintain and motivate qualified staff to dedicate and make long-term commitment to the Company.

The number ESOP shares bought by BOD and BOS members are as follow:

No.	Name	Position	Number of shares
1	Nguyen Duy Hung	Chairman cum CEO	1,899,000
2	Nguyen Hong Nam	Member of BOD/ Deputy CEO/ Spokesman	700,000
3	Ngo Van Diem	Member of BOD	50,000
4	Bui Quang Nghiem	Member of BOD	30,000
5	Nguyen Duy Khanh	Member of BOD	200,000
6	Nguyen Van Khai	Head of BOS	30,000
7	Dang Phong Luu	Member of BOS	15,000
8	Le Cam Binh	Member of BOS	70,000

Total income of members of BOD and SB in 2018 was **VND 13,126,800,000.**

RISK MANAGEMENT

OVERVIEW OF THE RISK MANAGEMENT SYSTEM

In 2018, the Company's risk management policies and procedures continued to be completed and updated, in line with business practices as well as risks arising from new business operations such as derivative securities. In addition, in order to improve the effectiveness of risk management activities, training activities on risk awareness and risk prevention have been widely provided to all employees.

Risk management activities are carried out seamlessly from top to bottom, initiated by the BOD through the development of business strategy and risk tolerance limits for each type of risks and each specific Business Unit, as follows:

- To develop and align a culture of risk management to every employee whereby each individual to engage and contribute to risk management activities;
- To develop a strong and transparent corporate governance structure in order to determine accountability of each individual and department in the organizational structure;
- To develop a mechanism of control and oversight to keep risk within the limits allowed;
- To issue of documents under policy framework and methods to identify, measure, control and mitigate key risks.

The Risk Management is organized by types of risk in order to ensure a high level of specialization:



Risk management activities are conducted specifically according to the 5-step process as follows:

1. Risk identification

Risks are determined based on indicators or areas with exposure to potential risk in the Company's business operations. Input data to determine risks includes:

- Database of risks occurred in business operations that have been identified, and have been reported and detected through Internal Control, Internal Audit, and Independent Audit activities. Based on this data, the Company can assess and predict the risks likely to occur in the future;
- Based on analysis of historical data on the risks occurred and the likelihood of future risks to identify areas with high risk exposure. This method contributes to improve risk management based on the inheritance of experiences and lessons from the past;
- Changes in business strategy, the operating procedures as well as the development of new products, new business activities or execution of business restructuring;
- Recommendations and feedbacks from Government Agencies, Independent Audit, Internal Audit, and Internal Control;
- Changes in business environment, policies and laws.

2. Risk measurement and assessment

SSI uses qualitative and/or quantitative methods of assessment to appropriately measure each specific type of risk.

Quantitative models are prioritized to quantify risks. These models could calculate and estimate exposure values of market risk, settlement risk, operational risk, liquidity risk, as well as others. These risk exposure values are quantified to a specific figure or a specific percentage. A number of typical models used by SSI to measure risk include:

- Standard models, as stipulated in Circular no. 226/2010/TT-BTC dated December 31, 2010 and Circular no. 165/2012/TT-BTC dated October 9, 2012 issued by the Ministry of Finance;
- Quantitative models VaR (Value-at-Risk) used to calculate the maximum level of volatility for a stock, or index to be used in derivative transactions with a predefined confidence level and time period;
- Stress testing model used to assess the maximum loss that may occur according to a predetermined scenario for the Company to take loss limiting measures when necessary;
- Quantitative scoring model and quantitative stock model based on historical data of price and volume volatility;
- Banks' appraisal and rating models.

3. Risk limit identification

To ensure that risk is limited to the lowest level of tolerance, as well as to improve the effectiveness of risk oversight, the Company has established a set of risk indicators and limits for key risk exposure.

Risk limits are determined by both qualitative and quantitative methods. In particular, the latter has priority over the former.

Limits for each type of risk is determined based on:

- Data and historical events related to the risks being monitored;
- Risk appetite and targets of the BOD;
- Actual operating activities of trading and related business units based on views of the unit's heads.

The Director of Risk Management proposes limits for each type of risk, with references to the characteristics of each business department for approval by the CEO.

The CEO proposes the total risk limit as well as specific risk limits for each business unit for approval by the BOD.

4. Risk monitoring

Risk monitoring activities are carried out on a daily basis, mainly through risk indicators and limits of the indicators. A number of risk parameters are set and limited automatically on the system, and others based on daily risk management reports in accordance with predetermined forms, or both.

Risk monitoring activities are carried out firstly by the business departments where the risk incurring transactions take place, followed by supervision of independent departments including Risk Management, Internal Control and ultimately Internal Audit.

When risk positions approaching warning levels, the Risk Management will issue a warning and request specific measures from the risk-generating business departments, and at the same time, coordinate with them to develop action plan to bring the risk positions back to safety threshold.

5. Risk handling

Risk handling activities are based upon review and assessment of factors such as the severity of the risk to be handled, the frequency of risk occurrences, costs of risk mitigation, risk characteristics, etc. The company implements a number of measures of basic risk handling as follows:

- *Risk tolerance*: When the cost of risk handling is a significantly higher than that of the losses incurred due to risk exposure, no handling measure is necessary;
- *Risk avoidance:* Any activity that could lead to the risk exposure that the BOD has a zero or very low risk tolerance, or that exerts potentially serious impact on the image and activities of the Company shall not be carried out;
- *Risk mitigation*: Applying measures to mitigate potential impact on the Company or to minimize the probability of risk occurrences, or both;
- *Risk sharing*: Transferring all or part of the identified risks to another party, such as purchasing insurance (if comparable services are applicable) for operating activities;
- *Developing a monitoring and risk warning system* for timely detection of potential risks and marginal risks for prompt risk handling.

General risk handling process:

- Identifying causes of increased risk positions, and causes of risk generating events;
- Selecting and developing handling plan, including specifications of responsible units for implementation, implementation schedule, expected results, resource assessment and planning, and required procedures;
- Performing risk handling in accordance with selected plan;
- Reviewing and updating relevant policies and procedures to avoid similar incidents;
- Adjusting relevant limits if necessary to align with reality.





SSI ENSURES THAT RISK MANAGEMENT IS CARRIED OUT IN A SPECIALIZED MANNER AND SEPARATED BY RISK TYPES AND THAT THERE IS CLOSE COORDINATION AMONG RELATED DEPARTMENT WITH RISK MANAGEMENT

MARKET RISK

SSI's core business activities exposed to market risks include investments in bonds, shares, deposits, margin lending, and derivative products.

Revenues from these activities are affected by fluctuations in interest rates, stock prices, derivative indexes, possibly due to market conditions or changes in monetary policies or macro policies of the government of Vietnam or other countries concerned, possibly due to geopolitical turmoil as well as other legal regulations. When interest rate and stock price fluctuations are unexpected, there exists the risk that revenue and profit of the Company would move in adverse direction.

To mitigate these risks, SSI ensures that risk management is carried out in a specialized manner and separated by risk types and that there is close coordination among related department with Risk Management from monitoring, assessment, market view and prediction, and investment strategy, to the limit system, risk diversification strategy, risk warning and handling process.

Investment in deposits/ bills/ bonds/ margin lending

As of December 31, 2018, SSI's equity reached more than VND 9,156 billion; total assets were over VND 23,825 billion; average deposit balance was VND 3,373 billion; average margin lending balance reached more than VND 5,633 billion. Cash inflows and outflows fluctuated regularly due to payment activities, clients' borrowings/repayments, and investment disbursements, occurring daily without a specified time frame. Such operations required SSI to balance capital and interest rate to optimize returns and realize predictions on interest rates. Even with modest interest rate fluctuations in 2018, SSI Treasury still managed to optimize interest rates trading, contributing a significant part to the Company's revenue while ensuring the highest level of safety.

To anticipate the risk of stock price volatility that affects margin lending, the Company conducts assessment of macroeconomic conditions, market systematic risk, change in legal regulations and Government's policies related to specific sectors, geopolitical issues and global commercial and economic issues that may impact the overall market or a specific sector either periodically or unexpectedly upon occurrences of events for appropriate adjustments in margin lending activities.

Investment in stocks

The stock portfolio was directly affected by the internal factors of the economy as well as international fluctuations. Unexpected movements of macroeconomic factors may cause stock prices to fall and negatively affect business performance of securities companies.

In 2018, taking advantage of market opportunities, SSI made appropriate divestments to gain expected profits, while continued to invest in essential sectors of the economy with stable development potential. In addition, the management of post-disbursement investments was also carried out in a strict and thorough manner, evidencing through the assignment of specialized staff to each group of enterprises, who paid regular site visits and directly worked with senior leaders to understand the vision, strategy, and operational plans of these enterprises. In particular, SSI also appointed its representatives to act as members of the BOD and/or the BOS and/or Board of Management at enterprises where SSI had a sufficiently large ownership ratio. As a result, SSI could accompany the enterprise in all aspects of operation for better management of its portfolio.

Investment in derivatives

The year 2017 marked official launch of the derivative market. In this context, SSI was one of the first securities companies to be licensed for derivative securities trading. With careful preparation in terms of human resources, systems and processes, risks incurred from strong fluctuations of derivatives in 2018 had been dealt properly with to ensure safety for the Company.

The Risk Management Department always monitored daily market developments so that timely response measures could be taken to limit risks if necessary.



CREDIT RISK

The Company's credit risk arises mainly from margin lending activities, and investments in bank deposits and bonds. The risks arise when a partner fails to pay a part or all of its debt obligations to SSI when due.

Investments in Deposits

Investments in deposits at commercial banks are considered to have the lowest level of credit risk; However, if occurring, such risk can cause great damages. Therefore, SSI always reviews careful before conducting transactions with Banks based on the Banks' credit rating, followed by periodic reassessment. Each commercial bank would be assigned a specific deposits limit depending on their specific credit rating, as well as certain terms and conditions, to ensure maximum capital preservation. At the same time, SSI established overdraft limit mechanism with multiple banks for simultaneous operation with bank deposits. This allows the Company to maintain liquidity capabilities while ensuring flexible capital uses and providing for credit risk, as bank deposits contracts always have provisions for flexible withdrawal of the overdraft facility. During our 18 years of operation, SSI has incurred no irrecoverable bank deposits. This is an achievement that testifies for our highly effective credit risk management activities.

Margin Lending

Margin lending refers to collateral lending activities, secured by clients' loan portfolios that have been approved by both SSI and SSC for margin lending. Credit risk arises when the Company is unable to recover sufficient debt upon disposal of all collateral assets of a client, or to process collateral assets due to loss of liquidity and deep depreciation, or cancellation of listing, while the client fails to provide additional collateral assets. In order to mitigate such credit risk, SSI employs a series of coordinated measures, as follows:

- Establish a prudent collateral portfolio based on compliance with regulations by the State Securities Commission of Vietnam. At the same time, rate stocks in consideration of liquidity, price fluctuations and stock valuation based on the corresponding company's financial and operation analysis report. Based on stock rating, the Company will set lending rates and limits consistent with stock quality.
- The portfolio of collateral assets is revalued monthly to mark to market fluctuation of the stocks. At the same time, individual cases are evaluated as soon as relevant negative news incurs.
- Develop a cross-cut limit system to control concentration of outstanding lending balance as well as alert levels for timely recovery of debts:
  - Total volume limit for margin lending,
  - Maximum limit per client,
  - Maximum limit per stock,
  - Safety warning level,
  - Forced sell warning level, etc.
- Monitor the outstanding balance, concentration of outstanding balance by client, stock and daily risk exposure to timely risk detection. For instance, outstanding balance with high concentration on a specific client or a specific stock, stocks with abnormal price volatility, stocks with unusual news, stocks with abnormal and suspicious transaction movements in trading session, etc.
- Rate and appraise margin lending clients to ensure SSI's criteria and regulations. Increase Broker's client management responsibility with regards to warning communication and loan recovery, etc.
- Refrain from competing for market share and outstanding lending balance through over-extending margin lending services

In 2018, the market witnessed considerable fluctuations. However, with the strategy of diversifying the portfolio of client margin lending, increasing the lending of leading and highly liquid stocks, the company's margin outstanding balance grew from an average of over VND 4,154 billion in 2017 to an average of more than VND 5,633 billion in 2018, with the highest balance reached over VND 7,043 billion; However, related risks remained within the limits approved by the Board of Directors without any bad debt.

Investments in Bonds

Investment in bonds is exposed to the risk of bond issuers losing their liquidity at the bond's maturity, or the risk of unexpected adversities leading to the bond losing its liquidity. In order to mitigate these risks, SSI has in place an assessment procedure to examine all details and aspects of a bond investment proposal, similar to a credit assessment prior to investment. SSI assessed very carefully, and only invested in bonds issued by reputable issuers with sufficient collateral assets.

In the context of low interest rate level in the first half of 2018, Government Bond yields also became less attractive. Meanwhile, the interest rate risk in the market still existed due to the impact of the US Federal Reserve's rate hike plan and exchange rate instability from the risk of US-China trade war. Therefore, to limit interest rate risk and credit risk for bond investment activities in 2018, SSI had mainly focused on floating bonds issued by banks with high credit rating (state commercial joint stock banks and large private commercial joint stock banks).

LIQUIDITY RISK

Liquidity risk occurs when SSI loses its ability to fulfill its obligations to pay part or all of the due debts, failing to meet the demand for payment of securities purchased by investors using margin lending, or experiencing delay or failure to meet the requirements of payment activities of investors on accounts maintained at SSI. With the number of clients growing over the years, mounting to over 153 thousand accounts in 2018 across SSI branches in different cities, receiving hundreds of payment requests per day, SSI must ensure the quickest, safest, and most cost-effective way to conduct payment operations for investors. In order maintain flexibility in serving clients, SSI has connected with dozens of banks to manage an average investor deposit balance of over VND 3,373 billion in absolute safety.

In 2018, SSI's margin lending service continued to maintain strong growth, requiring high flexibility in balancing daily cash flow between timely cash disbursement (in margin lending) and efficient use of cash flow when investors repay margin loans. SSI also holds the largest securities investment portfolio in the market, thus the management of low liquidity investments also requires a sound balance of owners' equity, to be able to reinvest the capital to capture investment opportunities. In 2018, SSI continued to ensure absolute liquidity management, without the occurring of any risky incident. Net capital ratio remained high between 326% and 490%, well above the regulatory 180% set forth by SSC.

2018 Financial Safety Ratio

Month	Financial Safety Ratio
1	451%
2	481%
3	490%
4	450%
5	422%
6	434%
7	438%
8	394%
9	356%
10	341%
11	359%
12	326%



This achievement was thanks to a stringent cash flow management process, which was established based on the particular priority given to liquidity risk management and the close collaboration fostered between SSI's units. All business units have access to a regular and detailed reporting system for timely information update.

	Report	Frequency
Accounting	Banks accounts balance	Daily
	Investors' accounts balance at SSI	Daily
	Projected expenditure/ revenue	Daily
Treasury	Start-of-day cash flow	Daily
	Project cash flow	Monthly/ When arising or requesting/ Daily
Securities Services	Advances to investors	Daily
	Dividends payment	When arising
	Derivative clearing	Daily
	Disbursement/ loan recovery of margin trading	Daily/ When arising
	Investors' large transfer/ withdrawal/ deposit/ credit	When arising
	Clearing	Daily
	Transactions related to purchasing rights Issue	When arising
	Margin lending sources	Daily
Risk Management	Net capital ratio report	Monthly
	Liquidity reserve report	Daily/ Monthly
	Financial liquidity report (current ratio, quick ratio, etc.)	Monthly

In 2018, in order to further increase margin lending activities, SSI mobilized more capital from bank loans and bond issuance, which leads to more complicated cash flow management. However, the Company maintained a reasonable and balanced ratio between assets and liabilities, following the basic liquidity risk management.

SYSTEM RISK AND INFORMATION SECURITIES

Every year, SSI reviews the Business Continuity Plan (BCP) of the organization and also performs rehearsal for key subjects. Due to the launch of new core system for cash market in 2018, the BCP has been revised dramatically. Most of critical subjects have been tested in 2018. Certain areas which are under our enhancement plan were deferred to early 2019.

SSI continued to maintain the high alert policy on all security related protection from physical accessibility, hacking, attacking to information leakage.

In 2018, the Company had a tier one international consultancy firm to review our facilities and environment. The purpose is to review and recommend improvements on three different categories – operations, stability and availability, and security protection. We are following their recommendations to fine-tune our security protection and other areas.

This year, SSI also had new facilities on monitor security risks. These include Security Information & Event Management (SIEM), and Security Operations Center (SOC), etc. These allow SSI to react security risks in earlier stage to avoid any material damage to the organization.

COMPLIANCE RISK

Compliance risk refers to the risk that the Company must face in the event that the Company or its employee violates or does not comply with the provisions of the law, the provisions of the Company's charter, internal and professional procedures, regulations, including professional code of ethics.

Preventing and limiting compliance risks are considered an important task of the Company. A number of measures implemented by the Company to prevent compliance risks include:

- Process and operational design with cross-checking among individuals and departments. At the Company, operational procedures and operational apparatus are designed for mutual cross-check to enhance internal inspection and supervision, limiting power abusing and allowing early detection of violations;
- Improving employees' compliance awareness. Training and advocacy of compliance are attended to. Newly recruited employees are trained in common procedures, regulations and special regulations related to their areas of work. During the time at SSI, employees are trained periodically to have strong grab on work process and raise awareness of compliance;
- Establishing an internal inspection and supervision system;
- Applying stringent discipline to violations of the Company's regulations.

In 2018, the Company's Internal Control Department conducted 42 inspections across various departments for compliance checking of internal procedures and regulations and relevant laws. Based on data and risk assessment and departments' objectives, the Internal Audit Department will develop a control program for comprehensive and objective implementation and risk reduction. Control results are reported to the CEO, Head of Unit and Compliance Department of the Company for timely handling of violations, updating and correcting operational procedures to mitigate risks and increase work performance. In addition, in order to enhance compliance, the Internal Audit Department periodically offered training courses on internal control system.

In parallel with internal control activities, the Internal Audit Department also performed 37 internal audits in 2018 relating to accounting documents, taxes and financial statements. Internal audit activities promptly detected errors and proposed compliance measures to the Chief CEO. Internal audit activities have increased the effectiveness of compliance risk management in the Company. Published financial statements, tax reports and net capital reports of the Company ensured honesty and objectiveness, in accordance with accounting standards and regulations.

The Company maintained annual training for the entire staff on professional ethics, internal control, and money laundering prevention and control. The Finance and Accounting Departments also attended training to acquire knowledge and update regulations on accounting and tax, participated in training courses and seminars organized by the regulators, etc. In 2019, the Company plans to promote training through online training systems and channels, to facilitate employees' quick access to internal regulations and policies. These systems and channels, on another hand, act as tools to evaluate qualifications, professional ethics and skills of employees to improve the quality of human resources.

A number of compliance risks that the Company has identified and developed control measures for 2018 is presented in the following table:

Potential risks and compliance risk measures

No.	Potential risks	Control measures
1	Brokers violating professional code of ethics, abusing of client accounts.	Training to raise the awareness of professional ethics; Assigning proper access levels to customer information; Designing account management procedures with cross-checking; Encouraging client to conduct transactions over the Internet; Providing timely notification on change of account balance for clients via SMS and email; Conducting centralized specialized control; Strictly handling acts of violating professional ethics; Rotation of control and approval positions.
2	Brokers violating professional code of ethics, engaging in stock price manipulation.	Training to raise the awareness of professional ethics; Monitoring trading accounts of staff and family members; Strictly handling acts of violating professional ethics; Verifying employee's employment history before hiring.
3	Controlling conflicts of interest between clients and brokers	Training to raise the awareness of professional ethics; Monitoring trading accounts of staff and family members;
4	Violation of anti-money laundering regulations, especially in client identification.	Issuing anti-money laundering regulations, and integrating anti-money laundering regulations into business processes; Holding annually training for staff to raise awareness on money laundering prevention and control; Refusing to serve clients failing to provide identification information in accordance with the laws; Actively classifying clients' risk profile in money laundering prevention and control.
5	Employees violate business processes	Professional training for all new employees, periodic mandatory training for all employees The handling of mandatory operations subjected to approval and control; Reviewing and updating processes regularly and when detecting violations to improve the process and reduce risks; Increasing frequency of internal control of units considered to be risk-prone.

By improving the awareness of compliance, increasing the frequency of control and timely updating and finalizing of process, in 2018, the number of violations and errors was strictly controlled and there were no significant errors.



REPUTATIONAL RISK

Branding in the finance – securities sector, in our perspective, has extended beyond being a symbol for clients to identify and position our business products and services; it has become a valuable intangible asset. Reputation risk refers to the loss or damage of value that result from changing Clients' perception of the Company, creating major impacts on their demands for the Company's products and services, as well as all general business activities.

SSI brand value estimates at USD 30.8 million, placing itself in the Top 40 most valuable brands in Vietnam. Fully aware of possible risks that may incur to the Company's brand, SSI has built a brand development and management strategy and implement accordingly in an effective manner.

Our branding is represented, firstly, by the images and information that are communicated through both public and internal media channels. Yet, more importantly, it is also showcased through our products and services, as well as any experience and interaction, no matter how small, between our clients and our representatives. As such the concept "brand ambassador" has taken a higher level of meaning, empowering each and every individual at SSI with the capability to convey important messages about the SSI brand to both our clients and the public. We always strive for consistency and strategic alignment in these messages. Our vision is "The Business of Success" and our mission is "Connecting capital to opportunities" to establish SSI as a transparent financial institution.

Maneuvering through today's information highway, SSI has chosen transparency to be our guiding communication principle to minimize reputation risk. Transparency is key to building trust of our Shareholders and Investors: Information, whether negative or positive, is processed in a consistent manner to provide them with a genuine perspective. When inaccurate information about SSI is published, we apply the same principle of transparency in handling: always willing to initiate direct dialogue with the public, providing factual and credible information to work towards a resolution.

In 2018, there were more than 112,000 discussions about SSI on social network and media, including more than 970 news/articles in mainstream newspapers. The Company also actively launched 36 media campaigns. These figures, to some extents, showed the interest of shareholders and investors in SSI's activities. Respecting the investment value from our shareholders, SSI is fully aware of our responsibility to provide our shareholders and investors with transparent, complete, accurate and timely information.

As the impact of social networking on branding becomes more powerful, instead of being passively responding to the flow of information, SSI has worked with leading consulting firms to be able to listen to the most detailed discussion of investors, clients, not only on the SSI brand, but also on the stock market. This information helps SSI both take initiative in responding to misleading information and access a valuable source of information to observe market orientation, so that SSI can continue to pioneer on the path toward market transparency.

In order to mitigate reputation risk, SSI has been working to establish a systematic and professional communication process and plan. Our communication plan is clearly defined every year so that essential information can be related in a timely and complete manner. All materials, messages and announcements from SSI go through a strict internal review process to ensure precision and consistency. To date we have issued and implemented various regulations and rules for information reporting and publishing, with particular provisions for conducting interview with public media, as well as sharing information and producing written materials on SSI's business activities. Most notably, SSI has in place a clear procedure for correcting false information on public media, asking all of our staff to be responsible for alerting the company about the existence of false information. We also prepared a full guideline for crisis management, emphasizing a willingness to collaborate, share and communicate with the media and the public.

CORPORATE GOVERNANCE / RISK MANAGEMENT

HUMAN RESOURCE MANAGEMENT RISK

One of important principles in SSI's governance system is transparency.

SSI fully aware that human resource is one of the most important resources and assets to create added values and shape the organization's development. Risks related to human resources may cause great impact on business performance and benefits of enterprises.

On these grounds, SSI aims for a comprehensive human resource risk management system with following objectives:

Risk management items	Objectives
HR strategies	Ensure HR strategy is aligned with the overall strategy of SSI, resonating with other departments' strategies to create common values and flexibly adapted to fluctuations in operational risks and resource markets. Ensure human resources are planned and used appropriately and effectively in each period. Ensure long-term organizational development management, risk management in transformation periods.
State polices and Vietnamese labor laws	Comply with the provisions of the Law and the State related to labor; Manage risks related to labor when new State policies are issued
HR policies	Comply with general risk management models at SSI, and keep consistency with relevant policies to maintain efficiency
Operation	Set up effective and accurate HR information management tools and systems. Establish back-up models in the departments upon any HR risks. Optimize HR procedures; minimize risks due to operating procedures. Properly apply Labor Laws to management. Communicate governance messages in a proper, clear and transparent manner.
Finance	Improve labor cost efficiency. Have appropriate compensation and benefit package based on achievements and work performance.

HR risk management solutions

Establish a list of risks that may incur in human resource management to help identify, evaluate, control and have appropriate risk management measures:

Human resource management activities	Governance issues
Recruitment	Ensure recruitment of suitable employees, adhere to transparent, honest, fair, accurate recruitment rules and requirements; increase the proportion of qualified personnel after the probationary period.
Training	Fully equip necessary knowledge and skills to help employees limit errors and avoid violations during working.
HR arrangement	Ensure assignment of suitable tasks to suitable employees, limit the risks incurred by the employees who fail to meet competency and skill requirements for the position.
Salary and benefits package	Ensure items paid to employees are within the approved budget. Arrange approval authority levels for payments to reduce potential risks related to the accuracy of data, personnel information, approval authorization and Law-related policies.
Employee information management	Ensure employee information is fully managed since their entry until termination at SSI: Personal resume, work history, reward - discipline, achievements, etc., to provide accurate and comprehensive information about employees to meet SSI's management objectives and/or regulator's requirements.
Work safety and health care	Periodically organize health check-up, maintain a comprehensive health insurance package to monitor employee's health and provide them with the best medical check-up and treatment options. Comply with the Law on Social Insurance, Health Insurance, ensure interests of employees upon sickness, maternity, etc. in accordance with the State's regulations. Work environment and conditions to be reviewed regularly to ensure safe and professional working environment and condition.

Establish processes, tools and sets of Key Performance Indicators (KPIs), Service Level Agreements (SLAs) to provide guidance on operations, measure performance and identify risks which may incur in daily operations related to each operation: Recruitment, Training, Rotation, and Appointment.

Check the compliance of relevant departments in implementing regulations, work-flows and processes to ensure compliance with the provisions of Law and the State and SSI's policies.

Give warnings and solutions on a periodic or ad-hoc basis (upon request or actual situation) to minimize financial risks and operational risks based on the list of risks that may be encountered in human resource management activities of SSI.

Foster risk management culture through communication programs on professional ethics, financial regulations and information technology and training programs on risk management.

With an effective risk management system, SSI strongly promotes the deployment of opportunities for potential staff to participate in staff challenging and development programs, projects and action programs and innovation initiatives annually.

LEGAL RISK

Legal risk is the risk that may occur due to subjective reasons, i.e. employee's compliance and objective reasons, i.e. changes in legal regulations, Force majeure events during the daily operation of the Company. The BOD and Board of Management attaches great importance to this issue, and therefore does not tolerate any risks due to deliberate violations of legal regulations. Therefore, the Company has established measures to identify, prevent and limit risks such as:

- Develop internal regulations and procedures to meet operational requirements and comply with law, document internal affairs into procedures and guidelines; regularly review to modify, update internal regulations and procedures in accordance with any changes in laws; ensure the internal regulations, processes, products, commitments, contracts, etc. receive comments and feedbacks from Legal Department prior to issuance or implementation.
- Communicate and update new legal regulations to relevant departments. The updated regulations are not only related to the securities sector, but also include other areas that affect the entire operations of the Company such as accounting, taxation, labor, etc. The Legal Department will assist other departments to answer questions or seek advice from Competent Authorities to ensure accurate understanding and proper application of these regulations.
- The company pays great attention to building specialized systems and departments of law. In order to limit the risks arising from changes in laws or regulations, SSI organizes the Legal Department with licensed lawyers as well as uses external professional legal consultancy services in case of need. The Legal Department is also responsible for updating newly issued regulatory documents for the BOD, the Management and relevant units. It also studies the impacts of draft regulatory documents on the Company's activities for proper preparation. The Department is also in charge of providing inputs to draft legal documents that are closely related to the Company's activities, participating in seminars, coordinating with peers and members of professional associations to comment on law making process, summarizing problems arising from the application of current regulations to report to competent state agencies and propose feasible solutions.

Compliance is a criterion in the professional code of ethics of the Company that the entire BOD, Board of Management and employees have committed to. In 2018, all employees of the Company have strictly complied with the proposed measures, thanks to which no violations of legal risk limits have incurred.



ENVIRONMENTAL RISK

The Company provides services in the financial sector, without material use of natural resources, therefore environmental risk exposure is negligible.

2019 ACTION PLAN

In 2018, the company's risk management system was fundamentally completed with the addition and updating of several risk management policies and procedures for each specific risk area, along with upgrading of the risk monitoring and warning systems.

In 2019, risk management activities will be further enhanced with the development of a risk management system in line with international standards as well as business practices of SSI. In addition, the improvement and updating of risk management policies and procedures continues to be implemented.

With strong growth in personnel size as well as network of branches and customers, along with new trading flatforms and supporting technology, the Company is facing more operational risk-related issues, especially those prompted from human and system. In addition, many unexpected risk factors from outside might also elevate market risks, possibility leading to strong corrections across the market or in specific stock groups or industries. Higher market risk will lead to credit risk related to margin lending and derivative trading, and increase expense for prevent risk related to covered warrant product which will be launched in 2019.

With a total asset size of USD 1 billion and allocated to a number of different business activities flexibly to improve the efficiency of financial resources use, there is still a liquidity risk.

Therefore, 2019 to focus on improving the effectiveness of risk management with the implementation of risk management training for all employees to enhance risk management culture, for each employee is to serve as a risk management agent in each of their operation. In addition, strengthening of market surveillance and regular assessment of market risks, concentration of outstanding loans related to margin lending activities in order to make timely adjustments are also implemented. Besides, the derivatives market is also monitored daily to promptly adjust, and handle if there are market factors that can cause strong fluctuations of derivatives index.

Liquidity risk management is always focused to ensure that the Company does not occur liquidity risk as well as financial resources are allocated and used effectively.

In 2019, with the addition of warrants in the security market, completion of risk management for warrant underwriting will also be a focus.

Challenges in the implementation of risk management activities

In order to achieve sufficient risk management, it is necessary to be accurate and effective in identifying, measuring, monitoring, warning and handling risks, along with awareness building at all levels from management to employees on the importance of risk management and each member's initiative to engage in risk management activities of SSI.

Because risk management is a new field in Vietnam as well as a growing field in the world, there remain issues with inconsistent and changing definitions, limited risk measurement models, and inadequate awareness on the importance of risk management activities across majority of the work force. Therefore, risk management activities to encounter the following difficulties:

- Measuring risks using the quantitative method requires the use of historical data. However, at present, the data source is either very limited or unavailable, making the use of quantitative risk measurement to be challenging, inaccurate or unfeasible. In addition, quantitative risk measurement models themselves have limitations and vary in approaches. For instance: The Value at Risk (VaR) method can help to measure maximum loss at a specific level of confidence over a period of time. However, when a risk is outside of the confidence level, the maximum loss cannot be defined and often is very large. In addition, VaR also has a variety of measurement methods depending on specific conditions, requiring users to have experience for appropriate measurement application.
- Current software systems supporting risk measurement require very high investment costs that only large banks or financial corporations in the world can reach the scale to attain meaningful cost-effective use. As a result, certain semi-manual calculations remain in use.

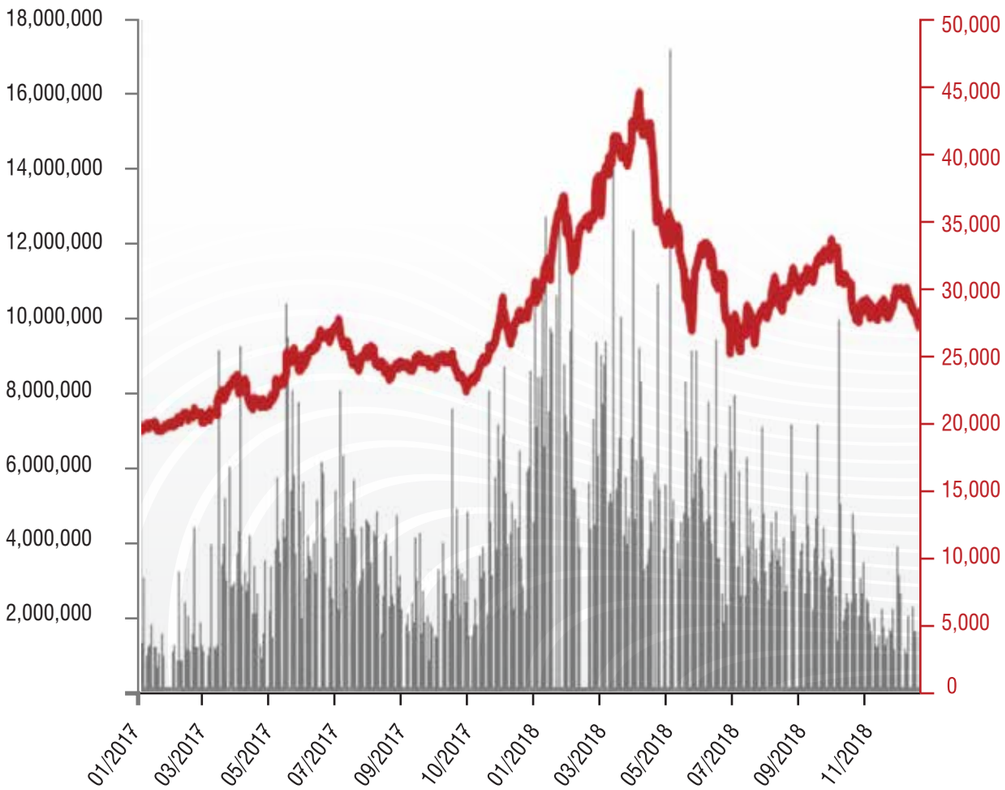
CORPORATE GOVERNANCE / RISK MANAGEMENT



SHARE INFORMATION AND INVESTOR RELATION ACTIVITIES

SHARE INFORMATION IN 2018

SSI stock price and trading volume in 2018

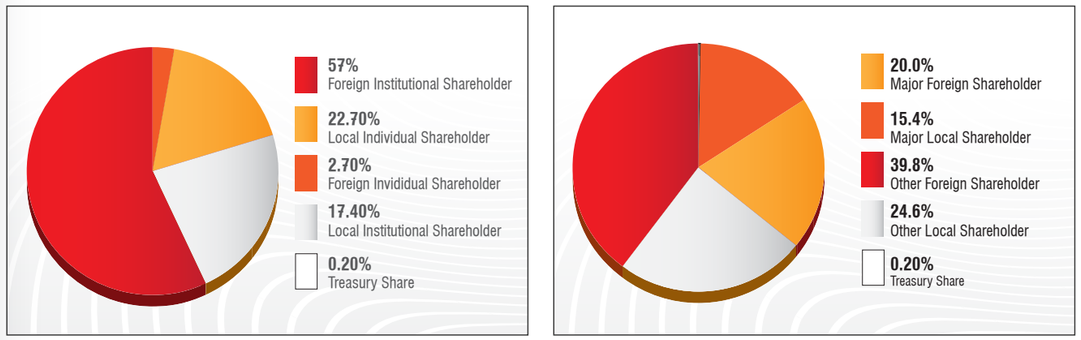


Source: SSI

Ticker:	SSI
Exchange:	Ho Chi Minh Stock Exchange (HOSE)
Number of common shares (as at 31/12/2018):	510,063,684
Number of outstanding shares (as at 31/12/2018):	509,170,307
Number of treasury shares (as at 31/12/2018):	893,377
Market price (closing price as at 28/12/2018):	VND 26,650/ share
2017 dividend payment by cash:	10%/ share (VND 1,000/ share)
The ex-right date	04/10/2018
The record date for issuing shares	05/10/2018
Payment date	19/10/2018
Issuing ESOP shares to increase charter capital	VND 100,000,000,000
The date of issuance	25/12/2018
The number of issued shares	10,000,000 shares
Par value	VND 10,000/ share
Price	Par value (VND 10,000/ share)
Type of share	Common share
Transfer restriction	50% are freely transferable after 02 year and the remaining are transferable after 03 years from the date of issuance.
2018 dividend advance payment	None

SHAREHOLDER STRUCTURE

Shareholder structure (*)



Data as of 01 April 2019
Source: SSI

Major shareholder's information (own more than 5% of equity)

No.	Shareholder	Address	Number of shares	Ownership proportion (*)
1	NDH Invest Co., Ltd.	16th floor, ICON4 Tower, 243A De La Thanh street, Lang Thuong, Dong Da, Hanoi	48,194,727	9.45%
2	Daiwa Securities Group Incorporation	9-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	101,978,121	19.99%
3	Saigon Dan Linh Real Estate Co., Ltd.	236/43/2 Dien Bien Phu street, Ward 17, Binh Thanh, Ho Chi Minh City	30,454,063	5.97%
	TOTAL		**180,626,911**	**35.41%**

(*) Ratio is calculated against 510,063,684 shares which is equal to 100% charter capital. Data as of 01 April 2019. Source: SSI

Details on shareholders, ownership of internal person & related person, transaction of internal person & related person are presented in Appendix 01 and 02 of this report.



