

HO CHI MINH CITY SECURITIES CORPORATION

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**



HO CHI MINH CITY SECURITIES CORPORATION

INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

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HO CHI MINH CITY SECURITIES CORPORATION

CORPORATE INFORMATION

Establishment and operation licence	No. 11/UBCK-GPHĐKD dated 29 April 2003 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 09/GPĐC-UBCK was issued on 2 March 2017.	
Board of Directors	Mr. Do Hung Viet Mr. Le Anh Minh Mr. Nguyen Thanh Liem Mr. Pham Nghiem Xuan Bac Mr. Le Thang Can Mr. Johan Nyvene Mr. Le Hoang Anh Mr. Lam Hoai Anh	Chairman Vice Chairman Vice Chairman (resigned on 7 March 2018) Member Member Member Member Member (appointed on 26 April 2018)
Board of Management	Mr. Johan Nyvene Mr. Trinh Hoai Giang Mr. Le Cong Thien Mr. Fiachra Mac Cana Mr. Bach Quoc Vinh Mr. Arnold V. Pangilinan Mr. Pham Ngoc Bich Mr. Henry Dickon Verey Mr. Le Anh Quan Mr. Stephen James McKeever Ms. Nguyen Anh Xuan Trang Mr. Tran Tan Dat	Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director
Legal Representative	Mr. Johan Nyvene	Chief Executive Officer
Registered office	5-6th Floor, AB Tower, 76 Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

HO CHI MINH CITY SECURITIES CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Board of Management of Ho Chi Minh City Securities Corporation (“the Company”) is responsible for preparing the interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2018 and of the result of its operations, cash flows and changes in equity for the six-month period then ended. In preparing these interim financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the interim financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other errors.

APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying interim financial statements as set out on pages 5 to 70 which give a true and fair view of the financial position of the Company as at 30 June 2018 and of the results of its operations, cash flows and changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of Management



Johan Nyvene

Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam
10 August 2018



REPORT ON THE REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF HO CHI MINH CITY SECURITIES CORPORATION

We have reviewed the accompanying interim financial statements of Ho Chi Minh City Securities Corporation (“the Company”) which were prepared on 30 June 2018 and approved by the Board of Management on 10 August 2018. The interim financial statements comprise the interim statement of financial position as at 30 June 2018, the interim statement of comprehensive income, the interim statement of cash flows and the interim statement of changes in equity for the six-month period then ended, and explanatory notes to the interim financial statements including significant accounting policies, as set out on pages 5 to 70.

The Board of Management’s Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam and for such internal control which the Board of Management determines necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2018, the results of its operations, cash flows and changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

Other matter

The report on the review of interim financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



CÔNG TY
TNHH
PWC VIỆT NAM
M.S.D.N: 0100157406 - C.T.T.N.H.H
QUẬN 1 - T.P.HỒ CHÍ MINH

Nguyen Hoang Nam
Audit Practising Licence No.
0849-2018-006-1
Authorised signatory

Report reference number: HCM7384
Ho Chi Minh City, 10 August 2018

As indicated in Note 2.1 to the interim financial statements, the accompanying interim financial statements are not intended to present the financial position, results of operations, changes in equity and cash flows in accordance with accounting principles generally accepted in jurisdictions other than Vietnam, and furthermore their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices.

INTERIM STATEMENT OF FINANCIAL POSITION

Code	ITEM	Note	As at	
			30.6.2018 VND	31.12.2017 VND
ASSETS				
100	CURRENT ASSETS		4,411,078,876,993	6,505,802,971,605
110	Financial assets		4,384,784,235,050	6,402,627,990,511
111	Cash and cash equivalents	3.1	762,233,648,638	196,221,037,531
111.1	<i>Cash</i>		762,233,648,638	196,221,037,531
112	Financial assets at fair value through profit or loss (FVTPL)	3.2	216,852,641,396	860,630,190,796
114	Loans	3.3	3,041,959,733,900	4,501,592,303,606
115	Available-for-sale financial assets (AFS)	3.4	-	399,255,614,501
116	Provision for impairments of financial assets and mortgages	3.3	(33,631,027,290)	(33,631,027,290)
118	Prepayments to suppliers		5,251,132,660	521,277,025
119	Service related receivable	3.5	368,656,969,002	471,021,351,378
122	Other receivables	3.5	63,044,928,892	46,601,035,112
129	Provision for doubtful debts	3.6	(39,583,792,148)	(39,583,792,148)
130	Other current assets		26,294,641,943	103,174,981,094
131	Advances		1,192,769,709	1,008,685,484
133	Short-term prepaid expenses		11,534,720,134	6,880,258,510
134	Pledged assets, mortgages, security deposits in short term		3,520,756,100	3,460,031,100
137	Other current assets		10,046,396,000	91,826,006,000
137.1	<i>Deposits for derivatives trading activities</i>	3.7	10,046,396,000	91,826,006,000
200	NON-CURRENT ASSETS		193,483,188,551	174,769,071,916
220	Fixed assets		49,891,667,048	38,006,860,366
221	Tangible fixed assets	3.8(a)	24,037,885,394	17,914,374,586
222	<i>Historical cost</i>		67,845,417,146	58,519,025,049
223a	<i>Accumulated depreciation</i>		(43,807,531,752)	(40,604,650,463)
227	Intangible fixed assets	3.8(b)	25,853,781,654	20,092,485,780
228	<i>Historical cost</i>		61,748,384,588	51,357,006,015
229a	<i>Accumulated amortisation</i>		(35,894,602,934)	(31,264,520,235)
240	Construction in progress	3.8(c)	2,188,300,010	6,851,041,776
250	Other non-current assets		141,403,221,493	129,911,169,774
251	Pledged assets, mortgages, security deposits in long term		7,528,788,877	5,653,083,350
252	Long-term prepaid expenses	3.9	101,401,061,255	94,258,086,424
253	Deferred income tax assets	3.17	2,473,371,361	-
254	Deposits in the Settlement support fund	3.10	20,000,000,000	20,000,000,000
255	Other long-term assets		10,000,000,000	10,000,000,000
255.1	<i>Deposits in the Derivatives trading clearing fund</i>	3.11	10,000,000,000	10,000,000,000
270	TOTAL ASSETS		4,604,562,065,544	6,680,572,043,521

The notes on pages 15 to 70 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEM	Note	As at	
			30.6.2018 VND	31.12.2017 VND
300	LIABILITIES		1,669,664,670,922	3,889,410,891,258
310	Current liabilities		1,669,664,670,922	3,874,368,196,992
311	Short-term borrowings and finance lease liabilities		432,068,799,000	2,479,755,399,374
312	<i>Short-term borrowings</i>	3.12	432,068,799,000	2,479,755,399,374
316	Short-term issued bonds	3.12	800,000,000,000	800,000,000,000
318	Trading obligations	3.13	233,976,255,834	352,425,986,816
320	Short-term trade accounts payable		3,185,912,882	3,326,671,321
322	Tax and other payables to the State Budget	3.14	60,614,461,950	80,514,265,840
324	Employee welfare payables		3,834,738,475	2,971,042,385
325	Short-term accrued expenses	3.15	73,820,762,824	50,020,750,442
329	Other short-term liabilities	3.16	17,920,813,065	92,095,955,096
331	Bonus and welfare funds		44,242,926,892	13,258,125,718
340	Non-current liabilities		-	15,042,694,266
356	Deferred income tax liabilities	3.17	-	15,042,694,266
400	OWNERS' EQUITY		2,934,897,394,622	2,791,161,152,263
410	Capital and reserves		2,934,897,394,622	2,791,161,152,263
411	Owners' capital		1,625,287,521,491	1,625,309,121,491
411.1	Share capital	3.18	1,297,567,580,000	1,297,567,580,000
411.1a	<i>Ordinary shares</i>		1,297,567,580,000	1,297,567,580,000
411.2	Share premium		330,343,798,499	330,343,798,499
411.5	Treasury shares		(2,623,857,008)	(2,602,257,008)
412	Revaluation reserve	3.19	-	70,064,262,508
414	Supplementary capital reserve		129,756,758,000	129,756,758,000
415	Financial and operational risk reserve		129,756,758,000	129,756,758,000
416	Other equity funds		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.20	1,046,134,982,137	832,312,877,270
417.1	<i>Realised post-tax profits</i>		1,088,786,129,437	861,985,479,360
417.2	<i>Unrealised losses</i>		(42,651,147,300)	(29,672,602,090)
440	TOTAL RESOURCES		4,604,562,065,544	6,680,572,043,521

The notes on pages 15 to 70 are an integral part of these interim financial statements.

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEM	Note	As at	
			30.6.2018	31.12.2017
A	ASSETS OF THE COMPANY AND ASSETS IN TRUST			
004	Bad debts written off (VND)	4.1	345,059,000	345,059,000
005	Foreign currencies (original currency)	4.2		
	US Dollar		2,703.49	13,402.69
	Japanese Yen		241,915	240,905
	Singapore Dollar		300	300
	British Pound		90.02	93.17
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	-
006	Number of shares in issue (shares)	4.3	129,569,168	129,570,368
007	Number of treasury shares (shares)	3.18	187,590	186,390
			Par value (VND)	
008	Securities listed/registered at Vietnam			
	Securities Depository (VSD)		205,033,910,000	447,684,720,000
009	Securities in custody of VSD and not yet traded		48,610,000	146,075,030,000
010	Securities purchased and awaiting settlement		17,719,700,000	12,200,000,000
012	Securities not in custody of VSD		29,551,400,000	34,897,120,000
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
021	Securities listed/registered at Vietnam			
	Securities Depository (VSD)		19,244,776,629,318	18,338,836,463,686
021.1	<i>Freely traded securities</i>		15,060,118,390,000	14,920,958,190,000
021.2	<i>Restricted securities</i>		282,653,780,000	235,619,410,000
021.3	<i>Mortgaged securities</i>		3,181,112,930,000	2,733,898,110,000
021.4	<i>Suspended securities</i>		134,010,880,000	93,676,820,000
021.5	<i>Securities awaiting settlement</i>		331,647,090,000	310,630,550,000
021.7	<i>Customers' deposits for derivatives trading</i>		255,233,559,318	44,053,383,686
022	Securities in custody of VSD and not yet traded		101,223,010,000	172,212,900,000
022.1	<i>Securities in custody of VSD and not yet traded – freely traded securities</i>		89,038,650,000	139,206,100,000
022.2	<i>Securities in custody of VSD and not yet traded – suspended securities</i>		12,184,360,000	33,006,800,000
023	Securities purchased and awaiting settlement		387,205,260,000	391,444,340,000

The notes on pages 15 to 70 are an integral part of these interim financial statements.

