

HO CHI MINH CITY SECURITIES CORPORATION

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

HO CHI MINH CITY SECURITIES CORPORATION

INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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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. 40/GPĐC-UBCK was issued on 25 June 2019.

Board of Directors

Mr. Do Hung Viet	Chairman
Mr. Le Anh Minh	Vice Chairman
Mr. Pham Nghiem Xuan Bac	Member
Mr. Le Thang Can	Member
Mr. Johan Nyvene	Member
Mr. Le Hoang Anh	Member
Mr. Lam Hoai Anh	Member

Board of Management

Mr. Johan Nyvene	Chief Executive Officer
Mr. Trinh Hoai Giang	Deputy Chief Executive Officer
Mr. Le Cong Thien	Deputy Chief Executive Officer
Mr. Le Anh Quan	Managing Director
Mr. Stephen James McKeeever	Managing Director
Mr. Pham Ngoc Bich	Managing Director
Mr. Bach Quoc Vinh	Managing Director
Mr. Tran Tan Dat	Managing Director
Mr. Nguyen Quoc Nam	Managing Director
Mr. Nguyen Canh Thinh	Managing Director

Legal Representative

Mr. Johan Nyvene	Chief Executive Officer
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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 2019 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 judgments 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 76 which give a true and fair view of the financial position of the Company as at 30 June 2019 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 preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of Management



Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam
12 August 2019



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 2019 and approved by the Board of Management on 12 August 2019. The interim financial statements comprise the interim statement of financial position as at 30 June 2019, 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 76.

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 preparation and presentation of financial statements applicable to securities companies operating in Vietnam and for such internal control which the Board of Management determines is 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.

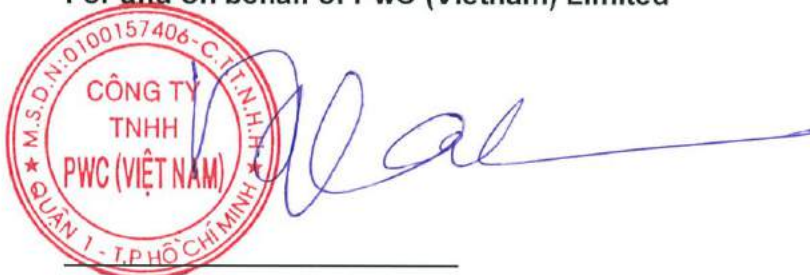
Conclusion

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 2019, 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



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

Report reference number: HCM8553
Ho Chi Minh City, 12 August 2019

INTERIM STATEMENT OF FINANCIAL POSITION

Code	ITEM	Note	As at	
			30.6.2019 VND	31.12.2018 VND
ASSETS				
100	CURRENT ASSETS		6,998,268,200,447	5,065,174,554,410
110	Financial assets		6,862,918,495,428	4,949,941,619,088
111	Cash and cash equivalents	3.1	390,190,355,845	117,332,185,998
111.1	<i>Cash</i>		390,190,355,845	117,332,185,998
112	Financial assets at fair value through profit or loss (FVTPL)	3.2	1,055,234,839,105	851,839,940,206
114	Loans	3.3	4,719,424,343,608	3,262,014,843,244
116	Provision for impairments of financial assets and mortgages	3.3	(23,573,148,070)	(23,573,148,070)
118	Prepayments to suppliers		1,928,338,710	2,081,707,500
119	Service related receivable	3.4	703,271,433,319	725,571,555,348
122	Other receivables	3.4	56,026,125,059	54,258,327,010
129	Provision for doubtful debts	3.5	(39,583,792,148)	(39,583,792,148)
130	Other current assets		135,349,705,019	115,232,935,322
131	Advances		468,266,720	594,697,297
133	Short-term prepaid expenses		11,681,292,849	8,976,240,525
134	Pledged assets, mortgages, security deposits in short term		3,484,832,500	3,405,632,500
137	Other current assets		119,715,312,950	102,256,365,000
137.1	<i>Deposits for derivatives trading activities</i>	3.6	119,715,312,950	102,256,365,000
200	NON-CURRENT ASSETS		195,811,507,078	191,130,772,771
220	Fixed assets		41,663,648,381	47,422,412,537
221	Tangible fixed assets	3.7(a)	22,711,123,482	24,065,517,122
222	<i>Historical cost</i>		77,279,924,019	73,789,663,436
223a	<i>Accumulated depreciation</i>		(54,568,800,537)	(49,724,146,314)
227	Intangible fixed assets	3.7(b)	18,952,524,899	23,356,895,415
228	<i>Historical cost</i>		65,313,024,363	64,392,294,363
229a	<i>Accumulated amortisation</i>		(46,360,499,464)	(41,035,398,948)
240	Construction in progress	3.7(c)	8,603,677,656	4,447,220,550
250	Other non-current assets		145,544,181,041	139,261,139,684
251	Pledged assets, mortgages, security deposits in long term		7,591,788,877	7,528,788,877
252	Long-term prepaid expenses	3.8	106,393,600,285	100,173,558,928
253	Deferred income tax assets	3.16	1,558,791,879	1,558,791,879
254	Deposits in the Settlement support fund	3.9	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>	3.10	10,000,000,000	10,000,000,000
270	TOTAL ASSETS		7,194,079,707,525	5,256,305,327,181

The notes on pages 15 to 76 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEM	Note	As at	
			30.6.2019 VND	31.12.2018 VND
300	LIABILITIES		2,975,822,428,493	2,195,769,164,684
310	Current liabilities		2,975,822,428,493	2,195,769,164,684
311	Short-term borrowings and finance lease liabilities		2,441,123,117,328	1,554,132,323,195
312	<i>Short-term borrowings</i>	3.11	2,441,123,117,328	1,554,132,323,195
316	Short-term issued bonds	3.11	150,000,000,000	150,000,000,000
318	Trading obligations	3.12	257,364,716,939	315,637,153,051
320	Short-term trade accounts payable		2,195,435,243	3,466,914,332
322	Tax and other payables to the State Budget	3.13	40,761,715,839	34,014,747,386
324	Employee welfare payables		3,934,850,638	3,591,087,935
325	Short-term accrued expenses	3.14	36,897,875,219	58,349,981,835
329	Other short-term liabilities	3.15	25,275,446,676	31,471,069,058
331	Bonus and welfare funds		18,269,270,611	45,105,887,892
400	OWNERS' EQUITY		4,218,257,279,032	3,060,536,162,497
410	Capital and reserves		4,218,257,279,032	3,060,536,162,497
411	Owners' capital		3,413,254,836,992	1,625,017,521,491
411.1	Share capital	3.17	3,058,822,630,000	1,297,567,580,000
411.1a	<i>Ordinary shares</i>		3,058,822,630,000	1,297,567,580,000
411.2	Share premium		358,946,064,000	330,343,798,499
411.5	Treasury shares		(4,513,857,008)	(2,893,857,008)
412	Revaluation reserve	3.18	-	-
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	3.19	541,527,551,046	1,172,043,750,012
417.1	<i>Realised post-tax profits</i>		568,457,338,847	1,223,955,850,562
417.2	<i>Unrealised losses</i>		(26,929,787,801)	(51,912,100,550)
440	TOTAL RESOURCES		7,194,079,707,525	5,256,305,327,181

The notes on pages 15 to 76 are an integral part of these interim financial statements.