INVESTOR RELATION 2018

With the goal of **"maximizing shareholders' values"**, in 2018, SSI continues to enhance transparency, protect interests and ensure equality among shareholders, proactively share information and engage with the investment community. The company has gained strong confidence from existing shareholders while attracting more potential investors, affirming a transparent SSI brand in Vietnam and in the region.

Information disclosure

To ensure investors are informed, SSI has an adequate, accurate and timely information disclosure process for all important issues and issues sensitive to stock prices or decisions of investors in accordance with Circular 155/2015/TT-BTC of the Ministry of Finance.

Investor Relations Department is the focal point to receive and respond to investors' requests and inquiries through various channels such as telephone, email or face-to-face meetings. In 2018, the Company organized dozens of meetings (directly or via telephone) with Portfolio Managers, Analysts from many domestic and foreign funds. These meetings were attended by high-level leaders, helping investors to understand current business operations, future development orientation of the Company, and answering questions on business performance, financial situation, operational strategy, etc.

Quarterly updates and analysis of business performance are sent to each shareholder via email to inform their judgment and investment decisions. This information is also widely communicated to the news agencies, ensuring that potential investors or individuals have access to the most up-to-date information.

Also in 2018, SSI launched its Electronic Portal at www.ssi.com.vn with a completely fresh and modern interface with clear and current information presentation. This is an extremely effective communication channel, helping investors to find all publicly available information, financial data, AGM documents, reports and other important documents like the company's Charter, Management Regulation, etc. since the establishment of the Company to date, in both Vietnamese and English.

Annual Reports and Sustainable Development Reports are published on an annual basis, providing a comprehensive view of the Company's operating strategy, financial situation, business performance, governance and sustainable development activities. SSI's reports always make their way to the Top Annual Reports in the contest hosted by HOSE.

Shareholders' interests protection

At SSI, top priority has always been given to the protection of shareholders' interests and equality.

To facilitate shareholders' access to sufficient, accurate and timely information and inform their investment decisions, in recent years, SSI has always strived to diversify channels of communication with the investors, such as face-to-face meetings, electronic portals, email, mass media, investment seminars, etc. In particular, for many years now, the Company has consistently disclosed information both in English and Vietnamese to ensure equal access to corporate information between local and foreign shareholders/investors.

Other rights of shareholders such as the right to participate and vote at the Annual General Meeting, elect and dismiss members of the Board of Directors or absentee ballot policies are guaranteed. The company's Charter and Management Regulation contain clear provisions on non-discrimination among shareholders with no preferential treatment towards any shareholder, the voting right corresponds to the number of shares held.

In recent years, SSI has always maintained a regular dividend payout ratio of 10% to ensure a recurrent and stable source of income for shareholders.

Active engagement with the investment community

In 2018, the Company continued to welcome many analysts, portfolio managers from a number of domestic and foreign investment funds based in Japan, USA, Hongkong, Singapore, South Korea, and China etc. to meet with the Management Board and discuss development strategies, business operations, investment activities and other in-depth economic - financial information.

Besides, Board of Management members also actively attended many workshops and shared analytical information and views on the macroeconomic situation, Vietnam stock market while promoting the Company's activities to the foreign investor community.



CORPORATE GOVERNANCE EVALUATION BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD

SSI believes good corporate governance represents one of the most important factors ensuring corporate sustainable development, thus winning investor confidence and maximizing shareholders' interest.

In addition to strict compliance with the Law on corporate governance in Vietnam in general (including the 2014 Enterprise Law, Decree 71/2017/ND-CP, Circular 95/2017/TT-BTC) and regulations specific to listed companies, SSI's corporate governance is gradually improved in line with the best corporate governance practices in the region and the world such as ASEAN Corporate Governance Scorecard.

The ASEAN Corporate Governance Scorecard is based on the corporate governance rules of the Organization for Economic Co-operation and Development (OECD) and the legal framework for corporate governance of participating countries, including Malaysia, Singapore, Thailand, Indonesia, Philippines and Vietnam. Accordingly, corporate governance activities are evaluated comprehensively against 5 dimensions, including: Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.

In recent years, in benchmarking against the evaluation criteria at this scorecard, SSI has made great efforts in improving its corporate governance, gradually converging good standards in the region. Specifically, SSI performs well in 4 dimensions, namely: *Shareholders' rights* (20/21 criteria passed - up one place compared to the self-assessment in 2017), *Equitable Treatment of Shareholders* (14/15 criteria passed - up one place compared to the self-assessment in 2017), *Role of Stakeholders* (11/13 criteria passed - up two places compared to the self-assessment in 2017), *Disclosure and Transparency* (30/32 criteria passed). After Decree 71/2017/ND-CP and Circular 95/2017/TT-BTC guiding corporate governance were issued, SSI actively developed the Internal Regulation on Corporate Governance and submitted it to the GSM for approval and made publicly available in April 2018. This regulation is referenced against international practices on corporate governance, in which there is a detailed regulation of shareholders' rights, equitable treatment of shareholders in activities, and issues related to members/activities of the BOD/ BOS.

Besides, SSI needs to improve the dimension *Responsibility of the Board of Directors* to converge good corporate governance practices. In this regard, the Company has a specific roadmap and an action plan to meet the criteria: *establishment of subcommittees, evaluation of BOD members and activities of independent BOD members.*

A. SHAREHOLDER RIGHTS

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
A.1. Basic shareholder rights				
A.1.1	Does the Company pay (interim and final/ annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual GSM for final dividends? In case the company has offered script dividend, does the company paid the dividend within 60 days.	Yes	Partly implemented	SSI has paid annual dividends in an equitable manner in accordance with profit distribution plan approved by the GSM. However, the execution period is more than 30 days.
A.2. Right to participate in decisions concerning fundamental corporate changes				
	Do shareholders have the right to participate in?			
A.2.1	Amendments to the company's constitution?	Yes	Well implemented	
A.2.2	The authorization of additional shares?	Yes	Well implemented	
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	Yes		The situation of transferring all or substantially all assets hasn't ever happened in SSI. However, the Company Charter regulated that GSM has rights and obligations to make decisions on the sale of assets valued at 35% or more of the total value of the Company's assets, with the voting ratio must be more than 65%.
A.3. Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.				
A.3.1	Do shareholders have the opportunity, evidence by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/ commissioners?	Yes	Well implemented	Total remuneration of the BOD is approved annually by the GSM.
A.3.2	Does the Company provide non-controlling shareholders a right to nominate candidates for board of directors (BOD)/ commissioners?	Yes	Well implemented	
A.3.3	Does the Company allow shareholders to elect directors/ commissioners individually?	Yes	Well implemented	
A.3.4	Does the Company disclose the voting procedures used before the start of the meeting?	Yes	Well implemented	It is recorded in the minutes of latest GSM. Nomination and voting procedures are announced in invitation letter and at the opening of the meeting.
A.3.5	Do the minutes of the most recent GSM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	Yes	Well implemented	The latest GSM minutes recorded the detailed discussion, all the questions and responses as well as other opinions from shareholders.
A.3.6	Does the Company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/ each agenda item for the most recent GSM?	Yes	Well implemented	This content was recorded in the latest GSM minutes.
A.3.7	Did the Company disclose the list of board members who attended the most recent GSM?	Yes	Well implemented	The latest GSM minutes recorded list of BOD members attending the GSM. This minute was disclosed within 24 hours after the meeting.
A.3.8	Does the Company disclose that all board members and the CEO (if he is not a board member) attended the most recent GSM?	Yes	Well implemented	The latest GSM minutes recorded list of BOD members and also members of Management Board attending the GSM. This minute was disclosed within 24 hours after the meeting.
A.3.9	Does the Company allow voting in absentia?	Yes	Well implemented	Voting in absentia is allowed through a duly authorized person. Authorization form is attached in the meeting invitation

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent GSM?	Yes	Well implemented	All the issues, that has been presented, discussed and asked for approval from GSM, was voted by poll (as opposed to by show of hands) in the most recent GSM. The voting method was disclosed in Vietnamese as well as English to ensure that all shareholders receive information equally.
A.3.11	Does the Company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/ or validate the votes at GSM?	Yes	Well implemented	It was recorded in minute of the most recent GSM that the independent party counted and validated of the votes.
A.3.12	Does the Company make publicly available by the next working day the result of the votes taken during the most recent GSM for all resolutions?	Yes	Well implemented	GSM minute and resolution are disclosed within 24 hours after the meeting.
A.3.13	Does the Company provide at least 21-day notice for all GSM and EGM?	Yes	Well implemented	
A.3.14	Does the Company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of GSM/ circular and/ or the accompanying statement?	Yes	Well implemented	Proposal to provide rationale and explanation for each proposal is disclosed in meeting announcement and invitation letter.
A.3.15	Does the Company give the opportunity for shareholder to place item(s) on the agenda of GSM?	Yes	Well implemented	Company Charter and Regulation on Corporate Governance stipulate that shareholders have the right to propose the supplement of the agenda of the GSM
A.4. Markets for corporate control should be allowed to function in an efficient and transparent manner				
A.4.1	In cases of mergers, acquisition, and/ or takeovers, does the BOD of the offeree company appoint an independent party to evaluate the fairness of the transaction price?			This situation has not ever happened at SSI.
A.5. The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated				
A.5.1	Does the Company publicly disclose its practices to encourage shareholders to engage with the Company beyond GSM?	Yes	Partly implemented	SSI Regulation on Corporate Governance has specific article on shareholders' rights related to requesting information, asking BOS to check in specific issue, and making appointment to discuss with BOD, BOS or CEO. This regulation has been disclosed at information portal of SSC, HOSE and SSI website. The Company actively participates in activities to exchange information with foreign investors and shareholders, along with efforts to publish information in both English and Vietnamese, in order to facilitate shareholder involve and contribute to the Company's activities. More detail is on "Investor Relation Activities" part of the Annual Report.

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

B. EQUITABLE TREATMENT OF SHAREHOLDERS

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
B.1. Shares and voting rights				
B.1.1	Do the Company's ordinary or common shares have one vote for one share?	Yes	Well implemented	
B.1.2	Where the Company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website/ reports/ the stock exchange/ the regulator's website)?	Yes	Well implemented	SSI has only one type of share. Company's Charter regulates the types of shares to be issued and the voting rights of each class.
B.2. Notice of GSM				
B.2.1	Does each resolution in the most recent GSM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Yes	Well implemented	Shareholders vote for each proposal discussed at the GSM
B.2.2	Are the Company's notice of the most recent GSM/ circulars fully translated into English and published on the same date as the local-language version?	Yes	Well implemented	All documents are bilingual (English and Vietnamese)
Does the notice of GSM/ circulars have the following details?				
B.2.3	Are the profiles of directors/ commissioners (at least age, qualification, date of first appointment, experience, and directorship in other listed companies) in seeking election/ re-election included?	Yes	Well implemented	The profiles of directors/ commissioners in seeking election/re-election were included in meeting paper and invitation letter sent to shareholders.
B.2.4	Are the auditors seeking appointment/ re-appointment clearly identified?	Yes	Well implemented	Meeting papers contain proposal for appointing auditing company for the next financial year, which include audit company list and information. Auditing companies submitted to the GSM are independent international auditing companies with high reputation for many years in the market.
B.2.5	Were the proxy documents made easily available?	Yes	Well implemented	Invitation letter, which includes authorization letter has been sent by post and via email to every shareholder. It was also included in meeting paper and can be easily downloaded in SSI Website.
B.3. Insider trading and abusive self-dealing should be prohibited				
B.3.1	Does the Company have policies and/ or rules prohibiting directors/ commissioners and employees to benefit from knowledge which is not generally available to the market?	Yes	Well implemented	It is regulated in Company's Charter and Code of Ethics.
B.3.2	Are the board members required to report their dealings in company shares within 3 business days?	Yes	Well implemented	There is no case of any BOD member violating the regulation in 2018
B.4. Related party transaction by directors and key executives				
B.4.1	Are directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?	Yes	Well implemented	It is regulated in Company's Charter.
B.4.2	Does the Company have a policy requiring a committee of independent board members to review material/ significant RPTs to determine whether they are in the best interests of the Company and Shareholders?	No	Not Implemented yet	
B.4.3	Does the Company have a policy requiring boarding members to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Yes	Well implemented	It is regulated in Company's Charter.
B.4.4	Does the Company have policies on loans to board members either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rate?	Yes	Well implemented	It is regulated in Company's Charter.

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Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
B.5. Protecting minority shareholders from abusive actions				
B.5.1	Does the Company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	Yes	Well implemented	Related party transactions have been fully and timely disclosed in accordance with the regulation.
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	Yes	Well implemented	It is regulated in Company's Charter.

C. ROLE OF STAKEHOLDERS

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
C.1. The rights of stakeholders that are established by law or through mutual agreements are to be respected				
	Does the Company disclose a policy and practices that address?			
C.1.1	The existence and scope of the Company's efforts to address customers' welfare?	Yes	Well implemented	This information was disclosed in SSI Sustainable Development Report.
C.1.2	Supplier/ contractor selection procedures?	Yes	Well implemented	SSI has got internal document regulating supplier/ contractor selection procedure and practices. Depending on each activity and based on this internal process, SSI will announce to its Supplier/ Contractor the policy and procedure to ensure publicity. This document has also been posted on the Company website (on the Company Charter & Regulations area).
C.1.3	The Company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	Yes	Well implemented	This information was disclosed in SSI Sustainable Development Report.
C.1.4	The Company's efforts to interact with the communities in which they operate?	Yes	Well implemented	This information was disclosed in SSI Sustainable Development Report.
C.1.5	The Company's anti-corruption programmes and procedures?	No	Not Implemented yet	SSI has got internal document regulating anti-corruption programmes and procedures. In 2018, SSI has published this document on Company website (on the Company Charter & Regulations area).
C.1.6	Describes how creditors' rights are safeguarded?	No	Not Implemented yet	SSI complies with the law and SSI's commitments with creditors. However, the Company hasn't issued a separate document on this content
C.1.7	Does the Company have a separate report/ section that discussed its efforts on environment/ economy and social issues?	Yes	Well implemented	This information was disclosed in SSI Sustainable Development Report.

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
C.2. Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights				
C.2.1	Does the Company provide contact details via the Company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and or/ complaints for possible violation of their rights?	Yes	Well implemented	Contact details have been published in SSI website and annual report. Clients can contact via hotline number: 1900545471.
C3. Mechanisms for employee participation should be permitted to develop				
C.3.1	Does the Company explicitly disclose the health, safety, and welfare policy for its employees?	Yes	Well implemented	Information regarding health safety and welfare policy, training and development of employees has been disclosed in Annual Report and Sustainable Development Report, as well as provided to each employee via several internal communication channels (such as forum, message board, email, etc.)
C.3.2	Does the Company explicitly disclose the policies and practices on training and development programmes for its employees?	Yes	Well implemented	
C.3.3	Does the Company have a reward/ compensation policy that accounts for the performance of the company beyond short-term financial measures?	Yes	Well implemented	
C.4. Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.				
C.4.1	Does the Company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behavior and provide contact details via the company's website or annual report	Yes	Well implemented	It is regulated in SSI Code of Ethics
C.4.2	Does the Company have a policy or procedures to protect an employee/ person who reveal alleged illegal/ unethical behavior from retaliation?	No	Not implemented yet	In fact, SSI encourages employees to provide information related to violations of code of ethics or law. The information itself and the provider are always kept confidential.

D. DISCLOSURE AND TRANSPARENCY

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
D.1. Transparent ownership structure				
D.1.1	Does the information on shareholding reveal the identity of beneficial owners, holding 5% shareholding or more?	Yes	Well implemented	It has been disclosed in SSI corporate governance report and annual report.
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/ or substantial shareholders?	Yes	Well implemented	It has been disclosed in SSI corporate governance report and annual report.
D.1.3	Does the Company disclose the direct and indirect (deemed) shareholding of board members?	Yes	Well implemented	It has been disclosed in SSI corporate governance report and financial report.
D.1.4	Does the Company disclose the direct and indirect (deemed) shareholdings of senior management?	Yes	Well implemented	It has been disclosed in SSI corporate governance report and financial report.
D.1.5	Does the Company disclose details of parent/ holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	Yes	Well implemented	It has been disclosed in SSI corporate governance report and financial report.

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
D.2. Quality of Annual Report				
Does the Company's annual report disclose the following items?				
D.2.1	Corporate objectives	Yes	Well implemented	
D.2.2	Financial performance indicators?	Yes	Well implemented	
D.2.3	Non-financial performance indicators?	Yes	Well implemented	
D.2.4	Dividend policy?	Yes	Well implemented	
D.2.5	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of board members?	Yes	Well implemented	
D.2.6	Attendance details of each director/ commissioner in all directors/ commissioners meetings held during the year?	Yes	Well implemented	
D.2.7	Total remuneration of each member of the board of directors/ commissioners?	No	Partly implemented	Total remuneration of BOD/ SB members has been disclosed
Corporate Governance Confirmation Statement				
D.2.8	Does the Annual Report contain a statement confirming the Company's full compliance with the code of corporate governance and where the non-compliance, identify and explain reasons for each such issue?	Yes	Well implemented	
D.3. Disclosure of related party transactions (RPT)				
D.3.1	Does the Company disclose its policy covering the review and approval of material RPTs?	No	Not implemented yet	This content is clearly defined in Article 49 - Company Charter, which is disclosed according to regulations and posted on the Company website.
D.3.2	Does the Company disclose the name, relationship, nature and value for each material RPT?	Yes	Well implemented	It has been disclosed in SSI annual report.
D.4. Directors and commissioners dealings in shares of the Company				
D.4.1	Does the Company disclose trading in the Company's shares by insiders?	Yes	Well implemented	It has been disclosed in SSI website, annual report and corporate governance report.
D.5. External auditor and Auditor report				
D.5.1	Are the audit and non-audit fees disclosed?	No	Partly implemented	The company has announced the signing of a contract with the Auditing Company, but did not announce the fee
D.5.2	Does the non-audit fee exceed the audit fee?	No	Well implemented	
D.6. Medium of Communications				
Does the Company use the following modes of communication?				
D.6.1	Quarterly reporting?	Yes	Well implemented	
D.6.2	Company website?	Yes	Well implemented	
D.6.3	Analyst's briefing?	Yes	Well implemented	
D.6.4	Media briefings/ press conferences?	Yes	Well implemented	The information related to business activities, quarterly business results, and other prominent events are published widely on the mass media.

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
D.7 Timely filing/ release of annual/ financial reports				
D.7.1	Is the audited annual financial report released within 120 days from the financial year end?	Yes	Well implemented	
D.7.2	Is the audited annual financial report released within 90 days from the financial year end?	Yes	Well implemented	
D.7.3	Is the true and fairness/ fair representation of the annual financial statement/ reports affirmed by board members and/or the relevant officers of the Company?	Yes	Well implemented	
D.8. Company website				
Does the company have a website disclosing up-to-date information on the following?				
D.8.1	Financial statements/ reports (latest quarterly)	Yes	Well implemented	
D.8.2	Materials provided in briefings to analyst and media	Yes	Well implemented	They have been posted in SSI Website
D.8.3	Downloadable annual report	Yes	Well implemented	
D.8.4	Notice of GSM and/ or EGM	Yes	Well implemented	
D.8.5	Minutes of GSM and/ or EGM	Yes	Well implemented	
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)	Yes	Well implemented	
D.9. Investor relations				
D.9.1	Does the Company disclose the contact details (e.g. telephone, fax, and email) of the officer responsible for investor relations?	Yes	Well implemented	It is disclosed in SSI annual report and website.

E. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
E.1. Board Duties and Responsibility				
Clearly defined BOD responsibilities and corporate governance policy				
E.1.1	Does the Company disclose its corporate governance policy/ board charter?	Yes	Well implemented	It is regulated in Company Charter which is published in SSI Website
E.1.2	Are the types of decisions requiring board of directors/ commissioners' approval disclosed?	Yes	Well implemented	It is disclosed fully according to the regulation
E.1.3	Are the roles and responsibilities of the board of directors/ commissioners clearly stated?	Yes	Well implemented	It is regulated in Company Charter and Regulation on Corporate Governance which are published in SSI Website. In addition, roles and responsibility of the BOD member are also specified in Regulation on BOD Operation – SSI internal document and hasn't been published.

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
Company Mission & Vision				
E.1.4	Does the Company have an updated vision and mission statement?	Yes	Well implemented	It is regulated in Company Charter which is published in SSI Website
E.1.5	Does the BOD play a leading role in the process of developing and reviewing the company's strategy at least annually?	Yes	Well implemented	SSI holds annual meeting for reviewing strategy and setting up business plan, which are also discussed and agreed at the BOD meeting. Business plans are also submitted for approval at the GSM.
E.1.6	Does the BOD have a process to review, monitor and oversee the implementation of the corporate strategy?	Yes	Well implemented	The BOD supervises the implementation and periodic review of business strategies at BOD meetings. Results are presented in the annual report.
E.2. Board structure				
Code of ethics or conduct				
E.2.1	Are the details of the code of ethics or conduct disclosed?	Yes	Well implemented	SSI has a Code of Conduct which specifies the principles, contents and guidelines for the application of professional ethics standards and is widely available to all members of the BOD and employees of the Company. It has been disclosed on the website.
E.2.2	Are all directors/ commissioners, senior management and employees required to comply with the code(s)?	Yes	Well implemented	
E.2.3	Does the Company have a process to implement and monitor compliance with the code(s) of ethics or conduct?	Yes	Well implemented	
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	No	Not implemented yet	
E.2.5	Does the Company have a term limit of nine years or less or 2 terms of five years each for its independent directors/ commissioners?	No	Not implemented yet	
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive	Yes	Well implemented	It has been regulated in Company Charter
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	Yes	Well implemented	
Human resource Committee				
E.2.8	Does the company have a Human resource (HR) Committee?	No	Not implemented yet	SSI hasn't got a HR committee yet but is in the process of setting it up.
E.2.9	Does the HR Committee comprise of a majority of independent director/ commissioner?			
E.2.10	Is the Chairman of the HR Committee an independent director/ commissioner?			
E.2.11	Does the Company disclose the terms of reference/ governance structure/ charter of the HR committee?			
E.2.12	Is the meeting attendance of the HR committee disclosed and if so, did the HR committee meet at least twice during the year?			
Remuneration Committee				
E.2.13	Does the Company have Remuneration Committee (RC)?	No	Not implemented yet	SSI hasn't got a RC yet but is in the process of setting it up.
E.2.14	Does the RC comprise of a majority of independent board member?			
E.2.15	Is the Chairman of RC an independent board member?			
E.2.16	Does the Company disclose the terms of reference/ governance structure/ charter of the RC?			
E.2.17	Is the meeting attendance of the RC disclosed and if so, did the RC meet at least twice during the year?			

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
Audit Committee				
E.2.18	Does the Company have an Audit Committee (AC)?	Yes	Partly implemented	The corporate governance model at SSI is composed of independent committees in charge of internal audit and risk management, but the committees' activities are not truly standardized.
E.2.19	Does the AC comprise entirely of non-executive board members with a majority of independent board members?	No		
E.2.20	Is the Chairman of AC an independent board member?	Yes		
E.2.21	Does the Company disclose the terms of reference/ governance structure/ charter of the AC?	No		
E.2.22	Does at least one of the independent directors/ commissioners of the committee have accounting expertise (accounting qualification or experience)?	Yes		
E.2.23	Is the meeting attendance of the AC disclosed and, if so, did the AC meet at least four times during the year?	No		
E.2.24	Does the AC have primary responsibility for recommendation on the appointment, and removal of the external auditor?	No		
E.3. Board Processes				
Board meeting and attendance				
E.3.1	Are the BOD meetings scheduled before or at the beginning of the year?	Yes	Well implemented	
E.3.2	Does the BOD meet at least 6 times per year?	Yes	Well implemented	In 2018, SSI BOD had organized 06 meetings, including 3 in-person meetings and 03 meetings for soliciting written opinions
E.3.3	Has each board member attend at least 75% of the total BOD meetings held during the year?	Yes	Well implemented	In 2018, all meetings had 100% member joining
E.3.4	Does the Company require a minimum quorum of at least 2/3 for board decision?	Yes	Well implemented	Company Charter requires the BOD meeting to have three quarters of participants.
E.3.5	Did the non-executive board member of the Company meet separately at least one during a year without any executives present?	Yes	Well implemented	The non-executive board member had meeting without any executives presents in 2018
Access to information				
E.3.6	Are the papers for BOD meetings provided to the BOD at least 5 working days in advance of the BOD meeting?	Yes	Well implemented	It is regulated in Company Charter
E.3.7	Does the Company Secretary play a significant role in supporting the BOD in discharging its responsibilities?	Yes	Well implemented	It is regulated in Company Charter and Regulation on Corporate Governance.
E.3.8	Is the company secretary trained in legal, accountancy, or company secretarial practices and has kept abreast on relevant developments?	Yes	Well implemented	The Company Secretary is a lawyer and has a corporate governance training certificate.
Board Appointment and Re-election				
E.3.9	Does the Company disclose the criteria used in selecting new directors/ commissioners?	Yes	Well implemented	It is regulated in Company Charter
E.3.10	Does the Company disclose the process followed in appointing new directors/ commissioners?	Yes	Well implemented	It is regulated in Company Charter
E.3.11	Are all directors/ commissioners subject to re-election every 3 years, or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each?	Yes	Well implemented	

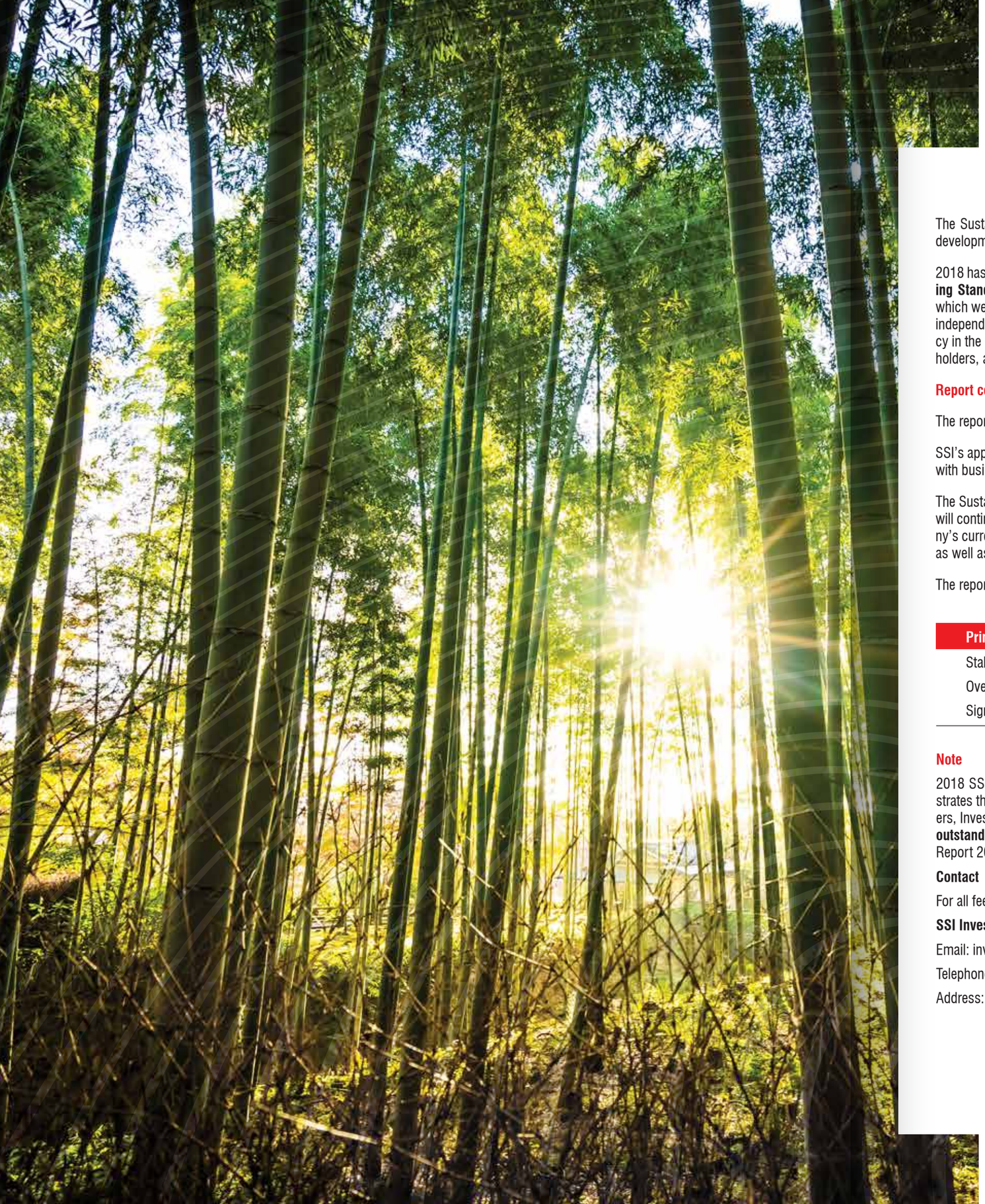
CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
Remuneration Matters				
E.3.12	Does the Company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term and long-term incentives and performance measures) for its executive directors and CEO?	Yes	Well implemented	This information is disclosed in SSI annual report.
E.3.13	Is there disclosure of the fee structure for non-executive board member?	Yes	Well implemented	This information is disclosed in SSI annual report.
E.3.14	Do the shareholders or the BOD approve the remuneration of the executive directors and/ or the senior executives?	Yes	Well implemented	Remuneration for the BOD is submitted to the GSM for approval.
E.3.15	Does the Company have measurable standards to align the performance – based remuneration of the executive directors and senior executive with long-term interests of the Company, such as claw back provision, deferred bonuses?	Yes	Well implemented	The Company has ESOP program for key persons with transfer restriction from 2- 3 years.
Internal Audit				
E.3.16	Does the Company have a separate internal audit function?	Yes	Well implemented	The Company has an Internal Audit Department and BOD has committee in charge of internal audit.
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Yes	Well implemented	The Head of Internal Audit is announced on the list of key personnel at SSI annual report.
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	No	Not implemented yet	
Risk Oversight				
E.3.19	Does the Company establish a sound internal control procedure/ risk management framework and periodically review the effectiveness of that framework?	No	Well implemented	It has been disclosed in SSI annual report.
E.3.20	Does the Annual Report disclose that the BOD has conducted a review of the company's material controls (including operational, financial, and compliance controls) and risk management systems?	Yes	Well implemented	It has been disclosed in SSI annual report.
E.3.21	Does the Company disclose the key risks of which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	Yes	Well implemented	It has been disclosed in SSI annual report.
E.3.22	Does the Annual report/ Annual CG Report contain a statement from the BOD or Audit Committee commenting on the adequacy of the company's internal controls/ risk management systems?	No	Not implemented yet	It hasn't been disclosed in SSI annual report.
E.4. People on the Board				
Board Chairman				
E.4.1	Do different persons assume the roles of Chairman and CEO?	No	Not implemented yet	Board Chairman also holds the position of CEO, but this is submitted to the GSM for approval annually.
E.4.2	Is the Chairman an independent board member?	No	Not implemented yet	
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?	Yes	Not implemented yet	
E.4.4	Are the roles and responsibilities of the chairman disclosed?	Yes	Well implemented	It has been disclosed in SSI annual report.
Lead Independent Director				
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/ Senior Independent Director and has his/ her role been defined?	No	Not implemented yet	

CORPORATE GOVERNANCE/ ASSESSMENT OF CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Item	Questions	Answers	Evaluation on the implementation until 2018	Notes (if any)
Skills and Competencies				
E.4.6	Does at least one non-executive board member have prior working experience in the major industry the company is operating in?	Yes	Well implemented	
E.5. BOD Effectiveness				
Directors Development				
E.5.1	Does the Company have orientation programmes for new directors/ commissioners?	Yes	Partly implemented	SSI has conducted and published some of the information on annual report, but needs to improve the evaluation processes, standards and publish them as E.5 criteria.
E.5.2	Does the Company have a policy that encourages directors/ commissioners to attend on-going or continuous professional education programmes?	Yes	Partly implemented	
Management Board appointment and effectiveness				
E.5.3	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	No	Partly implemented	SSI has conducted and published some of the information on annual report, but needs to improve the evaluation processes, standards and publish them as E.5 criteria.
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Yes	Partly implemented	
Board Appraisal				
E.5.5	Did the Company conduct an annual performance assessment of the board of directors/ commissioners and disclose the criteria and process followed for the assessment?	Yes	Partly implemented	SSI has conducted and published some of the information on annual report, but needs to improve the evaluation processes, standards and publish them as E.5 criteria.
Director Appraisal				
E.5.6	Did the Company conduct an annual performance assessment of the individual directors/ commissioners and disclose the criteria and process followed for the assessment?	Yes	Partly implemented	SSI has conducted and published some of the information on annual report, but needs to improve the evaluation processes, standards and publish them as E.5 criteria.
Director Appraisal				
E.5.7	Did the Company conduct an annual performance assessment of the board committee and disclose the criteria and process followed for the assessment?	Yes	Partly implemented	SSI has conducted and published some of the information on annual report, but needs to improve the evaluation processes, standards and publish them as E.5 criteria.

SUSTAINABLE DEVELOPMENT ACTIVITIES



The Sustainable Development Report (SDR) is an overall picture collecting, publishing, reviewing and assessing sustainable development goals and activities of SSI Securities Corporation with a strategic direction toward sustainable development.

2018 has been the second year that SSI produced SDR in reference to standards of the latest version **GRI Sustainability Reporting Standards** by the Global Reporting Initiative (GRI). This version outlines the highest international standards for an SDR, which were upgraded and restructured to help the reporting more convenient and efficient. This year the SDR was also prepared independently instead of being integrated into the Annual Report. The Company seeks to demonstrate its clarity and transparency in the disclosure of contents related to sustainable development, increase values to shareholders, develop the trust of stakeholders, as well as enhance its prestige and brand identity.

Report content determination method

The report was compiled in reference to the GRI Global Sustainability Reporting Standards set by the Global Reporting Initiative.

SSI's approach to sustainable development issues arises from the Company's long-term economic development goals, coupled with business environment and social development goals, thus contributing to the overall development of the community.

The Sustainable Development content is discussed by SSI with stakeholders in order to identify topics of interest. These issues will continue to be evaluated and reviewed by SSI in the overall context of sustainable development and in relation to the Company's current business operation and sustainable development strategy, from which critical matters are to be reviewed, improved as well as highlighted in the Sustainable Development Report 2018.