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEM	As at	
		30.6.2018 VND	31.12.2017 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)		
026	Customers' deposits	1,659,875,675,872	944,598,631,066
027	<i>Customers' deposits for securities trading</i>	1,404,642,116,554	900,545,247,380
027.1	<i>Customers' deposits at VSD</i>	255,233,559,318	44,053,383,686
031	Payables to customers relating to their deposits at the Company for securities trading	1,404,642,116,554	900,545,247,380
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	1,401,441,189,693	899,585,811,824
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	3,200,926,861	959,435,556



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
10 August 2018

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INTERIM STATEMENT OF COMPREHENSIVE INCOME

Code	ITEM	Note	For the six-month period ended	
			30 June	
			2018 VND	2017 VND
OPERATING INCOME				
01	Gains from financial assets at fair value through profit or loss (FVTPL)		706,801,741,538	97,714,595,405
01.1	<i>Realised gains on disposal of FVTPL financial assets</i>	5.1	692,666,385,106	36,698,019,985
01.2	<i>(Decrease)/increase in revaluation gains of FVTPL financial assets</i>	5.2	(39,348,104,553)	36,461,392,527
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		53,483,460,985	24,555,182,893
03	Interest income from loans and receivables		292,435,709,563	191,442,128,897
06	Brokerage fee income		461,237,406,966	210,312,813,636
09	Custody service income		4,123,040,327	3,026,400,170
10	Financial consultancy service income		61,441,309,867	23,308,142,344
11	Other operating income		3,126,378,001	1,578,333,452
20	TOTAL OPERATING INCOME		1,529,165,586,262	527,382,413,904
OPERATING EXPENSES				
21	Losses from financial assets at fair value through profit or loss (FVTPL)		(484,502,939,404)	(1,057,731,227)
21.1	<i>Realised losses on disposal of FVTPL financial assets</i>	5.1	(510,872,498,747)	(4,535,847,993)
21.2	<i>Decrease in revaluation losses of FVTPL financial assets</i>	5.2	26,369,559,343	3,478,116,766
24	Provisions for doubtful debts, impairments of financial assets and diminution in value of mortgages, and borrowing costs	5.3	(106,388,116,206)	(39,743,001,526)
26	Self-trading expenses		(96,127,932,460)	(26,885,908,107)
27	Brokerage fee expenses		(162,652,771,216)	(113,618,474,181)
30	Custody fee expenses		(5,091,317,209)	(3,082,367,679)
31	Financial consultancy expenses		(4,237,488,998)	(4,069,801,900)
32	Other operating expenses		(478,332,842)	(482,708,650)
40	TOTAL OPERATING EXPENSES		(859,478,898,335)	(188,939,993,270)

The notes on pages 15 to 70 are an integral part of these interim financial statements.

INTERIM STATEMENT OF COMPREHENSIVE INCOME
(continued)

Code	ITEM	Note	For the six-month period ended	
			30 June	
			2018 VND	2017 VND
	FINANCIAL INCOME			
42	Dividend income and interest income from demand deposits		1,929,823,120	2,320,253,644
50	TOTAL FINANCIAL INCOME		1,929,823,120	2,320,253,644
62	GENERAL AND ADMINISTRATION EXPENSES	5.4	(83,235,521,212)	(51,438,707,041)
70	OPERATING RESULT		588,380,989,835	289,323,967,237
	OTHER INCOME AND EXPENSES			
71	Other income		78,918,182	-
80	NET OTHER INCOME		78,918,182	-
90	NET ACCOUNTING PROFIT BEFORE TAX		588,459,908,017	289,323,967,237
91	Realised profit		601,438,453,227	249,384,457,944
92	Unrealised (loss)/profit		(12,978,545,210)	39,939,509,293
100	CORPORATE INCOME TAX	5.5	(116,588,622,320)	(57,640,745,759)
100.1	Corporate income tax – current		(116,588,622,320)	(56,549,260,520)
100.2	Corporate income tax – deferred		-	(1,091,485,239)
200	NET PROFIT AFTER TAX		471,871,285,697	231,683,221,478
300	OTHER COMPREHENSIVE INCOME, NET OF TAX			
301	Gain/(loss) from revaluation of AFS financial 3.19 assets		-	-
400	TOTAL OTHER COMPREHENSIVE INCOME		-	-
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.6	3,642	1,800
502	Diluted earnings per share (VND/share)	5.6	3,642	1,800



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
10 August 2018

The notes on pages 15 to 70 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEM	Note	For the six-month period ended	
			30 June	
			2018	2017
			VND	VND
	Cash flows from operating activities			
01	Net profit before tax		588,459,908,017	289,323,967,237
02	Adjustments for:		100,350,008,872	43,591,505,762
03	Depreciation and amortisation		9,117,978,794	3,027,982,562
04	Provisions		-	4,673,066,397
06	Interest expenses		106,388,116,206	39,743,001,526
07	Profits from investing activities		(78,918,182)	-
08	Accrued interest income		(15,077,167,946)	(3,852,544,723)
10	Add non-cash expenses		(26,369,559,343)	(3,478,116,766)
11	Decrease in revaluation losses of FVTPL financial assets		(26,369,559,343)	(3,478,116,766)
18	Less non-cash income		39,348,104,553	(36,461,392,527)
19	Decrease/(increase) in revaluation gains of FVTPL financial assets		39,348,104,553	(36,461,392,527)
30	Changes in working capital		2,199,794,573,587	(419,098,290,687)
31	Decrease/(increase) in FVTPL financial assets		630,799,004,190	(634,646,304,396)
33	Decrease/(increase) in loans		1,459,632,569,706	(712,728,842,489)
34	Decrease in AFS financial assets		311,675,286,366	-
37	Decrease in service related receivables		102,364,382,376	159,550,822,503
39	Increase in other receivables		(1,550,810,059)	(6,176,593,813)
41	(Decrease)/increase in accrued expenses (excluding interest expenses)		(36,046,412,945)	2,627,721,488
42	Increase in prepaid expenses		(11,797,436,455)	(2,002,276,343)
43	Corporate income tax ("CIT") paid		(128,991,106,550)	(49,409,941,082)
44	Interest paid		(70,962,806,079)	(40,161,265,057)
45	(Decrease)/increase in trade payables		(4,870,614,074)	149,195,499,242
46	Increase in employee welfare payables		863,696,090	339,266,753
47	(Decrease)/increase in tax and other payables to the State Budget (excluding CIT paid)		(7,505,211,478)	9,288,767,413
50	(Decrease)/increase in other short-term payables	6.1	(123,659,146,974)	723,667,190,310
51	Other receipts from operating activities		81,779,610,000	-
52	Other payments for operating activities		(1,936,430,527)	(18,642,335,216)
60	Net cash inflows from/(outflows for) operating activities		2,901,583,035,686	(126,122,326,981)
	Cash flows from investing activities			
61	Purchases of fixed assets		(16,340,043,710)	(18,957,729,816)
62	Proceeds from disposals of fixed assets		86,810,000	-
70	Net cash outflows for investing activities		(16,253,233,710)	(18,957,729,816)

The notes on pages 15 to 70 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

Code	ITEM	Note	For the six-month period ended	
			30 June	
			2018	2017
			VND	VND
	Cash flows from financing activities			
71	Proceeds from issuance of shares	6.1, 7.1(iii)	-	31,000,000,000
72	Payments for share repurchases		(21,600,000)	-
73.2	Proceeds from borrowings	6.2	14,778,261,287,940	10,275,937,631,688
74.3	Repayments of borrowings	6.3	(16,825,947,888,314)	(9,902,882,052,888)
76	Dividend paid		(271,608,990,495)	(282,443,188,550)
80	Net cash (outflows for)/inflows from financing activities		(2,319,317,190,869)	121,612,390,250
90	Net increase/(decrease) in cash and cash equivalents		566,012,611,107	(23,467,666,547)
101	Cash and cash equivalents at beginning of period		196,221,037,531	60,193,684,900
101.1	Cash	3.1	196,221,037,531	60,193,684,900
103	Cash and cash equivalents at end of period		762,233,648,638	36,726,018,353
103.1	Cash	3.1	762,233,648,638	36,726,018,353

Major non-cash transactions in the period are presented in Note 6.1.

INTERIM STATEMENT OF CASH FLOWS
(Indirect method)
(continued)

CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES

Code	ITEM	For the six-month period ended	
		30 June	
		2018	2017
		VND	VND
	Cash flows of brokerage and trusting activities		
01	Trade proceeds	64,911,102,420,300	36,531,502,540,100
02	Trade payments	(69,934,747,958,840)	(37,104,346,547,220)
07	Receipts for settlement of customers' transactions	5,531,865,448,041	848,904,261,793
11	Payments for custody fees of customers	(4,123,040,327)	(3,026,400,170)
20	Net increase in customers' deposits	504,096,869,174	273,033,854,503
30	Customers' deposits at beginning of period		
31	Cash at bank	900,545,247,380	581,883,723,061
32	<i>Customers' deposits at the Company for securities trading</i>	900,545,247,380	581,883,723,061
40	Customers' deposits at end of period		
41	Cash at bank	1,404,642,116,554	854,917,577,564
42	<i>Customers' deposits at the Company for securities trading</i>	1,404,642,116,554	854,917,577,564



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
10 August 2018

The notes on pages 15 to 70 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY

Item	As at		For the six-month period ended		For the six-month period ended		As at	
	1.1.2017	1.1.2018	Increase	Decrease	Increase	Decrease	30.6.2017	30.6.2018
1. Share capital	1,581,839,121,491	1,625,309,121,491	45,000,000,000	-	(21,600,000)	-	1,626,839,121,491	1,625,287,521,491
1.1 Ordinary shares	1,272,567,580,000	1,297,567,580,000	25,000,000,000	-	-	-	1,297,567,580,000	1,297,567,580,000
1.2 Share premium	310,343,798,499	330,343,798,499	20,000,000,000	-	-	-	330,343,798,499	330,343,798,499
1.3 Treasury shares	(1,072,257,008)	(2,602,257,008)	-	-	(21,600,000)	-	(1,072,257,008)	(2,623,857,008)
2. Revaluation reserve	-	70,064,262,508	-	-	-	(70,064,262,508)	-	-
3. Supplementary capital reserve	117,012,921,701	129,756,758,000	-	-	-	-	117,012,921,701	129,756,758,000
4. Financial and operational risk reserve	117,012,921,702	129,756,758,000	-	-	-	-	117,012,921,702	129,756,758,000
5. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
6. Undistributed earnings	572,091,111,375	832,312,877,270	231,683,221,478	(190,607,504,450)	471,871,285,697	(258,049,180,830)	613,166,828,403	1,046,134,982,137
6.1 Realised profits	628,246,013,560	861,985,479,360	191,743,712,185	(190,607,504,450)	484,849,830,907	(258,049,180,830)	629,382,221,295	1,088,786,129,437
6.2 Unrealised (losses)/profits	(56,154,902,185)	(29,672,602,090)	39,939,509,293	-	(12,978,545,210)	-	(16,215,392,892)	(42,651,147,300)
Total	2,391,917,451,263	2,791,161,152,263	276,683,221,478	(190,607,504,450)	471,849,685,697	(328,113,443,338)	2,477,993,168,291	2,934,897,394,622

Le Thi Thuy Duong
Preparer

Lam Huu Ho
Chief Financial Officer



Johan Nyvene
Chief Executive Officer
10 August 2018

The notes on pages 15 to 70 are an integral part of these interim financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

1 GENERAL INFORMATION

Establishment and operation licence

Ho Chi Minh City Securities Corporation ("the Company") is a joint stock company incorporated in Vietnam under Business registration certificate No. 4103001573 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 April 2003 and the Establishment and operation licence No. 11/UBCK-GPHĐKD issued by the State Securities Commission ("SSC") on 29 April 2003. The establishment and operation licence was amended several times and the latest amendment No. 09/GPĐC-UBCK was issued on 2 March 2017.

Headquarter and contact information

The Company is headquartered at 5-6th Floor, AB Tower, 76 Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam.

Contact information:

Email: info@hsc.com.vn

Telephone: (+84 28) 3823 3299

Operating charter

The Company's latest Operating charter was approved in the Annual General Meeting of shareholders and came into effect since 26 April 2018.

Principal activities

The principal activities of the Company include provision of securities brokerage service, proprietary securities trading, securities investment consultancy service, corporate finance consultancy service, and underwriting and securities custodian services.

Charter capital

The Company's charter capital according to its latest Establishment and operation licence is VND1,297,567,580,000.

Investment objectives and investment restrictions

Being a listed broker firm in the Vietnamese securities market, the Company aims to contribute to the development of the securities market and deliver benefits to customers, investors and its shareholders. The Company's investment portfolio and its investment restrictions shall be in compliance with the investment objectives and strategies stipulated in its Operating charter and prevailing regulations on securities.

Network of operation

As at the reporting date, the Company had 10 branches and transaction offices in Vietnam.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of interim financial statements**

The interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System, Circular 210/2014/TT-BTC dated 30 December 2014 ("Circular 210/2014/TT-BTC") and Circular 334/2016/TT-BTC dated 27 December 2016 ("Circular 334/2016/TT-BTC") both issued by the Ministry of Finance, and prevailing regulations on the preparation and presentation of financial statements applicable to securities companies operating in Vietnam. The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss ("FVTPL") and available-for-sale financial assets ("AFS") based on market value or fair value (in case market value is indeterminable).

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

2.2 Form of records applied

The Company uses the accounting software tailored in general journal to record its transactions.

2.3 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

These interim financial statements are prepared for the period from 1 January 2018 to 30 June 2018.

2.4 Currency

The interim financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in profit or loss of the interim statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are respectively translated at the buying and selling exchange rates at the reporting date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the reporting date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised as income or expenses in the interim statement of comprehensive income.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit and other short-term investments with an original maturity of 3 months or less that are subject to an insignificant risk of conversion into cash.

Cash of investors for securities trading activities and cash of issuers are accounted for off interim statement of financial position.

2.6 Financial assets**(a) Classification****(i) Financial assets carried at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss are financial assets held for trading or designated at initial recognition at fair value through profit or loss.

A financial asset is classified as held for trading if meeting one of the following conditions:

- It is purchased or created for resale/repurchase in short term; or
- At initial recognition, it constitutes a part of an identified portfolio of financial instruments which are traded for short-term profits; or
- It is a derivative (except those defined as financial guarantees or effective hedges).

At initial recognition, the Board of Management designates a financial asset at fair value through profit or loss if such designation promotes the fairness of its presentation due to one of the following reasons:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency (also called as “accounting inconsistency”) that would otherwise arise due to different bases; or
- It gives rise to a group of financial assets whose performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and internally disseminated to the Company’s key management (as defined in Vietnamese Accounting Standard on Related parties disclosure) such as Board of Directors, Board of Management and major shareholders.

Financial assets at fair value through profit or loss comprise listed securities, unlisted securities and derivatives including embedded derivatives separated from their host contracts except for those designated as hedges.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial assets (continued)

(a) Classification (continued)

(i) Financial assets carried at fair value through profit or loss (FVTPL) (continued)

Financial assets at fair value through profit or loss are initially recorded at cost exclusive of transaction costs. Transaction costs related to purchases of FVTPL financial assets are expensed off.

Financial assets at fair value through profit or loss are subsequently measured at market value or fair value (in case market value is indeterminable). All gains or losses from change in fair value of FVTPL financial assets are recognised in the interim statement of comprehensive income.

(ii) Held-to-maturity financial assets (HTM)

Held-to-maturity financial assets are non-derivative financial assets with the followings characteristics:

- Payments are fixed or determinable;
- Maturity is fixed;
- The Company has positive intention and ability to hold the assets to maturity.

The following assets are excluded from held-to-maturity financial assets:

- Non-derivatives classified as FVTPL financial assets at initial recognition;
- Non-derivatives classified as AFS financial assets; and
- Non-derivatives meeting conditions to be classified as loans and receivables.

HTM financial assets are initially recorded at cost inclusive of cost of purchase, and subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost of HTM financial assets is determined at historical cost less principal received, plus (or less) accumulated amortisation using the effective interest method between historical cost and maturity value, less impairment loss (if any).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial assets (continued)

(a) Classification (continued)

(iii) Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, excluding:

- Items that the Company intends to dispose of shortly or in the foreseeable future and as such classified as held for trading, or classified as FVTPL financial assets at initial recognition;
- Items classified as AFS financial assets at initial recognition; or
- Items that the holders could probably not recover the majority of initial investments not due to impairment of credit quality, and classified as AFS financial assets.

Loans are initially recorded at cost inclusive of cost of purchase and subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost of loans is determined at historical cost less principal received, plus (or less) accumulated amortisation using the effective interest method of the difference between historical cost and maturity value, less impairment loss (if any).

(iv) Receivables

Receivables comprise receivables from disposal of financial assets, dividend and interest receivable, service related receivables, receivables from failed trades and other receivables. Receivables are recorded on an accrual basis and presented at cost less provision for impairment of doubtful debts (if any).

Receivables are classified as current and non-current assets in the interim statement of financial position based on their remaining maturity as at the reporting date.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(a) Classification (continued)***(v) Available-for-sale financial assets (AFS)*

Available-for-sale financial assets are non-derivative financial assets that are not classified as FVTPL, HTM nor loans and receivables. Available-for-sale financial assets are initially recorded at cost inclusive of directly attributable cost of purchase. At reporting date, AFS financial assets are measured at fair value. Those shares not traded on an active market or those whose fair value is not reliably determined are accounted for at cost.

All gains or losses from revaluation of AFS financial assets are accounted for directly in equity (other comprehensive income) through the statement of changes in equity, exclusive of impairment losses. Such recognition is applied until the asset is de-recognised.

At de-recognition, accumulated gains or losses in equity are recognised in the interim statement of comprehensive income as a reclassification. Gains using the effective interest rate method are recognised in the interim statement of comprehensive income in accordance with accounting standard on revenue recognition.

Impairment loss of AFS financial asset is recorded directly to previously recognised revaluation gain in equity (if any). When there is objective evidence that an AFS financial asset is impaired, accumulated revaluation loss in equity is reclassified into the interim statement of comprehensive income despite that asset not being de-recognised.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(b) Reclassification***(i) Reclassification of non-FVTPL financial assets upon disposal*

Non-FVTPL financial assets are reclassified to FVTPL financial assets before disposal.

(ii) Reclassification due to change in intention/ability to hold the financial assets

Reclassification of financial assets due to change in intention/ability to hold the assets is permitted, provided that:

- Non-derivative FVTPL financial assets that are not required to be classified as FVTPL at initial recognition may be reclassified as loans and receivables in limited circumstances or cash and cash equivalents if meeting certain conditions for reclassification.
- Gains and losses from revaluation of FVTPL financial assets arising before the reclassification are not reversed.
- If the change in intention/ability to hold a financial asset results in it being inappropriately reclassified as an HTM asset, that asset must be reclassified as AFS and re-measured at fair value. Difference between its carrying value and fair value is recognised in the interim statement of comprehensive income – Changes in fair value of reclassified assets.

(c) Recognition/de-recognition

Purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the financial assets. Financial assets are de-recognised when the right to receive cash flows from the financial assets has expired or the Company has transferred substantially all risks and rewards of ownership of the assets.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(d) Initial recognition**

Financial assets carried at fair value through profit or loss are initially recognised at cost exclusive of transaction costs. Other financial assets are initially recorded at historical cost.

Bonus issues and stock dividends are initially recognised as financial assets at zero value.

(e) Determination of market value/fair value

The Company follows the prevailing regulations in determining the market value/fair value of financial assets, in particular:

(i) Shares listed on stock exchanges, shares of the public companies registered for trading on the Unlisted Public Company Market ("UPCoM")

These shares are revalued at the closing price of the latest trading date prior to the valuation date.

(ii) Unlisted securities registered/not registered for trading at the Vietnam Securities Depository ("VSD")

These shares are revalued based on the average of transacted prices announced by three (3) independent quoting entities at the latest trading date within one (1) month prior to the valuation date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Law on Securities.