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEM	Note	As at	
			30.6.2019	31.12.2018
A	ASSETS OF THE COMPANY AND ASSETS IN TRUST			
			Amount (VND)	
004	Bad debts written off	4.1	345,059,000	345,059,000
			Original currency	
005	Foreign currencies	4.2		
	US Dollar		4,976.70	5,176.74
	Japanese Yen		241,915	241,915
	Singapore Dollar		844	590
	British Pound		100,00	100.00
	New Taiwan Dollar		3,200	3,200
	Canadian Dollar		100	100
	Malaysian Ringgit		750	750
			Quantity	
006	Number of shares in issue (shares)	4.3	305,589,673	129,554,168
007	Number of treasury shares (shares)	3.17	292,590	202,590
			Par value (VND)	
008	Securities listed/registered at Vietnam Securities Depository (VSD)		536,694,758,000	317,517,950,000
009	Securities in custody of VSD and not yet traded		3,737,270,000	3,150,000,000
010	Securities purchased and awaiting settlement		54,065,212,000	18,501,900,000
012	Securities not in custody of VSD		26,401,400,000	26,401,400,000
			Quantity	
018	Covered warrants authorised but not yet issued		2,611,260	-
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			Par value (VND)	
021	Securities listed/registered at Vietnam Securities Depository (VSD)		23,395,748,459,758	20,261,840,614,043
021.1	Freely traded securities		19,361,774,710,000	15,934,948,960,000
021.2	Restricted securities		310,782,240,000	269,550,390,000
021.3	Mortgaged securities		2,897,840,520,000	3,391,438,550,000
021.4	Suspended securities		307,777,880,000	132,776,880,000
021.5	Securities awaiting settlement		388,884,340,000	270,097,200,000
021.7	Customers' deposits for derivatives trading		128,688,769,758	263,028,634,043

The notes on pages 15 to 76 are an integral part of these interim financial statements.

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEM	As at	
		30.6.2019	31.12.2018
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)	<i>Par value (VND)</i>	
022	Securities in custody of VSD and not yet traded	187,447,030,000	7,536,110,000
022.1	Securities in custody of VSD and not yet traded – freely traded securities	167,729,900,000	5,612,110,000
022.2	Securities in custody of VSD and not yet traded – suspended securities	19,717,130,000	1,924,000,000
023	Securities purchased and awaiting settlement	374,426,063,000	352,223,480,000
026	Customers' deposits	1,122,103,627,843	1,285,995,489,258
027	Customers' deposits for securities trading	993,414,858,085	1,022,966,855,215
027.1	Customers' deposits at VSD	128,688,769,758	263,028,634,043
031	Payables to customers relating to their deposits at the Company for securities trading	993,414,858,085	1,022,966,855,215
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading	967,331,396,888	1,016,049,164,264
031.2	Payables to foreign customers relating to their deposits at the Company for securities trading	26,083,461,197	6,917,690,951



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
12 August 2019

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Code	ITEM	Note	For the six-month period ended 30 June	
			2019 VND	2018 VND
	OPERATING INCOME			
01	Gains from financial assets at fair value through profit or loss (FVTPL)		251,485,670,618	706,801,741,538
01.1	<i>Realised gains on disposal of FVTPL financial assets</i>	5.1	196,677,129,176	692,666,385,106
01.2	<i>Increase/(decrease) in revaluation gains of FVTPL financial assets</i>	5.2	10,452,747,719	(39,348,104,553)
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		44,355,793,723	53,483,460,985
03	Interest income from loans and receivables		233,785,625,058	292,435,709,563
06	Brokerage fee income		237,818,436,480	461,237,406,966
09	Custody service income		3,777,322,386	4,123,040,327
10	Financial consultancy service income		34,833,742,068	61,441,309,867
11	Other operating income		1,096,026,498	3,126,378,001
20	TOTAL OPERATING INCOME		762,796,823,108	1,529,165,586,262
	OPERATING EXPENSES			
21	Losses from financial assets at fair value through profit or loss (FVTPL)		(165,782,333,179)	(484,502,939,404)
21.1	<i>Realised losses on disposal of FVTPL financial assets</i>	5.1	(180,311,898,209)	(510,872,498,747)
21.2	<i>Decrease in revaluation losses of FVTPL financial assets</i>	5.2	14,553,749,638	26,369,559,343
21.4	<i>Increase in revaluation losses of covered warrants</i>	5.2	(24,184,608)	-
24	Provisions for doubtful debts, impairments of financial assets and diminution in value of mortgages, and borrowing costs	5.3	(74,718,178,055)	(106,388,116,206)
26	Self-trading expenses		(38,206,755,439)	(40,681,666,235)
27	Brokerage fee expenses		(152,997,081,044)	(218,906,827,538)
30	Custody fee expenses		(4,235,601,166)	(5,091,317,209)
31	Financial consultancy expenses		(6,222,488,360)	(16,278,647,389)
32	Other operating expenses		(211,151,730)	(190,658,517)
40	TOTAL OPERATING EXPENSES		(442,373,588,973)	(872,040,172,498)

The notes on pages 15 to 76 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	
			2019 VND	2018 VND
	FINANCIAL INCOME			
42	Dividend income and interest income from demand deposits		1,753,663,447	1,929,823,120
50	TOTAL FINANCIAL INCOME		1,753,663,447	1,929,823,120
62	GENERAL AND ADMINISTRATION EXPENSES	5.4	(83,989,531,196)	(70,674,247,049)
70	OPERATING RESULT		238,187,366,386	588,380,989,835
	OTHER INCOME AND EXPENSES			
71	Other income		18,386,364	78,918,182
80	NET OTHER INCOME		18,386,364	78,918,182
90	NET ACCOUNTING PROFIT BEFORE TAX		238,205,752,750	588,459,908,017
91	Realised profit		213,223,440,001	601,438,453,227
92	Unrealised profit/(loss)		24,982,312,749	(12,978,545,210)
100	CORPORATE INCOME TAX	5.5	(45,603,530,980)	(116,588,622,320)
100.1	Corporate income tax – current		(45,603,530,980)	(116,588,622,320)
100.2	Corporate income tax – deferred		-	-
200	NET PROFIT AFTER TAX		192,602,221,770	471,871,285,697
300	OTHER COMPREHENSIVE INCOME, NET OF TAX			
301	Loss from revaluation of AFS financial assets	3.18	-	(70,064,262,508)
400	TOTAL OTHER COMPREHENSIVE INCOME		-	(70,064,262,508)
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.6	817	2,185
502	Diluted earnings per share (VND/share)	5.6	817	2,185