The report was prepared according to the following principles:

Principles for Determining Report Contents	Principles for Determining Report Quality	
Stakeholder involvement	Accurateness	Comparableness
Overall context of sustainable development	Parity	Trustfulness
Significance	Clarity	Update

Note

2018 SSI Sustainable Development Report was produced separately rather than integrated in Annual Report, which demonstrates the Company's effort to be transparent in disclosing sustainable development – related issues. It also helps Shareholders, Investors, Clients and other Stakeholders to easily search for needed information. **This content here is summary of SSI's outstanding sustainable development activities in 2018**. For full report, please refer to the SSI Sustainable Development Report 2018

Contact

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CORPORATE GOVERNANCE TOWARDS SUSTAINABLE DEVELOPMENT

SSI believes good corporate governance represents one of the most important factors ensuring corporate sustainable development. SSI's governance function is built and gradually fine-tuned based on the best practices of corporate governance in the region and the world such as the ASEAN Corporate Governance Scorecard, which is coupled with strict compliance with Vietnam's regulatory provisions on the governance of public companies. Risk management and compliance are also emphasized, creating a unified and consistent management mechanism to monitor and regulate the business operations in a professional, transparent and effective manner. In 2018, SSI made great efforts to approach corporate governance to the best standards in the region. In benchmarking against the evaluation criteria at The ASEAN Corporate Governance Scorecard, SSI has improved its corporate governance, gradually converging good standards in the region, especially for 4 dimensions, namely: Shareholders' rights, Equitable Treatment of Shareholders, Role of Stakeholders and Disclosure and Transparency. After Decree 71/2017/ND-CP and Circular 95/2017/TT-BTC guiding corporate governance were issued, SSI actively developed the Internal Regulation on Corporate Governance and submitted it to the GSM for approval and made publicly available in April 2018. This regulation is referenced against international practices on corporate governance, in which there is a detailed regulation of shareholders' rights, equitable treatment of shareholders in activities, and issues related to members/activities of the BOD/BOS.

Risk management

2018 witnessed strong volatility of the Vietnam Stock Market and many adverse impacts from the international market. VN-Index surpassed the historical high, setting a record on April 10, 2018 with 1,211 points. However, it was also from this new peak then fell sharply, upon the closing of the last session in 2018, VN-Index stood at 892.54 points, down by 26.3% from the peak, and by 9.32 % YoY. In such cases, the Company's risk management policies and procedures continued to be completed and updated, in line with business practices as well as risks arising from new business operations such as derivative securities. In addition, in order to improve the effectiveness of risk management activities, training activities on risk awareness and risk prevention have been widely provided to all employees.

Risk management activities are carried out seamlessly from top to bottom, initiated by the BOD through the development of business strategy and risk tolerance limits for each type of risks and each specific Business Unit. It is carried out not only by Risk Management Department, but also right from each business unit, while there are inspections and monitoring from Internal Control and Internal Audit.

Risk management activities are conducted specifically according to the 5-step process as follows:



Different types of risks have been identified, prevented and handled, including: market risk, credit risk, liquidity risk, system risk and information securities, compliance risk, legal risk, reputation risk and human resources risk.

Compliance control activities

Compliance control at SSI is performed via the BOS's supervision over the BOD, the Board of Management as well as the BOD's supervision over the BOM. In daily activities, the Management relies on Internal Control Department to carry out compliance control within the Company.

The Company's Charter expressly separates shareholders' ownership from corporate governance jurisdiction. It delegates powers to corporate governance units while putting in place obligations and checks to effectively control these functions. Besides, business processes and operational apparatus are designed to facilitate cross-checks for the purpose of strengthened internal checking and monitoring, less abuse of power, and early detection of potential breach.

The Internal Control Department is based at the Head Office and performs the control of the Company's units to ensure staff and their respective departments' compliance with relevant regulations of law as well as internal rules and processes. In 2018, SSI Internal Control conducted 42 inspections across various departments for compliance checking of internal procedures and regulations and relevant laws. Control results are reported to the CEO, Head of Unit and Compliance Department of the Company for timely handling of violations, updating and correcting operational procedures to mitigate risks and increase work performance. In parallel with internal control activities, SSI Internal Audit also performed 37 internal audits in 2018 relating to accounting documents, taxes and financial statements. In addition, tight control was also in place for overseeing transactions of the Company' with related persons. When performing transactions with related persons, the Company would enter into written contracts on an equal and voluntary footing. The Company adopted necessary measures to prevent related persons from interfering in the Company's activities, harming the Company's interests, performing transactions that led to the Company incurring losses of capital, properties or other resources, controlling the Company's merchandise trading channels or manipulating prices. Data of transactions with related persons is disclosed in the Company' Financial statements.

The Legal Department performs legal advisory function, inspects and monitors the launch of products, and issuance of internal processes and rules as well as the Company's transactions with third parties in order to ensure compliance with law and mitigate legal risks for the Company. The Legal Department is also responsible for updating newly issued regulatory documents for the BOD, the Board of Management and relevant units. It also studies the impacts of draft regulatory documents on the Company's activities for proper preparation.

Shareholders' interest protection

Shareholders' basic rights such as the right to receive dividends, to attend and vote at Shareholders' Meetings, to be engaged in decisions relating to the Company's fundamental changes, etc. are expressly provided for in the Company's Charter and have been properly exercised over the years. Equality is ensured for all shareholders without any preferential treatments, decisions by the Shareholders' Meeting are all based on results of voting which takes place proportionally to the number of shares owned.

SSI has over the years strived to diversify its information channels to include corporate website, email, mass media, shareholders' meetings, annual reports, etc. This serves to facilitate shareholders' complete, accurate and timely access to important information and to insulate them from adverse impacts on their investment decisions. Also in 2018, SSI launched its Electronic Portal at www.ssi.com.vn with a completely fresh and modern interface with clear and current information presentation. This is an extremely effective communication channel, helping investors to find all publicly available information, financial data, AGM documents, reports and other important documents like the company's Charter, Management Regulation, etc. since the establishment of the Company to date, in both Vietnamese and English.

SSI maintains a policy of stable dividend payment which aims to balance Shareholders' desire to gain profit and the Company's retained earnings for long-term development. In 2018, the Company paid dividends in cash at a dividend rate of 10%.

SUSTAINABLE ECONOMIC GROWTH

Strong business performance & Contribution to the State Budget

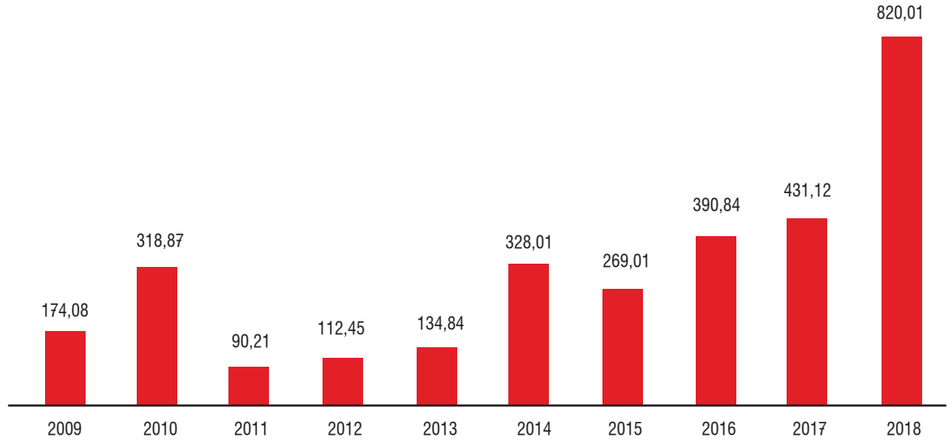
SSI recorded a total operating revenue and other consolidated income in 2018 of VND 3,997 billion, growing by 30.9% YoY and exceeding the business plan by 17.2%. Pre-tax accounting profit reached over VND 1,623 billion, growing by 15.5% YoY and also exceeding the business plan. Total assets grew strongly to reach VND 23,825.6 billion and owner's equity reached VND 9,155.6 billion. SSI has a healthy financial structure with high bank loans being backed by a large deposit balance as a reciprocal source. Operating costs are strictly controlled within the budget.

- TOP 10 OUTSTANDING SECURITIES COMPANY IN HNX AND HOSE
- TOP 500 MOST PROFITABLE ENTERPRISES IN VIETNAM (PROFIT500) IN 2018
- TOP 500 FASTEST GROWING FIRMS IN VIETNAM (FAST500) IN 2016 – 2017 – 2018 – 2019
- TOP 500 VIETNAMESE LARGEST PRIVATE ENTERPRISES (VNR500) FOR 11 CONSECUTIVE YEARS (2008 – 2018)



Since its establishment, SSI has always fulfilled its tax obligations and fully paid payable amounts to the State budget, with payment value tending to gradually increase over time. In recent years, the company has often been one of the enterprises to contribute the largest corporate income tax amount in Vietnam and is now the leading company in the securities industry.

SSI's tax & payable contribution to the State Budget (VND billion)



Source: SSI Consolidated Financial Statements

Top 1000 largest corporate taxpayers in Vietnam (V1000) for 7 consecutive year

Success in connecting capital to investment opportunities

With the mission of "Connecting capital and Opportunities", SSI always manages to assist businesses in capital mobilization through the stock markets, contributing to the formation of a channel to direct and distribute capital to the economy in the long term under market mechanism, efficient resource development, and promotion of economic development. In 2018, SSI obtained success in providing advisory services in a series of valuable deals traded in different ways, even a number of classics in Vietnam and the region such as Shares offering of Vinhomes Joint Stock Company (VHM - HOSE) to foreign investors for a total sale revenue of over USD 1.35 billion; SCIC's divestment from Binh Minh Plastics Joint Stock Company (BMP - HOSE) with a total transaction value of USD 103 million; Private offering of shares of Tien Phong Commercial Joint Stock Bank (TPB - HOSE), with a total value of over USD 94 million; Private offering of shares of PAN Group Company (PAN - HOSE) with a total value of USD 35 million; or advisory service on transaction structure and the agents in charge of public offering of shares of Hau Giang Pharmaceutical Joint Stock Company (DHG - HOSE) for Taisho Drug Manufacturing Joint Stock Company (Japan) with a total transaction value of USD 48 million.

Active participation in market development

In 2018, the Company provided its feedback to many draft Laws, Decrees, Circulars and guiding regulations to support the introduction of clearer regulations and guidelines for activities on the stock market, such as Amended Law on Securities, Decree 163/2018/ND-CP on corporate bonds, Draft Scheme for Securities and Insurance Market Development for the period of 2017-2020, etc.

SSI has been an active member of the Vietnam Association of Securities Business, with its representatives to join in the Executive Board of the Association, as well as a core member at affiliated clubs such as Legal Club, Investment Advisory Club, Training Club. The company is also a member of Vietnam Bond Market Association, Vietnam Business Forum and Vietnam Fund Management Club

ACTION FOR CLIENTS



SSI understands that customer trust is the foundation for its sustainable development. Therefore, customer is always placed at the heart of all activities.

Safe and transparent management of investors' assets

In the context of strong fluctuations in the stock market and intense competition between securities companies over time, SSI has always been consistent in its principle of treating customers with utmost respect, not only focusing on profitable businesses but also protecting our investors from any losses of assets while promoting a transparent stock market. During the past 18 years, SSI has effectively managed assets for domestic and international investors, contributing to retaining their confidence in Vietnam Stock Market and a stable economic development. By the end of 2018, the Company was managing more than 153,000 accounts, accounting for 7% of the total accounts in the market. Customer accounts are managed in line with strict regulations; the risk management and internal control processes are systematically and professionally delivered, not only complying with the provisions of the law but also minimizing conflicts of interests and protecting investors' rights and interests. In asset management, SSIAM has been making continuous efforts in mobilizing assets from new customers as well as effective asset management of existing customers. As of the end of 2018, the total assets under management of SSIAM reached VND 5,573 billion.

Improving service quality & leading in development of new products

In 2018, SSI officially launched and operated a new trading core system for cash to better meet the needs of customers by providing modern technology, good connectivity, combined with business process automation, management of diverse products and high stability. The iBoard stock board uses the latest stock chart technology for fast and accurate tracking of prices and customer transactions.

The company also upgrades Web Trading for derivatives market, aiming for 3 important focal points: Speed, Conditional orders and Utilities.

In the second half of 2018, SSI also deployed many projects on the new technology platform such as the New Generation Online Trading System (NGOT) to bring new and better customer experiences with the advanced self-directed trading function, iWin simulation trading system to support the testing and discussion of investment strategies in simulated environment, iData to provide 3rd party support data to assist customers in using personal applications to analyze investment strategies. The Company has also completed the preparation of the system and business processes for secured warrant products, making it ready to supply such products to investors in 2019 according to the schedule of HOSE.

In addition, SSI successfully developed a payment system connected with major banks such as Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB), Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), Asia Commercial Joint Stock Bank (ACB), Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank) to facilitate fast and convenient cash transfer of customers. The company is also one of the first securities companies in Vietnam to coordinate with domestic and foreign depository banks to successfully implement business processes, support derivative transactions for foreign institutional customers.

For services for Institutional Customers, SSI continues to expand its global partner network through securities companies and international banks to provide market information, as well as introduce early opportunities for international customers. In 2018 only, the broker team conducted more than 2,000 meetings with international investment funds, organized 20 trips traditional financial markets such as the US, UK, Singapore, Hong Kong, South Korea, Japan and Thailand, co-organized 2 large financial conferences with Citi Group and Goldman Sachs to introduce nearly 40 Vietnamese enterprises to the world.

Flexible and dynamic customer care policy

After a period of preparation, SSI Securities Services officially separated its management structure into two specialized Units: Retail Brokerage and Institutional Brokerage for better specialization and improved service quality for customers. In particular, Retail Brokerage has employed 87 additional brokers - bringing the total number of brokers to 566 as at the end of 2018, and opened two new Transaction Offices: Cach Mang Thang Tam and Nguyen Huu Canh Transaction Offices - raising the total number to 17 Branches/Transaction Offices and project teams. Institutional Brokerage has also recruited many highly qualified personnel and appointed 02 Co-Managing Directors - 01 American one with extensive experience in the international financial market, and 01 Vietnamese one with over 10 years of experience at SSI and insight of the local market and customers.

SSI continues to periodically carry out customer satisfaction surveys through various forms: sending survey forms via email, calling through the contact center, and direct meeting to listen to multidimensional feedbacks about the SSI's services. In 2018, there were about 1,000 large-scale customers and investors participated in these surveys, helping SSI to identify and synthesize interactions between customers and the Company, better understand the needs and interests of each customer, aiming to bring the best experience of customers at SSI.

Active sharing of market information and investment opportunities at communication events & workshops

As part of its efforts to protect our customers from any losses of assets and develop a transparent stock market, in 2018, SSI continued to organize a series of non-profit workshops and actively shared market information through media agencies.

Since its establishment in August 2017, the derivative market has maintained a high growth rate and trading volume, with continuously new records of transaction volume. However, this is still a fairly new concept for individual investors and embedded with many risk factors. Understanding this, in 2018, SSI organized a series of training workshops on derivative investment at all branches and transaction offices of SSI across the country. Titled as "Sharing effective trading strategies on the derivative market", the training program focused on assisting customers in development of an effective plan, including: defining trends and principles of timing to buy - sell, selling a loss, selling for profit, timing to limit transactions; methods to develop risk management principles for minimum losses and maximum profits - these are factors to improve the chance of investors to win in a new market. In 2018, workshops were organized on a small scale, focusing on customers of each broker agency. In 2019, the workshop series will be held at the Branch/Transaction Office level on a monthly basis, ensuring that the investors would always have provided with latest knowledge on the stock market.

In addition to the direct training activities, as the leading securities company in the market, SSI has been accompanying, sharing and cooperating closely with over 40 press and media agencies, both locally and internationally, to develop public awareness on issues related to markets, contributing to the sustainable development of Vietnam's stock market. The company has always actively worked with the press agencies to promptly share macro-economic reports, stock market reports, money market reports and industry-specific reports conducted by SSI Analysts. In addition, the company was also regularly invited to the financial news programs of national media agencies such as VTV1, Thoi bao Tai chinh (Financial Times), National Assembly Television, etc. to promptly share information and build investor trust in the market, especially during periods of high volatility in the market.

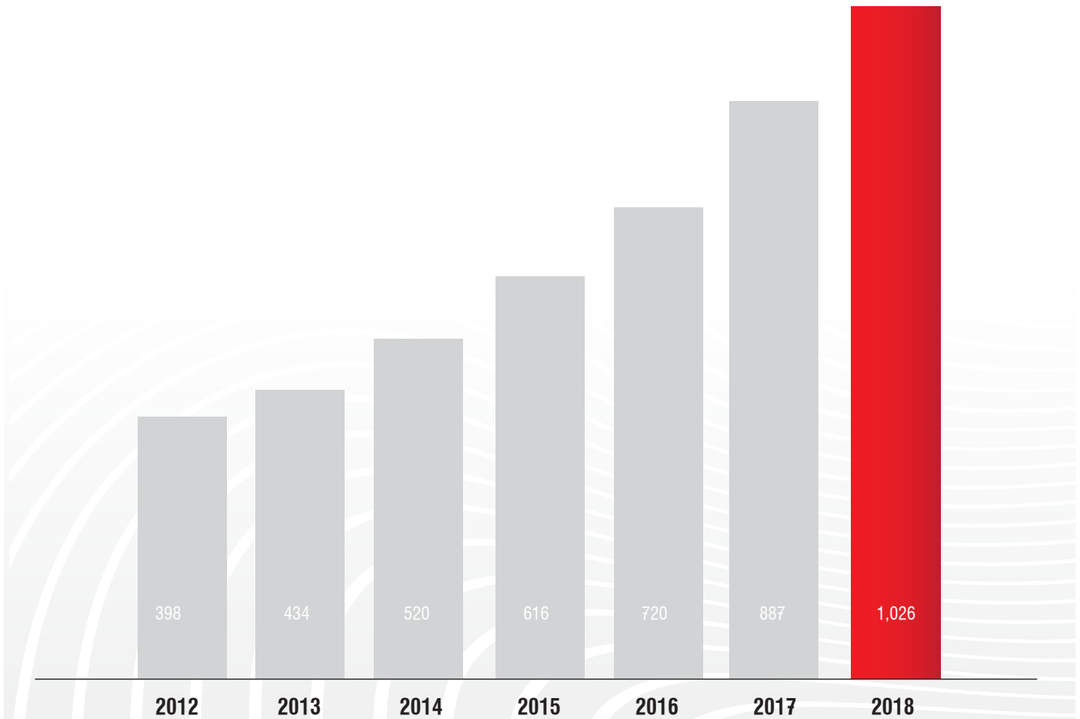
In 2018, SSI actively delivered 36 communication campaigns, with more than 970 articles related to SSI in the mainstream newspapers.

TEAM COHESION FOR SUSTAINABILITY

Grounded by the idea that “corporate prestige and brand are the foundation for personal development” as well as the innovative HR strategies and policies recently introduced, SSI has actively made its brand name iconic in the market and financial community, built the trust and pride among new members of the organization, attracted the young generation who are keen on new experiences, and developed a shared space for passionate and ambitious talents who wish to assert their selves.

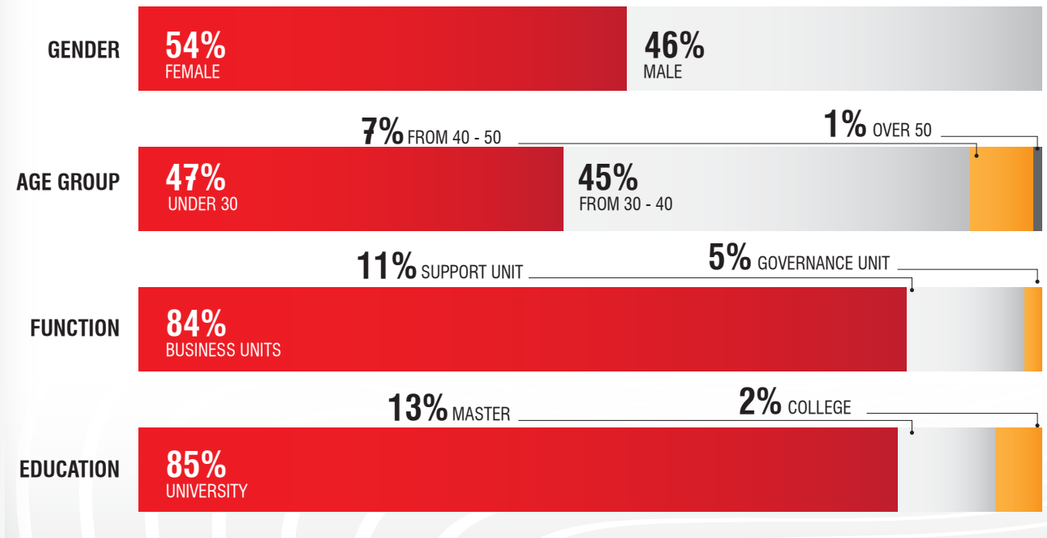
As of the end of December 31, 2018, the employee size of the Company has exceeded 1,000 persons (84% in Business Unit), in which new employee hires were 317, most of whom were under 30 years, dynamic, motivated and well-trained.

Number of employees over the years



Source: SSI

Personnel structure 2018



Source: SSI

SSI's modus operandi is to offer a working environment where every individual can fulfill their potential. To retain the status of Vietnam's leading financial institution with enormous potential to expand regionally in Asia, SSI focuses on attracting outstanding individuals with international qualifications and skills to develop with.

SSI has also developed recruitment criteria to ensure transparency, fairness and equal opportunity for all applicants and fortify confidence and pride of becoming a part of SSI. At SSI, we:

- Fully respect rights of applicants (in terms of access to information, job description, communication and negotiation)
- Select applicants on the basis of recruitment criteria
- All recruitment decisions are based on thorough, unbiased and transparent assessment of the applicants' competence, attitude and motivation.

Income generation for employees through a comprehensive system of pay and benefits

SSI adopts modern management practices wherein remuneration and benefits are provided based on the competence, achievements and performance. All of our employees are targets of annual performance assessment; for employees in the Business Unit only, the performance assessment is carried out in a monthly, quarterly and annual basis.

The Company operates a system that indicates goals and work performance results of each individual at all positions in order to better recognize their achievements and contributions to the overall achievement to ensure transparency and equity while monitoring the performance and development roadmap of individuals associated with SSI's and its department's plans and strategies. Based on established annual goals, the management at corresponding level assigns specific activities and targets for each individual, including the Strategy and Plans assigned by the Management; individuals shall understand the objectives of their task and methods to measure work performance results to properly allocate time and resources to their work. By this, the Company's Strategy is better understood, gradually realized and put into practice in the daily activities of each SSI Staff.

In 2018, SSI's annual payment to its employees was over VND 480 billion, including salary, insurance contributions and other benefits, performance bonuses after year-end assessment (compared to VND 375 billion in 2017), in which the performance bonuses accounted for 49% of the total payment and was 1.35 times higher than the salary payment.

In the same year, SSI successfully issued 10 million shares, staying as the leading organization in the Employee Stock Ownership Plan (ESOP) to align employees' interests with the organization's; attract, retain and motivate qualified and committed employees to contribute to the company in the long time.

Besides financial remuneration, the Company establishes and enhances the system of comprehensive non-financial benefits policies for employees such as welfare packages for annual public holidays, sponsor for participation in clubs such as yoga, zumba, soccer, etc. with the aim of motivating and facilitating its staff to be peace of mind at work, make efforts and engage further with the entire Company.



Health care and safety for employee

In addition to full delivery of health insurance policies in accordance with the Labor Code, the Company has consistently improved its additional accident and health insurance programs to help employees maintain focus at work and share their financial burden should they face health risks. SSI's selected partners are always reputable and professional insurance agencies to implement its additional insurance programs for its employees and their relatives.

Periodic health examination program is taken seriously, with a careful selection of prestigious and quality health care facilities in order to monitor the health of the staffs and ensure timely detection of health problems for early treatment plans. Health-related information is stored through years and used as input for additional health insurance schemes for employees.

Sports and physical fitness activities are encouraged and facilitated by the Board of Management via financing and organization of clubs like yoga, zumba, soccer and table tennis tournaments among the company and with other companies, etc. The activities are well organized and help employees stay well, refresh and feel a stronger sense of bonding the the team.

SSI organized fire prevention drills on a regular basis at its offices to raise safety awareness in case fire occurs. In the process of management and renovation of facilities, the Company directed much of its attention to the equipment status, testing and regular maintenance of fire protection systems to ensure safety for its employees. For its offices in high-rise buildings, the Company strictly followed the general regulations on fire prevention and response prescribed by the building management.

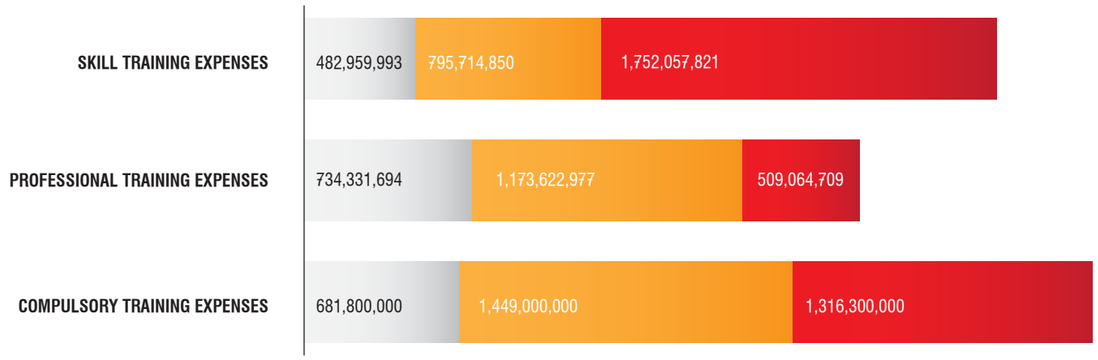
Investment for the future

Human resource is the competitive advantage of SSI. Therefore, training and development activities are given special attention by the Board of Management with the aim to build a "talented, pioneering and motivated" pool of human resources who are able to adapt, lead changes in the market and drive interruptive initiatives in all activities; develop a strong team of personnel who are always willing to take challenges and fulfill business targets.

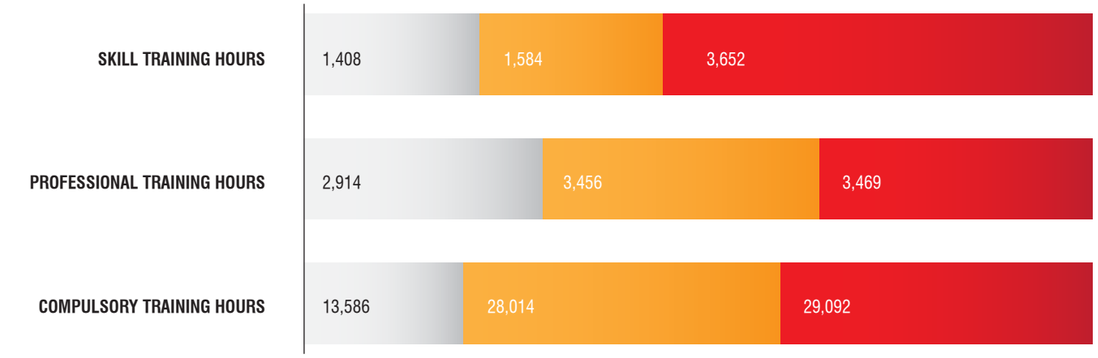
SSI has developed a series of position-specific training and development programs for employees at all levels to ensure that they have the skills and knowledge needed to perform their duties, as well as encourage them to continue to develop and embark on their career at SSI. Develop the culture of a "learning organization" where training activity is the right and responsibility of each individual in the company. In 2018, the Company allocated VND 3.5 billion budget for training through physical classes, distance learning, and on-the-job trainings. Training programs have been improved and updated from time to time to meet new requirements, in addition to organization of training for international certification to update and improve professional skills according to international standards for staff members in the Business Units, Governance Unit and Support Unit .



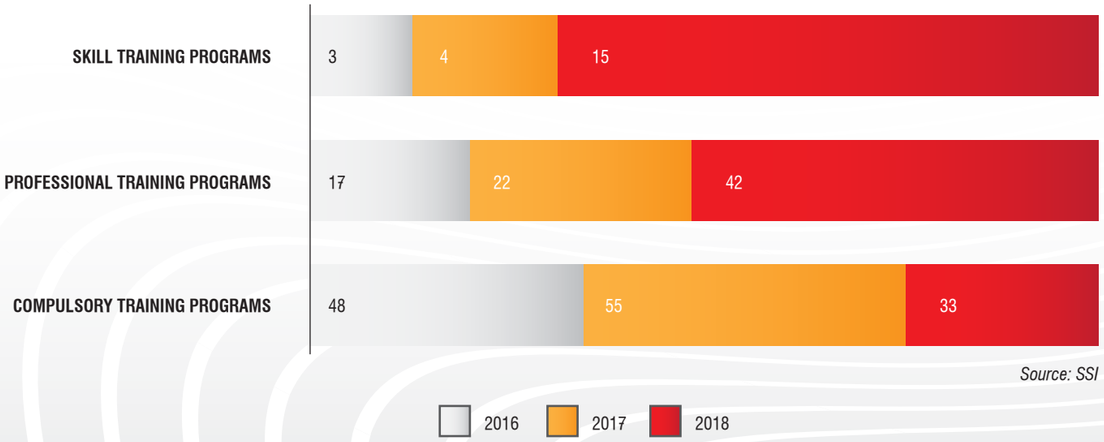
Training expenses over time (VND)



Training hours over time

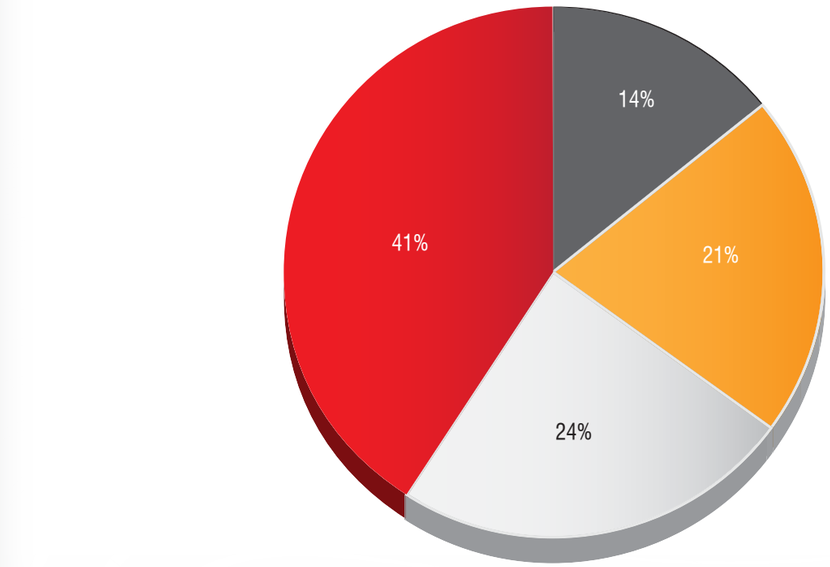


Number of training programs over time



Source: SSI

Training hours by region over time



Source: SSI

Sustainable engagement

Along with the development of business activities, SSI places high importance on and manages to secure the best working environment for its employees. SSI defines an ideal working environment as a workplace which facilitates innovation and endeavor while ensuring a work life balance. This is highly emphasized for high rank managers. SSI staffs are encouraged to work hard and play well, participate in sports and social activities to maintain a work life balance, create joy at work and build a coherent team. SSI has common interest clubs such as photography, yoga, zumba, soccer and performance which are eagerly joined by employees. This is the 5th year in a row SSI organized a Family Day for all families of our staffs to come together and network. This is a popular event appreciated and looked forward to by SSI employees as well as their families. Such events help strengthen family affection of the staffs, and also the close link between the families and the Company.

In its development journey over 18 years of ups and downs, SSI has constantly managed to create, affirm and maintain a transparent, modern and honest working environment, centered on the development of a human resource team as well as its Trust and Pride. Their trust and pride have strengthened the foundation for SSI's sustainable development through each milestone, stage of development and step of advancement.

HR INFORMATION FOLLOWING GRI STANDARDS

Average employee in 2018
975.92



GRI 401: EMPLOYMENT

GRI 401-1: New employee hires and employee turnover

Total new employee hires **317** Percentage of new hires **32.48%**

Age group

Under 30 years old	231	Percentage 23.67%
30 - 50 years old	86	Percentage 8.81%

Gender

Male	146	Percentage 14.96%
Female	171	Percentage 17.52%

Total employee turnover **180** Percentage of employee turnover **18.44%**

Age group

Under 30 years old	106	Percentage 10.86%
30 - 50 years old	72	Percentage 7.38%
Over 50 years old	2	Percentage 0.20%

Gender

Male	100	Percentage 10.25%
Female	80	Percentage 8.20%

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

Cash benefits

Southern region	VND 34,031,398,407
Northern region	VND 34,554,890,768

ESOP shares

Southern region	3,795,000 shares
Northern region	6,205,000 shares

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1: Diversity of governance bodies and employees

Percentage of individuals within the organization's governance bodies (PC of 51 and higher) **132**

Age group

Under 30 years old	8	Percentage 6.1%
30 - 50 years old	118	Percentage 89.4%
Over 50 years old	6	Percentage 4.6%

Gender

Male	60	Percentage 45.45%
Female	72	Percentage 54.55%

Total employees **1,026**

Age group

Under 30 years old	483	Percentage 47.08%
30 - 50 years old	533	Percentage 51.95%
Over 50 years old	10	Percentage 0.97%

Gender

Male	474	Percentage 46.20%
Female	552	Percentage 53.80%

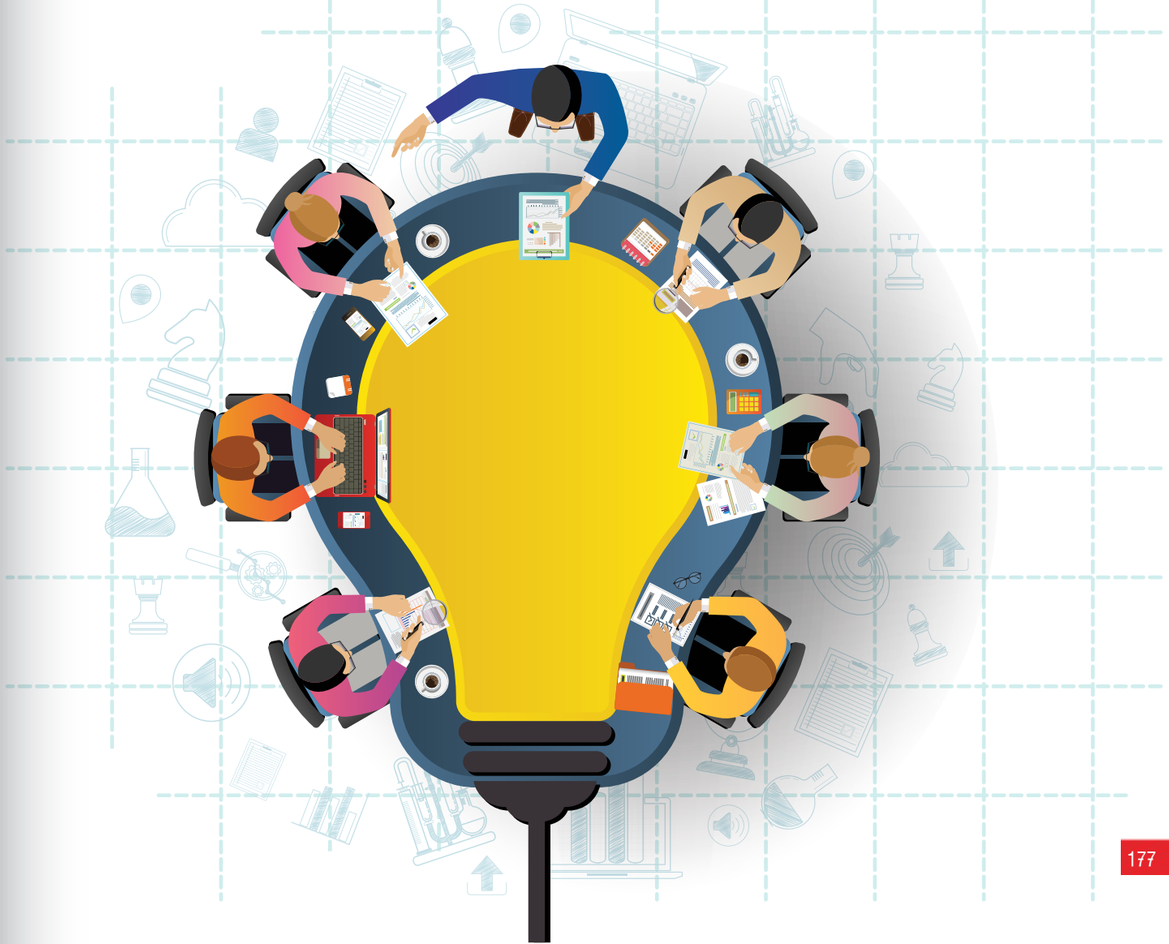
GRI 405-2: Ratio of basic salary and remuneration of women to men

Total basic salary VND **175,042,062,828**

Male	VND 85,285,617,697	48.72%	51.28% VND 89,756,445,130	Female
Southern region	VND 82,537,663,255	47.15%	52.85% VND 92,504,399,573	Northern region

Total direct costs for human resource VND **480,312,281,012**

Male	VND 238,949,491,055	49.75%	50.25% VND 241,362,789,957	Female
Southern region	VND 274,043,655,772	57.06%	42.94% VND 206,268,625,240	Northern region



COMMUNITY DEVELOPMENT

As guided by the commitment of "We strive to better the communities in which we work", SSI has always developed intellectual and physical education programs for young generations and joined local communities in building a better society.