(iii) Certificates of open-ended funds/ exchanged traded fund ("ETF")

These certificates are revalued at net asset value per fund unit at the fund's latest reporting date prior to the valuation date of the Company.

(iv) Delisted shares/ shares suspended from 6 days or longer

These shares are revalued based on its book value at the latest reporting date.

Unless otherwise stated above, securities are measured at fair value based on review of financial position and book value of the issuers at valuation date.

(f) Provision for impairment of loans

Provision for impairment of loans is made when there are indicators of decline in the recoverability of the margin loans and trading advances. Provision is determined at the difference of market value of collateral assets and carrying value of margin loans and trading advances at the reporting date.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial assets (continued)

(g) *Provision for impairment of receivables*

Receivables are subject to impairment assessment based on the overdue status of the receivables or the expected loss arising from undue debts of which the indebted economic entities declare bankruptcy or undergo liquidation procedures; debtors are missing, deceased, prosecuted or in litigation.

The Company makes provision for overdue receivables in accordance with Circular 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 (“Circular 228/2009/TT-BTC”). Accordingly, the provision rates for overdue receivables are as follows:

Overdue period	Provision rate
Above 6 months to less than 1 year	30%
From 1 year to less than 2 years	50%
From 2 years to less than 3 years	70%
Above 3 years	100%

Provision/(reversal of provision) for impairment is debited/credited to expenses in the interim statement of comprehensive income.

(h) *Recognition of gain/(loss)*

Purchasing transaction costs

Transaction costs related to purchases of FVTPL financial assets are expensed off, while transaction costs related to purchases of other financial assets are capitalised.

Selling transaction costs

Selling transaction costs are expensed off.

Gain/(loss) on disposal

Gain/(loss) on disposal of financial assets are accounted for as income/(expenses) in profit or loss of the interim statement of comprehensive income. Costs of shares and fund certificates are determined using the weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using the specific identification method.

Provision/(reversal of provision) for diminution in value of financial assets

Provision/(reversal of provision) for diminution in value of financial assets is debited/credited to expenses in the interim statement of comprehensive income.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date (“repos”) are not de-recognised from the interim statement of financial position. The corresponding proceed is recognised in the interim statement of financial position as a liability. The difference between the selling price and the repurchase price is recognised as interest expense and is accrued over the life of the agreement using the straight-line method.

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

For overdue commitments, the Company considers to make provision based on the aging of commitments or expected losses in accordance with Circular 228/2009/TT-BTC.

2.8 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated/amortised using the straight-line method to write off the cost of the assets over their estimated useful lives, specifically as below:

Motor vehicles	6 years
Office equipment	3 - 5 years
Computer software	3 - 4 years

Disposals

Gains or losses on disposal are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the interim statement of comprehensive income.

2.9 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Prepaid expenses**

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be recognised as fixed assets under prevailing regulations. Prepaid expenses are initially recorded at cost and allocated to expenses over their estimated useful lives.

The following items are classified as prepaid expenses and amortised to expenses over two (2) to forty (40) years in the interim statement of comprehensive income:

- Office renovations;
- Office rentals; and
- Office supplies.

2.11 Short-term/long-term security deposits

Short-term/long-term security deposits are recognised when the Company completes its payments in accordance with the contractual terms and are classified as other current/ non-current assets.

2.12 Liabilities**(a) Recognition/de-recognition**

Liabilities are recognised when the Company has an obligation as a result of receipts of assets, commits or becomes a party to the contractual provisions. Liabilities are de-recognised when such obligations are fully discharged. Liabilities are recognised on an accrual basis and on prudent concept.

(b) Classification

Classifications of liabilities are based on their nature as follows:

- Borrowings;
- Bonds;
- Trading obligations including balances with Clearing House and Securities Depository;
- Trade payables arising from purchases of goods or services;
- Other payables not arising from purchases of goods and services.

Liabilities are classified as current and non-current liabilities in the interim statement of financial position based on their remaining period from the reporting date to their maturity dates.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is presented in the interim statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company has an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.14 Income tax paid on behalf of investors

According to the prevailing taxation regulations in Vietnam, the Company is required to withhold foreign contractor tax of 0.1% on trading proceeds of foreign institutional investors and pay on their behalf. For individual investors (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on the trading proceeds. The Company will declare and make tax payment on behalf of these investors. For local institutional investors, the Company is not responsible for withholding tax as these entities are responsible for their own tax payment and declaration.

2.15 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the interim statement of comprehensive income when incurred.

2.16 Accrued expenses

Accrued expenses include liabilities for goods and services received in the reporting period but not yet paid due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.17 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as an interest expense.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Equity****(a) Share capital**

Share capital represents the capital contributed by shareholders. Share capital is recorded at par value.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issue price of treasury shares.

Treasury shares are shares issued by the Company and purchased back by itself but not yet cancelled and may be re-issued in the period permitted by prevailing regulations on securities. Treasury shares are recorded at cost and deducted from equity. The Company does not account for gains/(losses) from purchase/sale, issuance/cancellation of its equity instruments.

(b) Undistributed profits

Undistributed profits represent cumulative undistributed post-tax profits at the reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit/(loss) of the period is the total difference between gain and loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the interim statement of comprehensive income.

Realised profit during the period is the difference between total revenue, income and total expenses in the interim statement of comprehensive income of the Company, except for gain or loss arising from revaluation of financial assets recognised in unrealised profit/(loss).

(c) Financial and operational risk reserve and supplementary capital reserve

According to Circular 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, the Company is required to make annual appropriation to the financial and operational risk reserve and supplementary capital reserve at 5% of the profit after tax of the Company for each reserve in each of its profitable year until the accumulated balance of each reserve reaches 10% of the Company's charter capital.

Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from the parties causing damages and insurance companies.

(d) Other equity funds

Other equity funds are made in accordance with resolutions of Annual General Meeting of shareholders.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue and income recognition****(a) Revenue from provision of services to investors**

Revenue from provision of services to investors comprises securities brokerage fees, securities underwriting fees, financial consultancy fees, securities custody service and entrustment service fees.

Revenue from the provision of services is recognised in the interim statement of comprehensive income when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the provision of services is only recognised when all four following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(b) Income from securities trading and investments in other entities

Income from securities trading and investments in other entities comprises income from proprietary trading activities and dividend income.

Income from proprietary trading activities is measured as difference between selling price and costs of securities disposed. Costs of shares and fund certificates are determined using the weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using the specific identification method.

Dividend income is recognised in the interim statement of comprehensive income when the Company's right to receive dividend is established, except for scrip dividends whose quantity is added to the Company's securities portfolio and is not recognised as income.

(c) Income from capital activities

Income from capital activities comprises interest income from deposits at bank, income from margin loans, trading advances and financial support agreements. This income is recognised on an accrual basis unless collectability is in doubt.

(d) Revenue from securities repurchase and reverse repurchase agreements

Revenue from securities repurchase and reverse repurchase agreements is recognised over the life of the agreement using the straight-line method.

(e) Other income

Other income arises from other activities and is recognised on an accrual basis.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Expenses****(a) Recognition**

Expenses are recognised on an accrual basis, matching with revenue and on prudence concept.

(b) Classification

Expenses are classified by function as follows:

- Operating expenses;
- Financial expenses;
- General and administration expenses;
- Other expenses.

2.21 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from operations and trading activities in other countries with which the Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current period taxable profit and the current tax rates. Current and deferred tax should be recognised as an income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.22 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's interim financial statements when the dividend is declared in accordance with the Company's charter and prevailing applicable regulations.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Company considers the substance of the relationship not merely the legal form.

2.24 Segment reporting

A segment is a separable component of the Company engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company's interim financial statements in order to help users of interim financial statements to understand and evaluate the Company's operations in a comprehensive way.

2.25 Nil balances

Items or balances required by Circular 210/2014/TT-BTC and Circular 334/2016/TT-BTC that are not presented in these interim financial statements indicate nil balances.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION

3.1 Cash and cash equivalents

	As at	
	30.6.2018	31.12.2017
	VND	VND
Cash on hand	228,868,904	464,466,344
Cash at bank	762,004,779,734	195,756,571,187
Total	762,233,648,638	196,221,037,531

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.2 Financial assets at fair value through profit or loss (FVTPL)

	Ticker symbol	As at 30.6.2018		As at 31.12.2017	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM		43,213,545,098	25,711,552,111	613,330,509,297	633,483,284,204
Hoa Phat Group Joint Stock Company	HPG	4,122,996,578	3,499,353,600	44,693,293,899	50,725,291,450
Vingroup Joint Stock Company	VIC	2,683,891,454	2,603,650,000	58,903,642,753	60,559,602,800
Vietnam Dairy Products Joint Stock Company	VNM	2,354,857,793	2,333,760,000	57,849,520,349	61,394,317,600
Ca Mau Seafood Joint Stock Company (*)	CAT	10,950,000,000	2,018,250,000	-	-
VIETJET Aviation Joint Stock Company	VJC	1,837,426,168	1,767,395,200	342,723	440,400
Masan Group Corporation	MSN	1,587,887,290	1,583,555,000	41,213,708,101	45,629,213,500
Military Commercial Joint Stock Bank	MBB	1,280,927,391	1,254,406,600	59,387,064,847	67,995,546,000
Mobile World Investment Corporation	MWG	1,163,147,419	1,150,260,000	30,941,167,982	30,306,850,000
Saigon Beer – Alcohol – Beverage Corporation	SAB	1,020,042,925	1,041,810,000	8,660,928,687	7,339,392,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VCB	999,512,979	1,004,328,000	20,064,034,957	22,612,203,300
FPT Corporation	FPT	941,656,258	910,385,500	27,993,703,556	27,929,951,100
Sai Gon Thuong Tin Commercial Joint Stock Bank	STB	908,835,545	899,109,750	20,820,555,900	21,364,127,300
GTNFOODS Joint Stock Company	GTN	55,755	54,800	17,500,000,000	20,250,000,000
Others		13,362,307,543	5,645,233,861	225,302,545,543	217,376,348,754
Unlisted and unregistered shares		65,577,640,000	40,290,638,000	93,725,137,636	41,622,042,000
Viet Nam Investment Fund Management JSC		21,803,640,000	21,803,640,000	21,803,640,000	21,803,640,000
HD Saison Finance Co., Ltd.		17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
Ca Mau Seafood Joint Stock Company (*)		-	-	10,950,000,000	585,000,000
Others		26,774,000,000	1,486,998,000	43,971,497,636	2,233,402,000
Listed bond		104,037,398,985	104,037,398,985	173,114,572,242	175,199,112,192
Ho Chi Minh City Infrastructure Investment Joint Stock Company	CII11709	104,037,398,985	104,037,398,985	173,114,572,242	175,199,112,192
ETF certificates		46,675,204,613	46,813,052,300	10,132,573,711	10,325,752,400
VFMVN30 ETF	E1VFN30	46,675,204,613	46,813,052,300	10,132,573,711	10,325,752,400
Total		259,503,788,696	216,852,641,396	890,302,792,886	860,630,190,796