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
12 August 2019

The notes on pages 15 to 76 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	
			2019	2018
			VND	VND
	Cash flows from operating activities			
01	Net profit before tax		238,205,752,750	588,459,908,017
02	Adjustments for:		71,351,205,690	100,350,008,872
03	Depreciation and amortisation		11,657,578,656	9,117,978,794
06	Interest expenses		74,718,178,055	106,388,116,206
07	Profits from investing activities		(18,386,364)	(78,918,182)
08	Accrued interest income		(15,006,164,657)	(15,077,167,946)
10	Changes in non-cash expenses		(14,529,565,030)	(26,369,559,343)
11	Decrease in revaluation losses of FVTPL financial assets		(14,553,749,638)	(26,369,559,343)
11.1	Revaluation losses of covered warrants		24,184,608	-
18	Changes in non-cash income		(10,452,747,719)	39,348,104,553
19	(Increase)/decrease in revaluation gains of FVTPL financial assets		(10,452,747,719)	39,348,104,553
30	Changes in working capital		(1,864,508,453,781)	2,199,794,573,587
31	(Increase)/decrease in FVTPL financial assets		(178,388,401,542)	630,799,004,190
33	(Increase)/decrease in loans		(1,457,409,500,364)	1,459,632,569,706
34	Decrease in AFS financial assets		-	311,675,286,366
37	Decrease in service related receivables		22,300,122,029	102,364,382,376
39	Decrease/(increase) in other receivables		13,364,797,185	(1,550,810,059)
41	Decrease in accrued expenses (excluding interest expenses)		(58,728,746,795)	(36,046,412,945)
42	Increase in prepaid expenses		(8,925,093,681)	(11,797,436,455)
43	Corporate income tax ("CIT") paid		(36,950,949,460)	(128,991,106,550)
44	Interest paid		(64,551,912,876)	(70,962,806,079)
45	Decrease in trade payables		(1,118,110,299)	(4,870,614,074)
46	Increase in employee welfare payables		343,762,703	863,696,090
47	Decrease in tax and other payables to the State Budget (excluding CIT paid)		(1,907,451,703)	(7,505,211,478)
50	Decrease in other short-term payables		(75,990,918,820)	(123,659,146,974)
50.1	Increase in covered warrants payable		1,055,097,792	-
51	Other receipts from operating activities		-	81,779,610,000
52	Other payments for operating activities		(17,601,147,950)	(1,936,430,527)
60	Net cash (outflows for)/ inflows from operating activities		(1,579,933,808,090)	2,901,583,035,686
	Cash flows from investing activities			
61	Purchases of fixed assets		(10,055,271,606)	(16,340,043,710)
62	Proceeds from disposals of fixed assets		20,225,000	86,810,000
70	Net cash outflows from investing activities		(10,035,046,606)	(16,253,233,710)

The notes on pages 15 to 76 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	
			2019	2018
			VND	VND
	Cash flows from financing activities			
71	Proceeds from issuance of shares	6.1	1,222,514,474,000	-
72	Payments for share repurchases		(1,116,000,000)	(21,600,000)
73.2	Proceeds from borrowings	6.2	16,189,267,966,616	14,778,261,287,940
74.3	Repayments of borrowings	6.3	(15,302,277,172,483)	(16,825,947,888,314)
76	Dividend paid		(245,562,243,590)	(271,608,990,495)
80	Net cash inflows from/(outflows for) financing activities		1,862,827,024,543	(2,319,317,190,869)
90	Net increase in cash and cash equivalents		272,858,169,847	566,012,611,107
101	Cash and cash equivalents at beginning of year		117,332,185,998	196,221,037,531
101.1	Cash	3.1	117,332,185,998	196,221,037,531
103	Cash and cash equivalents at end of year		390,190,355,845	762,233,648,638
103.1	Cash	3.1	390,190,355,845	762,233,648,638

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

The notes on pages 15 to 76 are an integral part of these interim financial statements.

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	
		2019 VND	2018 VND
	Cash flows of brokerage and trusting activities		
01	Trade proceeds	31,120,426,418,550	64,911,102,420,300
02	Trade payments	(34,166,473,391,660)	(69,934,747,958,840)
07	Payments from customers' trading accounts	3,020,272,298,366	5,531,865,448,041
11	Payments for custody fees of customers	(3,777,322,386)	(4,123,040,327)
20	(Decrease)/increase in customers' deposits	(29,551,997,130)	504,096,869,174
30	Customers' deposits at beginning of year	1,022,966,855,215	900,545,247,380
31	Cash at bank	1,022,966,855,215	900,545,247,380
32	<i>Customers' deposits at the Company for securities trading</i>	<i>1,022,966,855,215</i>	<i>900,545,247,380</i>
40	Customers' deposits at end of year	993,414,858,085	1,404,642,116,554
41	Cash at bank	993,414,858,085	1,404,642,116,554
42	<i>Customers' deposits at the Company for securities trading</i>	<i>993,414,858,085</i>	<i>1,404,642,116,554</i>



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
12 August 2019

The notes on pages 15 to 76 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY

Items	As at		For the six-month period ended		For the six-month period ended		As at	
	1.1.2018	1.1.2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30.6.2018	30.6.2019
1. Share capital	1,625,309,121,491	1,625,017,521,491	(21,600,000)	-	2,118,581,114,000	(330,343,798,499)	1,625,287,521,491	3,413,254,836,992
1.1 Ordinary shares	1,297,567,580,000	1,297,567,580,000	-	-	1,761,255,050,000	-	1,297,567,580,000	3,058,822,630,000
1.2 Share premium	330,343,798,499	330,343,798,499	-	-	358,946,064,000	(330,343,798,499)	330,343,798,499	358,946,064,000
1.3 Treasury shares	(2,602,257,008)	(2,893,857,008)	(21,600,000)	-	(1,620,000,000)	-	(2,623,857,008)	(4,513,857,008)
2. Revaluation reserve	70,064,262,508	-	-	(70,064,262,508)	-	-	-	-
3. Supplementary capital reserve	129,756,758,000	129,756,758,000	-	-	-	-	129,756,758,000	129,756,758,000
4. Financial and operational risk reserve	129,756,758,000	129,756,758,000	-	-	-	-	129,756,758,000	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	832,312,877,270	1,172,043,750,012	471,871,285,697	(258,049,180,830)	192,602,221,770	(823,118,420,736)	1,046,134,982,137	541,527,551,046
6.1 Realised profits	861,985,479,360	1,223,955,850,562	484,849,830,907	(258,049,180,830)	167,619,909,021	(823,118,420,736)	1,088,786,129,437	568,457,338,847
6.2 Unrealised losses	(29,672,602,090)	(51,912,100,550)	(12,978,545,210)	-	24,982,312,749	-	(42,651,147,300)	(26,929,787,801)
Total	2,791,161,152,263	3,060,536,162,497	471,849,685,697	(328,113,443,338)	2,311,183,335,770	(1,153,462,219,235)	2,934,897,394,622	4,218,257,279,032

Le Thi Thuy Duong
Preparer

Lam Huu Ho
Chief Financial Officer



Johan Nyvene
Chief Executive Officer
12 August 2019

The notes on pages 15 to 76 are an integral part of these interim financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****1 GENERAL INFORMATION*****Establishment and listing status***

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. 40/GPĐC-UBCK was issued on 25 June 2019.

The Company was listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 27/QĐ-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 20 April 2009.

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 issued in the Annual General Meeting of shareholders and came into effect since 25 June 2019.

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 VND3,058,822,630,000.

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****1 GENERAL INFORMATION (continued)*****Network of operation***

As at the reporting date, the Company had 8 branches and transaction offices in Vietnam.

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”), Circular 334/2016/TT-BTC dated 27 December 2016 (“Circular 334/2016/TT-BTC”) and Circular 23/2018/TT-BTC dated 12 March 2018 (“Circular 23/2018/TT-BTC”) all issued by the Ministry of Finance, and prevailing regulations on the preparation and presentation of interim 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.

The interim financial statements in Vietnamese language are the official statutory interim financial statements of the Company. The interim financial statements in English language have been translated from the Vietnamese language interim financial statements.

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 2019 to 30 June 2019.

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Currency (continued)**

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 profit or loss of the interim statement of comprehensive income.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank.

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 by the Board of Management 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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****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)*

- 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.