The company has spent more than VND 70 billion for over the last 18 years for community activities - with approximately 64% of funding for education development, based on our assumption that investing in the next generation is supporting the country's sustainable development.

Every 3-year development phase of SSI is characterized by large projects, effective contribution to education development and livelihoods of local people in many provinces. Some outstanding programs that the Company has implemented can be summarized as below:



Sponsoring to Bac Ha Lower and Upper Secondary Boarding School for Ethnic Minorities (Lao Cai Province) with a total funding of VND 10 billion

Financing the construction of many high schools for ethnic minorities in Lai Chau, Son La, Dien Bien, Bac Kan and Lao Cai province with a total funding of VND 1 billion



Funding to build pre-schools and primary schools to avoid floods in 4 mountainous districts of Ha Tinh province with a grant of nearly VND 10 billion

Sponsoring to build community education center in Quang Han commune, Tra Linh district, Cao Bang province with a total funding of nearly VND 3 billion



Donating 100 cows, 40 pigs, 3,000 breeding chickens to farmers and sponsoring to build a medical station in Vinh Thach commune - Vinh Linh district - Quang Tri province with a total funding of nearly VND 5 billion

Supporting fishermen in Quang Nam - Quang Ngai province with a grant of VND 2 billion



2016 - 2018

Donating 3,300 breeding sows to poor households in 9 border districts of Cao Bang province with a total funding of nearly VND 5 billion

Sponsoring the construction of reinforced concrete roads in rural areas in My Hanh Nam Commune - Duc Hoa District - Long An Province with a total funding of VND 2 billion

Sponsoring more than 1 billion VND for poor and excellent students through NDH Scholarship Fund









Investments in education

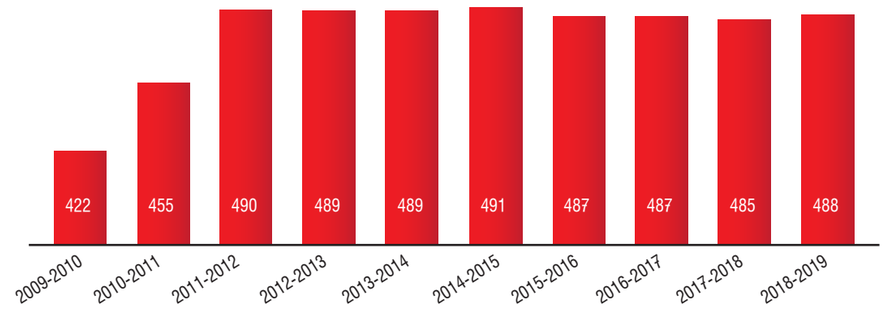
School building projects

Since 2007, SSI has built 10 schools in the Northern and North Central regions to assist with the development education therein. The schools are all located in key areas to which students can have better access to schooling facilities.

On a yearly basis, SSI visits the schools and provides timely funds for expansion so that continued schooling can be provided for the country's future generations.

In the case of Bac Ha Lower and Upper Secondary Boarding School for Ethnic Minorities alone, after its launch in 2010, the number of students at the school has increased and stabilized, thus making continued contributions to education development.

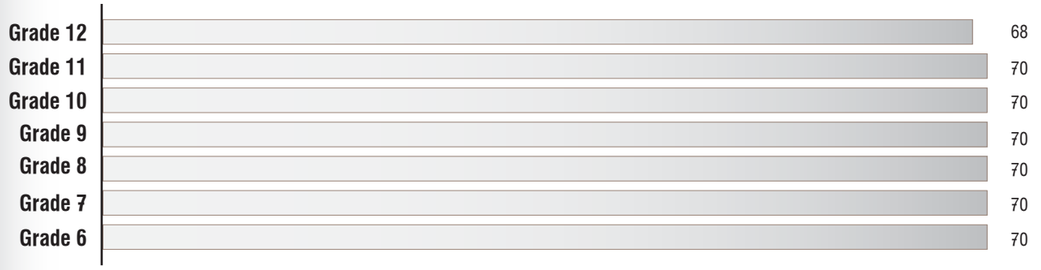
Total school's students over years



Source: Bac Ha Lower and Upper Secondary Boarding School for Ethnic Minorities

The school gathers students from many ethnic minority groups in the district (Dao, Giay, Hmong, La Chi, Nung, Phu La, Tay, Thai). They demonstrate determination to study here until high school graduation; the number of students between age-appropriate class groups is evenly and many have passed the exam into universities, colleges, technical and vocational schools.

Number of students in 2018 – 2019



Source: Bac Ha Lower and Upper Secondary Boarding School for Ethnic Minorities

Students enrolled at universities, colleges, technical and vocational schools in the last 3 years:

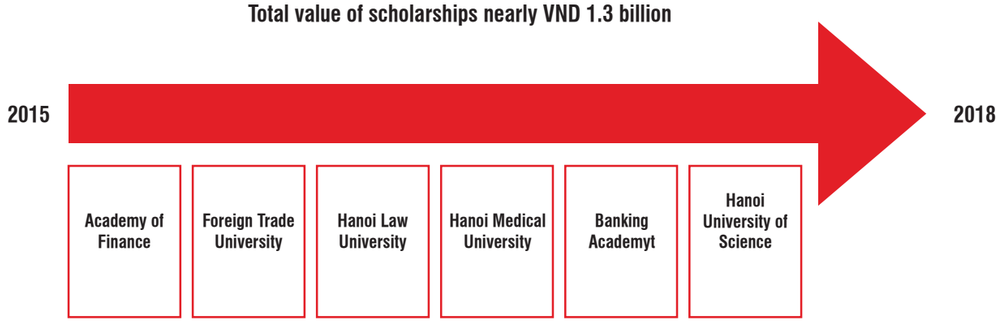
School year	High school graduates	Students enrolled at universities, colleges, technical and vocational schools
2015-2016	70	35 (50%)
2016-2017	70	55 (78.6%)
2017- 2018	68	47 (69.1%)

Source: Bac Ha Lower and Upper Secondary Boarding School for Ethnic Minorities

NDH Scholarship Fund

SSI defines a developed society as a society based on knowledge and kindness. The company and the NDH Scholarship Foundation continued to award scholarships to needy students with excellent academic performance picked within academic year 2015. In 2018, 30 selected students of 6 major universities continued to receive scholarships for them to focus on their study and training, contribute to the development of society with their knowledge, and provide support to those living in similar difficult conditions in the future so that the idea of helping others will be spread widely to the next generations.

Total value of scholarships nearly VND 1.3 billion



Attract talents

With much attention directed to the next generation of human resources of the country, SSI has been accompanying with the Association of Vietnamese Students and Professionals in the U.S. for many years to support, provide career counseling and join hands in bold business ideas of students with potential to be applied in practice. Specifically, SSI is a sponsor of VietChallenge Contest to support its mission of nurturing and developing disruptive and highly competitive startups, contributing to addressing the challenges of the Vietnam and global economy. From 2015 to 2018, SSI accompanied the "American Arms" Program - Annual Conference of the Association of Vietnamese Students and Professionals in the U.S. In addition to the funding of community engagement exchanges and activities, SSI also sent its senior managers to panel discussions on career orientation in order to equip the youngsters with the right perception of career choices.

Education support for disadvantaged areas

SSI has given a special attention to educational development activities in disadvantaged areas. Especially for schools in the northern mountainous provinces - where there remains challenges due to extreme terrain and climate, SSI directs its attention regularly to practical programs to partly assist students and teachers to overcome difficulties in learning, teaching and daily life.

The following educational sponsorship programs were implemented by SSI in 2018:

The Secondary Boarding School for Ethnic Minorities in Duong Huu Commune, Son Dong District, Bac Giang Province.	Gia Phu 5 Primary School - Nam Tra Village - Gia Phu Commune - Bao Thang District - Lao Cai Province.	Students with difficult conditions in Binh Phuoc, Dak Lak, Vinh Phuc, Tuyen Quang and Cham ethnic students in Ho Chi Minh City.
Donation of winter clothes, blankets, food for students and teachers of the school.	Funding for the construction of the school's daytime canteen.	Granting of scholarships, donation of bicycles and learning materials for students.

Prevention of natural disasters

Vietnam has complex and diverse terrain features running from North to South, from East to West, stretching along the continental shelf of the East Sea, so it is prone to natural disasters. Activities to prevent and address consequences of natural disasters are always priorities of the Party and Government in the development process of the country.

Understanding the importance of natural disaster prevention, SSI always takes the lead in provision of funding to natural disaster prevention activities in many provinces across the country. In 2018, SSI granted VND 1 billion to Yen Bai province to overcome the consequences of the storm No. 3 that occurred in July 2018. A prominent project initiated by SSI is the Support program to safe housing to prevent natural disasters and equipment financing for the Office of the Steering Committee for Disaster Prevention, Search and Rescue in 9 Central Coast provinces.

Support to build safe and disaster-resistant housing for 30 households

- Thanh Hoa Province
- Quang Binh Province
- Thua Thien - Hue province

Sponsor equipment for the office of disaster prevention and rescue

- Thanh Hoa province
- Nghe An province
- Ha Tinh Province
- Quang Binh Province
- Quang Tri Province
- Thua Thien – Hue Province
- Quang Nam Province
- Quang Ngai Province
- Binh Dinh Province

SSI-funded programs are practical support to these provinces, promptly supporting local people and government to mitigate impacts of natural disasters.

Hunger eradication, poverty reduction and handling of challenges

In 2017-2018, SSI completed 4 phases of financing with a total funding of VND 2 billion for the construction of reinforced concrete roads in rural areas in My Hanh Nam Commune - Duc Hoa District - Long An Province, supporting the commune to fulfill one of the important criteria of the new rural development program. By the end of 2018, the commune completed the construction of all 4,567 m of road as planned. Newly concreted roads are expected to ease travel and transport of My Hanh Nam residents to and from other communes as well as promote connectivity with surrounding areas, thereby promoting economic and cultural development of the commune.

Also in 2018, SSI supported poor households in 9 border districts of Cao Bang province in their family livelihoods through its donation of 3,300 sows.

Besides, SSI annually cooperates with Binh An Development Center under the Friends for Street Children Association (FFSC) to provide gifts and organize a Mid-Autumn Festival for underprivileged children in Ho Chi Minh City sponsored by the Center. In 2018, through the Center, SSI awarded more than 500 gifts to children and nearly 300 portions of rice and fish sauce, contributing to a merry mid-autumn season.

Medical sponsorship

Donation programs that target patients and health facilities have been regularly implemented by SSI for many years. In 2018, SSI visited and encouraged 500 disadvantaged children undergoing inpatient treatment at the Vietnam National Children's Hospital, providing gifts and financial support to children for them to cover part of treatment expenses, and donating some medical equipment to the Hospital for it to improve the quality of medical examination and treatment.

SSI implements its corporate social responsibility by sharing food and clothing, but also targeting to contribute to implementation of some important directions and policies of the Party such as new rural development, border and island protection to preserve sovereignty; with special attention to education development for the young generation and further contribution to the social and community development.

CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

THE COMPANY

SSI Securities Corporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam, Operating License No. 3041/GP-UB dated 27 December 1999 issued by the 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.

As at 17 December 2018, the Company officially changed its name to SSI Securities Corporation (former name: Saigon Securities Incorporation) under License No. 104/GPDC-UBCK granted by Chairman of State Securities Commission dated 17 December 2018 amending Securities Trading License No. 03/GPHDKD.

The Company's initial charter capital was VND 6,000,000,000. The charter capital has been supplemented from time to time in accordance with amended licenses. As at 31 December 2018, in accordance with the latest Amended License No. 03/GPDC-UBCK granted by the Chairman of State Securities Commission, which has been effective since 23 January 2019, the Company's total charter capital was VND 5,100,636,840,000.

The Company's primary activities are to provide brokerage service, securities trading, underwriting for securities issues, custodian service, finance and investment advisory service, margin lending service and derivatives trading. The Company's Head Office is located at 72 Nguyen Hue Boulevard, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. As at 31 December 2018, the Company has branches located in Ho Chi Minh City, Hanoi, Hai Phong, Vung Tau and Nha Trang, and transaction offices located in Ho Chi Minh City and Hanoi.

As at 31 December 2018, the Company has two (02) directly owned subsidiaries, one (01) indirectly owned subsidiary and one (01) associates.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of the consolidated financial statements are as follows:

Name	Title	Election
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 21 April 2017
Mr. Bui Quang Nghiem	Member	Re-elected on 25 April 2014
Mr. Nguyen Duy Khanh	Member	Elected on 23 April 2015
Mr. Hironori Oka	Member	Elected on 23 April 2015

BOARD OF SUPERVISION

Members of Board of Supervision during the year and at the date of the consolidated financial statements are as follows:

Name	Title	Election
Mr. Nguyen Van Khai	Head of the Board of Supervision	Re-elected on 25 April 2016
Mr. Dang Phong Luu	Member	Re-elected on 23 April 2015
Ms. Le Cam Binh	Member	Elected on 20 April 2018

MANAGEMENT

Members of the Management during the year and at the date of the consolidated financial statements are as follows:

Name	Title	Appointment/Reappointment
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 for the year ended 31 December 2018 and at the date of these 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.

REPORT OF MANAGEMENT

Management of SSI Securities Corporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries as at and for the year ended 31 December 2018.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Company and its subsidiaries and of the consolidated results of its operations, its consolidated cash flows and its 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 in 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 frauds and other irregularities.

Management confirmed 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 2018 and of the consolidated results of its operations, its consolidated cash flow statement and its consolidated statement of changes in owners' equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of the consolidated financial statements.

For and on behalf of Management:

CÔNG TY CỔ PHẦN CHỨNG KHOÁN SSI

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2019

INDEPENDENT AUDITORS' REPORT

Reference No.: 60755007/20372418-HN

To: The shareholders of

SSI Securities Corporation (former name: Saigon Securities Incorporation)

We have audited the accompanying consolidated financial statements of SSI Securities Corporation ("the Company") and its subsidiaries as prepared on 22 March 2019 and set out on pages 6 to 86 which comprise the consolidated statement of financial position as at 31 December 2018, 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

The Company's Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as the 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 Company'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 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 consolidated financial statements.

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

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 2018, and 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 guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited

CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM

Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2018-004-1

Tran Thi Thu Hien
Auditor
Audit Practising Registration
Certificate No. 2487-2018-004-1

Ho Chi Minh City, Vietnam
22 March 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018 | B01-CTCK/HN

Code	ITEMS	Notes	Ending balance VND	Opening balance VND
100	**A. CURRENT ASSETS**		**22,270,357,215,928**	**17,227,983,148,329**
110	***I. Financial assets***		***22,237,874,265,510***	***17,092,445,491,929***
111	1. Cash and cash equivalents	5	612,880,138,860	345,985,713,191
111.1	*1.1. Cash*		*312,863,700,842*	*231,504,310,415*
111.2	*1.2. Cash equivalents*		*300,016,438,018*	*114,481,402,776*
112	2. Financial assets at fair value through profit and loss (FVTPL)	7.1	2,039,985,819,918	1,431,143,096,100
113	3. Held-to-maturity (HTM) investments	7.3	12,326,240,312,685	7,882,154,213,938
114	4. Loans	7.4	5,966,651,185,939	5,764,072,330,098
115	5. Available-for-sale (AFS) financial assets	7.2	1,265,085,272,300	1,534,863,599,300
116	6. Provision for impairment of financial assets and mortgage assets	8	(29,666,132,207)	(23,071,577,500)
117	7. Receivables		301,712,370,797	27,842,003,070
117.1	*7.1. Receivables from disposal of financial assets*	*9*	*300,141,137,920*	*26,678,453,070*
117.2	*7.2. Receivables and accruals from dividend and interest income*	*9*	*1,571,232,877*	*1,163,550,000*
117.3	*7.2.1. Receivables from due dividend and interest income*		-	-
117.4	*7.2.2. Accruals for undue dividend and interest income*		*1,571,232,877*	*1,163,550,000*
118	8. Advances to suppliers	9	31,348,740,192	18,082,112,403
119	9. Receivables from services provided by the Company	9	31,161,533,678	55,404,562,922
122	10. Other receivables	9	4,513,763,962	71,271,331,370
129	11. Provision for impairment of receivables	9	(312,038,740,614)	(15,301,892,963)
130	***II. Other current assets***	***10***	***32,482,950,418***	***135,537,656,400***
131	1. Advances		3,843,488,923	9,001,649,610
132	2. Office supplies, tools and materials		2,959,982,619	53,710,015
133	3. Short-term prepaid expenses		21,364,723,566	10,575,869,709
134	4. Short-term deposits, collaterals and pledges		856,602,610	931,717,910
137	5. Other current assets		3,458,152,700	114,974,709,156

Code	ITEMS	Notes	Ending balance VND	Opening balance VND
200	**B. NON-CURRENT ASSETS**		**1,555,269,509,433**	**1,536,392,023,519**
210	***I. Long-term financial assets***		***1,065,902,838,568***	***943,369,693,465***
212	1. Long-term investments	11	1,065,902,838,568	943,369,693,465
212.1	*1.1. HTM investments*		*301,622,077,596*	*130,424,472,600*
212.3	*1.2. Investment in associates*		*764,280,760,972*	*812,945,220,865*
220	***II. Fixed assets***		***118,742,648,730***	***161,101,323,414***
221	1. Tangible fixed assets	12	84,097,724,124	32,942,324,482
222	*1.1. Cost*		*175,652,952,614*	*115,198,707,424*
223a	*1.2. Accumulated depreciation*		*(91,555,228,490)*	*(82,256,382,942)*
227	2. Intangible fixed assets	13	34,644,924,606	128,158,998,932
228	*2.1. Cost*		*101,372,221,724*	*186,932,181,501*
229a	*2.2. Accumulated amortisation*		*(66,727,297,118)*	*(58,773,182,569)*
230	***III. Investment properties***	***14***	***214,561,642,609***	***218,230,726,962***
231	1. Cost		278,818,031,178	272,917,757,575
232a	2. Accumulated depreciation		(64,256,388,569)	(54,687,030,613)
240	***IV. Construction in progress***	***15***	***4,923,184,107***	***47,154,474,755***
250	***V. Other long-term assets***		***151,139,195,419***	***166,535,804,923***
251	1. Long-term deposits, collaterals and pledges		23,978,605,906	19,416,533,466
252	2. Long-term prepaid expenses	16	40,312,468,926	35,571,900,952
253	3. Deferred income tax assets	17	51,848,120,587	76,547,370,505
254	4. Payment for Settlement Assistance Fund	18	20,000,000,000	20,000,000,000
255	5. Other non-current assets		15,000,000,000	15,000,000,000
270	**TOTAL ASSETS**		**23,825,626,725,361**	**18,764,375,171,848**

Code	ITEMS	Notes	Ending balance VND	Opening balance VND
300	**C. LIABILITIES**		**14,669,962,197,728**	**10,148,125,475,946**
310	***I. Current liabilities***		***13,469,410,255,114***	***9,354,274,432,825***
311	1. Short-term borrowings and financial leases	20	11,193,158,753,866	8,503,887,663,684
312	*1.1. Short-term borrowings*		*11,193,158,753,866*	*8,503,887,663,684*
316	2. Short-term bonds	21	255,000,000,000	199,871,666,661
318	3. Payables for securities trading activities	23	20,890,746,200	-
320	4. Short-term trade payables	24	9,871,570,085	7,858,964,987
321	5. Short-term advance from customers		56,096,109,184	5,119,599,349
322	6. Statutory obligation	25	69,950,280,972	131,662,750,256
323	7. Payables to employees		42,813,281,214	39,122,549,261
324	8. Employee benefits		60,982,952	8,662,352
325	9. Short-term accrued expenses	26	113,892,022,048	93,014,814,252
328	10. Short-term deposits received		1,255,230,000	-
329	11. Other short-term payables	27	1,490,328,981,368	188,798,899,963
331	12. Bonus and welfare fund		216,092,297,225	184,928,862,060
340	***II. Non-current liabilities***		***1,200,551,942,614***	***793,851,043,121***
345	1. Long term convertible bonds- Debt component	22	1,068,320,391,534	-
346	2. Long-term bonds	21	-	569,300,000,000
348	3. Long-term advance from customers		2,415,081,980	-
351	4. Long-term unrealized revenue	28	51,187,159,357	33,511,108,968
352	5. Long-term deposits received		255,695,000	-
356	6. Deferred income tax payable	17	78,373,614,743	191,039,934,153

Code	ITEMS	Notes	Ending balance VND	Opening balance VND
400	**D. OWNERS' EQUITY**	**29**	**9,155,664,527,633**	**8,616,249,695,902**
410	***I. Owners' equity***		***9,155,664,527,633***	***8,616,249,695,902***
411	1. Share capital		5,235,152,952,935	5,027,878,981,200
411.1	*1.1. Capital contribution*		*5,100,636,840,000*	*5,000,636,840,000*
411.1a	*a. Ordinary shares*		*5,100,636,840,000*	*5,000,636,840,000*
411.2	*1.2. Share premium*		*29,470,756,034*	*29,482,756,034*
411.3	*1.3. Convertible bond - Equity component*		*113,779,095,785*	-
411.5	*1.4. Treasury shares*		*(8,733,738,884)*	*(2,240,614,834)*
412	2. Difference from revaluation of assets at fair value	41	277,801,019,026	637,896,244,067
413	3. Foreign exchange rate differences		41,038,039,125	33,179,513,213
414	4. Charter capital supplementary reserve		412,057,165,307	355,412,398,796
415	5. Operational risk and financial reserve		327,549,570,623	270,904,804,112
417	6. Undistributed profit	29.1	2,795,105,924,402	2,212,624,960,292
417.1	*6.1. Realised profit*		*3,056,176,268,973*	*2,235,685,451,553*
417.2	*6.2. Unrealised profit*		*(261,070,344,571)*	*(23,060,491,261)*
418	7. Non-controlling interests		66,959,856,215	78,352,794,222
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**23,825,626,725,361**	**18,764,375,171,848**

OFF-BALANCE SHEET ITEMS

Code	ITEMS	Notes	Ending balance VND	Opening balance VND
	A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS			
005	Foreign currencies	30.1		
	USD		*6,556,662.33*	*5,163,658.21*
	EUR		*84,345.41*	*84,352.36*
	GBP		*37,151.64*	*38,197.09*
006	Outstanding shares (number of shares)	29.4	509,170,307	499,849,370
007	Treasury shares (number of shares)	29.4	893,377	214,314
008	Financial assets listed/registered for trading at Vietnam Securities Depository ("VSD") of the Company (VND)	30.2	872,947,970,000	892,517,220,000
009	Non-traded financial assets deposited at VSD of the Company (VND)	30.3	10,482,230,000	10,485,780,000
010	Awaiting financial assets of the Company (VND)	30.4	10,135,100,000	5,520,000
012	Financial assets which have not been deposited at VSD of the Company (VND)	30.5	913,425,310,000	380,192,020,000
013	Entitled financial assets of the Company (VND)		39,095,130,000	660,000
	B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS			
021	Financial assets listed/registered for trading at VSD of investors (VND)	30.6	42,493,662,500,000	33,276,995,380,000
021.1	*Unrestricted financial assets*		*34,656,128,250,000*	*27,586,903,680,000*
021.2	*Restricted financial assets*		*548,270,620,000*	*572,565,500,000*
021.3	*Mortgaged financial assets*		*6,641,685,800,000*	*4,435,948,560,000*
021.4	*Blocked financial assets*		*305,694,280,000*	*30,525,850,000*
021.5	*Financial assets awaiting settlement*		*341,883,550,000*	*651,051,790,000*

Code	ITEMS	Notes	Ending balance VND	Opening balance VND
022	Non-traded financial assets deposited at VSD of investors	30.7	376,706,850,000	1,537,141,910,000
022.1	*Unrestricted and non-traded financial assets deposited at VSD*		*324,305,840,000*	*1,382,746,250,000*
022.2	*Restricted and non-traded financial assets deposited at VSD*		*52,256,010,000*	*52,256,010,000*
022.3	*Mortgaged and non-traded financial assets deposited at VSD*		*-*	*102,139,650,000*
022.4	*Blocked and non-traded financial assets deposited at VSD*		*145,000,000*	-
023	Financial assets awaiting for arrival of investors	30.8	248,603,350,000	558,055,700,000
024b	Financial assets which have not been deposited at VSD of investors	30.9	66,834,410,000	587,746,830,000
025	Entitle financial assets of investors	30.10	161,868,940,000	20,760,290,000
026	Investors' deposits	30.11	3,283,456,420,063	4,016,678,482,634
027	Investors' deposits for securities trading activities managed by the Company	30.11	2,666,193,777,876	3,834,955,125,947
027.1	Investors' deposits at VSD		610,905,763,675	145,075,049,045
028	Investors' synthesizing deposits for securities trading activities	30.11	4,553,932,668	17,567,220,094
030	Deposits of securities issuers	30.12	1,802,945,844	19,081,087,548
031	Payables to investors - investors' deposits for securities trading activities managed by the Company	30.13	3,277,099,541,551	3,980,030,174,992
031.1	*Payables to domestic investors for securities trading activities managed by the Company*		*2,769,817,505,805*	*3,834,932,579,377*
031.2	*Payables to foreign investors for securities trading activities managed by the Company*		*507,282,035,746*	*145,097,595,615*
032	Payables to securities issuers	30.14	101,060	17,697,679,784
034	Dividends, bond principals and interest payables	30.15	1,802,844,784	1,383,407,764

Ms. Hoang Thi Minh Thuy
Chief Accountant

Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2019

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2018 | B02-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. OPERATING INCOME			
01	1. Gain from financial assets at fair value through profit and loss (FVTPL)		646,758,445,125	668,205,714,750
01.1	*1.1. Gain from disposal of financial assets at FVTPL*	*31.1*	*309,260,483,503*	*258,242,105,970*
01.2	*1.2. Gain from revaluation of financial assets at FVTPL*	*31.2*	*249,068,059,560*	*363,520,691,804*
01.3	*1.3. Dividend, interest income from financial assets at FVTPL*	*31.3*	*88,429,902,062*	*46,442,916,976*
02	2. Gain from held-to-maturity (HTM) investments	31.3	716,061,639,277	450,841,549,874
03	3. Gain from loans and receivables	31.3	710,869,164,035	519,650,863,341
04	4. Gain from available-for-sale (AFS) financial assets	31.3	209,534,611,481	259,243,270,357
06	5. Revenue from brokerage services		1,130,951,456,889	779,655,966,567
07	6. Revenue from underwriting and issuance agent services		2,294,659,091	6,970,000,000
08	7. Revenue from securities investment advisory services		27,181,454,886	25,112,954,614
09	8. Revenue from securities custodian services		16,196,356,140	13,106,660,608
10	9. Revenue from financial advisory services		125,202,889,557	104,386,740,785
11	10. Revenue from other activities	33	87,787,382,263	70,904,085,725
20	**Total operating revenue**		**3,672,838,058,744**	**2,898,077,806,621**
	II. OPERATING EXPENSES			
21	1. Loss from financial assets at fair value through profit and loss (FVTPL)		622,002,974,602	486,473,323,551
21.1	*1.1. Loss from disposal of financial assets at FVTPL*	*31.1*	*110,639,931,937*	*157,754,346,488*
21.2	*1.2. Loss from revaluation of financial assets at FVTPL*	*31.2*	*510,162,874,917*	*328,000,178,020*
21.3	*1.3. Transaction costs of acquisition of financial assets at FVTPL*		*1,200,167,748*	*718,799,043*
23	2. Loss from revaluation of AFS financial assets arising from reclassification		974,544,960	1,468,135,635
24	3. Provision/(reversal of provision) expenses for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans	32	39,672,379,770	(50,808,499,167)
26	4. Expenses for proprietary trading activities		8,175,909,551	6,529,060,758
27	5. Expenses for brokerage services	34	772,657,137,549	515,662,908,804
28	6. Expenses for underwriting and issuance agent services	34	644,244,526	448,237,668
29	7. Expenses for securities investment advisory services	34	20,611,871,141	17,339,245,420
30	8. Expenses for securities custodian services	34	22,252,011,562	18,364,941,338
31	9. Expenses for financial advisory services	34	52,479,927,302	62,842,511,908
32	10. Expenses for other activities	34, 35	111,558,768,564	79,077,162,741
40	**Total operating expenses**		**1,651,029,769,527**	**1,137,397,028,656**
	III. FINANCE INCOME			
41	1. Realized and unrealized gain from changes in foreign exchange rates		3,303,149,879	498,596,335
42	2. Dividend, interest income from demand deposits		23,823,241,348	39,095,125,630
43	3. Gain from disposal of investments in subsidiaries and associates		164,457,327,326	-
44	4. Other finance income		74,240,555,353	105,518,563,847
50	**Total finance income**	**36**	**265,824,273,906**	**145,112,285,812**

Code	ITEMS	Notes	Current year VND	Previous year VND
	IV. FINANCE EXPENSES			
51	1. Realized and unrealized loss from changes in foreign exchange rates		4,697,732,904	1,868,541,862
52	2. Borrowing costs		536,540,563,261	343,581,229,539
55	3. Other finance expense		5,680,695,698	-
60	**Total finance expenses**	**37**	**546,918,991,863**	**345,449,771,401**
62	**V. GENERAL AND ADMINISTRATIVE EXPENSES**	**38**	**173,683,645,242**	**168,028,766,259**
70	**VI. OPERATING PROFIT**		**1,567,029,926,018**	**1,392,314,526,117**
	VII. OTHER INCOME AND EXPENSES			
71	Other income		58,417,373,996	13,087,665,727
72	Other expenses		2,233,836,059	380,782,811
80	**Total other operating profit**	**39**	**56,183,537,937**	**12,706,882,916**
90	**VIII. PROFIT BEFORE TAX**		**1,623,213,463,955**	**1,405,021,409,033**
91	Realized profit		1,883,886,823,081	1,369,674,291,631
92	Unrealized profit		(260,673,359,126)	35,347,117,402
100	**IX. CORPORATE INCOME TAX (CIT) EXPENSES**	**40**	**320,276,221,397**	**243,916,813,210**
100.1	Current CIT expense	40.1	319,845,580,653	227,147,912,674
100.2	Deferred CIT (income)/expense	40.2	430,640,744	16,768,900,536
200	**X. PROFIT AFTER TAX**		**1,302,937,242,558**	**1,161,104,595,823**
201	1. Profit after tax attributable to the Parent Company's owners		1,304,930,180,565	1,161,852,985,813
202	2. Profit after tax attributable to reserves		91,345,112,639	79,628,651,193
203	3. Profit after tax attributable to non-controlling interest		(1,992,938,007)	(748,389,990)
300	**XI. OTHER COMPREHENSIVE GAIN/(LOSS) AFTER TAX**			
301	1. (Loss)/gain from revaluation of AFS financial assets	41	(360,095,225,041)	(14,896,631,308)
400	**TOTAL COMPREHENSIVE INCOME**		**(360,095,225,041)**	**(14,896,631,308)**
401	Other Comprehensive income attributable to the Parent Company's owners		(360,062,946,570)	(14,843,959,968)
402	Other Comprehensive income attributable to non-controlling interest		(32,278,471)	(52,671,340)
500	**XII. NET INCOME APPROPRIATED TO ORDINARY SHAREHOLDERS**		**1,213,585,067,924**	**1,082,224,334,621**
501	Earnings per share (VND/share)	43	2,428	2,208
502	Diluted earnings per share (VND/share)	44	2,417	2,208

Ms. Hoang Thi Minh Thuy
Chief Accountant

Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

CÔNG TY CỔ PHẦN CHỨNG KHOÁN SSI

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2019

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2018 | B03b-CTCK/HN

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**1. Net profit before tax**		**1,623,213,463,955**	**1,405,021,409,033**
02	**2. Adjustments for:**		**(988,899,808,584)**	**(730,566,500,836)**
03	Depreciation and amortization expense		30,828,467,858	20,947,213,144
04	Provision/(reversal of provision)		32,917,256,564	(620,599,691)
05	Unrealized (gain)/loss from exchange rate difference		(421,456,231)	173,396,382
06	Interest expenses		536,868,896,600	343,901,229,535
07	Gain from investment activities (investment in subsidiaries, associates and long-term HTM financial assets)		(763,332,907,195)	(495,229,118,735)
08	Accrued interest income		(829,220,813,597)	(599,043,514,417)
09	Other adjustments		3,460,747,417	(695,107,054)
10	**3. Increase in non-monetary expenses**		**517,731,974,584**	**324,108,886,222**
11	Loss from revaluation of financial assets at FVTPL		510,162,874,917	328,000,178,020
13	Loss/(reversal of provision) from impairment of loans		6,594,554,707	(5,359,427,433)
14	Loss from revaluation to fair value of AFS financial assets when reclassification		974,544,960	1,468,135,635
18	**4. Decrease in non-monetary income**		**(428,680,923,541)**	**(589,814,228,061)**
19	Gain from revaluation of financial assets at FVTPL		(249,068,059,560)	(363,520,691,804)
20	Gain from revaluation to fair value of AFS financial assets when reclassification		(179,612,863,981)	(226,293,536,257)

Code	ITEMS	Notes	Current year VND	Previous year VND
30	**5. Operating profit before changes in working capital**		**723,364,706,414**	**408,749,566,358**
31	(Increase)/decrease in financial assets at FVTPL		(346,083,790,863)	379,032,638,757
32	Increase in HTM investments		(4,083,037,234,365)	(491,170,678,200)
33	Increase in loans		(202,578,855,841)	(1,984,894,287,302)
34	(Increase)/decrease in AFS financial assets		(445,708,310,733)	226,707,855,613
35	Decrease in receivables from disposal of financial assets		15,429,702,300	26,807,894,500
37	Decrease/(increase) in receivables from services provided by the Company		24,323,340,163	(19,296,504,894)
39	Decrease/(increase) in other receivables		20,336,239,684	(26,310,583,847)
40	Decrease/(increase) in other assets		80,690,619,476	(49,085,053,601)
41	(Decrease)/increase in accrued expenses (excluding interest expenses)		(13,942,799,723)	8,403,545,245
42	Increase in prepaid expenses		(15,524,532,352)	(12,588,940,046)
43	Current income tax paid		(363,396,519,872)	(194,330,165,299)
44	Interest expenses paid		(469,660,001,949)	(321,966,912,179)
46	Increase/(decrease) in trade payables		1,701,043,929	(3,610,395,170)
47	Increase/(decrease) in welfare benefits		52,320,600	(159,934,200)
48	(Decrease)/increase in statutory obligations		(18,161,381,502)	25,027,050,340
49	Decrease in payables to employees		3,690,731,953	34,395,805,093
51	Increase/(decrease) in other payables		1,373,712,132,778	(151,380,652,608)
52	Other receipts from operating activities		829,878,907,015	598,129,706,117
	- Interest received		*829,611,523,015*	*598,012,964,417*
	- Other receipts		*267,384,000*	*116,741,700*
53	Other payments for operating activities		(53,255,868,974)	(28,447,874,665)
60	**Net cash flows used in operating activities**		**(2,938,169,551,862)**	**(1,575,987,919,988)**