(*) Shares of Ca Mau Seafood Joint Stock Company (SEAPRIMEXCO) were registered for trading on UPCoM since 11 January 2018 under the ticker symbol CAT.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.2 Financial assets at fair value through profit or loss (FVTPL) (continued)

As at 30 June 2018

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	43,213,545,098	143,576,268	(17,645,569,255)	25,711,552,111
Unlisted and unregistered shares	65,577,640,000	-	(25,287,002,000)	40,290,638,000
Listed bond	104,037,398,985	-	-	104,037,398,985
ETF certificates	46,675,204,613	138,014,176	(166,489)	46,813,052,300
Total	259,503,788,696	281,590,444	(42,932,737,744)	216,852,641,396

As at 31 December 2017

	Cost VND	Comparison to market price or fair value		Market price/ fair value VND
		Increase VND	Decrease VND	
Listed shares and shares traded on UPCoM	613,330,509,297	37,351,976,358	(17,199,201,451)	633,483,284,204
Unlisted and unregistered shares	93,725,137,636	-	(52,103,095,636)	41,622,042,000
Listed bond	173,114,572,242	2,084,539,950	-	175,199,112,192
ETF certificates	10,132,573,711	193,178,689	-	10,325,752,400
Total	890,302,792,886	39,629,694,997	(69,302,297,087)	860,630,190,796

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.3 Loans and provision for impairments of financial assets and mortgages

(a) Loans

Details of loans at amortised cost exclusive of provisions for impairments are as follows:

		As at	
		30.6.2018	31.12.2017
		VND	VND
Margin loans	(i)	3,000,333,938,964	4,484,136,971,952
Trading advances	(ii)	41,625,794,936	17,455,331,654
Total		3,041,959,733,900	4,501,592,303,606

(i) Margin loans

These represent the amounts lent to investors for their purchases of listed securities in accordance with Decision No. 87/2017/QĐ-UBCK issued by the State Securities Commission on 25 January 2017.

(ii) Trading advances

These are the amounts advanced to investors at the trading date ("T-date advance"). These amounts were refunded within two (2) working days.

(b) Provision for impairments of financial assets and mortgages

The entire balance of provision for impairments of financial assets and mortgages is provision for impairments of margin loans.

Movements in provision for impairments of financial assets and mortgages during the period/year are as follows:

	For the six-month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Beginning of period/year	33,631,027,290	19,997,479,770
Additional provision in the period/year	-	13,633,547,520
End of period/year	33,631,027,290	33,631,027,290

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.4 Available-for-sale financial assets (AFS)

	As at 30.6.2018		As at 31.12.2017	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Ho Chi Minh City Development Joint Stock Commercial Bank (HDB)	-	-	31,563,119,036	68,670,094,501
Mobile World Investment Corporation (MWG)	-	-	162,044,908,818	182,091,310,000
Vietnam Prosperity Joint Stock Commercial Bank (VPB)	-	-	118,067,258,512	148,494,210,000
Total	-	-	311,675,286,366	399,255,614,501
As at 30 June 2018		Comparison to market price or fair value		Market price/ fair value VND
	Cost VND	Increase VND	Decrease VND	
Listed shares	-	-	-	-
As at 31 December 2017		Comparison to market price or fair value		Market price/ fair value VND
	Cost VND	Increase VND	Decrease VND	
Listed shares	311,675,286,366	87,580,328,135	-	399,255,614,501

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.5 Receivables

	As at 30.6.2018		As at 31.12.2017	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
Service related receivables				
Receivable from VSD (i)	119,618,120,300	-	-	-
Receivable from securities purchasing (ii)	242,356,974,360	-	468,267,233,092	-
<i>In which: Receivable from a related party (Note 8(b))</i>	30,531,294,360	-	458,772,233,092	-
Financial consultancy service fees receivable	1,444,450,000	1,145,650,000	1,336,650,000	1,145,650,000
Other receivables from securities trading	5,237,424,342	-	1,417,468,286	-
	368,656,969,002	1,145,650,000	471,021,351,378	1,145,650,000
Other receivables				
Overdue margin loans (iii)	37,783,317,946	37,783,317,946	37,783,317,946	37,783,317,946
Others	25,261,610,946	654,824,202	8,817,717,166	654,824,202
	63,044,928,892	38,438,142,148	46,601,035,112	38,438,142,148
Total	431,701,897,894	39,583,792,148	517,622,386,490	39,583,792,148

- (i) This is receivable from VSD in relation to sales of securities during the last 2 days of the period, which was subsequently collected in the first days of July 2018.
- (ii) This is receivable from institutional investors in relation to their purchases of securities.
- (iii) This is the residual amount of overdue margin loans after the Company forcibly sold all collateral assets to recover the loans. The Company has made full provision for these balances as at 30 June 2018 and 31 December 2017 (Note 3.6).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.6 Provision for doubtful debts

	Doubtful amount		Provision			
	Opening balance VND	Closing balance VND	Opening balance VND	Provision VND	Reversal VND	Closing balance VND
Overdue margin loans	37,783,317,946	37,783,317,946	37,783,317,946	-	-	37,783,317,946
Financial consultancy service fees receivable	1,145,650,000	1,145,650,000	1,145,650,000	-	-	1,145,650,000
Other receivables from securities trading	654,824,202	654,824,202	654,824,202	-	-	654,824,202
Total	39,583,792,148	39,583,792,148	39,583,792,148	-	-	39,583,792,148

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.7 Deposits for derivatives trading activities

This is the Company's deposits for its proprietary derivatives trading activities in compliance with Decision No. 96/QĐ-VSD dated 23 March 2017 of the Vietnam Securities Depository.

3.8 Fixed assets

(a) *Tangible fixed assets*

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2018	4,009,883,640	54,509,141,409	58,519,025,049
New purchases	-	9,907,928,303	9,907,928,303
Transfers from construction in progress (Note 3.8(c))	-	703,478,600	703,478,600
Disposals	-	(1,285,014,806)	(1,285,014,806)
As at 30.6.2018	4,009,883,640	63,835,533,506	67,845,417,146
Accumulated depreciation			
As at 1.1.2018	1,946,584,030	38,658,066,433	40,604,650,463
Charge for the period	261,683,622	4,226,212,473	4,487,896,095
Disposals	-	(1,285,014,806)	(1,285,014,806)
As at 30.6.2018	2,208,267,652	41,599,264,100	43,807,531,752
Net book value			
As at 1.1.2018	2,063,299,610	15,851,074,976	17,914,374,586
As at 30.6.2018	1,801,615,988	22,236,269,406	24,037,885,394

As at 30 June 2018, the Company had no outstanding commitments to purchase/sale of tangible fixed assets.

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2018 was VND34,717,874,411 (as at 31 December 2017: VND33,953,123,446).

The Company had no tangible fixed assets awaiting disposal as at 30 June 2018.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.8 Fixed assets (continued)

(b) *Intangible fixed assets*

	Computer software VND
Historical cost	
As at 1.1.2018	51,357,006,015
New purchases	5,002,092,000
Transfers from construction in progress (Note 3.8(c))	5,389,286,573
	<hr/>
As at 30.6.2018	61,748,384,588
	<hr/>
Accumulated amortisation	
As at 1.1.2018	31,264,520,235
Charge for the period	4,630,082,699
	<hr/>
As at 30.6.2018	35,894,602,934
	<hr/>
Net book value	
As at 1.1.2018	20,092,485,780
	<hr/>
As at 30.6.2018	25,853,781,654
	<hr/> <hr/>

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2018 was VND28,271,590,978 (as at 31 December 2017: VND22,784,069,825).

The Company had no intangible fixed asset awaiting disposal as at 30 June 2018.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.8 Fixed assets (continued)

(c) Construction in progress

Construction in progress comprises the following:

	As at	
	30.6.2018	31.12.2017
	VND	VND
System setup costs	2,188,300,010	3,012,405,848
Software purchases	-	2,755,263,000
Others	-	1,083,372,928
Total	2,188,300,010	6,851,041,776

Movements in construction in progress during the period/year are as follows:

	For the six-month period ended 30.6.2018	For the year ended 31.12.2017
	VND	VND
Beginning of period/year	6,851,041,776	11,158,311,542
Increase during period/year	1,430,023,407	30,594,667,027
Transfers to tangible fixed assets (Note 3.8(a))	(703,478,600)	(13,128,083,806)
Transfers to intangible fixed assets (Note 3.8(b))	(5,389,286,573)	(21,773,852,987)
End of period/year	2,188,300,010	6,851,041,776

3.9 Long-term prepaid expenses

	As at	
	30.6.2018	31.12.2017
	VND	VND
Office rentals	91,119,837,824	92,536,208,360
IT costs	5,786,273,948	-
Office renovations	4,494,949,483	1,721,878,064
Total	101,401,061,255	94,258,086,424

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.10 Deposits in the Settlement support fund

According to Decision No. 45/QĐ-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an additional annual contribution equivalent to 0.01% of the total value of brokered securities in the previous year up to the maximum limit of VND2.5 billion in any one year. The maximum amount of contribution is VND20 billion.

As at 30 June 2018 and 31 December 2017, the Company fully contributed the maximum amount.