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 profit or loss of 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 costs 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 2019

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 that the Company 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 trade errors 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 2019****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 profit or loss of 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 2019****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 applies valuation bases for financial assets in accordance with Circular 87/2017/TT-BTC dated 15 August 2017 regarding capital adequacy ratio of securities trading entities and Circular 146/2014/TT-BTC dated 6 October 2014 regarding financial regimes for securities companies and fund management companies, both issued by the Ministry of Finance 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) *Bonds listed on stock exchanges*

These bonds are revalued basing on the quoted price (also called “clean price”) on stock exchanges at the latest trading date prior to the valuation date plus accumulated accrued interests. Those bonds not traded for more than two (2) weeks prior to valuation date are carried at their purchase prices plus accumulated accrued interests.

- (iv) *Unlisted bonds*

Unlisted bonds are measured at their purchase prices plus accumulated accrued interests.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial assets (continued)

(e) Determination of market value/fair value (continued)

(v) 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.

(vi) 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 reporting date. Provision/reversal of provision for loans is debited/credited to expenses in profit or loss of the interim statement of comprehensive income.

(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 profit or loss of the interim statement of comprehensive income.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(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 profit or loss of the interim statement of comprehensive income.

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 profit or loss of 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 profit or loss of the interim statement of comprehensive on a straight-line basis over the period of the lease.

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 profit or loss of 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 prudence concept.

(b) Classification

Classifications of liabilities are based on their nature as follows:

- Borrowings;
- Bonds;
- Trading obligations including balances with Securities Depository;
- Trade payables arising from purchases of goods or services; and
- 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 year from the reporting date to their maturity dates.

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 qualified 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 profit or loss of the interim statement of comprehensive income when incurred.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Accrued expenses**

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

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 to profit or loss of the interim statement of comprehensive income.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Equity (continued)****(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.

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 profit or loss of 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 before selling costs 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue and income recognition (continued)****(b) *Income from securities trading and investments in other entities (continued)***

Cash dividend is recognised as income in profit or loss of the interim statement of comprehensive income when the Company's right to receive dividend is established, while stock dividends is not recognised as income, instead their quantity are added to the Company's securities portfolio.

(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. Such 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 activities other than those listed above is recognised on an accrual basis.

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 year 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 year, 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.

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, Circular 334/2016/TT-BTC and Circular 23/2018/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	
	30.6.2019	31.12.2018
	VND	VND
Cash on hand	236,344,234	214,969,560
Cash at bank	384,454,011,611	117,117,216,438
Security deposit for covered warrants issued (*)	5,500,000,000	-
Total	390,190,355,845	117,332,185,998

(*) This represents security deposit at custodian banks in relation to covered warrants issued by the Company (as at 31 December 2018: nil).

HO CHI MINH CITY SECURITIES CORPORATION

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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 30.6.2019		As at 31.12.2018	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed shares and shares traded on UPCoM		673,577,237,493	660,812,593,973	709,217,997,093	672,534,932,248
Mobile World Investment Corporation	MWG	60,014,836,400	63,100,288,000	106,614,140,257	105,527,259,000
Vietnam Dairy Products Joint Stock Company	VNM	59,627,063,217	58,700,151,000	59,409,623,886	56,724,480,000
Military Commercial Joint Stock Bank	MBB	49,881,769,504	48,231,724,200	31,795,383,922	29,621,027,400
Vingroup Joint Stock Company	VIC	48,835,064,054	48,491,142,700	63,560,661,503	59,581,750,600
Vietnam Technology and Commercial Joint Stock Bank	TCB	49,585,194,708	48,013,993,500	2,870,235,050	2,585,258,500
Hoa Phat Group Joint Stock Company	HPG	32,897,681,050	40,609,175,000	39,529,491,256	40,626,579,400
Masan Group Corporation	MSN	41,626,351,342	40,278,240,000	43,441,013,888	41,793,425,000
VietJet Aviation Joint Stock Company	VJC	34,840,984,344	36,204,672,000	34,277,986,635	33,281,520,000
Vietnam Prosperity Joint-Stock Commercial Bank	VPB	34,129,372,715	33,877,739,700	75,480,916,835	69,438,907,650
Vinhomes Joint Stock Company	VHM	29,237,788,315	29,061,705,400	-	-
FPT Corporation	FPT	25,320,219,987	25,712,823,500	19,890,578,135	19,947,771,200
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VCB	21,945,800,134	21,726,901,500	19,992,117,637	19,866,422,500
No Va Land Investment Group Corporation	NVL	20,229,883,620	20,258,755,200	21,134,909,503	21,070,632,600
Sai Gon Thuong Tin Commercial Joint Stock Bank	STB	20,799,230,613	20,246,913,150	21,570,272,938	21,097,235,050
Vincom Retail Joint Stock Company	VRE	15,893,134,783	15,536,271,400	30,518,717,358	30,421,713,600
Others		128,712,862,707	110,762,097,723	139,131,948,290	120,950,949,748
Unlisted and unregistered shares		53,552,640,000	39,377,138,000	53,552,640,000	39,377,138,000
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
Others		14,749,000,000	573,498,000	14,749,000,000	573,498,000
Underlying assets designated as hedges for covered warrants		4,193,173,592	4,209,550,000	-	-
Mobile World Investment Corporation	MWG	2,850,833,000	2,848,960,000	-	-
Military Commercial Joint Stock Bank	MBB	1,342,340,592	1,360,590,000	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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

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

	Ticker symbol	As at 30.6.2019		As at 31.12.2018	
		Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Listed bond		330,546,334,732	330,546,334,732	81,450,161,318	81,450,161,318
Vietnam State Treasury	TD1949205	190,999,680,000	190,999,680,000	-	-
Ho Chi Minh City Infrastructure Investment Joint Stock Company	CII11709	139,546,654,732	139,546,654,732	81,450,161,318	81,450,161,318
Unlisted bond		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Vietnam Bank for Social Policies	BVBS18164	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
ETF certificates		19,271,056,481	19,289,222,400	58,531,242,345	57,477,708,640
VFMVN30 ETF	E1VFN30	19,271,056,481	19,289,222,400	58,531,242,345	57,477,708,640
Total		1,082,140,442,298	1,055,234,839,105	903,752,040,756	851,839,940,206

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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 2019

	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	673,577,237,493	15,033,788,188	(27,798,431,708)	660,812,593,973
Unlisted and unregistered shares	53,552,640,000	-	(14,175,502,000)	39,377,138,000
Underlying assets designated as hedges for covered warrants	4,193,173,592	18,249,408	(1,873,000)	4,209,550,000
Listed bond	330,546,334,732	-	-	330,546,334,732
Unlisted bond	1,000,000,000	-	-	1,000,000,000
ETF certificates	19,271,056,481	18,165,919	-	19,289,222,400
Total	1,082,140,442,298	15,070,203,515	(41,975,806,708)	1,055,234,839,105

As at 31 December 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	709,217,997,093	4,617,455,796	(41,300,520,641)	672,534,932,248
Unlisted and unregistered shares	53,552,640,000	-	(14,175,502,000)	39,377,138,000
Listed bond	81,450,161,318	-	-	81,450,161,318
Unlisted bond	1,000,000,000	-	-	1,000,000,000
ETF certificates	58,531,242,345	-	(1,053,533,705)	57,477,708,640
Total	903,752,040,756	4,617,455,796	(56,529,556,346)	851,839,940,206

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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	
		30.6.2019	31.12.2018
		VND	VND
Margin loans	(i)	4,642,309,650,782	3,143,086,409,319
Trading advances	(ii)	77,114,692,826	118,928,433,925
Total		4,719,424,343,608	3,262,014,843,244

(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. According to this regulation, 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. Margin loans are secured by eligible securities.