Code	ITEMS	Notes	Current year VND	Previous year VND
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
61	Purchase and construction of fixed assets, investment properties and other long-term assets		(57,359,665,687)	(35,106,376,598)
62	Proceeds from disposal and sale of fixed assets, investment properties and other long-term assets		207,083,032,942	541,299,081
63	Cash payments for investment in subsidiaries, associates, joint ventures and other investments		(7,310,033,500,304)	(6,253,000,320,400)
64	Cash receipt from capital withdrawal from subsidiaries, associates, joint ventures and other investments		7,059,305,313,000	4,028,100,000,000
65	Interest and dividends from long-term investments received		433,034,276,448	383,362,668,183
70	**Net cash flow from/(used in) investing activities**		**332,029,456,399**	**(1,876,102,729,734)**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
71	Cash receipt from issuance of shares, capital contributed by shareholders		213,767,095,785	100,469,064,000
72	Repayment of capital contributed by shareholders, repurchase of issued shares		(53,493,124,050)	-
73	Drawdown of borrowings		85,775,993,676,758	49,501,155,932,980
73.2	*- Other borrowings*		*85,775,993,676,758*	*49,501,155,932,980*
74	Repayment of borrowings		(82,565,001,682,361)	(45,623,408,947,381)
74.3	*- Other repayment of borrowings*		*(82,565,001,682,361)*	*(45,623,408,947,381)*
76	Dividends, profit distributed to shareholders		(498,231,445,000)	(488,704,651,000)
80	**Net cash flow from financing activities**		**2,873,034,521,132**	**3,489,511,398,599**
90	**NET INCREASE IN CASH DURING THE YEAR**		**266,894,425,669**	**37,420,748,877**
101	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR**	**5**	**345,985,713,191**	**308,564,964,314**
101.1	Cash		231,375,853,648	200,205,959,021
101.2	Cash equivalents		114,481,402,776	107,413,029,168
102	Exchange rate differences		128,456,767	945,976,125
103	**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR**	**5**	**612,880,138,860**	**345,985,713,191**
103.1	Cash		309,402,953,426	231,375,853,648
103.2	Cash equivalents		300,016,438,018	114,481,402,776
104	Exchange rate differences		3,460,747,416	128,456,767

CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF CUSTOMERS

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. Cash flows from brokerage and trust activities of customers			
01	1. Cash receipts from disposal of brokerage securities of customers		233,089,481,103,978	158,362,644,597,181
02	2. Cash payments for acquisition of brokerage securities of customers		(197,409,880,869,375)	(151,564,405,275,980)
07	3. Cash receipts for settlement of securities transactions of customers (deposit/(withdrawal) previous year)		194,868,357,805,337	(4,094,047,857,546)
07.1	4. Investors' deposits at VSD		465,830,714,626	145,075,049,043
08	5. Cash payment for securities transactions of customers		(231,704,962,865,131)	-
09	6. Cash payments for custodian fees of customers		(14,784,414,818)	(11,620,149,721)
12	7. Cash receipt from securities issuers		2,943,124,849,302	1,893,296,516,813
13	8. Cash payment to securities issuers		(2,970,388,386,490)	(2,345,252,169,108)
20	**Net (decrease)/increase in cash during the year**		**(733,222,062,571)**	**2,385,690,710,682**
30	**II. Cash and cash equivalents of customers at the beginning of the year**		**4,016,678,482,634**	**1,630,987,771,952**
31	Cash at banks at the beginning of the year:		4,016,678,482,634	1,630,987,771,952
32	- Investors' deposits managed by the Company for securities trading activities		3,980,030,174,992	1,616,354,145,533
	In which: Investors' deposits at VSD		*145,075,049,043*	-
33	- Investors' synthesizing deposits for securities trading activities		17,567,220,094	5,034,657,285
35	- Deposits of securities issuers		19,081,087,548	9,598,969,134
40	**III. Cash and cash equivalents of the customersat the end of the year (40 = 20 + 30)**		**3,283,456,420,063**	**4,016,678,482,634**
41	Cash at banks at the end of the year:		3,283,456,420,063	4,016,678,482,634
42	- Investors' deposits managed by the Company for securities trading activities	30.11	3,277,099,541,551	3,980,030,174,992
	In which: Investors' deposits at VSD		*610,905,763,675*	*145,075,049,043*
43	- Investors' synthesizing deposits for securities trading activities	30.11	4,553,932,668	17,567,220,094
45	- Deposits of securities issuers	30.12	1,802,945,844	19,081,087,548

Ms. Hoang Thi Minh Thuy
Chief Accountant

Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2019

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

for the year ended at 31 December 2018 | B04-CTCK/HN

ITEMS	Notes	Opening balance		Increase/Decrease				Ending balance	
				Previous year		Current year			
		01/01/2017	01/01/2018	Increase	Decrease	Increase	Decrease	31/12/2017	31/12/2018
		VND	VND	VND	VND	VND	VND	VND	VND
A	B	1	2	3	4	5	6	7	8
I. CHANGES IN OWNERS' EQUITY									
1. Share capital		4,927,409,917,200	5,027,878,981,200	100,290,896,034	178,167,966	207,285,971,735	(12,000,000)	5,027,878,981,200	5,235,152,952,935
1.1. Ordinary share	*29.2*	*4,900,636,840,000*	*5,000,636,840,000*	*100,000,000,000*	*-*	*100,000,000,000*	*-*	*5,000,636,840,000*	*5,100,636,840,000*
1.2. Share premium		*29,265,860,000*	*29,482,756,034*	*290,896,034*	*(74,000,000)*	*-*	*(12,000,000)*	*29,482,756,034*	*29,470,756,034*
1.3. Convertible bond									
- Equity component		*-*	*-*	*-*	*-*	*113,779,095,785*	*-*	*-*	*113,779,095,785*
1.4. Treasury share		*(2,492,782,800)*	*(2,240,614,834)*	*-*	*252,167,966*	*(6,493,124,050)*	*-*	*(2,240,614,834)*	*(8,733,738,884)*
2. Charter capital supplementary reserve		311,560,605,893	355,412,398,796	43,851,792,903	-	56,644,766,511	-	355,412,398,796	412,057,165,307
3. Operational risk and financial reserve		227,053,011,209	270,904,804,112	43,851,792,903	-	56,644,766,511	-	270,904,804,112	327,549,570,623
4. Difference from revaluation of financial assets at fair value		652,792,875,375	637,896,244,067	607,628,548,568	(622,525,179,876)	36,935,488,132	(397,030,713,173)	637,896,244,067	277,801,019,026
5. Foreign exchange rate differences		34,056,420,954	33,179,513,213	-	(876,907,741)	7,858,525,912	-	33,179,513,213	41,038,039,125
6.Undistributed profit		1,674,837,853,150	2,212,624,960,292	1,505,851,030,724	(968,063,923,582)	1,796,597,754,474	(1,214,116,790,364)	2,212,624,960,292	2,795,105,924,402
6.1. Realized profit	*29.1*	*1,727,170,255,230*	*2,235,685,451,553*	*1,147,456,542,194*	*(638,941,345,871)*	*1,543,064,033,874*	*(722,573,216,454)*	*2,235,685,451,553*	*3,056,176,268,973*
6.2. Unrealized profit	*29.1*	*(52,332,402,080)*	*(23,060,491,261)*	*358,394,488,530*	*(329,122,577,711)*	*253,533,720,600*	*(491,543,573,910)*	*(23,060,491,261)*	*(261,070,344,571)*
7. Non-controlling interest		79,101,184,212	78,352,794,222	-	(748,389,990)	-	(11,392,938,007)	78,352,794,222	66,959,856,215
TOTAL		**7,906,811,867,993**	**8,616,249,695,902**	**2,301,474,061,132**	**(1,592,036,233,223)**	**2,161,967,273,275**	**(1,622,552,441,544)**	**8,616,249,695,902**	**9,155,664,527,633**
II. OTHER COMPREHENSIVE INCOME									
1. Gain/(loss) from revaluation of AFS financial assets		652,792,875,375	637,896,244,067	607,628,548,568	(622,525,179,876)	36,935,488,132	(397,030,713,173)	637,896,244,067	277,801,019,026
TOTAL	**41, 42**	**652,792,875,375**	**637,896,244,067**	**607,628,548,568**	**(622,525,179,876)**	**36,935,488,132**	**(397,030,713,173)**	**637,896,244,067**	**277,801,019,026**

Ms. Hoang Thi Minh Thuy
Chief Accountant

Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2019

CONSOLIDATED FINANCIAL STATEMENTS / CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

NOTES TO THE CONSOLIDATED FINANCIAL

as at 31 December 2018 and for the year then ended | B05-CTCK/HN

1. CORPORATE INFORMATION

SSI Securities Corporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam, Operating 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.

As at 17 December 2018, the Company officially changed its name to SSI Securities Corporation (former name: Saigon Securities Incorporation) under License No. 104/GPDC-UBCK granted by Chairman of State Securities Commission dated 17 December 2018 amending Securities Trading License No. 03/GPHDKD.

The Company's initial charter capital was VND 6,000,000,000. The charter capital has been supplemented from time to time in accordance with amended licenses. As at 31 December 2018, in accordance with the latest Amended License No. 03/GPDC-UBCK granted by the Chairman of State Securities Commission, which has been effective since 23 January 2019, the Company's total charter capital was VND 5,100,636,840,000.

The Company's primary activities are to provide brokerage service, securities trading, underwriting for securities issues, custodian service, finance advisory service, finance and investment advisory service, margin lending services and derivatives trading. The Company's Head Office is located at 72 Nguyen Hue Boulevard, District 1, Ho Chi Minh City, Vietnam. As at 31 December 2018, the Company has branches located in Ho Chi Minh City, Hanoi, Hai Phong, Vung Tau and Nha Trang, and transaction offices located in Ho Chi Minh City and Hanoi.

The number of the Company's employees as at 31 December 2018 was 1,026 persons (31 December 2017: 887 persons).

Company's operation

Capital

As at 31 December 2018, total charter capital of the Company is VND 5,100,636,840,000, owners' equity including non-controlling interests is VND 9,155,664,527,633 and total assets are VND 23,825,626,725,361.

Investment objectives

As the biggest listed securities company in Vietnam stock market, the Company's principal activities are to provide brokerage service, securities trading, finance and investment advisory service, custodian service, underwriting for securities issues, margin lending service and derivatives trading. The Company's goals are to become a partner with clients, to focus all resource and initiatives to bring success to all stakeholders.

Investment restrictions

The Company is required to comply with Article 44 under Circular No. 210/2012/TT-BTC dated 30 November 2012 providing guidance on establishment and operation of securities companies, Circular No. 07/2016/TT-BTC dated 18 January 2016 amended some articles of Circular No. 210/2012/TT-BTC and other applicable regulations on investment restrictions. The current applicable practices on investment restrictions are as follows:

- Securities company is not allowed to purchase, contribute capital to invest in real-estate assets except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- Securities company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- Securities company is not allowed to use more than seventy percent (70%) of its owners' equity to invest in corporate bonds. Securities company, licensed to engage in self-trading activity, is allowed to trade listed bonds in accordance with relevant regulation on trading Government bonds.
- Securities company must not by itself, or authorize another organization or individuals to: Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund, ETF fund or open-end fund certificates; Invest or contribute capital of more than ten percent (10%) in the total paid-up capital of a limited liability company or of a business project; Invest more than fifteen percent (15%) of its owners' equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total owners' equity in unlisted shares, capital contribution and a business project.
- Securities company is allowed to establish or purchase an asset management company as a subsidiary. In that case, securities company is not required to follow the above restrictions.

Subsidiaries

As at 31 December 2018, the Company had two (02) directly owned subsidiaries as follows:

Company name	Established under	Business sector	Charter capital	% holding
SSI Asset Management Company Ltd. (SSIAM)	Operating License No.19/UBCK-GP dated 03 August 2007 and the latest amended Operating License No.38/GPDC-UBCK dated 26 December 2013	Investment fund management and investment portfolio management	VND30 billion	100%
SSI Investment Member Fund (SSI IMF)	Approval Letter of Member Fund Foundation No.130/TB-UBCK dated 27 July 2010 and amended license No. 4557/UBCK-QLQ dated 24 July 2018	Investments in securities and other investible assets, including real estates	VND343 billion	80%

Besides, as at 31 December 2018, the Company had one (01) indirectly owned by SSI IMF subsidiary named SSI International Corporation.

Associates

As at 31 December 2018, the Company had one (01) associate presented on the consolidated financial statements as follows:

Name	Business establishment	Sector	Charter capital (VND)
The Pan Group (PAN)	Business Registration No. 0301472704 dated 23 October 2018 issued by Long An Department of Planning and Investment (17th 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.	Cultivation, farming; Livestock services; Post-harvest services; Cultivation services activities; House cleaning services; Investment advisory services (except for financial advisory); Management advisory services (except for finance, economics and law); Market research services	1,361,016,300,000

CORPORATE INFORMATION (continued)

Key characteristics of the Company's operation which affect the Company's consolidated financial statements

The Company's profit after tax for the year 2018 was VND 1,302,937,242,559, which made an increase of 12.2% (amounted to VND 141,832,646,336) in comparison to the year 2017 owing to the following reasons:

- Despite the decline of the Company's brokerage market share and transaction volume in quarter 4, growth rate of revenue from brokerage services in 2018 was 45.1%, equivalent to VND 351,295,490,322. Besides, brokerage service expense increased VND 256,994,228,745. Furthermore, SSI also witnessed an increase by 36.8%, equivalent to VND 191,218,300,694 in revenue from margin activities.
- Growth rate of interest income from held-to-maturity investments was 58.8%, equivalent to VND 265,220,089,403, higher than the growth of interest expense which was VND 192,959,333,722.
- Finance income by VND 265,824,273,906, mainly thanks to gain from disposal of associates (PDN and VFG).

2. BASIS OF PRESENTATION

2.1 Applied accounting standards and system

The consolidated financial statements of the Company expressed in Vietnam dong ("VND") are prepared and presented in accordance with Vietnamese Enterprise Accounting System, the accounting regulation and guidance applicable to securities companies as set out in Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing Appendices No. 02 and No. 04 of Circular No. 210/2014/TT-BTC, Circular No. 146/2014/TT-BTC dated 6 October 2014 providing guidance on financial regime applicable to securities companies and asset management companies and other Vietnamese Accounting Standards promulgated 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).

2.2 Basis on consolidation

The consolidated financial statements comprise the financial statements of SSI Securities Corporation (the parent company) and its subsidiaries as at 31 December 2018.

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 year using the consistent accounting policies.

All intra-company balances, incomes and expenses, and unrealized 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 statement of financial position, separately from parent shareholders' equity.

2.3 Registered accounting documentation system

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

2.4 Fiscal year

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

The Company also prepares its consolidated interim financial statements for the six-month period from 1 January to 30 June and its quarterly financial statements for the three-month periods ended 31 March, 30 June, 30 September and 31 December each year.

2.5 Accounting currency

The consolidated financial statements are prepared in Vietnam dong ("VND"), which is the accounting currency of the Company.

3. STATEMENT ON COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

Management confirms that the Company has complied with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of the consolidated financial statements.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

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

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

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

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

a) It is classified as held for trading. A financial asset is classified as held for trading if:

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

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

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

Financial assets at FVTPL are initially recognized at cost (acquisition cost of the assets excluding transaction cost arising from the purchase) and subsequently recognized at fair value.

Increase in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous year is recognized into the consolidated income statement under "Gain from revaluation of financial assets at FVTPL". Decrease in the difference arising from revaluation of financial assets at FVTPL in comparison with the previous year is recognized into the consolidated income statement under "Loss from revaluation of financial assets at FVTPL".

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

4.3 Held-to-maturity investments (HTM)

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.

Held-to-maturity investments are initially recognized at cost (acquisition cost of the assets plus (+) transaction costs which are directly attributable to the investments such as brokerage fee, trading fee, issuance agency fee and banking transaction fee). After initial recognition, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest rate ("EIR").

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

The effective interest rate method is a method of calculating the cost allocation on interest income or interest expense in the year of a financial asset or a group of HTM investments.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial assets or financial liabilities.

HTM investments are subject to an assessment of impairment at the consolidated financial statements date. Provision is made for an HTM investment when there is any objective evidence that the investment is irrecoverable or there is uncertainty of recoverability, resulting from one or more events that have occurred after the initial recognition of the investment and that event has an impact on the estimated future cash flows of the investment that can be reliably estimated. Evidence of impairment may include a drop in the fair value/market value of the investment, indications that the debtors or a group of debtors are experiencing significant financial difficultly, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. When there is any evidence of impairment, provision for an HTM investment is determined as the negative difference between its fair value and amortized cost at the assessment date. Any increase/decrease in the balance of provision is recognized in the consolidated income statement under "Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans".

4.4 Loans

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

a) The amounts the Company has the intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the Company categorized as such recognized at fair value through profit or loss;

b) The amounts categorized by the Company as available-for-sale upon initial recognition; or

c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available-for-sale.

Loans are recognized initially at cost (disbursement amount of the loans). After initial recognition, loans are subsequently measured at amortized cost using the effective interest rate ("EIR").

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

Loans are subject to an assessment of impairment at the consolidated financial statements date. Provision is made for loan based on its estimated loss which is determined by the negative difference between the market value of securities used as collaterals for such loan and the loan balance. Any increase/decrease in the balance of provision is recognized in the consolidated income statement under "Provision expense for diminution in value and impairment of financial assets and doubtful receivables, and borrowing costs of loans".

4.5 Available-for-sale (AFS)

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; or

c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are recognized initially at cost plus (+) transaction costs (which are directly attributable to the purchase of the financial assets). After initial recognition, AFS financial assets are subsequently measured at fair value.

Difference arising from the revaluation of AFS financial assets in comparison with previous year is recognized under "Gain/(loss) from revaluation of AFS financial assets" in "Other comprehensive income after tax" which is a part of the consolidated income statement.

At the consolidated financial statement date, the Company assessed whether there is any objective evidence that an AFS financial asset is impaired. Any increase/decrease in the balance of provision is recognized in the consolidated income statement under "Provision expenses for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans".

- Where an equity instrument is classified as available-for-sale, evidence of impairment includes a significant or prolonged decline in the fair value of the investment below its original cost. "Significant" is to be evaluated against the original cost of the asset and "prolonged" indicates the period in which the fair value has been below its original cost. When any evidence of impairment exists, provision is determined as the difference between the AFS asset's cost and fair value at the assessment date.
- Where a debt instrument is classified as available-for-sale, the assessment of impairment is conducted using the same criteria as those applied for HTM investments. When there is any evidence of impairment, provision for an AFS asset is determined as the negative difference between its fair value and amortized cost at the assessment date.

4.6 Fair value/market value of financial assets

Fair value/market value of the securities is determined as follows:

- For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the revaluation.
- For unlisted securities registered for trading on the Unlisted Public Company Market ("UPCOM"), their market prices are their average closing prices on the trading day preceding the date of setting up the revaluation.
- For 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 on the Unlisted Public Company Market ("UPCOM") used as a basis for setting up the revaluation is the trading prices of the latest transaction on over-the-counter ("OTC") market.

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

For the purpose of determining CIT taxable profit, the tax bases for financial assets are determined by cost minus (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.146/2014/TT-BTC.

4.7 Derecognition of financial assets

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

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

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

The continued participation in transferred assets in the form of guarantee will be recognized at smaller value between the initial carrying value of the assets and the maximum amount that the Company is required to pay.

4.8 Reclassification of financial assets

Reclassification when selling financial assets other than FVTPL

When selling financial assets other than FVTPL, securities companies are required to reclassify those financial assets to financial assets at FVTPL. The difference arising from the revaluation of financial assets AFS which was recognized in "Difference from revaluation of assets at fair value" will be recognized as corresponding revenue or expenses at the date of reclassification of financial assets AFS for selling purpose.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Reclassification of financial assets (continued)

Reclassification due to change in purpose or ability to hold

Securities companies are required to reclassify financial assets to their applicable categories if their purpose or ability to hold has changed, consequently:

- Non-derivative financial assets at FVTPL or financial assets that are not required to be classified as financial asset at FVTPL at the initial recognition can be classified as loans and other receivables or as cash and cash equivalents if the requirements are met. The gains or losses arising from revaluation of financial assets at FVTPL prior to the reclassification are not allowed to be reversed.
- Due to changes in purposes or ability to hold, some HTM investments are required to be reclassified into AFS financial assets and to be reassessed at fair value. The difference arising from revaluation between carrying value and fair value are recognized under "Difference from revaluation of assets at fair value" in Owners' equity.

4.9 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 initially carried in the consolidated statement of financial position 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 "Other investment revenue (share of profits/(loss) in associates)" of the consolidated income statement. Positive goodwill will be reflected in the value of investment in associate of the consolidated statement of financial position.

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 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 share in associates' post-acquisition net assets. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates. Changes in net asset value of associates, including changes arisen from revaluation of fixed assets and investments, foreign exchange differences and differences arisen from consolidation of associates are not reflected in the consolidated income statement, but recognized directly in "Undistributed profit" in the consolidated statement of financial position.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend receivable from associates is deducted from the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year 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.

4.10 Recognition of mortgaged financial assets

During the year, the Company had mortgaged/pledged financial assets which are used as collaterals for financial obligations of the Company.

According to the terms and conditions of the mortgage/pledge contracts, during the valid period of the contracts, the Company is not allowed to sell, transfer or use the mortgaged/pledged assets under repurchase or swap contracts with any other third party.

In case the Company is unable to fulfil its obligations, the mortgagee/pledgee is allowed to use the mortgaged/pledged assets to settle the obligations of the Company after a period specified in the mortgage/pledge contracts, since the obligations due date.

The mortgaged/pledged assets are monitored in the Company's consolidated statement of financial position in accordance with accounting principles relevant to the assets' classification.

4.11 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 "Provision expenses for diminution in value and impairment of financial assets and doubtful debts and borrowing costs of loans" in the consolidated income statement.

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

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

4.12 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

4.13 Intangible fixed assets

Intangible assets are stated at cost less accumulated amortization.

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

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

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

4.14 Depreciation and amortisation

Depreciation and amortisation of tangible and intangible fixed assets 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 - 5 years
Means of transportation	6 years
Office equipment	3 - 5 years
Software	3 - 5 years
Land use rights with indefinite life	not amortised
Other intangible fixed assets	2 - 5 years

4.15 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 year is 27.5 years.

4.16 Operating lease

Whether an agreement is determined as a property lease agreement depends on the nature of the agreement at the beginning: whether the implementation of the agreement depends on the use of a certain asset and whether the agreement includes clauses on the use rights of the asset.

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

4.17 Prepaid expenses

Prepaid expenses, including short-term prepaid expenses and long-term prepaid expenses in the consolidated statement of financial position, are amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as prepaid expenses and are amortised over the period from one (1) year to three (3) years to the consolidated income statement:

- Office renovation expenses;
- Office rental expenses; and
- Office tools and consumables

4.18 Repurchase agreements

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

4.19 Borrowings and non-convertible bonds issued

Borrowings and non-convertible bonds issued by the Company are recorded and stated at cost of the balance at the end of the accounting year.

4.20 Convertible bonds

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability and equity instrument based on the terms of the contract.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs related to convertible bon issuance are amortised during the lifetime of the bond using the effective rate method. At initial recognition, convertible bond issuance costs are deducted from the liability component of the bond.

4.21 Payables and accrued expenses

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

4.22 Employee benefits

4.22.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labour and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary, salary-related allowances and other supplements. Other than that, the Company has no further obligation relating to post-employment benefits.

4.22.2 Severance pay

The Company has the obligation, under Section 48 of the Vietnam Labour Code 10/2012/QH13 effective from 1 May 2013, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six month period up to the resignation date.

4.22.3 Unemployment insurance

According to Circular No. 32/2010/TT-BLĐTBXH providing guidance for Decree No. 127/2008/ND-CP on unemployment insurance, from 1 January 2009, the Company is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

4.23 Foreign currency transactions

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

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

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

4.24 Treasury shares

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

4.25 Conversion of subsidiaries' financial statements into parent company's accounting currency

Subsidiaries' financial statements which are prepared in the foreign currency that is different from the Parent Company's accounting currency are converted into the Parent Company's accounting currency for consolidation purpose. Actual transaction exchange rates used for converting subsidiaries' financial statements are determined as follows:

- For assets, the exchange rate used for translation is the banking buying rate at the reporting date;
- For liabilities, the exchange rate for translation is the banking selling rate at the reporting date;
- In case difference between bank purchasing and selling rate at the reporting date is not over 0.2%, the applied exchange rate will be the average of purchasing and selling rate;
- All items on the consolidated income statement and cash flow statement are converted using the actual exchange rate at the time of the transaction. Average exchange rate is allowed to be applied if it approximates the actual exchange rate at the time of the transaction (the difference is 1% or less). If the gap between the exchange rate at the beginning of the year and at the end of the year is higher than 20%, the Company shall apply the exchange rate at the end of the year.

Foreign exchange rate difference arising from the translation of subsidiary's financial statements is accumulatively reflected in "Foreign exchange rate difference" item of the Owners' equity section of the consolidated statements of financial position

4.26 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:

Revenue from brokerage services

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

Revenue from trading of securities

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

Other income

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

Interest income

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

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

Properties leasing revenue

Properties leasing revenue is recognized into operational result on a straight-line basis over the leasing contract life.

Other revenues from rendering services

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

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

4.27 Borrowing costs

Borrowing costs include accrued interest and other expenses which are directly attributable to the Company's borrowings and bonds issued.

4.28 Cost of securities sold

The Company applies moving weighted average method to calculate cost of equity securities sold.

4.29 Corporate income tax

Current income tax

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

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

Current income tax assets and liabilities are offset only 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 income tax is provided using for temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to a certain extent that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date. Deferred tax is recorded to the consolidated income statement, except when it relates to items recognized directly to owners' equity, in which case the deferred tax is also dealt with in owners' equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.30 Owners' equity

Contributed capital from shareholders

Contributed capital from stock issuance is recorded in Charter Capital at par value.

Undistributed profit

Undistributed profit comprises of realised and unrealised undistributed profit.

Unrealised profit of the year is the difference between gain and loss arising from revaluation of financial assets at FVTPL or other financial assets through profit and loss in the consolidated income statement, and the deferred income tax related to the increase in revaluation of FVTPL.

Realised profit during the year is the net difference between total revenue and income, and total expenses in the consolidated income statement of the Company, except for gain or loss recognized in unrealised profit.

Reserves

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

	Percentage of profit after tax	Maximum balance
Charter Capital Supplementary Reserve	5%	10% of charter capital
Operational risk and finance Reserve	5%	10% of charter capital

Other reserves are appropriated in accordance with the Resolution of the General Meeting of Shareholders.

4.31 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after being approved by the General Meeting of Shareholders and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

4.32 Nil balances

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular 334/2016/TT-BTC dated 27 December 2016 and Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance that are not shown in these consolidated financial statements indicate nil balances.

5. CASH AND CASH EQUIVALENTS

	Ending balance VND	Opening balance VND
Cash	312,863,700,842	231,504,310,415
- Cash on hand	280,482,251	329,526,695
- Cash at banks	312,583,218,591	231,174,783,720
Cash equivalents	300,016,438,018	114,481,402,776
TOTAL	**612,880,138,860**	**345,985,713,191**

6. VALUE AND VOLUME OF TRADING DURING THE YEAR

	Volume of trading during the year (Unit)	Value of trading during the year (VND)
a. The Company	**313,458,204**	**30,184,034,925,480**
- Shares	57,058,204	2,546,975,025,480
- Bonds	255,800,000	27,628,764,900,000
- Other securities	600,000	8,295,000,000
b. Investors	**16,108,926,404**	**565,408,649,269,359**
- Shares	16,037,620,894	562,413,562,416,359
- Bonds	22,022,000	2,276,236,179,000
- Other securities	49,283,510	718,850,674,000
TOTAL	**16,422,384,608**	**595,592,684,194,839**

7. FINANCIAL ASSETS

Concepts of financial assets

Cost

Cost of a financial asset is the amount of cash or cash equivalents paid, disbursed or payable of such financial asset at its initial recognition. The transaction costs incurred directly from the purchase of financial asset might be included in the cost of the financial asset or not depending on the category that the financial asset is classified in.

Fair value/market value

The fair value or market value of a financial asset is the price at which the financial asset would be traded voluntarily between knowledgeable parties on an arm's length basis.

The fair value/market value of securities is determined using the method described in Note 4.6.

Amortised cost

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

For presentation purpose, provision for diminution in value or irrecoverability of financial assets is recognised in "Provision for impairment of financial assets and mortgage assets" in the consolidated statement of financial position.

Carrying amount

Carrying amount of a financial asset is the amount at which the financial asset is recognized in the consolidated statement of financial position. Carrying amount of a financial asset might be recognised at fair value (for FVTPL and AFS financial assets) or at amortised cost (for HTM investments and loans), depending on the category that the financial asset is classified.

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

	Ending balance		Opening balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares and fund certificates	**1,611,962,128,767**	**1,611,962,128,767**	**1,112,681,613,424**	**1,138,043,211,380**
GEX	276,761,361,866	276,761,361,866	4,693,285	6,349,500
DBC	253,132,982,078	253,132,982,078	251,330,479,988	254,267,187,300
ELC	191,789,331,478	191,789,331,478	204,171,484,764	128,615,243,800
FPT	190,787,384,353	190,787,384,353	66,533,044,267	65,851,317,300
TMS	164,303,643,459	164,303,643,459	-	-
OPC	163,962,651,004	163,962,651,004	-	-
HPG	117,763,041,323	117,763,041,323	21,461,319,460	30,578,713,900
PLX	70,261,715,727	70,261,715,727	180,274,333,463	290,288,850,000
Other listed shares and fund certificates	183,200,017,479	183,200,017,479	388,906,258,197	368,435,549,580
Unlisted shares and fund certificates	**120,582,017,570**	**120,582,017,570**	**105,931,465,352**	**88,374,404,720**
SSIBF fund certificates	40,000,000,000	40,000,000,000	40,000,000,000	41,600,600,000
SSICA fund certificates	26,500,000,000	26,500,000,000	26,500,000,000	38,567,128,950
Descon Construction Corporation JSC.	17,456,571,492	-	17,456,571,492	8,182,129,000
Other unlisted shares	36,625,446,078	36,625,446,078	21,974,893,860	24,546,770
Unlisted bonds	**560,731,951,620**	**555,683,951,620**	**204,725,480,000**	204,725,480,000
TOTAL	**2,293,276,097,957**	**2,039,985,819,918**	**1,423,338,558,776**	**1,431,143,096,100**

(1) As at 31 December 2018, among the listed shares classified as financial assets at FVTPL, there are 3,217,818 shares with par value of VND 32,178,180,000 used as collaterals for short-term borrowings of the Company.

7.2 Available-for-sale (AFS) financial assets

	Ending balance		Opening balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	**486,920,806,635**	**837,473,225,400**	**573,611,017,959**	**1,355,733,972,000**
SGN	186,719,487,791	514,959,000,000	188,296,511,801	673,461,151,200
DHC	52,055,585,738	86,572,890,000	48,060,985,032	102,335,269,400
HAH	26,089,909,120	12,979,264,500	26,089,630,020	19,228,100,000
IDC	21,761,298,400	21,667,499,700	21,761,298,400	25,982,239,900
Other listed shares	200,294,525,586	201,294,571,200	289,402,592,706	534,727,211,500
Unlisted shares	**388,517,146,900**	**388,517,146,900**	**162,207,227,300**	**179,129,627,300**
PAN Farm JSC.	53,408,921,300	53,408,921,300	53,408,921,300	53,408,921,300
ConCung JSC.	42,241,999,000	42,241,999,000	28,109,556,000	28,109,556,000
Other unlisted shares	292,866,226,600	292,866,226,600	80,688,750,000	97,611,150,000
Unlisted bonds	**39,094,900,000**	**39,094,900,000**	-	-
TOTAL	**914,532,853,535**	**1,265,085,272,300**	**735,818,245,259**	**1,534,863,599,300**

7.3 Held-to-maturity investments (HTM)

	Ending balance VND	Opening balance VND
Term deposits and certificates of deposits with remaining maturity of less than 1 year	12,326,240,312,685	7,882,154,213,938

As at 31 December 2018, there are term deposits and certificates of deposits with remaining maturity of less than 1 year and with balance of VND 4,145 billion and VND 7,167 billion that are used as collaterals for bank overdrafts and short-term borrowings of the Company respectively.

7.3 Loans and receivables

	Ending balance		Opening balance	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Receivables from margin activities (1)	5,887,782,972,702	5,858,116,840,495	5,632,705,629,670	5,609,634,052,170
Advances to investors (2)	73,246,329,906	73,246,329,906	126,735,539,319	126,735,539,319
Advances under securities brokerage contract (3)	5,621,883,331	5,621,883,331	4,631,161,109	4,631,161,109
TOTAL	**5,966,651,185,939**	**5,936,985,053,732**	**5,764,072,330,098**	**5,741,000,752,598**

(1) Securities under margin transaction are used as collaterals for the loans granted by the Company to investors. As at 31 December 2018 and 31 December 2017, the par value of those securities that are used as collaterals for margin trading was VND 6,486,103,208,000 and VND 6,040,499,840,000 respectively, the market value of those securities that are used as collaterals for margin trading was VND 16,535,868,540,430 and VND 16,549,831,922,670 respectively.

(2) These relate to advances to investors during the period that the shares selling proceeds are awaiting to be received.

(3) These relate to brokerage contracts for selling bonds held by customers; whereby the Company advances to customers for the period that bonds are awaiting to be sold.

(4) The fair value of loans is measured at cost less provision for doubtful debts.

7. FINANCIAL ASSETS (continued)

7.5 Change in market values of financial assets

Financial assets	Ending balance				Ending balance			
		Revaluation difference				Revaluation difference		
	Cost (VND)	Increase (VND)	Decrease (VND)	Revaluated value (VND)	Cost (VND)	Increase (VND)	Decrease (VND)	Revaluated value (VND)
FVTPL	**2,293,276,097,957**	**40,156,043,224**	**(293,446,321,263)**	**2,039,985,819,918**	**1,423,338,558,776**	**154,500,481,381**	**(146,695,944,057)**	**1,431,143,096,100**
Listed shares and fund certificates	1,611,962,128,767	28,291,749,774	(268,841,403,171)	1,371,412,475,370	1,112,681,613,424	140,832,752,940	(115,471,154,984)	1,138,043,211,380
Unlisted shares and fund certificates	120,582,017,570	11,864,293,450	(19,556,918,092)	112,889,392,928	105,931,465,352	13,667,728,441	(31,224,789,073)	88,374,404,720
Unlisted bonds	560,731,951,620	-	(5,048,000,000)	555,683,951,620	204,725,480,000	-	-	204,725,480,000
AFS	**914,532,853,535**	**363,756,998,724**	**(13,204,579,959)**	**1,265,085,272,300**	**735,818,245,259**	**805,931,474,854**	**(6,886,120,813)**	**1,534,863,599,300**
Listed shares	486,920,806,635	363,756,998,724	(13,204,579,959)	837,473,225,400	573,611,017,959	789,009,074,854	(6,886,120,813)	1,355,733,972,000
Unlisted shares	388,517,146,900	-	-	388,517,146,900	162,207,227,300	16,922,400,000	-	179,129,627,300
Unlisted bonds	39,094,900,000	-	-	39,094,900,000	-	-	-	-
TOTAL	**3,207,808,951,492**	**403,913,041,948**	**(306,650,901,222)**	**3,305,071,092,218**	**2,159,156,804,035**	**960,431,956,235**	**(153,582,064,870)**	**2,966,006,695,400**

8. PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS AND MORTGAGE ASSETS

	Ending balance VND	Opening balance VND
Provision for impairment of loans	(29,666,132,207)	(23,071,577,500)

The provision is made for impairment of loans from margin activities.