3.11 Deposits in the Derivatives trading clearing fund

According to the Policy on Management and Use of Derivatives trading clearing fund issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 by the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.12 Short-term borrowings and short-term issued bonds

Movements in short-term borrowings and issued bonds during the period are as follows:

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Short-term borrowings (i)					
Bank borrowings	6.5 – 9.0	2,204,800,000,000	7,845,800,000,000	(9,620,600,000,000)	430,000,000,000
Bank overdrafts	6.4 – 9.5	274,955,399,374	6,932,461,287,940	(7,205,347,888,314)	2,068,799,000
		2,479,755,399,374	14,778,261,287,940	(16,825,947,888,314)	432,068,799,000
Short-term issued bonds (ii)	9.0	800,000,000,000	-	-	800,000,000,000
Total		3,279,755,399,374	14,778,261,287,940	(16,825,947,888,314)	1,232,068,799,000

- (i) Short-term borrowings have maturities from 1 to 3 months and are used to supplement working capital. Value of short-term collateral assets for these borrowings as at 30 June 2018 was VND3,434,077,839,646 (as at 31 December 2017: VND4,979,630,897,948).
- (ii) According to the Board of Directors' Resolution No. 13/2017/NQ-HĐQT dated 26 October 2017, on 15 December 2017, the Company privately issued 800 bonds at an issue price equal to par value of VND1 billion each. The total issued value was VND800 billion. The issued bonds are unlisted, unsecured, with a tenor of 1 year. Their principals and interests are repaid once upon maturity.

The Company had no short-term borrowings from related parties as at 30 June 2018 and as at 31 December 2017.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.13 Trading obligations

	As at	
	30.6.2018	31.12.2017
	VND	VND
Advances from investors for securities purchases	224,633,165,654	157,727,861,392
Payables to Stock Exchanges and VSD	9,320,204,380	12,392,648,623
Trading settlement balances with the Stock Exchanges	-	180,277,721,001
Others	22,885,800	2,027,755,800
Total	233,976,255,834	352,425,986,816

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.14 Tax and other payables to the State Budget

	As at 1.1.2018 VND	Incurred during the period VND	Paid during the period VND	As at 30.6.2018 VND
Corporate income tax – current	48,296,385,750	116,588,622,320	(128,991,106,550)	35,893,901,520
Personal income tax withheld and paid on behalf of investors	10,984,227,718	90,271,043,308	(85,573,826,944)	15,681,444,082
Corporate income tax withheld and paid on behalf of foreign institutions	5,728,933,050	34,182,566,227	(35,725,547,908)	4,185,951,369
Foreign contractor withholding tax	1,598,581,784	3,211,106,393	(4,809,688,177)	-
Personal income tax withheld and paid on behalf of employees	13,760,408,957	35,900,539,529	(45,020,030,705)	4,640,917,781
Value added tax	145,728,581	6,409,329,820	(6,342,811,203)	212,247,198
Business licence tax	-	11,019,200	(11,019,200)	-
Total	80,514,265,840	286,574,226,797	(306,474,030,687)	60,614,461,950

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.15 Short-term accrued expenses

	As at	
	30.6.2018 VND	31.12.2017 VND
Interest expenses	45,172,475,947	9,747,165,820
Allowance for working performance	22,500,000,000	34,000,000,000
Others	6,148,286,877	6,273,584,622
Total	73,820,762,824	50,020,750,442

3.16 Other short-term liabilities

	As at	
	30.6.2018 VND	31.12.2017 VND
Dividends payable to shareholders	5,000,396,078	82,277,009,573
Dividends paid on behalf	2,664,078,117	2,296,720,302
Subscription payables to investors	1,975,710,000	5,510,000
Others	8,280,628,870	7,516,715,221
Total	17,920,813,065	92,095,955,096

3.17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

		As at	
		30.6.2018 VND	31.12.2017 VND
Deferred tax assets recoverable within 12 months	(i)	2,473,371,361	2,473,371,361
Deferred tax liabilities payable within 12 months	(ii)	-	(17,516,065,627)
Total		2,473,371,361	(15,042,694,266)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.17 Deferred income tax (continued)

The gross movements in deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	For the six- month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Opening balance	(15,042,694,266)	3,638,284,131
Charged to the statement of comprehensive income	-	(1,164,912,770)
Recognised directly in equity	17,516,065,627	(17,516,065,627)
Closing balance	2,473,371,361	(15,042,694,266)

(i) Details of deferred tax assets are as below:

	As at	
	30.6.2018 VND	31.12.2017 VND
Deductible temporary differences:		
Provisions for impairment of overdue margin loans	12,366,856,806	12,366,856,806

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(ii) Details of deferred tax liabilities are as below:

	As at	
	30.6.2018 VND	31.12.2017 VND
Taxable temporary differences:		
Revaluation gain of AFS financial assets (Note 3.4)	-	87,580,328,135

The Company uses tax rate of 20% to determine deferred income tax.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.18 Share capital

(a) Number of shares

	As at	
	30.6.2018	31.12.2017
Number of shares registered	129,756,758	129,756,758
Number of shares issued	129,756,758	129,756,758
Number of shares repurchased	(187,590)	(186,390)
Number of shares in issue	129,569,168	129,570,368

As at 30 June 2018 and 31 December 2017, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

(b) Movements in share capital

	Ordinary shares
As at 1 January 2017	127,155,368
New shares issued	2,500,000
Treasury shares repurchased	(85,000)
As at 31 December 2017	129,570,368
New shares issued	-
Treasury shares repurchased	(1,200)
As at 30 June 2018	129,569,168

3.19 Revaluation reserve

	For the six- month period ended 30.6.2018 VND	For the year ended 31.12.2017 VND
Opening balance	70,064,262,508	-
Reclassified into profit or loss upon disposal	(70,064,262,508)	-
Recognised directly in equity	-	70,064,262,508
Closing balance	-	70,064,262,508

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)

3.20 Undistributed earnings

	As at	
	30.6.2018	31.12.2017
	VND	VND
Realised post-tax profits	1,088,786,129,437	861,985,479,360
Unrealised losses	(42,651,147,300)	(29,672,602,090)
Total	<u>1,046,134,982,137</u>	<u>832,312,877,270</u>

Movements in undistributed earnings in the period are as follows:

	As at 31.12.2017 VND	Profit for the period VND	Dividend declared VND	Appropriation to reserves VND	As at 30.6.2018 VND
Realised post-tax profits	861,985,479,360	484,849,830,907	(194,332,377,000)	(63,716,803,830)	1,088,786,129,437
Unrealised losses	(29,672,602,090)	(12,978,545,210)	-	-	(42,651,147,300)
Undistributed earnings	<u>832,312,877,270</u>	<u>471,871,285,697</u>	<u>(194,332,377,000)</u>	<u>(63,716,803,830)</u>	<u>1,046,134,982,137</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

4 NOTES TO OFF STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	30.6.2018	31.12.2017
	VND	VND
Other receivables	345,059,000	345,059,000

4.2 Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies (in original currency) as follows:

	As at	
	30.6.2018	31.12.2017
US Dollar	2,703.49	13,402.69
Japanese Yen	241,915	240,905
Singapore Dollar	300	300
British Pound	90.02	93.17
New Taiwan Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	-

4.3 Number of shares in issue

	As at	
	30.6.2018	31.12.2017
Ordinary shares		
Quantity issued within 1 year	-	2,500,000
Quantity issued for 1 year or more	129,569,168	127,070,368
Total	129,569,168	129,570,368

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

5 NOTES TO THE INTERIM STATEMENT OF COMPREHENSIVE INCOME

5.1 Net realised gains on disposal of FVTPL financial assets

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Realised gains on disposal of FVTPL financial assets	692,666,385,106	36,698,019,985
<i>In which:</i>		
<i>Underlying securities</i>	354,333,855,106	36,698,019,985
<i>Derivatives</i>	338,332,530,000	-
Realised losses on disposal of FVTPL financial assets	(510,872,498,747)	(4,535,847,993)
<i>In which:</i>		
<i>Underlying securities</i>	(295,257,068,747)	(4,535,847,993)
<i>Derivatives</i>	(215,615,430,000)	-
Net realised gains	181,793,886,359	32,162,171,992

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

5 NOTES TO THE INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)

5.1 Net realised gains on disposal of FVTPL financial assets (continued)

Details of net realised gains on disposal of FVTPL financial assets by category are as follows:

	Quantity disposed	Sales proceeds VND	Costs of disposal (*) VND	Realised gains in the period VND	Realised gains in the comparative period VND
Shares	128,410,365	8,268,788,811,816	(8,240,121,686,546)	28,667,125,270	27,172,466,843
Bonds	1,158,821	116,699,308,029	(116,469,937,457)	229,370,572	(44,000,000)
ETF certificates	213,311,220	3,674,340,591,300	(3,644,160,300,783)	30,180,290,517	5,033,705,149
Realised gains on disposal of underlying securities				59,076,786,359	32,162,171,992
Net position gains from future contracts				122,717,100,000	-
Total				181,793,886,359	32,162,171,992

(*) Costs of shares and fund certificates are determined using the weighted average method up to the end of trading dates, while costs of bonds and derivatives are determined using the specific identification method.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

5 NOTES TO THE INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)

5.2 Gains/(losses) from revaluation of FVTPL financial assets

	For the six-month period ended 30 June	
	2018 VND	2017 VND
(Decrease)/increase in revaluation gains of FVTPL financial assets	(39,348,104,553)	36,461,392,527
Decrease on revaluation losses of FVTPL financial assets	26,369,559,343	3,478,116,766
Total	(12,978,545,210)	39,939,509,293

Details of gains/(losses) from revaluation of FVTPL financial assets by category are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation (losses)/gains as at 30.6.2018 VND	Accumulated revaluation gains/(losses) as at 31.12.2017 VND	(Charged)/ credited to the interim statement of comprehensive income VND
Listed shares and shares traded on UPCoM	43,213,545,098	25,711,552,111	(17,501,992,987)	20,152,774,907	(37,654,767,894)
Unlisted and unregistered shares	65,577,640,000	40,290,638,000	(25,287,002,000)	(52,103,095,636)	26,816,093,636
Listed bond	104,037,398,985	104,037,398,985	-	2,084,539,950	(2,084,539,950)
ETF certificates	46,675,204,613	46,813,052,300	137,847,687	193,178,689	(55,331,002)
Total	259,503,788,696	216,852,641,396	(42,651,147,300)	(29,672,602,090)	(12,978,545,210)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

5 NOTES TO THE INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)

5.3 Provisions for doubtful debts, impairments of financial assets and diminution in value of mortgages, and borrowing costs