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.

The market value of collateral assets as at 30 June 2019 was VND15,615,098,199,510 (as at 31 December 2018 : VND12,620,681,071,110).

(ii) Trading advances

These are the amounts advanced to investors at the trading date ("T-date advance"). These amounts were repaid 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

3.3 Loans and provision for impairments of financial assets and mortgages

(b) *Provision for impairments of financial assets and mortgages (continued)*

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

	For the six-month period ended 30.6.2019 VND	For the year ended 31.12.2018 VND
Beginning of year	23,573,148,070	33,631,027,290
Reserval during the period/year	-	(10,057,879,220)
End of period/year	<u><u>23,573,148,070</u></u>	<u><u>23,573,148,070</u></u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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

3.4 Receivables

	As at 30.6.2019		As at 31.12.2018	
	Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
Service related receivables				
Receivable from securities purchasing	(i) 506,530,287,601	-	538,238,957,303	-
Receivable from VSD	161,223,391,500	-	151,994,956,491	-
Financial consultancy service fees receivable	33,020,541,930	1,145,650,000	2,455,150,000	1,145,650,000
Other receivables from securities trading	2,497,212,288	-	32,882,491,554	-
	703,271,433,319	1,145,650,000	725,571,555,348	1,145,650,000
Other receivables				
Overdue margin loans	(ii) 37,783,317,946	37,783,317,946	37,783,317,946	37,783,317,946
Bank interest receivables	15,006,164,657	-	12,913,689,042	-
Others	3,236,642,456	654,824,202	3,561,320,022	654,824,202
	56,026,125,059	38,438,142,148	54,258,327,010	38,438,142,148
Total	759,297,558,378	39,583,792,148	779,829,882,358	39,583,792,148

(i) This is receivable from institutional investors in relation to their purchases of securities. The market value of collateral assets as at 30 June 2019 was VND532,193,592,085 (as at 31 December 2018 : VND667,253,967,132).

(ii) 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 2019 and as at 31 December 2018 (Note 3.5).

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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

3.5 Provision for doubtful debts

	Doubtful amount		Provision			Closing balance VND
	Opening balance VND	Closing balance VND	Opening balance VND	Provision VND	Reversal 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 2019**

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

3.6 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.

3.7 Fixed assets

(a) Tangible fixed assets

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2019	4,009,883,640	69,779,779,796	73,789,663,436
New purchases	-	4,978,084,500	4,978,084,500
Disposals	-	(1,487,823,917)	(1,487,823,917)
As at 30.6.2019	4,009,883,640	73,270,040,379	77,279,924,019
Accumulated depreciation			
As at 1.1.2019	2,469,951,269	47,254,195,045	49,724,146,314
Charge for the period	261,683,617	6,070,794,523	6,332,478,140
Disposals	-	(1,487,823,917)	(1,487,823,917)
As at 30.6.2019	2,731,634,886	51,837,165,651	54,568,800,537
Net book value			
As at 1.1.2019	1,539,932,371	22,525,584,751	24,065,517,122
As at 30.6.2019	1,278,248,754	21,432,874,728	22,711,123,482

As at 30 June 2019, 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 2019 was VND36,237,206,332(as at 31 December 2018: VND36,110,470,869).

The Company had no tangible fixed assets awaiting disposal as at 30 June 2019.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

3.7 Fixed assets (continued)

(b) Intangible fixed assets

	Computer software VND
Historical cost	
As at 1.1.2019	64,392,294,363
New purchases	920,730,000
As at 30.6.2019	<u>65,313,024,363</u>
Accumulated amortisation	
As at 1.1.2019	41,035,398,948
Charge for the period	5,325,100,516
As at 30.6.2019	<u>46,360,499,464</u>
Net book value	
As at 1.1.2019	<u>23,356,895,415</u>
As at 30.6.2019	<u><u>18,952,524,899</u></u>

As at 30 June 2019, the Company had no outstanding commitments to purchase/sale of intangible fixed assets.

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2019 was VND29,415,153,028 (as at 31 December 2018: VND28,861,336,978).

The Company had no intangible fixed asset awaiting disposal as at 30 June 2019.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

3.7 Fixed assets (continued)

(c) Construction in progress

Construction in progress comprises the following:

	As at	
	30.6.2019 VND	31.12.2018 VND
Purchases of trading software	8,603,677,656	4,447,220,550

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

	For the six-month period ended 30.6.2019 VND	For the year ended 31.12.2018 VND
Beginning of period/year	4,447,220,550	6,851,041,776
Increase during period/year	4,156,457,106	4,687,301,337
Transfers to tangible fixed assets	-	(894,311,990)
Transfers to intangible fixed assets	-	(6,196,810,573)
End of period/year	8,603,677,656	4,447,220,550

3.8 Long-term prepaid expenses

	As at	
	30.6.2019 VND	31.12.2018 VND
Office rentals	88,287,096,752	89,703,467,288
Office renovations	7,494,000,217	5,803,432,315
Consulting fee	7,127,045,781	-
IT costs	3,485,457,535	4,666,659,325
Total	106,393,600,285	100,173,558,928

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

3.9 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 2019 and as at 31 December 2018, the Company fully contributed the maximum amount.

3.10 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 2019

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

3.11 Borrowings and issued bonds

Movements in 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		5.0 – 8.0	1,350,000,000,000	8,732,800,000,000	(8,005,200,000,000)	2,077,600,000,000
Bank overdrafts		6.8 - 7.9	204,132,323,195	7,456,467,966,616	(7,297,077,172,483)	363,523,117,328
			1,554,132,323,195	16,189,267,966,616	(15,302,277,172,483)	2,441,123,117,328
Issued bonds						
Private issue in accordance with Resolution No. 10/2018	(ii)	7.0	150,000,000,000	-	-	150,000,000,000
			150,000,000,000	-	-	150,000,000,000
Total			1,704,132,323,195	16,189,267,966,616	(15,302,277,172,483)	2,591,123,117,328

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)****3.11 Borrowings and issued bonds (continued)**

- (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 2019 was VND5,439,138,109,838 (as at 31 December 2018: VND4,002,260,933,454).
- (ii) These are bonds issued according to the Board of Directors' Resolution No. 10/2018/NQ-HĐQT dated 12 April 2018, details are as follows:
- Type of bond: unlisted bond, non-convertible and unsecured
 - Issue price: at par value VND1 billion/bond
 - Coupon rate: 7% - 8.15% per annum. The coupon rate is fixed for maximum first 6 months, then subject to negotiation between the Company and bondholders but shall not exceed 10% per annum.
 - Maturity: 2 years
 - Early termination: after fixed-coupon period, both the Company and the bondholders reserve the right to redeem/call the issued bonds before their maturities, whether in full in part. Interest rate in such cases shall be applied in accordance with the bonds' terms and conditions and applicable contractual documents.
 - Repayment: principals and interests are repaid once at maturity.
 - Designated bondholders: investment funds

The Company had no borrowings from related parties as at 30 June 2019 and as at 31 December 2018.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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