9. OTHERS FINANCIAL ASSETS

	Ending balance VND	Opening balance VND
1.Receivables from disposal of financial assets	300,141,137,920	26,678,453,070
In which: doubtful debts (1)	*299,429,263,720*	*2,531,847,570*
2. Receivables and accruals from dividends and interest income from financial assets	1,571,232,877	1,163,550,000
In which: doubtful debts	-	-
3. Advances to suppliers	31,348,740,192	18,082,112,403
4. Receivables from services provided by the Company	31,161,533,678	55,404,562,922
In which: doubtful debts	*12,087,959,417*	*12,248,527,916*
5. Other receivables	4,513,763,962	71,271,331,370
In which: doubtful debts	*521,517,477*	*521,517,477*
6. Provision for impairment of receivables	(312,038,740,614)	(15,301,892,963)
TOTAL	**56,697,668,015**	**157,298,116,802**

(1) As at 31 December 2018, the value of investment of which paid-back receipt is in progress is transferred from "Other current asset" to "Receivables from disposal of financial assets" and "Provision for impairment of receivables" in accordance with regulations.

9. OTHERS FINANCIAL ASSETS (continued)

Details of provision for impairment of receivables

	Ending balance of doubtful debts VND	Opening balance of provision VND	Addition VND	Reversal VND	Ending balance of provision VND	Opening balance of doubtful debts VND
Provision for doubtful receivables from disposal of financial assets	299,429,263,720	2,531,847,570	296,897,416,150	-	299,429,263,720	2,531,847,570
- Dang Van Sy	*2,531,847,570*	*2,531,847,570*	-	-	*2,531,847,570*	*2,531,847,570*
- Phuc Bao Minh Commercial Construction Co., Ltd (1)	*296,897,416,150*	-	*296,897,416,150*	-	*296,897,416,150*	-
Doubtful receivables from services provided by the Company	12,087,959,417	12,248,527,916	2,680,799	163,249,298	12,087,959,417	12,248,527,916
- Pyramid New Technology Trade Corporation	*525,000,000*	*525,000,000*	-	-	*525,000,000*	*525,000,000*
- Thai Hoa JSC.	*80,000,000*	*80,000,000*	-	-	*80,000,000*	*80,000,000*
- Eloge France Vietnam JV Pharmaceuticals Company	*80,000,000*	*80,000,000*	-	-	*80,000,000*	*80,000,000*
- Saigon Maritime JSC.	*270,000,000*	*270,000,000*	-	-	*270,000,000*	*270,000,000*
- Vietnam Electricity Construction JSC.	*150,000,000*	*150,000,000*	-	-	*150,000,000*	*150,000,000*
- Overdue receivables from margin activities – retail investors	*10,982,959,417*	*11,143,527,916*	*2,680,799*	*163,249,298*	*10,982,959,417*	*11,143,527,916*
Other doubtful receivables	521,517,477	521,517,477	-	-	521,517,477	521,517,477
- Proceeds from disposal of assets	*309,521,422*	*309,521,422*	-	-	*309,521,422*	*309,521,422*
- Receivable from Pyramid New Technology Trade Corporation	*133,000,000*	*133,000,000*	-	-	*133,000,000*	*133,000,000*
- Other receivables	*78,996,055*	*78,996,055*	-	-	*78,996,055*	*78,996,055*
TOTAL	**312,038,740,614**	**15,301,892,963**	**296,900,096,9492**	**163,249,298**	**312,038,740,614**	**15,301,892,963**

(1) As at 31 December 2018, the value of investment of which paid-back receipt is in progress is transferred from "Other current asset" to "Receivables from disposal of financial assets" and "Provision for impairment of receivables" in accordance with regulations.

10. OTHER SHORT-TERM ASSETS

	Ending balance VND	Beginning balance VND
Advances	3,843,488,923	9,001,649,610
Office supplies, tools and materials	2,959,982,619	53,710,015
Short-term prepaid expenses	21,364,723,566	10,575,869,709
- Prepayment for office tools	*1,137,753,651*	*1,506,651,233*
- Prepayment for services	*20,226,969,915*	*9,069,218,476*
Short-term deposits, collaterals and pledges	856,602,610	931,717,910
Other current assets	3,458,152,700	114,974,709,156
- Investment of which pay-back receipt is in progress (1)	-	*111,806,519,156*
- Escrow deposits for derivatives trading of the Company	*2,446,190,000*	*2,446,190,000*
- Others	*1,011,962,700*	*722,000,000*
TOTAL	**32,482,950,418**	**135,537,656,400**

1) These represent short-term cost of investment relating to the contract between the Company and its customers for selling the shares of Hoang Anh Gia Lai International Agriculture JSC, 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. The value of investment awaiting for payback at the beginning of the year is determined as the difference between original costs of the investment sold, awaiting for payback and the provision for diminution in value of collaterals based on their fair value at reporting date. The Company has sold the collateral shares to recover part of the investment in accordance with the conditions agreed in the contract. As at 31 December 2018, the value of investment of which paid-back receipt is in progress is transferred from "Other current asset" to "Receivables from disposal of financial assets" and "Provision for impairment of receivables" in accordance with regulations.

11. LONG-TERM INVESTMENTS

	Voting right of the Company	Ownership rate of the Company	Ending balance VND	Beginning balance VND
Held-to-maturity investments			301,622,077,596	130,424,472,600
- Term deposits and certificates of deposit with remaining maturity of more than 1 year (1)			*301,622,077,596*	*80,407,742,840*
- Bonds hold to maturity due date			-	*50,016,729,760*
Investments in associates (2)			764,280,760,972	812,945,220,865
- Pan Group (PAN)	*20.00%*	*19.93%*	*764,280,760,972*	*559,300,480,680*
- Dong Nai Port JSC. (PDN)	-	-	-	*83,455,067,730*
- Vietnam Fumigation JSC. (VFG)	-	-	-	*170,189,672,455*
TOTAL			**1,065,902,838,568**	**943,369,693,465**

(1) As at 31 December 2018, among term deposits and certificates of deposit with remaining maturity of more than 1 year, VND 200,000,000,000 is used as collaterals for bank overdrafts and VND 100,000,000,000 is used as collaterals for short-term borrowings.

(2) As at December 2018, 13,880,120 shares under investments in associates with par value of VND 138,801,200,000 are used as collaterals for short-term borrowings of the Company.

Movements of investments in associates of the Company were as follows:

	Current year VND	Previous year VND
Beginning balance	812,945,220,865	709,336,586,920
Purchase	187,750,420,302	320,400
Disposal of investment in associate	(258,184,136,754)	-
Adjustment made due to change in ownership rate of associates in their subsidiaries	(24,489,167,761)	14,509,242,199
Difference arising from changes in outstanding shares of associates	(6,321,512,555)	-
Gain from associates recognized in the consolidated income statement during the year	69,602,389,875	105,518,563,847
- Share of profit during the year (Note 36)	*69,602,389,875*	*105,518,563,847*
Dividend received	(17,022,453,000)	(16,419,492,501)
ENDING BALANCE	**764,280,760,972**	**812,945,220,865**

12. TANGIBLE FIXED ASSETS

	Buildings and architectures VND	Office machineries VND	Means of transportation VND	Office equipment VND	Total VND
Cost					
1 January 2018	2,609,391,520	93,744,345,562	17,551,416,700	1,293,553,642	115,198,707,424
Increase	-	64,748,613,242	-	947,677,315	65,696,290,557
Purchases		*64,748,613,242*	-	*947,677,315*	*65,696,290,557*
Decrease	(2,609,391,520)	(2,564,893,847)	-	(67,760,000)	(5,242,045,367)
Disposals	*(2,609,391,520)*	*(2,564,893,847)*	-	*(67,760,000)*	*(5,242,045,367)*
31 December 2018	-	155,928,064,957	17,551,416,700	2,173,470,957	175,652,952,614
Accumulated depreciation					
1 January 2018	2,609,391,520	68,516,165,866	9,895,271,914	1,235,553,642	82,256,382,942
Increase	-	12,632,489,744	1,779,126,354	129,274,817	14,540,890,915
Depreciation	-	*12,632,489,744*	*1,779,126,354*	*129,274,817*	*14,540,890,915*
Decrease	(2,609,391,520)	(2,564,893,847)		(67,760,000)	(5,242,045,367)
Disposals	*(2,609,391,520)*	*(2,564,893,847)*	-	*(67,760,000)*	*(5,242,045,367)*
31 December 2018	-	78,583,761,763	11,674,398,268	1,297,068,459	91,555,228,490
Net book value					
1 January 2018	-	25,228,179,696	7,656,144,786	58,000,000	32,942,324,482
31 December 2018	-	77,344,303,194	5,877,018,432	876,402,498	84,097,724,124

Additional information on tangible fixed assets:

	Ending balance VND	Beginning balance VND
Cost of tangible fixed assets which are fully depreciated but still in active use	62,386,967,415	66,733,888,938

13. INTANGIBLE FIXED ASSETS

	Software VND	Land use rights VND	Other intangible fixed assets VND	Total VND
Cost				
1 January 2018	70,536,407,659	109,671,558,000	6,724,215,842	186,932,181,501
Increase	21,603,113,723	-	2,508,484,500	24,111,598,223
Purchases	*21,603,113,723*	-	*2,508,484,500*	*24,111,598,223*
Decrease	-	(109,671,558,000)	-	(109,671,558,000)
Disposals	-	*(109,671,558,000)*	-	*(109,671,558,000)*
31 December 2018	92,139,521,382	-	9,232,700,342	101,372,221,724
Accumulated depreciation				
1 January 2018	53,608,778,776	-	5,164,403,793	58,773,182,569
Increase	6,896,002,040	-	1,058,112,509	7,954,114,549
Amortisation	*6,896,002,040*	-	*1,058,112,509*	*7,954,114,549*
Decrease	-	-	-	-
31 December 2018	60,504,780,816	-	6,222,516,302	66,727,297,118
Net book value				
1 January 2018	16,927,628,883	109,671,558,000	1,559,812,049	128,158,998,932
31 December 2018	31,634,740,566	-	3,010,184,040	34,644,924,606

13. INTANGIBLE FIXED ASSETS (continued)

Additional information on intangible fixed assets:

	Ending balance VND	Beginning balance VND
Land use rights used as collaterals for bond issuance	-	109,671,558,000
Cost of intangible fixed assets which are fully depreciated but still in active use	50,185,404,651	49,423,625,651
TOTAL	**50,185,404,651**	**159,095,183,651**

14. INVESTMENT PROPERTIES

	Buildings and lands VND
Cost	
1 January 2018	272,917,757,575
Increase	5,900,273,603
- Exchange rate difference arising from conversion of subsidiary's financial statements	*5,900,273,603*
31 December 2018	278,818,031,178
Accumulated amortisation	
1 January 2018	54,687,030,613
Increase	9,569,357,956
- Depreciation	*8,333,462,393*
- Exchange rate difference arising from conversion of subsidiary's financial statements	*1,235,895,563*
31 December 2018	64,256,388,569
Net book value	
1 January 2018	218,230,726,962
31 December 2018	214,561,642,609

Investment properties are buildings in the United States of America which were bought by SSI International Corporation for leasing purpose. As at 31 December 2018, 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 in the "Foreign exchange rate differences" item in Owners' equity. Properties leasing revenue for the year ended 31 December 2018 is VND 4,217,739,297.

15. CONSTRUCTION IN PROGRESS

	Ending balance VND	Beginning balance VND
Software development	4,923,184,107	21,147,664,427
Others (machineries and equipment)	-	26,006,810,328
TOTAL	**4,923,184,107**	**47,154,474,755**

16. LONG-TERM PREPAID EXPENSES

	Ending balance VND	Beginning balance VND
Long-term prepaid expenses	40,312,468,926	35,571,900,952

Long-term prepaid expenses include cost of furniture, office equipment, repair and exterior decoration of the Company. These expenses are amortized to the consolidated income statement for the maximum period of 36 months.

17. DEFERRED CORPORATE INCOME TAX ASSETS/ PAYABLES

Deferred corporate income tax assets/ payables arise due to following temporary differences that are non-deductible in term of corporate income tax:

	Ending balance VND	Beginning balance VND
Deferred income tax asset		
Temporary non-deductible provision for impairment of unlisted shares in the year	1,009,600,000	3,970,000,000
Temporary non-deductible provision for overdue receivable from selling securities	29,689,741,615	-
Temporary non-deductible provision for diminution in value of the investment awaiting for payback	-	30,641,602,244
Provision for impairment of temporary non-deductible taxable loans	6,135,183,665	6,414,053,999
Temporary taxable income incurred in 2015	-	25,774,769,047
Temporary taxable expense	5,820,133,662	4,088,693,648
Unrealised revenue arising from consolidated financial statement	9,193,461,645	5,658,251,567
TOTAL	**51,848,120,587**	**76,547,370,505**
Deferred income tax payables		
Deferred income tax payable from temporary non-taxable income of subsidiaries	(2,405,911,387)	(800,808,029)
Deferred income tax arising from the positive revaluation of financial assets at FVTPL and AFS	80,779,526,130	191,840,742,182
TOTAL	**78,373,614,743**	**191,039,934,153**

18. PAYMENT FOR SETTLEMENT ASSISTANCE FUND

Payment for settlement assistance fund represents the amounts deposited at Vietnam Securities Depository.

According to Decision No. 57/QD-VSD dated 28 May 2012 issued by the General Director of the Vietnam Securities Depository, Decision No. 87/2007/QĐ-BTC dated 22 October 2007 by the Minister of Finance regarding the issuance of regulations on registration, custody, clearing and settlement of securities, Circular No. 43/2010/TT-BTC dated 25 March 2010 amending and supplementing the regulations on registration, custody, clearing and settlement of securities, Decision No. 27/QD-VSD dated 13 March 2015 on the promulgation of regulations on management and use of the settlement assistance fund by the General Director of the Vietnam Securities Depository; the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND 2.5 billion per annum. The maximum contribution of each custody member which is a securities company providing brokerage service to the Settlement Assistance Fund is VND 20 billion for custody members who are the Company with trading securities and brokerage activities.

Details of the payment for settlement assistance fund are as follows:

	Ending balance VND	Beginning balance VND
Initial payment	6,087,814,535	6,087,814,535
Addition	7,872,720,527	7,872,720,527
Accrued interest	6,039,464,938	6,039,464,938
TOTAL	**20,000,000,000**	**20,000,000,000**

19. COLLATERALS AND PLEDGED ASSETS

As at the date of the consolidated financial statements, the following assets have been used as collaterals for borrowings:

Assets	Ending balance VND	Beginning balance VND	Purposes
Short-term	**11,344,178,180,000**	**8,108,665,060,000**	
- Financial assets at FVTPL (par value)	32,178,180,000	183,670,880,000	Collaterals for short-term borrowings
- AFS financial assets (par value)	-	92,994,180,000	Collaterals for bond issuance and short-term borrowings
- Term deposits with remaining maturity of less than 1 year	9,742,000,000,000	7,832,000,000,000	Collaterals for bank overdraft and short-term borrowings
- Certificates of deposits with remaining maturity of less than 1 year	1,570,000,000,000	-	Collaterals for bank overdraft and short-term borrowings
Long-term	**438,801,200,000**	**398,600,928,000**	
- Term deposits with remaining maturity of more than 1 year	-	70,000,000,000	Collaterals for short-term borrowings
- Certificates of deposits with remaining maturity of more than 1 year	300,000,000,000	-	Collaterals for bank overdraft and short-term borrowings
- Investments in associates (par value)	138,801,200,000	218,929,370,000	Collaterals for short-term borrowings
- Intangible fixed assets	-	109,671,558,000	Collaterals for bond issuance
TOTAL	**11,782,979,380,000**	**8,507,265,988,000**	

20. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES

	Interest rate % per annum	Beginning balance VND	Addition during the year VND	Repayment during the year VND	Ending balance VND
Bank overdrafts	0.8 – 7	1,933,357,663,684	58,018,568,772,543	56,223,471,682,361	3,728,454,753,866
Short-term borrowings from banks	1.75 – 8.5	6,570,530,000,000	26,724,828,000,000	25,830,654,000,000	7,464,704,000,000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam		*3,099,000,000,000*	*11,335,000,000,000*	*11,734,000,000,000*	*2,700,000,000,000*
- Vietnam International Commercial Joint Stock Bank		*290,000,000,000*	-	*290,000,000,000*	-
- Bank Sinopac of HongKong (1)		*136,530,000,000*	*279,828,000,000*	*276,654,000,000*	*139,704,000,000*
- CTBC Bank - Ho Chi Minh Branch		*110,000,000,000*	*775,000,000,000*	*770,000,000,000*	*115,000,000,000*
- Vietnam Technological and Commercial Joint Stock Bank		*2,285,000,000,000*	*9,041,000,000,000*	*8,126,000,000,000*	*3,200,000,000,000*
- National Citizen Commercial Joint Stock Bank		*200,000,000,000*	-	*200,000,000,000*	-
- Southeast Asia Commercial Joint Stock Bank		-	*1,195,000,000,000*	*895,000,000,000*	*300,000,000,000*
- Shinhan Bank – Hanoi Branch		-	*680,000,000,000*	*680,000,000,000*	-
- Indovina Bank Limited		-	*300,000,000,000*	*300,000,000,000*	-
- Vietnam Bank for Agriculture and Rural Development		-	*974,000,000,000*	*624,000,000,000*	*350,000,000,000*
- Maybank Vietnam - Ho Chi Minh Branch		-	*135,000,000,000*	*135,000,000,000*	-
- Petrolimex Group Commercial Joint Stock Bank		*450,000,000,000*	*1,800,000,000,000*	*1,800,000,000,000*	*450,000,000,000*
- Huong Viet Real Estate JSC (2)		-	*210,000,000,000*	-	*210,000,000,000*
TOTAL		**8,503,887,663,684**	**84,743,396,772,543**	**82,054,125,682,361**	**11,193,158,753,866**

(1) This is the borrowing from Bank Sinopac of Hong Kong under contract No. BFL/HK/161019/238 with a total value of USD 6,000,000, initial interest rate of 2.97% per annum and contractual term of 3 months. As at 20 December 2018, this borrowing was rolled forward with the newest term from 20 December 2018 to 20 March 2019 and interest rate of 4.58963% per annum. The Company has hedged against foreign exchange risk of this borrowing by entering into a foreign currency forward contract with Bank for Investment and Development of Vietnam JSC as at 20 December 2018 with a total contract value of USD 6,068,844.45, term corresponding to term of loan contract with Bank Sinopac of Hong Kong and forward rate of VND 23,436 per USD. The difference between forward rate and spot rate is allocated over the duration of the contract and is recognized as an unrealized loss during the year.

(2) The Company's borrowing from Orient Commercial Joint Stock Bank is under contract No. 0324/2018/HDTD-OCB-DN dated 2 August 2018. As at 27 December 2018, Orient Commercial Joint Stock Bank's borrowing ownership was transferred to Huong Viet Real Estate JSC.

21. BOND ISSUANCE

	Ending balance VND	Beginning balance VND
Short-term bond issuance	**255,000,000,000**	**199,871,666,661**
SSIBOND012016	-	200,000,000,000
SSIBOND012017	255,000,000,000	-
Cost to issue SSIBOND012016	-	(128,333,339)
Long-term bond issuance	-	**569,300,000,000**
SSIBOND012017	-	269,500,000,000
SSIBOND022017	-	300,000,000,000
Cost to issue SSIBOND022017	-	(200,000,000)
TOTAL	**255,000,000,000**	**769,171,666,661**

SSIBOND012016 are ordinary bonds, which were issued in phase 1 in August 2016 under Resolution No. 03/2016/NQ/HDQT dated 28 July 2016 with a quantity of 200 bonds and par value of VND 1 billion per bond. These bonds are collateralized using the Company's listed shares in accordance with the bond contracts. These bonds are secured have maturity of 2 years and interest at rate which is maximum of 1.2% per year and the average interest rate of 12 months savings deposit dominated 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). In 2018, all bonds matured with a par value of VND 200 billion.

SSIBOND012017 are ordinary bonds, which were issued in phase 1 in January 2017 under Resolution No. 01/2017/NQ/HDQT dated 16 January 2017 with quantity of 600 bonds and par value of VND 500 million per bond. These are unsecured bonds, with a 2 year-term. Bond yields, in the first 12 months from the date of issue, are fixed at 8.5% per annum. For the remaining term of the bonds, they bears interest at rate which is maximum of 2% per year and the average interest rate of 12 months savings deposit dominated 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 Bank for Agriculture and Rural Development (operation center). On the Interest Determination date, if any Reference Bank does not announce the Reference Interest rate, the Bond interest rate will be calculated on the basis of the average of the Reference Interest Rates from the remaining Reference Banks. As at 31 December 2018, the total number of bonds purchased by the Company was 90 bonds with the total par value of VND 45 billion.

SSIBOND022017 are ordinary bonds, which were issued in phase 2 in April 2017 under Resolution No. 05/2017/NQ/HDQT dated 21 April 2017 with a quantity of 600 bonds and par value of VND 500 million per bond. These bonds are collateralized using the Company's listed shares and land use rights in accordance with the bond contracts. These bonds have maturities of 2 years and interest at rate which is maximum of 1.2% per year and the average interest rate of 12 months savings deposit dominated 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), Vietnam Bank for Agriculture and Rural Development (operation center) and Vietnam International Commercial Joint Stock Bank (Head Office). In the year, the Company bought the entire bonds with the total par value of VND 300 billion.

22. CONVERTIBLE BOND

	Ending balance VND	Beginning balance VND
Par value of issued convertible bonds	**1,150,000,000,000**	**-**
Equity component	113,779,095,785	-
Debt component - initial recorded	1,036,220,904,215	-
Accumulated accruals of discounted interest allocated to debt component		
Beginning balance	-	-
Amortised during the year	*32,099,487,319*	-
Ending balance	*32,099,487,319*	-
Debt component at the end of year	**1,068,320,391,534**	**-**

On 9 February 2018, the Company completed the issuance of convertible bonds with par value of VND 1,150 billion, maturity of 3 years, and interest rate at 4% per annum and coupon payment period of every 6 months on the last working day of the period in accordance with Resolution No. 01/2018/NQ-DHDCD dated 12 January 2018 of the General Shareholders Meeting. These bonds can be converted into ordinary shares of the Company until maturity and the conversion right shall belong to bondholders. The number of bonds converted each time shall be not less than 30% of the total value of bonds issued and the number of conversion shall be no more than 03 times. At the time of conversion, the Company will issue new shares to convert bonds and the charter capital will then be increased accordingly.

Accounting for equity component and debt component of convertible bonds are in accordance with guidance in Circular 200/2014/TT-BTC. Discount rate used to determine the initial debt component and the interest expense is 7.76% per annum. The difference between the interest expense of bonds at the discount rate and nominal interest payable is periodically allocated to the convertible bonds - debt component.

23. PAYABLES FOR SECURITIES TRADING ACTIVITIES

	Ending balance VND	Beginning balance VND
Payables to the Stock Exchange (payables for purchases of financial assets)	20,890,746,200	-

24. PAYABLES TO SUPPLIERS

	Ending balance VND	Beginning balance VND
High Resolution Co., Ltd	2,122,697,771	-
TTT Trading and Construction JSC.	974,748,881	-
CMC System Integration Co., Ltd	1,783,887,600	-
Hoang Long Co., Ltd	841,879,940	-
Vietnam Technology Trading Co., Ltd	736,482,780	2,209,448,340
Other payables	3,411,873,113	5,649,516,647
TOTAL	**9,871,570,085**	**7,858,964,987**

25. TAXATION AND STATUTORY OBLIGATIONS

	Ending balance VND	Beginning balance VND
Value added tax	815,853,250	8,686,432,893
Corporate income tax	40,748,215,998	84,299,155,217
Personal income tax	23,980,857,101	34,307,983,524
Foreign contractors withholding tax	4,405,354,623	4,369,178,622
TOTAL	**69,950,280,972**	**131,662,750,256**

25. TAXATION AND STATUTORY OBLIGATIONS (continued)

Details of taxation and statutory obligations:

No.	Item	Beginning balance VND	Payable in the year VND	Paid in the year VND	Ending balance VND
I	**Tax**	**131,662,750,256**	**756,612,733,056**	**818,325,202,341**	**69,950,280,972**
1	Value added tax on domestic goods or services	8,686,432,893	26,257,330,752	34,127,910,395	815,853,250
2	Corporate income tax *(Note 40.1)*	84,299,155,217	319,845,580,653	363,396,519,872	40,748,215,998
3	Other taxes	38,677,162,146	410,509,821,651	420,800,772,074	28,386,211,724
	Personal income tax	*11,500,991,532*	*67,768,968,944*	*73,106,352,373*	*6,163,608,103*
	Personal income tax on behalf of investors	*22,806,991,992*	*276,660,165,747*	*281,649,908,744*	*17,817,248,995*
	Business registration tax	-	*20,000,000*	*20,000,000*	-
	Others	*4,369,178,622*	*66,060,686,960*	*66,024,510,957*	*4,405,354,626*
II	**Other obligatory payables**	**-**	**1,687,258,028**	**1,687,258,028**	**-**
TOTAL		**131,662,750,256**	**758,299,991,084**	**820,012,460,369**	**69,950,280,972**

26. SHORT-TERM ACCRUED EXPENSES

	Ending balance VND	Beginning balance VND
Accrued payable to Stock Exchange and Vietnam Securities Depository	10,258,172,942	15,590,197,526
Interest payable for bonds issued by the Company	20,969,732,878	44,326,050,038
Interest payable for convertible bonds	19,038,888,887	-
Interest payable for borrowings	50,361,178,367	11,252,507,067
Accrued interest expenses on securities brokerage contracts and deposit management contracts	4,130,279,305	602,246,575
Accrued services fee	1,015,000,000	760,000,000
Commission payable to counter parties	5,656,129,033	10,173,691,278
Others	2,462,640,636	10,310,121,768
TOTAL	**113,892,022,048**	**93,014,814,252**

27. OTHER SHORT-TERM PAYABLES

	Ending balance VND	Beginning balance VND
Deposits from customers for purpose of purchasing securities (1)	57,500,000,000	180,000,000,000
Principal payables under deposit management contracts (2)	1,420,841,254,925	-
Dividend and coupon payables:	7,769,771,206	6,965,055,240
- Dividend payable to Shareholders of the Company	*7,079,819,750*	*6,264,934,750*
- Coupon payables for bonds issued by the Company	*689,951,456*	*700,120,490*
Other payables	4,217,955,237	1,833,844,723
TOTAL	**1,490,328,981,368**	**188,798,899,963**

(1) Deposits from customers for purpose of purchasing represent cash deposits of customers related to securities brokerage and securities purchase contracts. The Company has commitment to use these deposits for purchasing securities as requested by customers.

(2) Principal payables of deposit management contracts are the summary of investor's deposits received by the Company in accordance with the contracts.

28. LONG-TERM UNREALIZED REVENUE

	Ending balance VND	Beginning balance VND
Disposal of an associate (BBC)	8,144,100,724	8,144,100,724
Disposal of an associate (SSC)	19,186,831,881	19,186,831,881
Disposal of an associate (LAF)	1,688,248,597	1,688,248,597
Disposal of an associate (VFG)	12,890,045,591	-
Disposal of other shares to associates	9,277,932,564	4,491,927,766
TOTAL	**51,187,159,357**	**33,511,108,968**

Unrealised profit is recorded when the Company sells shares to an associate. The above figures are presented in correspondence to the Company's ownership rate in the associates which purchased those shares.

29. OWNERS' EQUITY

29.1 Undistributed profit

	Ending balance VND	Beginning balance VND
Realized profit	3,056,176,268,973	2,235,685,451,553
Unrealized profit	(261,070,344,571)	(23,060,491,261)
- Unrealized profit and deferred tax on revaluation of FVTPL financial assets	*(261,318,404,420)*	*(22,887,094,879)*
- Unrealized profit on foreign exchange rate differences	*248,059,849*	*(173,396,382)*
TOTAL	**2,795,105,924,402**	**2,212,624,960,292**

29. OWNERS' EQUITY (continued)

29.2 Changes in owners' equity

	Share capital VND	Share premium VND	Convertible bond-Equity component VND	Treasury shares VND	Difference from revaluation of assets at fair value VND	Foreign exchange rate differences VND	Charter capital supplementary reserve VND	Operational risk and financial reserve VND	Undistributed profit VND	Non-controlling interests VND	Total VND
Beginning balance	5,000,636,840,000	29,482,756,034	-	(2,240,614,834)	637,896,244,067	33,179,513,213	355,412,398,796	270,904,804,112	2,212,624,960,292	78,352,794,222	8,616,249,695,902
Profit after tax	-	-	-	-	-	-	-	-	1,302,937,242,558	-	1,302,937,242,558
Capital increase shares under Resolution of the General Meeting of Shareholders	100,000,000,000	-	-	-	-	-	-	-	-	-	100,000,000,000
Dividends in cash in 2017	-	-	-	-	-	-	-	-	(499,170,330,000)	-	(499,170,330,000)
Other increases	-	-	-	-	-	-	-	-	124,000,000	-	124,000,000
Expense arising from capital increase activities	-	(12,000,000)	-	-	-	-	-	-	-	-	(12,000,000)
Purchases of treasury shares	-	-	-	(6,493,124,050)	-	-	-	-	-	-	(6,493,124,050)
Revaluation of AFS financial assets	-	-	-	-	(360,095,225,041)	-	-	-	-	-	(360,095,225,041)
Charter capital supplementary reserve of 5% profit after tax under the Resolution of the General Meeting of Shareholders	-	-	-	-	-	-	56,644,766,511	-	(56,644,766,511)	-	-
Operational risk and financial reserve of 5% profit after tax under the Resolution of the General Meeting of Shareholders	-	-	-	-	-	-	-	56,644,766,511	(56,644,766,511)	-	-
Bonus, welfare, and charity funds under Resolution of the General Meeting of Shareholders	-	-	-	-	-	-	-	-	(79,302,673,115)	-	(79,302,673,115)
Convertible bonds issued under Resolution of the General Meeting of Shareholders	-	-	113,779,095,785	-	-	-	-	-	-	-	113,779,095,785
Foreign exchange rates differences arising from conversion of SSIIC's financial statement	-	-	-	-	-	7,858,525,912	-	-	-	-	7,858,525,912
Difference arising from associate's changes of investment portion in their subsidiaries	-	-	-	-	-	-	-	-	(24,489,167,763)	-	(24,489,167,763)
Difference arising from change of associate's number of outstanding shares	-	-	-	-	-	-	-	-	(6,321,512,555)	-	(6,321,512,555)
Decrease in capital contribution of minorities	-	-	-	-	-	-	-	-	-	(9,400,000,000)	(9,400,000,000)
Non-controlling interests	-	-	-	-	-	-	-	-	1,992,938,007	(1,992,938,007)	-
Ending balance	**5,100,636,840,000**	**29,470,756,034**	**113,779,095,785**	**(8,733,738,884)**	**277,801,019,026**	**41,038,039,125**	**412,057,165,307**	**327,549,570,623**	**2,795,105,924,402**	**66,959,856,215**	**9,155,664,527,633**

29. OWNERS' EQUITY (continued)

29.3 Profit distribution to shareholders

	Current year VND	Previous year VND
1. Undistributed realized profit at the beginning of the year (as at 1/1/2018 and 1/1/2017)	2,235,685,451,553	1,727,170,255,230
2. Unrealized loss at the end of the year (as at 31/12/2018 and 31/12/2017)	(293,198,261,406)	(146,869,340,452)
3. Realized profit of the year	1,543,064,033,874	1,147,456,542,194
4. Undistributed profit belonging to shareholders at the end of the year ((4) = (1) + (2) + (3))	3,485,551,224,021	2,727,757,456,972
5. Reserve appropriated from undistributed profit	(223,402,886,455)	(149,096,095,870)
- Charter capital supplementary reserve	*(56,644,766,511)*	*(43,851,792,903)*
- Operational risk and financial reserve	*(56,644,766,511)*	*(43,851,792,903)*
- Bonus, welfare and charity funds	*(79,302,673,115)*	*(61,392,510,064)*
- Others	*(30,810,680,318)*	-
6. Profit distributed to shareholders during the year under Resolution of the General Meeting of Shareholders	(499,170,330,000)	(489,845,250,000)
Maximal profit available for distribution to shareholders (1)	**2,762,978,007,566**	**2,088,816,111,102**

1) Including realized profit and unrealized loss at the end of the year as presented in Notes 7.5 and 29.1.