	For the six-month period ended 30 June	
	2018	2017
	VND	VND
Interest expenses	106,388,116,206	39,743,001,526

5.4 General and administration expenses

	For the six-month period ended 30 June	
	2018	2017
	VND	VND
Staff costs	48,150,929,709	28,241,331,547
Office rental expenses	15,567,816,991	11,000,305,577
Outsourcing expenses	11,146,258,426	7,621,622,254
Depreciation and amortisation	5,054,870,416	1,834,243,179
Office tools and supplies	704,484,222	475,368,933
Tax and other fees	440,298,804	116,349,036
Other administrative expenses	2,170,862,644	2,149,486,515
Total	83,235,521,212	51,438,707,041

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

5 NOTES TO THE INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)

5.5 Corporate income tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Accounting profit before tax	588,459,908,017	289,323,967,237
Tax calculated at a rate of 20%:	117,691,981,603	57,864,793,447
Adjustment:		
Non-taxable income	(1,103,359,283)	(224,047,688)
Corporate income tax charge (*)	116,588,622,320	57,640,745,759
Charged to the interim statement of comprehensive income:		
Corporate income tax – current	116,588,622,320	56,549,260,520
Corporate income tax – deferred	-	1,091,485,239
Total	116,588,622,320	57,640,745,759

(*) The corporate income tax charge for the period is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

The tax authorities have finalised the Company's corporate income tax up to 31 December 2016.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

5 NOTES TO THE INTERIM STATEMENT OF COMPREHENSIVE INCOME (continued)

5.6 Earnings per share

(a) Basic earnings per share

According to prevailing regulations, basic earnings per share are calculated by dividing the net profit attributable to shareholders after deducting the appropriations to bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares.

As at the date of approval of these interim financial statements, the resolution of Annual General Meeting of shareholders regarding the appropriations to bonus and welfare funds from post-tax profits of the current year was not yet available. Therefore, the net profit amount used for calculation of basic earnings per shares for the reporting period is not deducted by the amount to be appropriated to bonus and welfare funds. For comparability purpose, the comparative figure was not deducted by the amounts appropriated to bonus and welfare funds, either.

	For the six-month period ended	
	30 June	
	2018	2017
Net profit after tax attributable to ordinary shareholders (VND)	471,871,285,697	231,683,221,478
Weighted average number of ordinary shares in issue (shares)	129,569,645	128,743,766
Basic earnings per share (VND/share)	3,642	1,800

(b) Diluted earnings per share

The Company did not have potentially diluted ordinary shares during the period.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

6 NOTES TO THE INTERIM STATEMENT OF CASH FLOWS

6.1 Major non-cash transactions affecting the interim statement of cash flows

	For the six-month period ended 30 June	
	2018 VND	2017 VND
Appropriation to bonus and welfare funds (Note 7.1(i), 7.1(ii))	55,405,916,374	30,453,098,130
Capital increase from bonus and welfare funds (Note 7.1(iii))	-	14,000,000,000
	<u>55,405,916,374</u>	<u>30,453,098,130</u>

6.2 Proceeds from borrowings

Proceeds from borrowings are bank overdrafts and loan drawdowns (Note 3.12).

6.3 Repayments of borrowings

Repayments of borrowings are bank overdrafts repayments and loan repayments (Note 3.12).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

7 NOTES TO THE INTERIM STATEMENT OF CHANGES IN EQUITY

7.1 Details of changes in equity

	Share capital VND	Share premium VND	Treasury shares VND	Revaluation reserve VND	Supplementary capital reserve VND	Financial risk and operation reserve VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1.1.2018	1,297,567,580,000	330,343,798,499	(2,602,257,008)	70,064,262,508	129,756,758,000	129,756,758,000	3,961,374,994	832,312,877,270	2,791,161,152,263
Post-tax profit for the period	-	-	-	-	-	-	-	471,871,285,697	471,871,285,697
Appropriation to bonus and welfare funds (i)	-	-	-	-	-	-	-	(55,405,916,374)	(55,405,916,374)
Appropriation to operation fund of Board of Directors (i)	-	-	-	-	-	-	-	(8,310,887,456)	(8,310,887,456)
Final dividend of the year 2017 (i)	-	-	-	-	-	-	-	(194,332,377,000)	(194,332,377,000)
Share repurchases	-	-	(21,600,000)	-	-	-	-	-	(21,600,000)
Reclassification to profit or loss upon disposal (Note 3.19)	-	-	-	(70,064,262,508)	-	-	-	-	(70,064,262,508)
As at 30.6.2018	1,297,567,580,000	330,343,798,499	(2,623,857,008)	-	129,756,758,000	129,756,758,000	3,961,374,994	1,046,134,982,137	2,934,897,394,622

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

7 NOTES TO THE INTERIM STATEMENT OF CHANGES IN EQUITY (continued)

7.1 Details of changes in equity (continued)

	Share capital VND	Share premium VND	Treasury shares VND	Revaluation reserve VND	Supplementary capital reserve VND	Financial risk and operation reserve VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1.1.2017	1,272,567,580,000	310,343,798,499	(1,072,257,008)	-	117,012,921,701	117,012,921,702	3,961,374,994	572,091,111,375	2,391,917,451,263
Share issuance (iii)	25,000,000,000	20,000,000,000	-	-	-	-	-	-	45,000,000,000
Post-tax profit for the period	-	-	-	-	-	-	-	231,683,221,478	231,683,221,478
Appropriation to bonus and welfare funds (ii)	-	-	-	-	-	-	-	(30,453,098,130)	(30,453,098,130)
Appropriation to operation fund of Board of Directors (ii)	-	-	-	-	-	-	-	(4,567,964,720)	(4,567,964,720)
Final dividend of the year 2016 (ii)	-	-	-	-	-	-	-	(155,586,441,600)	(155,586,441,600)
As at 30.6.2017	1,297,567,580,000	330,343,798,499	(1,072,257,008)	-	117,012,921,701	117,012,921,702	3,961,374,994	613,166,828,403	2,477,993,168,291

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****7 NOTES TO THE INTERIM STATEMENT OF CHANGES IN EQUITY (continued)****7.1 Details of changes in equity (continued)**

- (i) According to the Resolution of the Annual General Meeting of shareholders on 26 April 2018:
- 10% of post-tax profit for the year 2017 was appropriated to bonus and welfare funds;
 - 1.5% of post-tax profit for the year 2017 was appropriated to operation fund of Board of Directors;
 - Final dividend of the year 2017 was 15% of par value, equivalent to VND1,500/share.
 - Planned dividend of the year 2018 was 15% of par value, equivalent to VND1,500/share.
- (ii) According to the Resolution of the Annual General Meeting of shareholders on 24 April 2017:
- 10% of post-tax profit for the year 2016 was appropriated to bonus and welfare funds;
 - 1.5% of post-tax profit for the year 2016 was appropriated to operation fund of Board of Directors;
 - Final dividend of the year 2016 was 12% of par value, equivalent to VND1,200/share.
 - Planned dividend of the year 2017 was 12% of par value, equivalent to VND1,200/share.
- (iii) The Employee Stock Option Plan 2016 (ESOP 2016) was approved in the Annual General Meeting of shareholders on 21 April 2016. Accordingly, the Company issued 2,500,000 shares to its executives at VND18,000/share. The total issue value was VND45 billion, in which VND14 billion was sourced from bonus and welfare funds and VND31 billion was contributed by the executives. These shares are restricted from transfer in accordance with the ESOP 2016 Policy approved by the Board of Directors.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

7 NOTES TO THE INTERIM STATEMENT OF CHANGES IN EQUITY (continued)

7.2 Distributed earnings

	For the six-month period ended	
	30 June	
	2018	2017
	VND	VND
Undistributed earnings brought forward	861,985,479,360	628,246,013,560
Unrealised losses incurred in the period	(42,651,147,300)	(16,215,392,892)
Realised profits incurred in the period	484,849,830,907	191,743,712,185
Appropriations from undistributed earnings:		
<i>To bonus and welfare funds</i>	(55,405,916,374)	-
<i>To operation fund of Board of Directors</i>	(8,310,887,456)	-
Distributable profits	1,240,467,359,137	803,774,332,853
Dividend declared	194,332,377,000	155,586,441,600
Income tax withheld	(976,408,725)	(1,448,822,700)
Net amount distributed to shareholders	193,355,968,275	154,137,618,900

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

8 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

<u>Related party</u>	<u>Relationship</u>
Dragon Capital Markets Limited (DC)	Strategic shareholder, holding 30.27% of charter capital. The Company's Vice Chairman of the Board of Directors is the General Director of DC Group. The Company's member of the Board of Directors cum Chief Executive Officer is representative for DC's shares.
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)	Strategic shareholder, holding 28.90% of charter capital. Two members of the Board of Directors are Deputy General Director and Head of Investment Department at HFIC.
Board of Directors and Board of Management	Key management

(a) Related parties transactions

During the period, the following significant transactions were carried out with related parties:

	<u>For the six-month period ended 30 June</u>	
	<u>2018 VND</u>	<u>2017 VND</u>
Dragon Capital Markets Limited (DC)		
Brokerage service - purchases	-	105,165,500,000
Brokerage service - sales	321,120,255,600	443,519,015,980
Brokerage fee income	240,840,192	476,622,926
Consultancy expense	4,080,000,000	3,600,000,000
Dividend paid	82,485,501,000	66,773,977,000
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Dividend paid	78,750,000,000	63,750,000,000
Compensation of key management		
Gross salaries and other benefits	14,043,906,474	13,789,805,679

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

8 RELATED PARTIES DISCLOSURES (continued)

(b) Period-end balances with related parties

	As at	
	30.6.2018	31.12.2017
	VND	VND
Dragon Capital Markets Limited (DC)		
Receivable from securities purchasing (Note 3.5)	30,531,294,360	458,772,233,092
Dividend payable	-	23,999,023,561
Consultancy fee payable	4,080,000,000	-
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Deposits for securities trading	24,970,184	24,933,079
Dividend payable	-	22,910,632,470

9 SEGMENT REPORTING

(a) Geographical segments

The principal activities of the Company are carried out within Vietnam territory. Risks and returns of the Company are not materially affected by distinctions between geographical areas. On these grounds, the Board of Management determines that the Company has only one geographical segment.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