3.12 Trading obligations

	As at	
	30.6.2019 VND	31.12.2018 VND
Advances from investors for securities purchases	241,777,922,788	226,450,317,590
Payables to stock exchanges and VSD	7,813,860,805	6,026,789,270
Trading settlement balances with the stock exchanges	-	83,159,390,391
Covered warrant payables (Note 5.2)	1,079,282,400	-
Others	6,693,650,946	655,800
Total	257,364,716,939	315,637,153,051

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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

3.13 Tax and other payables to the State Budget

	As at 1.1.2019 VND	Incurred during the six-month period VND	Paid during the six-month period VND	Reclassified as overpaid VND	As at 30.6.2019 VND
Corporate income tax – current	16,684,859,800	45,603,530,980	(36,950,949,460)	-	25,337,441,320
Personal income tax withheld and paid on behalf of investors	11,199,027,876	47,542,771,492	(50,613,715,415)	-	8,128,083,953
Corporate income tax withheld and paid on behalf of foreign institutions	3,250,876,181	21,467,909,290	(20,489,183,659)	-	4,229,601,812
Foreign contractor withholding tax	338,263,079	3,106,088,876	(3,431,362,038)	-	12,989,917
Personal income tax withheld and paid on behalf of employees	2,341,828,338	37,998,010,056	(40,607,875,714)	268,037,320	-
Value added tax	199,892,112	3,588,330,663	(734,623,938)	-	3,053,598,837
Business licence tax	-	12,000,000	(12,000,000)	-	-
Total	34,014,747,386	159,318,641,357	(152,839,710,224)	268,037,320	40,761,715,839

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

3.14 Short-term accrued expenses

	As at	
	30.6.2019 VND	31.12.2018 VND
Allowance for working performance	17,496,000,000	45,000,000,000
Interest expenses	14,119,898,723	3,953,633,544
Others	5,281,976,496	9,396,348,291
Total	36,897,875,219	58,349,981,835

3.15 Other short-term liabilities

	As at	
	30.6.2019 VND	31.12.2018 VND
Board of Directors' operating fund	6,814,186,401	901,542,042
Dividends payable to shareholders	5,511,928,604	5,097,667,994
Dividends paid on behalf	3,408,196,722	2,507,431,082
Business development expenses payables	788,313,897	19,288,313,897
Others	8,752,821,052	3,676,114,043
Total	25,275,446,676	31,471,069,058

3.16 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	
	30.6.2019 VND	31.12.2018 VND
Deferred tax assets recoverable within 12 months	1,558,791,879	1,558,791,879
Deferred tax liabilities payable within 12 months	-	-
Total	1,558,791,879	1,558,791,879

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

3.16 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 30.6.2019 VND	For the year ended 31.12.2018 VND
Opening balance	1,558,791,879	(15,042,694,266)
Charged to profit or loss	-	(914,579,482)
Recognised directly in equity	-	17,516,065,627
Closing balance	<u>1,558,791,879</u>	<u>1,558,791,879</u>

Details of deferred tax assets are as below:

	As at	
	30.6.2019 VND	31.12.2018 VND
Deductible temporary differences:		
Provisions for impairment of overdue margin loans	<u>7,793,959,395</u>	<u>7,793,959,395</u>
At tax rate of 20%:		
Deferred tax assets:	<u>1,558,791,879</u>	<u>1,558,791,879</u>

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

3.17 Share capital

(a) Number of shares

	As at	
	30.6.2019	31.12.2018
Number of shares registered	305,882,263	129,756,758
Number of shares issued	305,882,263	129,756,758
Number of shares repurchased	(292,590)	(202,590)
Number of shares in issue	305,589,673	129,554,168

As at 30 June 2019 and as at 31 December 2018, 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 2018	129,570,368
New shares issued	-
Treasury shares repurchased	(16,200)
As at 31 December 2018	129,554,168
New shares issued	176,125,505
Treasury shares repurchased	(90,000)
As at 30 June 2019	305,589,673

3.18 Revaluation reserve

	For the six-month period ended 30.6.2019 VND	For the year ended 31.12.2018 VND
Opening balance	-	70,064,262,508
Reclassified into profit or loss upon disposals	-	(70,064,262,508)
Recognised directly in equity	-	-
Closing balance	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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

3.19 Undistributed earnings

	As at	
	30.6.2019 VND	31.12.2018 VND
Realised post-tax profits	568,457,338,847	1,223,955,850,562
Unrealised losses	(26,929,787,801)	(51,912,100,550)
Total	541,527,551,046	1,172,043,750,012

Movements in undistributed earnings in the period are as follows:

	As at 31.12.2018 VND	Profit for the period VND	Dividend declared VND	Appropriation to reserves VND	Capital increase from equity VND	As at 30.6.2019 VND
Realised post-tax profits	1,223,955,850,562	167,619,909,021	(245,873,619,200)	(43,906,210,035)	(533,338,591,501)	568,457,338,847
Unrealised (losses)/gains	(51,912,100,550)	24,982,312,749	-	-	-	(26,929,787,801)
Undistributed earnings	1,172,043,750,012	192,602,221,770	(245,873,619,200)	(43,906,210,035)	(533,338,591,501)	541,527,551,046

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

4 NOTES TO OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	30.6.2019	31.12.2018
	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	
	30.6.2019	31.12.2018
US Dollar	4,976.70	5,176.74
Japanese Yen	241,915	241,915
Singapore Dollar	844	590
British Pound	100.00	100.00
New Taiwan Dollar	3,200	3,200
Canadian Dollar	100	100
Malaysian Ringgit	750	750

4.3 Number of shares in issue

	As at	
	30.6.2019	31.12.2018
Ordinary shares		
Quantity issued within 1 year (share)	176,125,505	-
Quantity issued for 1 year or more (share)	129,464,168	129,554,168
Total	305,589,673	129,554,168

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

4 NOTES TO OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS (continued)

4.4 Covered warrants authorised but not yet issued

Ticker symbol	Underlying security	Issuance date	Maturity date	Number of covered warrants authorised for issue	Number of covered warrants issued	Number of covered warrants authorised but not yet issued
CMBB1902	Military Commercial Joint Stock Bank (MBB)	17.06.2019	17.12.2019	1,000,000	123,740	876,260
CMWG1903	Mobile World Investment Corporation (MWG)	26.06.2019	26.12.2019	2,000,000	265,000	1,735,000
				3,000,000	388,740	2,611,260

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

5 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION

5.1 Net realised gains on disposal of FVTPL financial assets

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Realised gains on disposal of FVTPL financial assets	196,677,129,176	692,666,385,106
<i>In which:</i>		
<i>Underlying securities</i>	46,193,441,176	354,333,855,106
<i>Derivatives</i>	150,483,688,000	338,332,530,000
Realised losses on disposal of FVTPL financial assets	(180,311,898,209)	(510,872,498,747)
<i>In which:</i>		
<i>Underlying securities</i>	(104,176,689,209)	(295,257,068,747)
<i>Derivatives</i>	(76,135,209,000)	(215,615,430,000)
Net realised gains	16,365,230,967	181,793,886,359

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

5 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (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 (losses)/gains during the period VND	Realised gains in comparative period VND
Shares	110,876,258	4,262,353,884,519	(4,309,720,549,755)	(47,366,665,236)	28,667,125,270
Bonds	5,025,897	512,350,721,131	(511,598,430,628)	752,290,503	229,370,572
ETF certificates	146,047,430	2,153,655,424,597	(2,165,024,297,897)	(11,368,873,300)	30,180,290,517
Realised (losses)/gains on disposal of underlying securities				(57,983,248,033)	59,076,786,359
Net position gains from future contracts				74,348,479,000	122,717,100,000
Total				16,365,230,967	181,793,886,359