29.4 Shares

	Ending balance (shares)	Beginning balance (shares)
Authorized shares	**510,063,684**	**500,063,684**
Issued shares	**510,063,684**	**500,063,684**
Shares issued and fully paid	510,063,684	500,063,684
- Ordinary shares	*510,063,684*	*500,063,684*
- Preference shares	-	-
Treasury shares	**(893,377)**	**(214,314)**
Treasury shares held by the Company	(893,377)	(214,314)
- Ordinary shares	*(893,377)*	*(214,314)*
- Preference shares	-	-
Outstanding shares	**509,170,307**	**499,849,370**
- Ordinary shares	*509,170,307*	*499,849,370*
- Preference shares	-	-

30. DISCLOSURE ON OFF-BALANCE SHEET ITEMS

30.1 Foreign currencies

	Ending balance	Beginning balance
USD	6,556,662.33	5,163,658.21
EUR	84,345.41	84,352.36
GBP	37,151.64	38,197.09

30.2 Financial assets listed/registered for trading at Vietnam Securities Depository ("VSD") of the Company

	Ending balance VND	Beginning balance VND
Unrestricted financial assets	665,060,300,000	395,764,690,000
Restricted financial assets	35,908,790,000	-
Mortgage financial assets	170,979,380,000	495,594,430,000
Financial assets awaiting for settlement	999,500,000	1,158,100,000
TOTAL	**872,947,970,000**	**892,517,220,000**

30.3 Non-traded financial assets deposited at VSD of the Company

	Ending balance VND	Beginning balance VND
Unrestricted and non-traded financial assets deposited at VSD	9,482,230,000	9,485,780,000
Restricted and non-traded financial assets deposited at VSD	1,000,000,000	1,000,000,000
TOTAL	**10,482,230,000**	**10,485,780,000**

30.4 Awaiting financial assets of the Company

	Ending balance VND	Beginning balance VND
Shares	10,135,100,000	5,520,000

30.5 Financial assets which have not been deposited at VSD of the Company

	Ending balance VND	Beginning balance VND
Fund certificates	59,459,920,000	59,459,920,000
Shares	298,965,390,000	70,732,100,000
Bonds	555,000,000,000	250,000,000,000
TOTAL	**913,425,310,000**	**380,192,020,000**

30.6 Financial assets listed/registered for trading at VSD of investor

	Ending balance VND	Beginning balance VND
Unrestricted financial assets	34,656,128,250,000	27,586,903,680,000
Restricted financial assets	548,270,620,000	572,565,500,000
Mortgage financial assets	6,641,685,800,000	4,435,948,560,000
Blocked financial assets	305,694,280,000	30,525,850,000
Financial assets awaiting for settlement	341,883,550,000	651,051,790,000
TOTAL	**42,493,662,500,000**	**33,276,995,380,000**

30. DISCLOSURE ON OFF-BALANCE SHEET ITEMS (continued)

30.7. Non-traded financial assets deposited at VSD of investors

	Ending balance VND	Beginning balance VND
Unrestricted and non-traded financial assets deposited at VSD	324,305,840,000	1,382,746,250,000
Restricted and non-traded financial assets deposited at VSD	52,256,010,000	52,256,010,000
Mortgaged and non-traded financial assets deposited at VSD	-	102,139,650,000
Mortgaged, blocked and non-traded financial assets deposited at VSD	145,000,000	-
TOTAL	**376,706,850,000**	**1,537,141,910,000**

30.8 Awaiting financial assets of investors

	Ending balance VND	Beginning balance VND
Shares	248,603,350,000	558,055,700,000

30.9 Financial assets which have not been deposited at VSD of investors

	Ending balance VND	Beginning balance VND
Shares	66,834,410,000	587,746,830,000

30.10 Entitled financial assets of investors

	Ending balance VND	Beginning balance VND
Shares	161,868,940,000	20,760,290,000

30.11 Investors' deposits

	Ending balance VND	Beginning balance VND
Investors' deposits for securities trading activities managed by the Company	2,666,193,777,876	3,834,955,125,947
- Domestic investors' deposits for securities trading activities managed by the Company	*2,448,286,368,784*	*3,689,941,868,332*
- Foreign investors' deposits for securities trading activities managed by the Company	*217,907,409,092*	*145,013,257,615*
Investors' deposits at VSD	610,905,763,675	145,075,049,045
Investors' synthesizing deposits for securities trading activities	4,553,932,668	17,567,220,094
TOTAL	**3,281,653,474,219**	**3,997,597,395,086**

30.12 Deposits of securities issuers

	Ending balance VND	Beginning balance VND
Deposits for securities underwriting and issuance agency services	101,060	17,697,679,784
Deposits for dividends, bond principals and interest payments	1,802,844,784	1,383,407,764
TOTAL	**1,802,945,844**	**19,081,087,548**

30.13 Payables to investors

	Ending balance VND	Beginning balance VND
Payables to investors - investors' deposits for securities trading activities managed by the Company	3,277,099,541,551	3,980,030,174,992
- Domestic investors	*2,769,817,505,805*	*3,834,932,579,377*
- Foreign investors	*507,282,035,746*	*145,097,595,615*
TOTALz	**3,277,099,541,551**	**3,980,030,174,992**

30.14 Payables to securities issuers

	Ending balance VND	Beginning balance VND
Other payables to securities issuers	101,060	17,697,679,784

30.15 Dividend, bond principal and interest payables

	Ending balance VND	Beginning balance VND
Deposits for dividends, bond principals and interest payments securities issuers	1,802,844,784	1,383,407,764

CONSOLIDATED FINANCIAL STATEMENTS / NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. GAIN/(LOSS) FROM FINANCIAL ASSETS

31.1 Gain/(loss) from disposal of financial assets at FVTPL

No.	Financial assets	Quantity Unit	Selling price VND/unit	Proceeds VND	Weighted average cost at the end of transaction date VND	Gain from disposal in the current year VND	Gain from disposal in the previous year VND
I	**Gain from disposal**						
1	**Listed shares and fund certificates**	**27,992,559**		**981,430,332,539**	**750,927,050,581**	**230,503,281,958**	**129,772,544,897**
	PLX	4,340,550	81,319	352,970,451,000	211,622,053,837	141,348,397,163	20,621,967,621
	SSC	1,633,613	67,070	109,566,513,857	89,053,771,363	20,512,742,494	18,117,036,414
	CTD	756,280	152,064	115,003,313,000	105,685,326,652	9,317,986,348	13,782,804,000
	HPG	1,747,580	45,885	80,188,038,000	70,896,121,979	9,291,916,021	25,393,618,652
	MBB	300,000	21,774	6,532,288,500	6,092,809,208	439,479,292	2,241,562,296
	FPT	55,020	60,727	3,341,206,000	3,077,440,958	263,765,042	20,939,985,375
	Other listed shares and fund certificates	19,159,516		313,828,522,182	264,499,526,584	49,328,995,598	28,675,570,539
2	**Unlisted shares and others**	**1,300,000**		**31,920,000,000**	**27,900,000,000**	**4,020,000,000**	**31,392,777,999**
3	**Listed bonds**	**33,000,000**		**3,718,315,700,000**	**3,687,978,872,727**	**30,336,827,273**	**41,082,840,274**
	TP_TD1825102	3,000,000	105,600	316,798,500,000	309,078,500,000	7,720,000,000	-
	TP_TD1823088	4,000,000	99,071	396,284,000,000	391,286,172,727	4,997,827,273	-
	TP_TL1535300	3,500,000	137,843	482,449,500,000	478,250,000,000	4,199,500,000	1,382,000,000
	TP_TD1621470	7,000,000	109,132	763,924,000,000	759,990,000,000	3,934,000,000	-
	Other listed bonds	15,500,000		1,758,859,700,000	1,749,374,200,000	9,485,500,000	39,700,840,274
4	**Unlisted bonds and certificates of deposit**	**163,622**		**9,325,754,444,461**	**9,285,101,260,189**	**40,653,184,272**	**55,355,877,800**
5	**Gain from derivative contracts**					**3,747,190,000**	**638,065,000**
	TOTAL	**62,456,181**		**14,057,420,477,000**	**13,751,907,183,497**	**309,260,483,503**	**258,242,105,970**
II	**Loss from disposal**						
1	**Listed shares**	**15,323,576**		**337,410,182,272**	**386,499,081,587**	**(49,088,899,315)**	**(86,483,874,398)**
	VAF	3,569,288	9,500	33,908,236,000	66,339,779,234	(32,431,543,234)	(1,336,452,161)
	VCG	1,220,464	22,678	27,677,441,654	32,966,091,479	(5,288,649,825)	(2,433,885,702)
	ELC	547,480	14,850	8,130,078,000	12,698,326,650	(4,568,248,650)	(1,024,322,117)
	Other listed shares	9,986,344		267,694,426,618	274,494,884,224	(6,800,457,606)	(81,689,214,418)
2	**Unlisted shares**	**199,650**		**399,300,000**	**4,650,000,000**	**(4,250,700,000)**	**(23,392,649,200)**
3	**Listed Bonds**	**93,900,000**		**10,002,341,200,000**	**10,007,863,127,273**	**(5,521,927,273)**	**(4,542,357,423)**
	TP_TD1823088	16,900,000	97,697	1,651,072,700,000	1,655,561,627,273	(4,488,927,273)	-
	TP_TD1823087	8,000,000	101,600	812,803,500,000	812,913,500,000	(110,000,000)	-
	TP_TD1722377	18,000,000	106,654	1,919,777,500,000	1,919,822,500,000	(45,000,000)	-
	Other listed bonds	51,000,000		5,618,687,500,000	5,619,565,500,000	(878,000,000)	(4,542,357,423)
4	**Unlisted Bonds**	**18,481**		**2,739,205,500,000**	**2,786,065,374,349**	**(46,859,874,349)**	**(42,783,545,467)**
5	**Loss from derivative contract**					**(4,918,531,000)**	**(551,920,000)**
	TOTAL	**109,441,707**		**13,079,356,182,272**	**13,185,077,583,209**	**(110,639,931,937)**	**(157,754,346,488)**

CONSOLIDATED FINANCIAL STATEMENTS / NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. GAIN/(LOSS) FROM FINANCIAL ASSETS (continued)

31.2. Gain/(loss) from revaluation of financial assets (continued)

No.	Financial assets	Cost VND	Carrying value VND	Revaluation difference at the end of the year VND	Revaluation difference at the beginning of the year VND	Gain/(loss) recorded this year VND	Increase VND	Decrease VND
I	**FVTPL**	**2,293,276,097,957**	**2,039,985,819,918**	**(253,290,278,039)**	**7,804,537,318**	**(261,094,815,357)**	**249,068,059,560**	**(510,162,874,917)**
1	**Listed shares and fund certificates**	**1,611,962,128,767**	**1,371,412,475,370**	**(240,549,653,397)**	**10,162,038,138**	**(250,711,691,535)**	**233,901,356,334**	**(484,613,047,869)**
	ELC	191,789,331,478	68,215,027,200	(123,574,304,278)	(75,556,240,978)	(48,018,063,300)	2,990,228,050	(51,008,291,350)
	GEX	276,761,361,866	217,207,440,750	(59,553,921,116)	1,656,215	(59,555,577,331)	26,609,246,969	(86,164,824,300)
	DBC	253,132,982,078	227,429,176,000	(25,703,806,078)	2,936,707,312	(28,640,513,390)	63,351,974,510	(91,992,487,900)
	FPT	190,787,384,353	169,652,186,800	(21,135,197,553)	(681,726,967)	(20,453,470,586)	25,109,984,670	(45,563,455,256)
	HPG	117,763,041,323	102,632,180,800	(15,130,860,523)	9,117,394,440	(24,248,254,963)	20,240,849,781	(44,489,104,744)
	MBB	77,175,940,115	73,441,566,200	(3,734,373,915)	27,091,472	(3,761,465,387)	34,367,455	(3,795,832,842)
	TMS	164,303,643,459	174,863,373,000	10,559,729,541	-	10,559,729,541	10,559,729,541	-
	CTD	56,794,789,740	64,960,320,000	8,165,530,260	-	8,165,530,260	14,352,332,440	(6,186,802,180)
	Other listed shares	283,453,654,355	273,011,204,620	(10,442,449,735)	74,317,156,644	(84,759,606,379)	70,652,642,918	(155,412,249,297)
2	**Unlisted shares and fund certificates**	**120,582,017,570**	**112,889,392,928**	**(7,692,624,642)**	**(2,357,500,820)**	**(5,335,123,822)**	**15,166,703,226**	**(20,501,827,048)**
	Descon Construction Corporation JSC.	17,456,571,492	-	(17,456,571,492)	(9,274,442,492)	(8,182,129,000)	407,507,500	(8,589,636,500)
	Other unlisted shares	103,125,446,078	112,889,392,928	9,763,946,850	6,916,941,672	2,847,005,178	14,759,195,726	(11,912,190,548)
3	**Unlisted Bonds**	**560,731,951,620**	**555,683,951,620**	**(5,048,000,000)**	**-**	**(5,048,000,000)**	**-**	**(5,048,000,000)**
II	**AFS**	**914,532,853,535**	**1,265,085,272,300**	**350,552,418,765**	**799,045,354,041**	**(448,492,935,276)**	**36,935,488,132**	**(485,428,423,408)**
1	**Listed shares**	**486,920,806,635**	**837,473,225,400**	**350,552,418,765**	**799,045,354,041**	**(448,492,935,276)**	**36,935,417,762**	**(485,428,353,038)**
	SGN	186,719,487,791	514,959,000,000	328,239,512,209	485,164,639,399	(156,925,127,190)	19,623,574,000	(176,548,701,190)
	DHC	52,055,585,738	86,572,890,000	34,517,304,262	54,274,284,368	(19,756,980,106)	2,108,938,799	(21,865,918,905)
	HAH	26,089,909,120	12,979,264,500	(13,110,644,620)	(6,861,530,020)	(6,249,114,600)	336,500,500	(6,585,615,100)
	SAF	293,328,576	1,293,474,000	1,000,145,424	1,318,384,170	(318,238,746)	251,962,000	(570,200,746)
	IDC	21,761,298,400	21,667,499,700	(93,798,700)	4,220,941,500	(4,314,740,200)	468,993,500	(4,783,733,700)
	Other listed shares	200,001,197,010	200,001,097,200	(99,810)	260,928,634,624	(260,928,734,434)	14,145,448,963	(275,074,183,397)
2	**Unlisted shares**	**388,517,146,900**	**388,517,146,900**	**-**	**-**	**-**	**70,370**	**(70,370)**
3	**Unlisted bonds**	**39,094,900,000**	**39,094,900,000**	**-**	**-**	**-**	**-**	**-**
	TOTAL	**3,207,808,951,492**	**3,305,071,092,218**	**97,262,140,726**	**806,849,891,359**	**(709,587,750,633)**	**286,003,547,692**	**(995,591,298,325)**

31. GAIN/(LOSS) FROM FINANCIAL ASSETS (continued)

31.3 Dividend, interest income from financial assets at FVTPL, HTM investments, loans and receivables, AFS financial

	Current year VND	Previous year VND
From financial assets at FVTPL	88,429,902,062	46,442,916,976
From HTM financial assets	716,061,639,277	450,841,549,874
From loans and receivables	710,869,164,035	519,650,863,341
From AFS financial assets	209,534,611,481	259,243,270,357
Dividends, interests arising from AFS financial assets	*29,921,747,500*	*32,949,734,100*
Difference arising from revaluation of AFS financial assets at fair value when reclassification for selling purpose	*179,612,863,981*	*226,293,536,257*
- OPC	*79,762,779,371*	*11,673,122*
- TMS	*54,767,077,941*	*21,002,076,949*
- VEA	*25,550,400,000*	*49,435,600,000*
- SGC	*7,424,884,936*	*12,773,498*
- VSC	*4,463,974,568*	*21,138,434,758*
- SGN	*6,780,080,390*	*69,636,835,238*
- Khác	*863,666,775*	*65,056,142,692*
TOTAL	**1,724,895,316,855**	**1,276,178,600,548**

32. PROVISION/(REVERSAL OF PROVISION) FOR IMPAIRMENT OF FINANCIAL ASSETS AND DOUBTFUL DEBTS

	Current year VND	Previous year VND
Provision/(Reversal of provision) expense for impairment of loans	6,594,554,707	(5,359,427,433)
Provision/(Reversal of provision) expense for doubtful receivables from selling securities *(Note 9)*	33,077,825,063	-
Provision/(Reversal of provision) expense for impairment of financial assets used as collaterals for investment awaiting for payback *(Note 10)*	-	(45,449,071,734)
TOTAL	**39,672,379,770**	**(50,808,499,167)**

33. OTHER OPERATING REVENUE

	Current year VND	Previous year VND
Revenue from leasing assets	4,628,613,317	1,530,275,781
Revenue from other financial services	1,017,308,438	4,809,505,651
Revenue from interest on investment awaiting for payback due to late payment	-	20,874,932,183
Revenue from fund management	28,648,065,374	25,289,258,984
Revenue from trusted portfolio management	35,861,122,917	14,745,752,904
Other revenues (include fee from supporting trading securities services)	17,632,272,217	3,654,360,222
TOTAL	**87,787,382,263**	**70,904,085,725**

34. EXPENSES FOR OPERATING ACTIVITIES

	Current year VND	Previous year VND
Expenses for securities brokerage activities (payables to Stock Exchanges, employees and others)	772,657,137,549	515,662,908,804
Expenses for securities underwriting activities and securities issuance agent services	644,244,526	448,237,668
Expenses for financial advisory activities	52,479,927,302	62,842,511,908
Expenses for securities investment advisory activities	20,611,871,141	17,339,245,420
Expenses for securities custodian activities	22,252,011,562	18,364,941,338
Other operating expenses *(Note 35)*	111,558,768,564	79,077,162,741
TOTAL	**980,203,960,644**	**693,735,007,879**

TOTAL EXPENSES FOR OPERATING ACTIVITIES BY TYPES EXPENSES

	Current year VND	Previous year VND
Expenses for securities brokerage activities	308,664,023,273	195,949,196,141
Expenses for custodian services	22,252,011,562	18,364,941,338
Expenses on payroll and other employees' benefits	354,350,264,575	288,034,494,754
Expenses for social security, health insurance, union fee and unemployment insurance	17,405,674,150	12,677,950,250
Expenses for office supplies	1,293,981,717	922,255,305
Expenses for tools	8,302,585,973	5,678,473,772
Depreciation expenses	22,419,812,539	14,556,393,310
Provision/(Reversal of provision) expenses	(160,568,499)	(620,599,691)
Expenses for external services	133,243,256,210	87,679,974,942
Capital expenditures	83,203,018,717	42,629,931,820
Expenses from shared income of fund management activities	9,944,940,287	11,249,260,866
Other expenses	19,284,960,140	16,612,735,072
TOTAL	**980,203,960,644**	**693,735,007,879**

35. OTHER OPERATING EXPENSES

	Current year VND	Previous year VND
Expenses for funds management activities	9,376,957,172	9,846,347,855
Expense for trusted portfolios management activities	1,069,414,297	1,591,704,538
Expense for securities investment advisory services	13,679,289,181	16,111,085,374
Interest expenses on deposit management contracts	52,084,533,013	-
Interest expenses on investors' deposits for securities brokerage activities	14,076,185,961	31,250,733,623
Reversal of provision for doubtful debts	(160,568,499)	(620,599,691)
- Reversal of provision for receivables from services provided by the Company	*(160,568,499)*	*(620,599,691)*
Expense for leasing investment properties	15,508,354,597	16,335,277,110
Other expenses	5,924,602,842	4,562,613,932
TOTAL	**111,558,768,564**	**79,077,162,741**

36. FINANCE INCOME

	Current year VND	Previous year VND
Differences in foreign exchange rate	3,303,149,879	498,596,335
Interest income from demand deposits	23,823,241,348	39,095,125,630
Share of profit in associates *(Note 11)*	69,602,389,875	105,518,563,847
Gain from disposal of associates	164,457,327,326	-
Gain from interest rate swap contracts	4,638,165,478	-
TOTAL	**265,824,273,906**	**145,112,285,812**

37. FINANCE EXPENSES

	Current year VND	Previous year VND
Loss from foreign exchange rate differences	4,697,732,904	1,868,541,862
Borrowing costs	536,540,563,261	343,581,229,539
- Interest for bond issuance	*107,876,630,503*	*60,132,088,237*
- Interest for short-term borrowings	*428,663,932,758*	*283,449,141,302*
Loss from interest rate swap contracts	5,680,695,698	-
TOTAL	**546,918,991,863**	**345,449,771,401**

38. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year VND	Previous year VND
Exposure on payroll and other employees' benefits	78,886,505,333	72,869,124,545
Social security, health insurance, union fee and unemployment insurance	5,397,225,250	4,163,590,000
Office supplies	1,771,998,713	1,119,248,715
Tools	2,314,721,959	1,590,682,992
Depreciation expenses	7,510,923,915	6,219,544,556
External service expenses	66,725,632,630	73,517,938,500
Other expenses	11,076,637,442	8,548,636,951
TOTAL	**173,683,645,242**	**168,028,766,259**

39. OTHER INCOME AND EXPENSES

	Current year VND	Previous year VND
Other incomes	58,417,373,996	13,087,665,727
- Gain from disposal of fix assets	*54,144,381,818*	*10,736,775,468*
- Other incomes	*4,272,992,178*	*2,350,890,259*
Other expenses	(2,233,836,059)	(380,782,811)
TOTAL	**56,183,537,937**	**12,706,882,916**

40. CORPORATE INCOME TAX

40.1 Corporate income tax ("CIT")

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change later upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the year. The taxable profit of the Company differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other year and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the reporting date. The Company is required to fulfil its corporate income tax obligation with the current tax rate of 20% on the total taxable profit.

40. CORPORATE INCOME TAX (continued)

40.1 Corporate income tax ("CIT") (continued)

The estimated current corporate income tax is represented in the table below:

	Current year VND	Previous year VND
Profit before tax	**1,623,213,463,955**	**1,405,021,409,033**
Adjustments to increase/(decrease) accounting profit	***(68,767,656,448)***	***(373,135,522,238)***
Adjustments to increase accounting profit:	844,358,383,189	554,626,869,263
- Provision for diminution in value of unlisted shares at the end of the year	*5,048,000,000*	*19,850,000,000*
- Provision for non-deductible overdue receivables from selling securities	*148,448,708,075*	-
- Provision for impairment of investment awaiting for payback at the end of the year	-	*153,208,011,211*
- Reversal of provision for securities in the year	-	*314,255,226*
- Decrease in differences from revaluation of financial assets at FVTPL	*510,162,874,917*	*328,000,178,020*
- Provision for impairment of loans at the end of the year	*30,675,918,324*	*32,070,269,995*
- Difference in associates' shares disposal between separate and consolidated financial statements	*98,657,309,322*	-
- Unrealized revenue arising from consolidated financial statements	*17,676,050,390*	-
- Non-deductibles expenses	*3,957,681,058*	*740,686,573*
- Temporary taxable different transferred to the next year	*23,945,868,756*	*20,443,468,238*
- Adjustments in 2018 due to modifying the expense allocation method in 2016, 2017	*5,785,972,347*	-
Adjustments to decrease accounting profit:	(913,126,039,637)	(927,762,391,501)
- Income from tax exempted activities – dividends	*(49,504,822,356)*	*(75,789,439,826)*
- Reversal of provision for impairment of unlisted shares at the beginning of the year	*(19,850,000,000)*	*(37,839,537,400)*
- Reversal of provision for impairment of investment awaiting for payback at the beginning of the year	*(153,208,011,211)*	*(198,657,082,945)*
- Provision expenses for securities in the year	*(150,951,518,874)*	-
- Reversal of provision for impairment of loans at the beginning of the year	*(32,070,269,995)*	*(40,051,234,311)*
- Increase in differences from revaluation of financial assets at FVTPL	*(249,068,059,560)*	*(363,520,691,804)*
- Taxable income of 2015 of the investment awaiting for payback	*(128,873,845,237)*	*(6,782,833,960)*
- Earnings before tax from subsidiaries	*(36,746,737,600)*	*(99,603,007,408)*
- Earnings shared by associates	*(69,602,389,877)*	*(105,518,563,847)*
- Temporary taxable difference of the previous year	*(23,250,384,927)*	-
Estimated current taxable income	**1,554,445,807,507**	**1,031,885,886,795**
Corporate income tax rate	20%	20%
Estimated CIT expenses	**310,889,161,502**	**206,377,177,359**
Estimated CIT expenses in subsidiaries	**8,516,740,990**	**20,541,749,229**
TOTAL	**319,405,902,492**	**226,918,926,588**
CIT payable at the beginning of the year	84,299,155,217	51,481,407,842
CIT adjustment in accordance with tax finalization	1,596,872,630	37,959,054
CIT adjustment in accordance with tax inspection decision	-	191,027,032
CIT adjustment in 2016, 2017 in accordance with amended finalization in 2018	(1,157,194,469)	-
CIT paid in the year	(363,396,519,872)	(194,330,165,299)
CIT payable at the end of the year	**40,748,215,998**	**84,299,155,217**

40.2 Deferred corporate income tax

Movement of deferred CIT assets during the year is as follows:

	Current year VND	Previous year VND
Deferred income tax assets		
Opening balance	76,547,370,505	88,099,158,339
Decrease of non-deductible provision for diminution in value of unlisted shares in the year	(2,960,400,000)	(3,597,907,480)
Provision/(Reversal of provision) expense for impairment of collateral assets of investment awaiting for payback	(30,641,602,242)	(9,089,814,347)
Provision for non-deductible overdue receivables from selling securities	29,689,741,615	-
Revenue of which pay-back receipt is in progress in 2015	(25,774,769,047)	(1,356,566,792)
Provision/(Reversal of provision) expense for impairment of non-deductible loans in the year	(278,870,334)	(1,596,192,863)
Unrealized revenue from consolidated financial statement	3,535,210,077	-
Temporary taxable difference	1,731,440,013	4,088,693,648
Ending balance	**51,848,120,587**	**76,547,370,505**
Deferred income tax payables		
Opening balance	191,039,934,153	24,673,711,470
Temporary non-taxable income from subsidiary	(1,605,103,358)	(858,093,879)
Positive difference arising from revaluation of financial assets at FVTPL and AFS	(111,061,216,052)	167,224,316,562
Ending balance	**78,373,614,743**	**191,039,934,153**

The Company recognized the deferred income tax expense in the consolidated income statement for the year ended 31 December 2018 and 31 December 2017 as follows:

	Current year VND	Previous year VND
Deferred CIT arising from non-deductible provision for diminution in value of unlisted shares	2,960,400,000	3,597,907,480
Deferred CIT arising from provision for impairment of collateral assets of investment awaiting for payback	30,641,602,242	9,089,814,347
Deferred CIT arising from non-deductible overdue provision for selling securities	(29,689,741,615)	-
Deferred CIT arising from the revenue of which pay-back receipt is in progress in 2015	25,774,769,047	1,356,566,792
Deferred CIT arising from provision for impairment of loans	278,870,334	1,596,192,863
Deferred CIT arising from temporary taxable expense	(1,731,440,013)	(4,088,693,648)
Deferred CIT arising from unrealized revenue from consolidated financial statement	(3,535,210,077)	-
Temporary non-taxable income from subsidiary	(1,605,103,358)	(858,093,879)
Deferred CIT relating to positive difference arising from revaluation of financial assets at FVTPL	(22,663,505,816)	6,075,206,581
Deferred income tax (income)/expense	**430,640,744**	**16,768,900,536**

41. ACCUMULATED OTHER COMPREHENSIVE INCOME

Item	Beginning balance	Movement during the year	Changes in owners' equity recorded in income statement	Ending balance
Gain/(loss) from revaluation of AFS financial assets	637,896,244,067	(181,456,906,020)	(178,636,319,022)	277,801,019,026

42. ADDITIONAL INFORMATION FOR STATEMENT OF CHANGES IN OWNERS' EQUITY

Incomes and expenses, gains or losses which are recorded directly to owners' equity:

	Ending balance VND	Beginning balance VND
Income recorded directly to owners' equity	124,000,000	14,875,467,199
- Gain arising from change in ownership rate associate in subsidiary	*-*	*14,509,242,199*
- Other income recorded directly to owners' equity	*124,000,000*	*366,225,000*
Expense recorded directly to owners' equity	(390,917,905,359)	(14,970,631,308)
- Loss from revaluation and reclassification for selling purpose of AFS financial assets	*(360,095,225,041)*	*(14,896,631,308)*
- Loss arising from change in ownership rate associate in subsidiary	*(24,489,167,763)*	*-*
- Loss arising from associates change the number of outstanding shares	*(6,321,512,555)*	*-*
- Other expenses recorded directly to owners' equity	*(12,000,000)*	*(74,000,000)*
TOTAL	**(390,793,905,359)**	**(95,164,109)**

43. EARNINGS PER SHARE

Earnings per share ("EPS") is calculated by dividing the net profit after tax attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares in issue during the year. After tax profit attributable to ordinary shareholders of the Company for the year ended 31 December 2018 is calculated as after-tax profit after deduction for setting up non-shareholders' reserves according to the actual appropriation ratio of 2017. For the purpose of preparing consolidated financial statements, other comprehensive incomes have not yet been included in the net profit after tax to calculate the earnings per share indicator since there is no detailed guidance detail.

	Current year	Previous year
Net profit attributable to ordinary shareholders (VND)	1,213,585,067,924	1,082,224,335,018
Weighted average number of ordinary shares for calculation of earnings per share	499,834,406	490,089,282
Earnings per share (VND)	2,428	2,208

44. DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by dividing the net profit after tax attributable to ordinary shareholders of the Company by the number of ordinary shares used in the calculation of diluted EPS.

After tax profit attributable to ordinary shareholders of the Company for the year ended 31 December 2018 is calculated as after-tax profit after deduction for setting up non-shareholders' reserves according to the actual appropriation ratio of 2017, with the following adjustments:

- Dividends or other items related to the potential dilutive ordinary shares are deducted to profit attributable to shareholders of the parent company;
- Any accrued interest during the year related to the potential dilutive ordinary shares; and
- Other changes in income or expenses resulting from the conversion of potential dilutive ordinary shares.

For the purpose of preparing consolidated financial statements, other comprehensive incomes have not yet been included in the net profit after tax to calculate the EPS indicator since there is no detailed guidance.

The number of ordinary shares used in the calculation of diluted EPS is determined as the total of the weighted average number of outstanding ordinary shares during the year and the weighted average number of potential ordinary shares in case all potential dilutive ordinary shares are converted into ordinary shares. Potential dilutive ordinary shares are assumed to be converted into ordinary shares at the beginning of the reporting year; or at the date of issuance, if the issuance date is later than the beginning of the reporting date; or at the incurred date of potential ordinary shares which are share options, warrants or other equivalent instruments.

	Current year VND	Previous year VND
Net profit after tax after deduction for setting up non-shareholder reserves – VND	1,213,585,067,924	1,082,224,335,018
Adjustment to profit for diluted EPS – VND	74,266,153,984	-
- Interest expenses of convertible bonds during in the year	*74,266,153,984*	*-*
Profit after adjustment – VND	1,287,851,221,908	1,082,224,335,018
Number of ordinary shares for calculation of diluted EPS (*)	532,865,780	490,089,282
Diluted EPS – VND	2,417	2,208

(*) Number of ordinary shares for calculation of diluted EPS is determined as the total of:

- weighted average number of outstanding shares;
- weighted average number of potential ordinary shares to be issued with the assumption that all convertible bonds are converted into ordinary shares at the date SSI issued bonds in 2018.

45. OTHER INFORMATION

45.1 Transactions with related parties

List of related parties and relationships with the Company is as follows:

Related parties	Relationships
NDH Investment Ltd. and its subsidiaries	SSI's Chairman is the owner of NDH Investment Ltd.
Daiwa Securities Group Inc. and its subsidiaries	Strategic shareholder
The PAN Group JSC. and its subsidiaries	Chairman of SSI is also the Chairman of the PAN Group, associate company
Vietnam Fumigation Joint Stock Company (VFG)	Associate company of SSI until the end of 2 November 2018
Dong Nai Port Joint Stock Company (PND)	Associate company of SSI until the end of Quarter I of 2018
Saigon Dan Linh Real Estate Co., Ltd	Deputy CEO of SSI is also the Chairman of Saigon Dan Linh Real Estate Co., Ltd
Nguyen Saigon Co., Ltd	The Chairman of Nguyen Saigon Co., Ltd is the brother of SSI's Chairman

45. OTHER INFORMATION (continued)

45.1 Transactions with related parties (continued)

Significant balances and transactions with related parties as at 31 December 2018 and for the year then ended are as follows:

Parties	Transaction	Receivables/(Payables)				Revenues/ (Expenses) VND
		Beginning VND	Increases VND	Decrease VND	Ending VND	
The PAN Group JSC and its subsidiaries	Revenue from securities transaction and other securities services	-	2,489,621,301	(2,489,621,301)	-	2,470,618,901
	Revenue from consultant contract	200,000,000	30,765,220,000	(30,965,220,000)	-	28,661,083,636
	Securities purchasing transactions	-	(100,000,000,000)	100,000,000,000	-	-
	Securities selling transaction	-	278,333,403,000	(278,333,403,000)	-	51,504,961,192
	Deposit for securities brokerage services and deposit management contracts	(180,000,000,000)	(5,963,924,897,671)	4,921,249,708,054	(1,222,675,189,617)	-
	Interest payable on deposit for securities brokerage services and deposit management contracts	(602,246,575)	(51,554,838,704)	48,637,588,390	(3,519,496,889)	51,554,838,704
	Expense for commodity purchase	-	(3,741,188,566)	3,741,188,566	-	3,651,086,066
	Payables on behalf from securities selling transaction	-	(13,491,708,625)	13,491,708,625	-	-
	Capital contribution under the equity method	545,928,657,960	237,451,076,910	(48,711,449,569)	734,668,285,301	15,157,486,946
	Bond interest	-	4,536,986,301	(4,536,986,301)	-	3,286,849,314
NDH investment Company Ltd. and its subsidiaries	Revenue from securities transaction and other securities services	-	189,485,396	(189,485,396)	-	189,485,396
	Portfolio management fee	12,245,025	248,936,677	(144,372,743)	116,808,959	248,936,677
	Securities selling transaction	-	664,654,560,000	(664,654,560,000)	-	(2,932,868,804)
	Securities purchasing transaction	-	(652,408,300,000)	652,408,300,000	-	-
	Advance for consultant services revenue	-	4,665,117,115	(2,877,482,115)	1,787,635,000	5,105,383,742
	SSI dividends	-	(48,194,727,000)	48,194,727,000	-	-
Daiwa Securities Group Inc. and its subsidiaries	Revenue from securities transaction and other securities services	-	1,718,368,671	(1,718,368,671)	-	1,644,437,549
	Commission payable	-	(12,724,614,626)	11,564,103,742	(1,160,510,884)	(9,298,245,890)
	Consultant contract revenue	-	22,663,224,632	(21,350,831,410)	1,312,393,222	20,090,104,086
	Revenue from investment advisory	4,269,376,360	3,705,763,124	(2,884,420,807)	5,090,718,677	3,553,497,406
	SSI dividends	-	(101,978,121,000)	101,978,121,000	-	-
Nguyen Saigon Co., Ltd	Revenue from securities transaction and other securities services	-	412,791,046	(412,791,046)	-	412,783,846
	Margin receivables	-	30,591,309,674	(30,591,309,674)	-	101,285,657
	SSI dividends	-	(2,000)	2,000	-	-
Saigon Dan Linh Real Estate Co., Ltd	Revenue from securities transaction and other securities services	-	190,345,677	(190,345,677)	-	190,341,677
	SSI dividends	-	(30,154,063,000)	30,154,063,000	-	-
Vietnam Fumigation Joint Stock Company	Capital contribution under the equity method	166,807,929,717	16,782,550,254	(183,590,479,971)	-	16,782,067,904
Dong Nai Port Joint Stock Company	Capital contribution under the equity method	83,455,067,732	4,779,299,308	(88,234,367,040)	-	4,779,299,308
Other parties	Purchase of bonds issued by SSI	(60,000,000,000)	-	-	(60,000,000,000)	-
	Payables for bond interest issued by SSI	(4,901,666,666)	(5,199,533,881)	5,167,146,119	(4,934,054,428)	(5,199,533,881)

Transactions with other related parties

Total remuneration of members of Board of Directors and the Management:

	Current year VND	Previous year VND
Salary and bonus	13,126,800,000	12,405,200,000

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45. OTHER INFORMATION (continued)

45.2 Segment information

Segment information by business lines

	Brokerage and customer services (1) VND	Proprietary trading VND	Treasury VND	Portfolio Management VND	Investment banking and others VND	Total VND
Current year						
1. Direct income	1,893,605,019,876	1,092,899,742,557	759,144,046,466	65,515,558,197	185,915,339,550	3,997,079,706,646
2. Direct expenses	1,022,741,177,595	708,573,024,444	378,074,479,321	20,506,811,552	70,287,104,536	2,200,182,597,448
3. Depreciation and allocated expenses	109,420,696,503	22,578,873,881	13,894,691,620	6,947,345,809	20,842,037,430	173,683,645,243
Profit before tax	**761,443,145,778**	**361,747,844,232**	**367,174,875,525**	**38,061,400,836**	**94,786,197,584**	**1,623,213,463,955**
As at 31 December 2018						
1. Direct segment assets	5,972,332,012,656	4,291,466,758,057	12,914,276,614,602	39,891,225,087	10,749,982,228	23,228,716,592,630
2. Allocated segment assets	135,271,921,447	27,913,253,632	17,177,386,850	8,588,693,425	25,766,080,276	214,717,335,630
3. Unallocated assets	-	-	-	-	-	382,192,797,101
Total assets	**6,107,603,934,103**	**4,319,380,011,689**	**12,931,454,001,452**	**48,479,918,512**	**36,516,062,504**	**23,825,626,725,361**
4. Direct segment liabilities	2,255,715,036,430	683,544,626,967	11,291,790,838,923	3,295,227,159	10,079,545,261	14,244,425,274,740
5. Allocated segment liabilities	163,148,933,676	33,665,652,981	20,717,324,911	10,358,662,456	31,075,987,367	258,966,561,391
6. Unallocated liabilitiesTotal liabilities	-	-	-	-	-	166,570,361,598
Total liabilities	**2,418,863,970,106**	**717,210,279,948**	**11,312,508,163,834**	**13,653,889,615**	**41,155,532,628**	**14,669,962,197,728**
Previous year						
1. Direct income	1,328,228,530,233	1,060,765,430,586	487,409,573,498	54,625,596,781	122,377,391,349	3,053,406,522,447
2. Direct expenses	576,680,904,667	499,054,518,576	320,741,963,916	6,887,284,443	79,482,128,456	1,482,846,800,058
3. Depreciation and allocated expenses	96,012,221,747	23,589,209,653	13,243,065,069	7,863,069,883	24,830,747,004	165,538,313,356
Profit before tax	**655,535,403,819**	**538,121,702,357**	**153,424,544,513**	**39,875,242,455**	**18,064,515,889**	**1,405,021,409,033**
As at 31 December 2017						
1. Direct segment assets	5,776,122,886,608	4,207,210,509,095	8,102,293,359,554	39,473,731,563	74,514,003,173	18,199,614,489,993
2. Allocated segment assets	162,693,458,911	39,972,099,819	22,440,477,091	13,324,033,273	42,075,894,546	280,505,963,640
3. Unallocated assets	-	-	-	-	-	284,254,718,215
Total assets	**5,938,816,345,519**	**4,247,182,608,914**	**8,124,733,836,645**	**52,797,764,836**	**116,589,897,719**	**18,764,375,171,848**
4. Direct segment liabilities	512,609,362,438	363,305,228,278	8,696,615,934,198	3,729,106,053	7,034,487,831	9,583,294,118,798
5. Allocated segment liabilities	134,319,418,768	33,000,891,680	18,526,816,382	11,000,297,227	34,737,780,716	231,585,204,773
6. Unallocated liabilitiesTotal liabilities	-	-	-	-	-	333,246,152,375
Total liabilities	**646,928,781,206**	**396,306,119,958**	**8,715,142,750,580**	**14,729,403,280**	**41,772,268,547**	**10,148,125,475,946**

(1) Income mainly from brokerage, margin lending services and custodian services

Segment information by geographic area

Company's activities are mainly in the territory of Vietnam.