9 SEGMENT REPORTING (continued)

(b) Business activity segments

Income and expenses based on the Company's business activity segments are as follows:

	For the six-month period ended 30 June 2018					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	465,360,447,293	706,801,741,538	294,365,532,683	61,441,309,867	3,205,296,183	1,531,174,327,564
Expenses	(404,912,675,959)	(457,039,907,121)	(60,941,379,668)	(18,940,269,604)	(880,187,195)	(942,714,419,547)
Profit before tax	<u>60,447,771,334</u>	<u>249,761,834,417</u>	<u>233,424,153,015</u>	<u>42,501,040,263</u>	<u>2,325,108,988</u>	<u>588,459,908,017</u>
	For the six-month period ended 30 June 2017					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	213,339,213,806	97,714,595,405	193,762,382,541	23,308,142,344	1,578,333,452	529,702,667,548
Expenses	(183,455,640,367)	(4,286,697,666)	(45,481,144,337)	(6,478,226,753)	(676,991,188)	(240,378,700,311)
Profit before tax	<u>29,883,573,439</u>	<u>93,427,897,739</u>	<u>148,281,238,204</u>	<u>16,829,915,591</u>	<u>901,342,264</u>	<u>289,323,967,237</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

Assets and liabilities based on the Company's business activity segments are as follows:

	As at 30 June 2018						
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated VND	Total VND
Assets	531,143,532,278	231,825,584,204	3,794,410,963,682	2,994,709,187	28,542,263,890	15,645,012,303	4,604,562,065,544
Liabilities	(239,230,455,593)	-	(1,277,241,274,947)	-	(4,080,000,000)	(149,112,940,382)	(1,669,664,670,922)
Net assets	<u>291,913,076,685</u>	<u>231,825,584,204</u>	<u>2,517,169,688,735</u>	<u>2,994,709,187</u>	<u>24,462,263,890</u>	<u>(133,467,928,079)</u>	<u>2,934,897,394,622</u>
	As at 31 December 2017						
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated VND	Total VND
Assets	914,328,964,773	1,259,885,805,297	4,473,823,171,871	2,487,194,998	12,564,616,915	17,482,289,667	6,680,572,043,521
Liabilities	(438,091,354,185)	(15,042,694,266)	(3,289,502,565,194)	-	(3,634,594,803)	(143,139,682,810)	(3,889,410,891,258)
Net assets	<u>476,237,610,588</u>	<u>1,244,843,111,031</u>	<u>1,184,320,606,677</u>	<u>2,487,194,998</u>	<u>8,930,022,112</u>	<u>(125,657,393,143)</u>	<u>2,791,161,152,263</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018****10 FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise the adverse effect of these risks on the Company's financial performance.

The Board of Management of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Board of Management establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Financial risk management is carried out by finance personnel. The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the Board of Management.

The information presented below is based on information received from the Board of Management.

(a) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from cash at banks, financial assets, receivables and other assets.

Balances with banks

All bank balances are placed with local credit institutions which have high credit ratings.

Financial assets at fair value through profit or loss

The Company's listed and unlisted securities will only be traded on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange or with counterparties which have a specified credit rating. All securities transactions are settled or paid for upon receipt/delivery of securities via approved brokers. The risk of default is considered minimal since the delivery of securities for sale transaction is made only once payment has been received and delivery of funds for purchase transaction is only made once the securities have been received. If either party fails to meet their obligations, the trade will fail.

Trading advances

Trading advances are collected from Vietnam Securities Depository which is a state-owned entity and has no history of payment defaults.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Margin loans

Margin loans are secured by eligible securities listed on Ho Chi Minh City Stock Exchange and Hanoi Stock Exchange, customers' cash and trading proceeds. Under the prevailing regulations on margin lending, the loan limit is set at 50% of the eligible securities' value. Eligible securities are defined by the Stock Exchanges based on a number of criteria including liquidity and frequently updated.

Customer Services department is responsible for the continuous review of margin loan report which includes balances, collateral assets and margin maintenance ratio. When the margin maintenance ratio falls below 40% (regulated level: 30%), the system alerts and the Company makes margin calls. When the margin maintenance ratio falls below 30%, the Company forcibly sells out collateral assets to collect the loans.

Receivables and other assets

Credit exposure is restricted by transacting with counterparties with high credit ratings and obtaining security where necessary.

Credit risk exposure includes the following balances:

	As at	
	30.6.2018	31.12.2017
	VND	VND
Cash at bank (Note 3.1)	762,004,779,734	195,756,571,187
Loans (Note 3.3)	3,041,959,733,900	4,501,592,303,606
Receivables (Note 3.5)	431,701,897,894	517,622,386,490
Total credit risk exposure	4,235,666,411,528	5,214,971,261,283

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

10 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate according to changes in market prices. The Company's market risks include interest rate risk, currency risk and other price risk, such as share price risk.

The Company manages this risk through the careful selection of securities and other financial instruments within specified limits.

- Interest rate risk

The Company is exposed to interest rate risk mainly from its borrowings and deposits at banks.

The Company's borrowings, deposits placed with banks and margin loans are at fixed rates and due in short term, so interest rate risk is minimal.

- Currency risk

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company is incorporated and operates in Vietnam, with its reporting currency being Vietnamese Dong and its transactional currency being also Vietnamese Dong. The Company's business is exposed to foreign currency risk arising from various currency exposures, primarily the US Dollar ("USD"). As at 30 June 2018 and as at 31 December 2017, the Company had a small amount in United States Dollar, therefore its currency risk is considered not material.

- Share price risk

Listed and unlisted shares held by the Company are affected by market risk due to the uncertainty in the future value of invested shares that can result in an increase/decrease in the provision for diminution in value of investments. The Company manages its share price risk by setting up investment limits. The Investment Committee also considers and approves decisions on investment in shares.

At 30 June 2018, had the prices of securities increased/decreased by 10% with all other variables being held constant (including tax rate), the Company's profit after tax for the period would have been higher/lower by VND22,811,225,712 (at 31 December 2017: higher/lower by VND110,971,235,264).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

10 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in performing financial obligations due to capital shortage.

The Company's approach to managing liquidity risk is to ensure that it will always have sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The table below presents the Company's financial liabilities at contractual undiscounted cash flows falling due within 1 year:

	As at	
	30.6.2018	31.12.2017
	VND	VND
Short-term borrowings (Note 3.12)	432,068,799,000	2,479,755,399,374
Short-term issued bonds (Note 3.12)	800,000,000,000	800,000,000,000
Trading obligations (Note 3.13)	233,976,255,834	352,425,986,816
Short-term trade account payables	3,185,912,882	3,326,671,321
Short-term accrued expenses (Note 3.15)	73,820,762,824	50,020,750,442
Other short-term payables (Note 3.16)	17,920,813,065	92,095,955,096
Total financial liabilities	1,560,972,543,605	3,777,624,763,049

(d) Capital risk management

Capital Adequacy Ratio ("CAR") is an indicator that measures the Company's financial safety and ability to meet its financial obligations and absorb certain losses resulting from risks arising during its business operation.

CAR is calculated and presented in the Company's monthly capital adequacy ratio report in accordance with Circular 87/2017/TT-BTC issued by the Ministry of Finance on 15 August 2017 ("Circular 87/2017/TT-BTC") effective from 10 October 2017, regulating requirements of capital adequacy ratio applicable to securities dealing institutions and sanctions imposed on non-compliance. According to Circular 87/2017/TT-BTC, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 30 June 2018, the Company's CAR was 501% (as at 31 December 2017: 526%).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

11 OPERATING LEASE COMMITMENTS

The Company currently rents offices under operating leases. The future minimum lease payments under non-cancellable operating lease contracts are as follows:

	As at	
	30.6.2018	31.12.2017
	VND	VND
Within 1 year	26,656,497,213	15,975,476,765
Between 1 and 5 years	72,995,625,494	34,886,548,067
Total minimum payments	99,652,122,707	50,862,024,832

12 COMPARATIVE FIGURES

Certain comparative figures have been restated and reclassified to conform to the current period's presentation under Circular 334/2016/TT-BTC, in particular:

(a) Interim statement of comprehensive income

Code	ITEMS	Six-month period ended 30 June 2017		
		Previously reported VND	Reclassification VND	Restated VND
	OPERATING INCOME			
08	Investment consultancy service income	23,308,142,344	(23,308,142,344)	-
10	Financial consultancy service income	-	23,308,142,344	23,308,142,344

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

12 COMPARATIVE FIGURES (continued)

(b) Interim statement of cash flows

Code	ITEMS	Six-month period ended 30 June 2017		
		Previously reported VND	Reclassification VND	Restated VND
06	Interest expenses	-	39,743,001,526	39,743,001,526
30	Changes in working capital	(393,355,289,161)	(25,743,001,526)	(419,098,290,687)
41	(Decrease)/increase in accrued expenses (excluding interest expenses)	2,209,457,957	418,263,531	2,627,721,488
44	Interest paid	-	(40,161,265,057)	(40,161,265,057)
50	(Decrease)/increase in other short-term payables	709,667,190,310	14,000,000,000	723,667,190,310
60	Net cash inflows from/(outflows for) operating activities	(140,122,326,981)	14,000,000,000	(126,122,326,981)
71	Proceeds from issuance of shares	45,000,000,000	(14,000,000,000)	31,000,000,000
80	Net cash (outflows for)/inflows from financing activities	135,612,390,250	(14,000,000,000)	121,612,390,250

13 SUBSEQUENT EVENTS

There have been no significant subsequent events occurring after the reporting date that would require adjustments or disclosures to be made in the interim financial statements.

14 OPERATIONAL FACTS

Volume and value of transactions during the period

	Volume of transactions during the period	Value of transactions during the period VND
a) Of the Company		
Shares	645,414,972	21,623,382,480,200
Bonds	84,163,217	9,215,066,755,915
Future contracts	148,333	14,726,379,110,000
b) Of Investors		
Shares	4,566,092,963	133,028,447,718,540
Bonds	351,220,881	36,429,637,835,993
Future contracts	2,795,972	272,752,189,587,000
	5,649,836,338	487,775,103,487,648

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

The interim financial statements were approved by the Board of Management on 10 August 2018.



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer



Johan Nyvene
Chief Executive Officer