(*) 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 2019

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

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

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Increase/(decrease) in revaluation gains of FVTPL financial assets	10,452,747,719	(39,348,104,553)
Increase on revaluation losses of FVTPL financial assets	14,553,749,638	26,369,559,343
Total	25,006,497,357	(12,978,545,210)

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 as at 30.6.2019 VND	Accumulated revaluation gains/(losses) as at 31.12.2018 VND	Credited to profit or loss of the interim statement of comprehensive income VND
Listed shares and shares traded on UPCoM	673,577,237,493	660,812,593,973	(12,764,643,520)	(36,683,064,845)	23,918,421,325
Unlisted and unregistered shares	53,552,640,000	39,377,138,000	(14,175,502,000)	(14,175,502,000)	-
Underlying assets designated as hedges for covered warrants	4,193,173,592	4,209,550,000	16,376,408	-	16,376,408
Listed bond	330,546,334,732	330,546,334,732	-	-	-
Unlisted bonds	1,000,000,000	1,000,000,000	-	-	-
ETF certificates	19,271,056,481	19,289,222,400	18,165,919	(1,053,533,705)	1,071,699,624
Total	1,082,140,442,298	1,055,234,839,105	(26,905,603,193)	(51,912,100,550)	25,006,497,357

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

5.2 Gains/(losses) from revaluation of FVTPL financial assets and covered warrants (continued)

Details of gains/(losses) from revaluation of covered warrants are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation losses as at 30.6.2019 VND	Accumulated revaluation gains/(losses) as at 31.12.2018 VND	Charged to profit or loss of the interim statement of comprehensive income VND
Covered warrants	<u>1,055,097,792</u>	<u>1,079,282,400</u>	<u>(24,184,608)</u>	<u>-</u>	<u>(24,184,608)</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

5 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (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	
	2019 VND	2018 VND
Interest expense	74,718,178,055	106,388,116,206

5.4 General and administration expenses

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Staff costs	53,123,758,684	48,150,929,709
Outsourcing expenses	14,624,775,275	11,146,258,426
Depreciation and amortisation	6,073,075,644	5,054,870,416
Office rental expenses	5,906,788,513	3,006,542,828
Office tools and supplies	810,417,033	704,484,222
Tax and other fees	276,066,853	440,298,804
Other administrative expenses	3,174,649,194	2,170,862,644
Total	83,989,531,196	70,674,247,049

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

5 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (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	
	2019 VND	2018 VND
Accounting profit before tax	238,205,752,750	588,459,908,017
Tax calculated at a rate of 20%:	47,641,150,550	117,691,981,603
Adjustment:		
Non-taxable income	(2,037,619,570)	(1,103,359,283)
Corporate income tax charge (*)	45,603,530,980	116,588,622,320
Charged to profit or loss:		
Corporate income tax – current	45,603,530,980	116,588,622,320
Corporate income tax – deferred	-	-
Total	45,603,530,980	116,588,622,320

(*) 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 2019**

5 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (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 of the current year is not deducted by the amount to be appropriated to bonus and welfare funds. For comparability purpose, the corresponding amount of prior year was not deducted by the amounts appropriated to bonus and welfare funds, neither.

	For the six-month period ended 30 June	
	2019	2018 (Restated) (*)
Net profit after tax attributable to ordinary shareholders (VND)	192,602,221,770	471,871,285,697
Weighted average number of ordinary shares in issue (shares)	235,813,044	215,947,650
Basic earnings per share (VND/share)	817	2,185

(*) Basic earnings per share for the six-month period ended 30 June 2018 was restated to reflect the impact of capital increase from equity in May 2019 (Note 7.1(ii) on weighted average number of shares in issue , in particular:

Items	For the six-month period ended 30 June 2018		
	Previously reported	Adjustment	Restated
Net profit after tax attributable to ordinary shareholders (VND)	471,871,285,697	-	471,871,285,697
Weighted average number of ordinary shares in issue (shares)	129,569,645	86,378,007	215,947,652
Basic earnings per share (VND/share)	3,642		2,185

(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 2019

6 NOTES TO THE INTERIM STATEMENT OF CASH FLOWS

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

	Issued amount VND	Appropriation from share premium VND	Appropriation from undistributed earnings VND	Appropriation from bonus and welfare funds VND	Net proceeds from issuance of shares VND
Capital increase from equity (Note 7.1(ii))	863,682,390,000	(330,343,798,499)	(533,338,591,501)	-	-
Share issue under ESOP program (Note 7.1(iii))	90,678,000,000	-	-	(34,004,250,000)	56,673,750,000
Share issue to existing shareholders (Note 7.1(iv))	1,165,923,724,000	-	-	-	1,165,923,724,000
Issuance fee	-	(83,000,000)	-	-	(83,000,000)
Total	<u>2,120,284,114,000</u>	<u>(330,426,798,499)</u>	<u>(533,338,591,501)</u>	<u>(34,004,250,000)</u>	<u>1,222,514,474,000</u>

6.2 Proceeds from borrowings

Proceeds from borrowings are bank overdrafts, loan drawdowns and proceeds from issuance of short-term bonds (Note 3.11).

6.3 Repayments of borrowings

Repayments of borrowings are bank overdrafts repayments, loan repayments and bonds repayments (Note 3.11).

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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	Supplementary capital reserve VND	Financial risk and operation reserve VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1.1.2019	1,297,567,580,000	330,343,798,499	(2,893,857,008)	129,756,758,000	129,756,758,000	3,961,374,994	1,172,043,750,012	3,060,536,162,497
Post-tax profit for the period	-	-	-	-	-	-	192,602,221,770	192,602,221,770
Final dividend of the year 2018 (i)	-	-	-	-	-	-	(245,873,619,200)	(245,873,619,200)
Appropriation to bonus and welfare funds (i)	-	-	-	-	-	-	(33,774,007,719)	(33,774,007,719)
Appropriation to operation fund of Board of Directors (i)	-	-	-	-	-	-	(10,132,202,316)	(10,132,202,316)
Capital increase from equity (ii)	863,682,390,000	(330,343,798,499)	-	-	-	-	(533,338,591,501)	-
Issue under ESOP 2018 program (iii)	64,770,000,000	25,908,000,000	-	-	-	-	-	90,678,000,000
New shares issue (iv)	832,802,660,000	333,121,064,000	-	-	-	-	-	1,165,923,724,000
Issuance fee	-	(83,000,000)	-	-	-	-	-	(83,000,000)
Share repurchases	-	-	(1,620,000,000)	-	-	-	-	(1,620,000,000)
As at 30.6.2019	3,058,822,630,000	358,946,064,000	(4,513,857,008)	129,756,758,000	129,756,758,000	3,961,374,994	541,527,551,046	4,218,257,279,032