The Company has a wholly-owned US subsidiary, SSI International Incorporated ("SSIIC"), which operates in the US real estate business. However, SSIIC's total revenue, expenses and total assets are very low compared to its total revenue, expense and total assets (about 2% to 4%). As a result, the Company does not present segmental reports by geographical area in the notes to the consolidated financial statements.

45. OTHER INFORMATION (continued)

45.3 Operating lease commitments

The Company leases office under operating lease arrangements. As at 31 December 2018, the committed future rental payments under the operating lease agreements are as follows:

	Ending balance VND	Beginning balance VND
Less than 1 year	62,862,490,807	43,171,957,322
From 1 - 5 years	86,001,002,221	76,154,577,298
More than 5 years	69,222,045,000	-
TOTAL	**218,085,538,028**	**119,326,534,620**

45.4 Commitments relating to margin lending service

The Company signed margin lending contracts with investors to facilitate securities trading activities of investors.

The Company's commitments to provide funds under outstanding margin lending contracts as of 31 December 2018 and 31 December 2017 are as follows:

	Ending balance VND	Beginning balance VND
Head Office (in Ho Chi Minh City)	1,037,497,641,064	139,943,335,987
Hanoi	655,963,469,645	93,155,071,328
Hai Phong	27,915,623,565	5,631,539,372
Nguyen Cong Tru	97,025,923,901	23,976,923,313
Nha Trang	19,030,554,032	3,682,377,040
Vung Tau	23,287,102,244	3,920,953,710
My Dinh	40,513,753,430	15,840,641,665
TOTAL	**1,901,234,067,881**	**286,150,842,415**

45.5 Purposes and policies of financial risk management

The Company's financial liabilities comprise mostly liabilities 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 loans, trade and other receivables, cash and short-term deposits that arise directly from its operations. 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 arisen from risks and the cost of managing the risks. The 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 these risks which are summarized below.

Market risk

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

The Company manages market risk by analysing financial sensitivity of the Company as at 31 December 2018 and 31 December 2017. When analysing sensitivity, Management assumes that sensitivity of Available-for-sale debt instruments in the statement of financial position and other related items in the income statement is affected by changes in corresponding market risk. The analysis is based on financial assets and liabilities held by the Company as at 31 December 2018 and 31 December 2017.

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 due to changes in interest rate relates primarily to cash and short-term deposits of the Company and its subsidiaries. Financial liabilities have fixed interest rate.

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

No analysis on interest sensitivity is performed since the Company's exposure to risk of changes in interest rate is insignificant.

Foreign exchange 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 a different currency from the Company's accounting currency and its investments in overseas subsidiaries.

The Company manages foreign exchange risk by hedging against transactions that are expected to take place in the future.

Equity price risk

Listed and unlisted securities which are held by the Company are affected by market risk arising from the uncertainty of future value of invested securities. The Company manages equity price risk by establishing investment limits. The Company's Investment Council considers and approves investments in securities.

As at the reporting date, the fair value of listed shares (FVTPL and AFS) was VND 2,208,885,700,770. The 10% increase (or decrease) in market index would possibly result in a corresponding increase (or decrease) in revenue from investment of the Company, depending on its magnitude and length as well as the Company's ownership position of securities which have significant influence on market index.

Credit risk

Credit risk is the risk that counterparty would 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 loans and receivables) and from its financing activities, including deposits with banks, foreign exchanges activities and other financial instruments.

Receivables

Customer credit risk is managed by the Company based on its established policies, procedures and control relating to customer credit risk management. Credit quality of customers is evaluated on the basis of Management's assessment.

Outstanding customer receivables are regularly monitored. Customer credit quality's impairment is analysed at each reporting date on an individual basis for major clients. The Company closely monitors outstanding receivables and operates a credit control unit to mitigate credit risk. Due to the fact that the Company's receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with high credit rating banks in Vietnam. Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the statement of financial position at each reporting date is the carrying value as presented in Notes 5, 7.3 and 11. The Company evaluates the concentration of credit risk with respect to bank deposits as low.

Margin lending and advances to customers

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin lending and advance payments to customers. The Company only provides margin lending with securities eligible to perform margin trading under the Regulation on Margin Lending and is rated in accordance with SSI's principle of share quality assessment. The credit limits are measured based on value of collateral assets, customer's credit rating and other indicators.

The following loans are considered as overdue as at 31 December 2018 (excluding contracts that was extended or liquidated before the signing date of this report). Except for financial assets which are reserved for impairment as stated in Notes 8 and 9, according to the Management's assessment, the remaining financial assets are neither overdue nor impaired as they are all liquid.

CONSOLIDATED FINANCIAL STATEMENTS / NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45. OTHER INFORMATION (continued)

45.5 Purposes and policies of financial risk management (continued)

Credit risk (continued)

	Total	Balance provisioned	Neither past due nor impaired	Past due but not impaired			
				< 80 days	81–180 days	>180 days	>210 days
Beginning balance	5,764,072,330.098	56,063,514,700	5,705,264,586,971	2,739,630,040	2,201,503	70,390	2,326,494
Ending balance	5,966,651,185,939	33,732,119,327	5,931,945,546,892	961,795,139	5,001,214	1,371,439	5,351,928

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulties in meeting financial obligations. The Company's exposure to liquidity risk arises when the Company is unable to meet its financial obligations as they fall due, primarily due to mismatches in the maturity terms of financial assets and liabilities. The maturity terms of financial assets and liabilities reflect the remaining year of financial assets and liabilities from the reporting date to the date of settlement set out in the contracts or terms of issuance. For FVTPL and AFS financial assets, the maturity terms are determined based on the liquidity of the assets (the ability to sell and purchase the assets in short term) on the market.

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

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

	Overdue VND	On demand VND	Less than 1 year VND	1 – 5 year VND	Over 5 years VND	Total VND
As at 31 December 2018						
ASSETS					-	
Cash and cash equivalents	-	***312,863,700,842***	***300,016,438,018***	-	***764,280,760,972***	***612,880,138,860***
Financial assets	***973,519,720***	***3,378,317,422,124***	***18,218,671,648,998***	***301,622,077,596***	-	***22,663,865,429,410***
FVTPL	-	2,039,985,819,918	-	-	-	2,039,985,819,918
HTM investments	-	-	12,326,240,312,685	301,622,077,596	-	12,627,862,390,281
Loans (excluding provisions)	973,519,720	73,246,329,906	5,892,431,336,313	-	-	5,966,651,185,939
Available-for-sale	-	1,265,085,272,300	-	-	764,280,760,972	1,265,085,272,300
Long-term investments	-	-	-	-	214,561,642,609	764,280,760,972
Other assets	***312,038,740,614***	***95,445,760,581***	-	***123,665,832,837***	-	***745,711,976,641***
Deposits collaterals and pledges	-	24,835,208,516	-	-	-	24,835,208,516
Other receivables (excluding provisions)	312,038,740,614	25,348,927,823	-	-	-	337,387,668,437
Other assets	-	45,261,624,242	-	-	214,561,642,609	45,261,624,242
Fixed assets	-	-	-	123,665,832,837	978,842,403,581	338,227,475,446
TOTAL	**313,012,260,334**	**3,786,626,883,547**	**18,518,688,087,01**	**425,287,910,433**	**978,842,403,581**	**24,022,457,544,911**
LIABILITIES						
Short-term borrowings	-	3,728,454,753,866	7,464,704,000,000	-	-	11,193,158,753,866
Bond issued	-	-	255,000,000,000	-	-	255,000,000,000
Convertible bond	-	-	-	1,068,320,391,534	-	1,068,320,391,534
Payables for securities transaction activities	-	20,890,746,200	-	-	-	20,890,746,200
Accrued expenses	-	19,391,942,610	94,500,079,438	-	-	113,892,022,048
Statutory obligation	-	69,950,280,972	-	-	-	69,950,280,972
Other liabilities	-	280,825,857,925	1,478,341,254,919	-	-	1,759,167,112,844
TOTAL	**-**	**4,119,513,581,573**	**9,292,545,334,357**	**1,068,320,391,534**	**-**	**14,480,379,307,464**
Net liquidity difference	**313,012,260,334**	**(332,886,698,026)**	**9,226,142,752,659**	**(643,032,481,101)**	**978,842,403,581**	**9,542,078,237,447**

45. OTHER INFORMATION (continued)

45.5 Purposes and policies of financial risk management (continued)

Liquidity risk (continued)

The Company assessed the concentration of risk with respect to its debt payments as low. The Company is able to access to different sources of funds and all the borrowings which are due within 12 months can be renewed with the current lenders.

Collaterals

The Company used a part of its term deposits and certificates of deposits as collaterals for bank overdrafts and short-term borrowings from commercial banks. As at 31 December 2018, the total carrying value of term deposits and certificates of deposits used as collaterals for bank overdrafts were VND 4,345,000,000,000, and the total carrying value of term deposits used as collaterals for short-term borrowings were VND 7,267,000,000,000.

Among financial assets at fair value through profit and loss, financial assets available-for-sale and investment in associates as at 31 December 2018, there were 17,097,938 shares with the par value of VND 170,979,380,000 used as collaterals for short-term borrowings.

The Company held securities as collateral for margin loans to customers as at 31 December 2018.

Other than that, the Company did not hold any other party's collateral at 31 December 2018 and 31 December 2017.

45.6 Off-balance sheet item of subsidiary

SSIAM, a subsidiary of the Company, conducts portfolio management activities. As at 31 December 2018 and 31 December 2017, SSIAM off-balance sheet items related to portfolio management activities of entrusted investors include: deposits, portfolios, receivables and payables are as follows:

	Ending balance VND	Beginning balance VND
Entrusted investor's deposits	130,461,339,967	108,045,084,509
Portfolio of entrusted investors	424,220,130,537	510,510,041,195
Receivables of entrusted investors	23,469,414,816	3,424,824,600
Payables of entrusted investor	581,058,983	3,641,194,874

In particular, the list of securities in the portfolio of entrusted investors is reduced in value as follows:

	Ending balance			Beginning balance		
	Amount	Cost VND	Decrease in value VND	Amount	Cost VND	Decrease in value VND
HPG	613,760	24,673,914,626	(5,678,042,626)	-	-	-
TCB	408,200	14,715,008,704	(4,163,038,704)	-	-	-
GEX	549,480	15,436,140,698	(3,265,158,698)	-	-	-
VIT	349,770	6,259,812,146	(2,272,434,146)	349,770	7,455,292,146	(1,159,432,146)
MBB	360,848	8,047,930,035	(1,029,436,435)	114,100	2,912,600,611	(14,460,611)
VHM	200,728	18,446,441,744	(3,713,006,544)	-	-	-
ACB	233,445	9,025,054,205	(2,115,082,205)	-	-	-
Khác	3,406,689	201,621,027,648	(10,428,556,055)	2,487,310	70,588,802,928	(4,580,916,428)
TOTAL	**6,122,920**	**298,225,329,806**	**(32,664,755,413)**	**2,951,180**	**80,956,695,685**	**(5,754,809,185)**

45.7 Accounting ratios

	Ratios in 2018	Ratios in 2017
Assets ratios		
Current assets/ Total Assets	93.47%	91.81%
Non-current assets/ Total Assets	6.53%	8.19%
Owners' equity ratios		
Liabilities/ Total Assets	61.57%	54.08%
Owners' equity/ Total Assets	38.43%	45.92%
Profitability		
Return on assets (Profit after tax/ Total assets)	5.47%	6.19%
Return on equity (Profit after tax/ Owners' equity)	14.34%	13.60%
Profit after tax/ Charter capital	25.54%	23.22%
Profit after tax/ Income	33.08%	38.15%
Liquidity		
Current ratio (Current assets/ Current liabilities)	1.65	1.84
Quick ratio ([Cash and cash equivalents + Short-term investment]/ Current liabilities)	1.64	1.81

46. EVENT AFTER THE REPORTING DATE

There has been no matter or circumstance that has arisen since the reporting date which is required to be disclosed in the consolidated financial statements.

Ms. Hoang Thi Minh Thuy	Ms. Nguyen Thi Thanh Ha	Mr. Nguyen Duy Hung
Chief Accountant	Chief Financial Officer	Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2019

REVIEW OF INTERNAL AUDIT

SSI Internal Audit was developed and reported directly to the Board of Directors of SSI. The internal audit team is fully capable and experienced to perform the assigned tasks which has been specified in the operation regulations of the Department. Operating principles of Internal Audit are independence, objectivity, honesty, coordination and security

Activities of SSI Internal Audit in 2018 are as follows:

- Supervision of Financial Report

SSI Internal Audit has supervised the quarterly and annual financial statement before being issued and published. Results shows that all Reports were prepared, published timely and in accordance with regulations.

- Supervision of Financial Safety Ratio Report

SSI Internal Audit has supervised the Financial Safety Ratio Report through auditing monthly reports. All report was published timely. All requirements for determining the criteria in the report are ensured in accordance with Circular 87/2017/TT – BTC

Action plan for 2019:

Continue to internal auditing on finance – accounting activities, reports prepared by Accounting Department before publishing ensure the appropriateness and transparency of financial information

Assess capital safety through internal auditing financial safety reports periodically

Review internal control system related to anti-money laundering regulations

Participate in training course for Decree 05/2019 / ND-CP on internal audit issued on January 22, 2019 and be effective in April 2021 to make changes in accordance with new requirements of the law regarding internal audit

CONSOLIDATED FINANCIAL STATEMENTS / REVIEW OF INTERNAL AUDIT



OTHER INFORMATION

SHAREHOLDER AND MANAGEMENT INFORMATION OF 2018

BOARD OF DIRECTORS/BOARD OF SUPERVISORS

- Details of members and structures of the BOD and BOS are presented in section Organization Structure & Key Personnel
- Members of BOD, SB, Board of Management and employees had a corporate governance certificate issued by SSC:

No.	Name	Position	Certificate No.	Date of Issuance
1	Nguyen Duy Hung	Chairman cum CEO	36 QTCT 21/QĐ-TTNC	12/11/2009
2	Nguyen Hong Nam	Member of BOD / Deputy CEO	22 QTCT 122/QĐ-TTNC	29/01/2010
3	Ngo Van Diem	Member of BOD	10 QTCT 53/QĐ-TTNC	07/05/2009
4	Bui Quang Nghiem	Member of BOD	29 QTCT 158/QĐ-TTNC	08/09/2009
5	Nguyen Van Khai	Head of BOS	22 QTCT 123/QĐ-TTNC	29/01/2010
6	Dang Phong Luu	Member of BOS	50 QTCT 248/QĐ-TTNC	19/09/2013
7	Nguyen Thi Thanh Ha	Chief Finance Officer	38 QTCT 21/QĐ-TTNC	12/11/2009
8	Nguyen Kim Long	Head of Legal and Internal Control	31 QTCT 96/QĐ-TTNC	30/06/2009
9	Hoang Thi Minh Thuy	Chief Account	61 QTCT 96/QĐ-TTNC	30/06/2009

OTHER INFORMATION / SHAREHOLDER AND MANAGEMENT INFORMATION OF 2018

SHAREHOLDER INFORMATION

The shares of SSI Securities Corporation are listed on the Ho Chi Minh Stock Exchange with the ticker SSI and are centrally deposited at the Vietnam Securities Depository – Ho Chi Minh City Branch.

Stock Information: SSI has completed the issuance of 10,000,000 ESOP shares on 25/12/2018. As at 31/12/2018, the charter capital of SSI stood at VND 5,100,636,840,000 VND and divided into 510,063,684 common shares with the par value of VND 10,000. The Company did not issue any other but common shares

Treasury share transaction in 2018: The number of treasury shares at 31/12/2018 was 893,377 shares, which is higher than the one at 31/12/2017 (214,314 shares). The reason was the Company corrected transaction errors (according to approval letter of VSD at 28/3/2018 and 04/4/2018), bought back odd lot SSI shares and bought back ESOP shares from resigned employees.

Shareholder structure: Details on shareholder structure and ownership of internal persons are presented in Appendix 2 of this Annual Report. The data was updated in accordance with the shareholder list provided by the Vietnam Securities Depository as at 01/04/2019.

Appendix 1: Transactions of internal person & related person

SSI share trading of internal persons/ related persons as of 31/12/2018

No.	Transaction executor	Relationship	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increase/decrease (purchase, sale, switch, reward...)
			Number	Proportion	Number	Proportion	
1	Nguyen Duy Hung	Chairman cum CEO	4,884,400	0.977%	6,783,400	1.33%	Increasing 1,899,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
2	Nguyen Hong Nam	Board member, Deputy CEO, Spokesman	1,000,000	0.20%	1,400,000	0.27%	Increasing 700,000 shares due to purchase transaction of ESOP shares dated December 25, 2018 Decreasing 300,000 shares due to selling transaction to Sai Gon Dan Linh Real Estate Company Limited dated December 28, 2018
3	Ngo Van Diem	BOD member	150,000	0.03%	200,000	0.04%	Increasing 50,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
4	Bui Quang Nghiem	BOD member	263,174	0.053%	263,174	0.05%	Decreasing 30,000 shares due to selling transaction 25 Sep 2018 Increasing 30,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
5	Nguyen Duy Khanh	BOD member	500,000	0.10%	700,000	0.14%	Increasing 200,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
6	Hironori Oka	BOD member	0	0.00%	0	0.00%	
7	Nguyen Van Khai	Head of BOS	100,455	0.02%	130,455	0.03%	Increasing 30,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
8	Dang Phong Luu	BOS member	45,068	0.009%	60,068	0.01%	Increasing 15,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
9	Le Cam Binh	BOS member	72,500	0.01%	142,500	0.03%	Ms. Le Cam Binh has been elected as member of SB of the Company since 20 April 2018 Increasing 70,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
10	Nguyen Thi Thanh Ha	CFO	1,062,200	0.231%	1,362,200	0.27%	Increasing 300,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
11	Hoang Thi Minh Thuy	Chief Accountant	130,000	0.026%	175,000	0.03%	Decreasing 30,000 shares due to selling transaction 26 Feb to 26 Mar 2018 Increasing 75,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
12	Saigon Dan Linh Real Estate Co. Ltd.	Related party of BOD member cum Deputy CEO Nguyen Hong Nam	30,154,063	6.03%	30,454,063	5.97%	Increasing 300,000 shares due to purchase transaction of ESOP shares dated December 25, 2018

OTHER INFORMATION / SHAREHOLDER AND MANAGEMENT INFORMATION OF 2018

OTHER INFORMATION / SHAREHOLDER AND MANAGEMENT INFORMATION OF 2018

No.	Transaction executor	Relationship	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increase/decrease (purchase, sale, switch, reward...)
			Number	Proportion	Number	Proportion	
13	Daiwa Securities Group Inc.	Related party of BOD member – Mr. Hironori Oka	85,606,601	16.78%	101,978,121	19.99%	Increasing 16,371,520 due to purchase transactions as follows: ■ 1,666,220 shares from 04 December 2017 to 02 January 2018 ■ 79,000 shares from 09 January 2018 to 07 February 2018 ■ 10,951,300 shares from 16 March 2018 to 13 April 2018 ■ 3,675,000 shares from 19 April 2018 to 18 May 2018
14	NDH Invest Ltd.	Related party of Chairman cum CEO Mr. Nguyen Duy Hung	48,194,727	9.45%	48,194,727	9.45%	No change
15	Nguyen Van Hien	Related person of Head of BOS Mr. Nguyen Van Khai	66,000	0.013%	56,000	0.01%	Decreasing 35,000 shares due to selling transaction from 29 December 2017 to 01 February 2018 Increasing 250,000 shares due to purchase transaction of ESOP shares dated December 25, 2018
16	Hoang Thi Khanh Duyen	Related person of Chief Accountant Ms. Hoang Thi Minh Thuy	14,000	0.00%	14,000	0.00%	No change
17	Tran Quang Viet	Related person of BOS member Mr. Dang Phong Luu	9,226	0.0018%	4,006	0.00%	Decreasing 5,220 shares due to selling transaction dated 16 April 2018
18	Nguyen Manh Hung	Related person of Chairman cum CEO Mr. Nguyen Duy Hung	5,000,000	1.00%	5,000,000	0.98%	No change

Other transactions: (from and to internal and major shareholders and related parties)

List of related parties which have significant transactions with the Company and relationships with the Company is as follows:

Related parties	Relationships
SSI Assets Management Ltd.	100%-owned subsidiary
SSI Investment Member Fund	80%-owned subsidiary
NDH Invest Ltd. and its subsidiaries	SSI's Chairman is the owner of NDH Invest Ltd.
Daiwa Securities Group Inc. and its subsidiaries	Strategic shareholder
The PAN Group JSC. and its subsidiaries	Chairman of SSI is also the Chairman of the PAN Group, associate company
Vietnam Fumigation Joint Stock Company	Associate company of SSI until the end of 2 November 2018
Dong Nai Port Joint Stock Company	Associate company of SSI until the end of Quarter I of 2018
Saigon Dan Linh Real Estate Co., Ltd	Deputy CEO of SSI is also the Chairman of Saigon Dan Linh Real Estate Co., Ltd
Nguyen Saigon Co., Ltd	The Chairman of Nguyen Saigon Co., Ltd is the brother of SSI's Chairman

OTHER INFORMATION / SHAREHOLDER AND MANAGEMENT INFORMATION OF 2018

Significant balances and transactions with related parties as at 31 December 2018 and for the year then ended are as follows:

Parties	Transaction	Receivables/(Payables)				Revenues/ (Expenses) VND
		Beginning VND	Increases VND	Decrease VND	Ending VND	
SSI Investment Member Fund	Capital contribution	312,000,000,000	-	(37,600,000,000)	274,400,000,000	-
	Recovery of contributed capital	-	37,600,000,000	(37,600,000,000)	-	-
	Revenue from securities transaction and other securities services	-	3,036,749	(3,036,749)	-	3,036,749
SSI Asset Management Ltd. (SSIAM)	Capital contribution	30,000,000,000	-	-	30,000,000,000	-
	Revenue from securities transaction and other securities services	-	9,999,279,371	(9,914,011,578)	85,267,793	9,800,502,476
	Balance of trusted portfolio	888,749,948,379	54,129,045,829	(746,727,483,028)	196,151,511,180	-
	Welfare benefits payables and others	(413,000,000)	(3,508,999,600)	3,806,999,600	(115,000,000)	-
	Portfolio management expense	(3,125,755,884)	(5,491,696,147)	8,120,842,068	(496,609,963)	(5,491,696,147)
	Consultant expense for securities investment	(4,663,613,316)	(4,260,000,000)	8,923,613,316	-	(4,260,000,000)
	Consultant revenue for securities investment	2,135,909,867	-	(2,135,909,867)	-	-
	Distributed profit	-	84,338,323,254	(84,338,323,254)	-	84,338,323,254
NDH Invest Company Ltd and its subsidiaries	Revenue from securities transaction and other securities services	-	189,485,396	(189,485,396)	-	189,485,396
	Securities selling transaction	-	664,654,560,000	(664,654,560,000)	-	(2,932,868,804)
	Securities purchasing transaction	-	(652,408,300,000)	652,408,300,000	-	-
	Consultant services revenue	-	4,665,117,115	(2,877,482,115)	1,787,635,000	5,105,383,762
	SSI dividends	-	(48,194,727,000)	48,194,727,000	-	-
Daiwa Securities Group Inc. and its subsidiaries	Revenue from securities transaction and other securities services	-	1,718,368,671	(1,718,368,671)	-	1,644,437,549
	Commission fee	-	(12,724,614,626)	11,564,103,742	(1,160,510,884)	(9,298,245,890)
	Revenue from consultant contracts	-	22,663,224,632	(21,350,831,410)	1,312,393,222	20,090,104,086
	SSI dividends	-	(101,978,121,000)	101,978,121,000	-	-
Vietnam Fumigation Joint Stock Company	Dividends	-	13,268,547,500	(13,268,547,500)	-	13,268,547,500

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Parties	Transaction	Receivables/(Payables)				Revenues/ (Expenses) VND
		Beginning VND	Increases VND	Decrease VND	Ending VND	
The PAN Group JSC	Revenue from securities transaction and other securities services	-	2,489,621,301	(2,489,621,301)	-	2,470,618,901
	Revenue from consultant contract	200,000,000	30,765,220,000	(30,965,220,000)	-	28,661,083,636
	Securities purchasing transactions	-	(100,000,000,000)	100,000,000,000	-	-
	Securities selling transactions	-	277,465,959,500	(277,465,959,500)	-	131,818,124,620
	Deposit for securities brokerage services and deposit management contracts	(180,000,000,000)	(5,963,924,897,671)	4,921,249,708,054	(1,222,675,189,617)	-
	Interest payable on deposit for securities brokerage services and deposit management contracts	(602,246,575)	(51,554,838,704)	48,637,588,390	(3,519,496,889)	(51,554,838,704)
	Expense for commodity purchase	-	(3,741,188,566)	3,741,188,566	-	(3,651,086,066)
	Payables on behalf from securities selling transaction	-	(13,491,708,625)	13,491,708,625	-	-
	Bond interest	-	4,536,986,301	(4,536,986,301)	-	3,286,849,314
Dong Nai Port JSC	SSI dividends	-	3,700,726,500	(3,700,726,500)	-	3,700,726,500
Nguyen Saigon Co., Ltd	Revenue from securities transaction and other securities services	-	412,791,046	(412,791,046)	-	412,783,846
	Margin receivables	-	30,591,309,674	(30,591,309,674)	-	101,285,657
	SSI dividends	-	(2,000)	2,000	-	-
Saigon Dan Linh Real Estate Co., Ltd	Revenue from securities transaction and other securities services	-	190,345,677	(190,345,677)	-	190,341,677
	SSI dividends	-	(30,154,063,000)	30,154,063,000	-	-
Other parties	Purchase of bonds issued by SSI	(60,000,000,000)	-	-	(60,000,000,000)	-
	Payables for bond interest issued by SSI	(4,901,666,666)	(5,199,533,881)	5,167,146,119	(4,934,054,428)	(5,199,533,881)

ESOP for Members of BOD and BOS

In 2018, according to Article 9, Resolution number 02/2018/NQ-ĐHĐCĐ at 20/04/2018 of GSM, SSI has successfully issued shares under the Employee Stock Ownership Plan (ESOP), which aims to align the interests of employees and the Company; attract, maintain and motivate qualified staff to dedicate and make long-term commitment to the Company. The number ESOP shares bought by BOD and BOS members are as follow:

No.	Name	Position	Number of purchased shares
1	Nguyen Duy Hung	Chairman cum CEO	1,899,000
2	Nguyen Hong Nam	Member of BOD/Deputy CEO/Spokesman	700,000
3	Ngo Van Diem	Member of BOD	50,000
4	Bui Quang Nghiem	Member of BOD	30,000
5	Nguyen Duy Khanh	Member of BOD	200,000
6	Nguyen Van Khai	Head of BOS	30,000
7	Dang Phong Luu	Member of BOS	15,000
8	Le Cam Binh	Member of BOS	70,000

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Appendix 2: shareholder structure and ownership of internal person (The data was updated in accordance with the shareholder list provided by the Vietnam Securities Depository as at 01/04/2019)

Shareholding structure on type of shareholder

No.	Subject	Number of shares	Ownership proportion	Number of shareholders	Shareholding structure	
					Institution	*Individual*
1	The State as shareholder	-	-	-	-	-
2	Founder/ FDI Shareholder	-	-	-	-	-
	- Domestic	-	-	-	-	-
	- Foreign	-	-	-	-	-
3	Major Shareholder	**180,626,911**	**35.41%**	**3**	**3**	
	- Domestic	*78,648,790*	*15.42%*	*2*	*2*	
	- Foreign	*101,978,121*	*19.99%*	*1*	*1*	
4	Labor Union	-	-	-	-	-
	- Domestic	-	-	-	-	-
	- Foreign	-	-	-	-	-
5	Treasury shares	**893,396**	**0.18%**	**0**	**0**	
6	Preferred stocks (if any)	-	-	-	-	-
7	Other shareholders	**328,543,377**	**64.41%**	**21,148**	**231**	**20,917**
	- Domestic	*125,673,276*	*24.64%*	*19,059*	*87*	*18,972*
	- Foreign	*202,870,101*	*39.77%*	*2,089*	*144*	*1,945*
TOTAL		**510,063,684**	**100.00%**	**21,151**	**234**	**20,917**
In which	*- Domestic*	*204,322,066*	*40.06%*	*19,061*	*90*	*18,972*
	- Foreign	*304,848,222*	*59.76%*	*2,090*	*144*	*1,945*
	- Treasury share	*893,396*	*0.18%*	*-*	*-*	*-*

Shareholding structure on major shareholder and professional investor basis

No	Subject	Number of shares	Ownership proportion	Number of Shareholders	Shareholding structure	
					Institution	*Individual*
1	Major Shareholders (excluding Professional investors)	**78,648,790**	**15.42%**	**2**	**2**	-
	- Domestic	*78,648,790*	*15.42%*	*2*	*2*	-
	- Foreign	-	-	-	-	-
2	Professional investors holding an amount of share exceeding 5% of paid-up capital	**101,978,121**	**19.99%**	**1**	**1**	**-**
	- Domestic	-	-	-	-	-
	- Foreign	*101,978,121*	*19.99%*	*1*	*1*	-
3	Professional investors which hold share in an amount under 5% of the paid-up capital	**126,061,261**	**24.71%**	**142**	**142**	**-**
	- Domestic	*8,613,558*	*1.69%*	*48*	*48*	-
	- Foreign	*117,447,703*	*23.03%*	*94*	*94*	-
TOTAL		**306,688,172**	**60.13%**	**145**	**145**	**-**

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Shareholding structure on type of share

Subject	Number of transfer restriction shares (*)	Number of free transfer shares	Total	Proportional ownership (%)
I. Internal persons	**6,796,000**	**4,390,797**	**11,186,797**	**2.19%**
II. Treasury stocks	**128,000**	**765,396**	**893,396**	**0.18%**
III. Labor Union	-	-	-	-
IV. Shareholders own preferred stocks (If any)	-	-	-	-
V. Other Shareholders	**12,831,000**	**485,152,491**	**497,983,491**	**97.63%**
1. Domestic	***12,263,000***	***180,872,269***	***193,135,269***	***37.86%***
1.1 Individual	12,263,000	92,172,283	104,435,283	20.47%
1.2 Institutional	-	88,699,986	88,699,986	17.39%
- In which State Shareholders:	-	-	-	-
2. Foreign	***568,000***	***304,280,222***	***304,848,222***	***59.77%***
2.1 Individual	568,000	13,373,598	13,941,598	2.73%
2.2 Institutional	0	290,906,624	290,906,624	57.03%
TOTAL	**20,000,000**	**490,063,684**	**510,063,684**	**100.00%**

(*) Lock-up shares under the issuance of employee stock ownership plan (ESOP) on 22 December 2017, and on 25 December 2018 as follows:

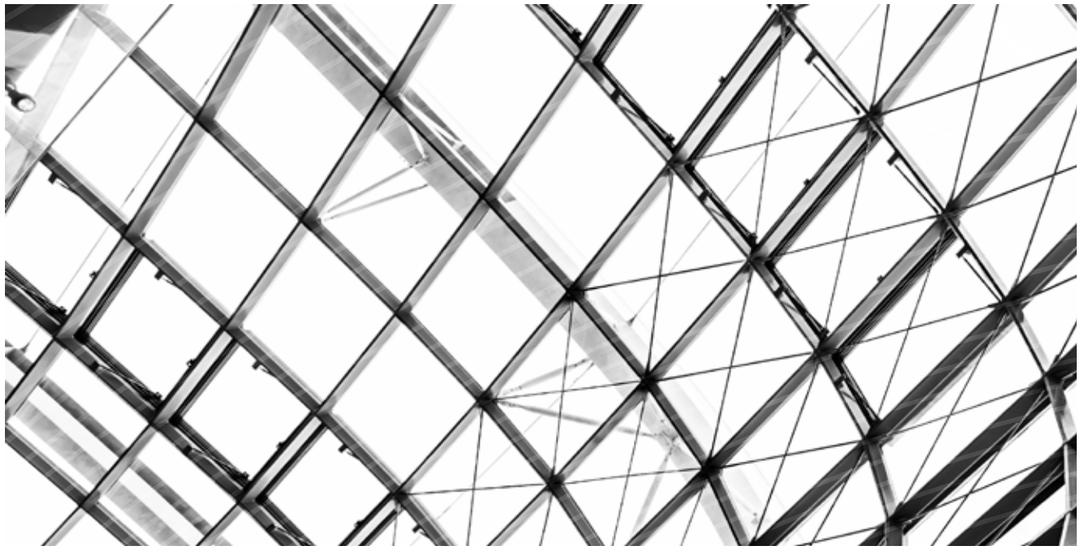
Effective ESOP Shares	Lock-up Period	Transferable of Release Date	Release Date
ESOP shares issued at 22 December 2017	10,000,000 shares locked-up from 23/12/2017 to end of 22/12/2019	5,000,000 shares	23/12/2019
	10,000,000 shares locked-up from 23/12/2019 to end of 22/12/2020	5,000,000 shares	23/12/2020
ESOP shares issued at 25 December 2018	10,000,000 shares locked-up from 26/12/2018 to end of 25/12/2020	5,000,000 shares	28/12/2020
	10,000,000 shares locked-up from 26/12/2020 to end of 25/12/2021	5,000,000 shares	27/12/2021

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Details on share ownership of internal person, spokesman

No.	Full name	Position	Number of Transfer restriction shares	Number of Free transfer shares	Total (*)	Ownership Proportion (%)
1	Nguyen Duy Hung	Chairman cum CEO	3,771,000	3,012,400	6,783,400	1.33%
2	Nguyen Hong Nam	Member of BOD cum Deputy CEO Spokesman	1,400,000	-	1,400,000	0.27%
3	Ngo Van Diem	Member of BOD	150,000	50,000	200,000	0.04%
4	Bui Quang Nghiem	Member of BOD	60,000	203,174	263,174	0.05%
5	Hironori Oka	Member of BOD	-	-	-	-
6	Nguyen Duy Khanh	Member of BOD	400,000	300,000	700,000	0.14%
7	Nguyen Van Khai	Head of BOS	60,000	70,455	130,455	0.03%
8	Dang Phong Luu	Member of BOS	30,000	30,068	60,068	0.01%
9	Le Cam Binh	Member of BOS	130,000	12,500	142,500	0.03%
10	Nguyen Thi Thanh Ha	CFO	650,000	712,200	1,362,200	0.27%
11	Hoang Thi Minh Thuy	Chief Accountant	145,000	-	145,000	0.03%
	TOTAL		**6,796,000**	**4,390,797**	**11,186,797**	**2.19%**

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