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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 1.1.2018	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 (v)	-	-	-	-	-	-	-	(55,405,916,374)	(55,405,916,374)
Appropriation to operation fund of Board of Directors (v)	-	-	-	-	-	-	-	(8,310,887,456)	(8,310,887,456)
Final dividend of the year 2017 (v)	-	-	-	-	-	-	-	(194,332,377,000)	(194,332,377,000)
Share repurchases	-	-	(21,600,000)	-	-	-	-	-	(21,600,000)
Reclassification to profit or loss upon disposal (Note 3.18)	-	-	-	(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 2019****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 2019:
- 5% of post-tax profit for the year 2018 was appropriated to bonus and welfare funds;
 - 1.5% of post-tax profit for the year 2018 was appropriated to operation fund of Board of Directors;
 - Final dividend of the year 2018 was 19% of chartered capital of VND1,297,567,580,000, equivalent to VND1,900/share.
 - Planned dividend of the year 2019 was 15% of par value, equivalent to VND1,500/share.
- (ii) According to the Shareholders' Resolution No. 02/2018/NQ-ĐHCD dated 22 October 2018, shareholders voted and approved the capital increase from equity at a ratio of 3 : 2 (a shareholder owing 3 shares as at closing date is entitled to 2 new shares). Number of shares entitled would be round down to the unit so that the decimal fraction would be cancelled. Pursuantly, the Company had issued 86,368,239 additional shares based on shareholders list as of 21 February 2019.
- (iii) Following the Shareholders' Resolution No. 02/2018/NQ-ĐHCD dated 22 October 2018 approving employee stock option plan issuance, the Board of Directors issued its resolution No. 23/2018/NQ-HDQT dated 22 October 2018 to define criteria of eligible employees, principles to determine number of shares allotted to each eligible employee, implementation time, and policies of the program (ESOP 2018). Accordingly the Company had issued 6,477,000 ordinary shares on 6 May 2019 at VND14,000/share. Total issuance value was VND90,678,000,000, in which appropriation from bonus and welfare fund was VND34,000,250,000 and employees' contributions was VND56,673,750,000. The Company had recognised difference between issue price of VND14,000 and par value of VND10,000 to share premium. These shares are restricted from transfer in accordance with the ESOP 2018 Policy approved by the Board of Directors.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****7 NOTES TO THE INTERIM STATEMENT OF CHANGES IN EQUITY (continued)****7.1 Details of changes in equity (continued)**

- (iv) According to the Shareholders' Resolution No. 02/2018/NQ-ĐHCEĐ dated 22 October 2018, shareholders voted and approved the share issuance to existing shareholders at VND14,000/share with a right ratio of 3 : 2 (a shareholder owning 3 shares is entitled to a right of take up 2 new shares). Number of rights entitled would be round down to the unit so that the decimal fraction would be cancelled. The right to take up new shares is transferrable only once. The Board of Directors was authorised to distribute remaining shares that not taken up to other investors at prices not lower than one offered to existing shareholders. Accordingly, the Company had issued 83,230,266 additional shares. The Company had recognised difference between issued price of VND14,000 and par value of VND10,000 to share premium. Except for 25,000,000 shares distributed to Ho Chi Minh Finance and Investment State-owned Company (HFIC) which are restricted from transferring within 1 year (from 22 May 2019 to 21 May 2020), additional issued shares are not restricted from transferring.
- (v) 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 chartered capital of VND1,297,567,580,000, equivalent to VND1,500/share.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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

7.2 Distributed earnings

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Undistributed earnings brought forward	1,223,955,850,562	861,985,479,360
Accumulated unrealised losses	(26,929,787,801)	(42,651,147,300)
Realised profits incurred in the period	167,619,909,021	484,849,830,907
Appropriations from undistributed earnings:	(577,244,801,536)	(63,716,803,830)
<i>To share capital</i>	(533,338,591,501)	-
<i>To bonus and welfare funds</i>	(33,774,007,719)	(55,405,916,374)
<i>To operation fund of Board of Directors</i>	(10,132,202,316)	(8,310,887,456)
Distributable profits	787,401,170,246	1,240,467,359,137
Dividend declared	245,873,619,200	194,332,377,000
Income tax withheld	(1,696,669,600)	(976,408,725)
Net amount distributed to shareholders	244,176,949,600	193,355,968,275

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

8 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

Related party	Relationship
Dragon Capital Markets Limited (DC)	Strategic shareholder, holding 30.27% of charter capital. The Company's Vice Chairman of the Board of Directors is a Director and member of Board of Directors of DC Group. The Company's member of the Board of Directors cum Chief Executive is a 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:

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Dragon Capital Markets Limited (DC)		
Brokerage service - sales	153,552,000,000	321,120,255,600
Brokerage fee income	-	240,840,192
Consultancy expense	-	4,080,000,000
Dividend paid	74,629,739,000	82,485,501,000
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Dividend paid	71,250,000,000	78,750,000,000
Compensation of key management		
Gross salaries and other benefits	17,077,656,830	14,043,906,474

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

8 RELATED PARTIES DISCLOSURES (continued)

(b) Year-end balances with related parties

	As at	
	30.6.2019	31.12.2018
	VND	VND
Ho Chi Minh City Finance and Investment State-owned Company (HFIC)		
Deposits for securities trading	25,026,438	25,007,904

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 2019

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 2019				
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Total VND
Revenue and income (*)	242,691,785,364	251,485,670,618	233,785,625,058	34,833,742,068	762,796,823,108
Expenses	(157,443,833,940)	(203,989,088,618)	(74,718,178,055)	(6,222,488,360)	(442,373,588,973)
<i>In which:</i>					
<i>Direct cash expenses</i>	(129,063,690,411)	(213,596,291,283)	(74,718,178,055)	(6,190,875,583)	(423,569,035,332)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	14,529,565,030	-	-	14,529,565,030
<i>Total depreciation and amortisation of fixed assets</i>	(6,634,915,435)	(698,606,925)	-	(31,612,777)	(7,365,135,137)
<i>Allocation of long-term and short-term prepaid expenses</i>	(21,745,228,094)	(4,223,755,440)	-	-	(25,968,983,534)
Segment result	<u>85,247,951,424</u>	<u>47,496,582,000</u>	<u>159,067,447,003</u>	<u>28,611,253,708</u>	<u>320,423,234,135</u>
Net financial income					1,753,663,447
Net other income					18,386,364
General and administration expenses					(83,989,531,196)
Operating result					<u>238,205,752,750</u>

(*) All of revenues are from services rendered to external customers, and all of income is generated from transactions with external partners.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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	Total VND
Revenue and income (*)	468,486,825,294	706,801,741,538	292,435,709,563	61,441,309,867	1,529,165,586,262
Expenses	(224,188,803,264)	(525,184,605,639)	(106,388,116,206)	(16,278,647,389)	(872,040,172,498)
<i>In which:</i>					
<i>Direct cash expenses</i>	(209,771,798,442)	(544,359,249,736)	(106,388,116,206)	(16,278,647,389)	(876,797,811,773)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	26,369,559,343	-	-	26,369,559,343
<i>Total depreciation and amortisation of fixed assets</i>	(5,202,925,886)	(116,434,487)	-	-	(5,319,360,373)
<i>Allocation of long-term and short-term prepaid expenses</i>	(9,214,078,936)	(7,078,480,759)	-	-	(16,292,559,695)
Segment result	<u>244,298,022,030</u>	<u>181,617,135,899</u>	<u>186,047,593,357</u>	<u>45,162,662,478</u>	<u>657,125,413,764</u>
Net financial income					1,929,823,120
Net other income					78,918,182
General and administration expenses					(70,674,247,049)
Operating result					<u>588,459,908,017</u>

(*) All of revenues are from services rendered to external customers, and all of income is generated from transactions with external partners.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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 2019					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	822,014,648,162	1,178,320,523,682	5,104,683,643,160	34,518,335,690	-	7,139,537,150,694
Unallocated assets	-	-	-	-	54,542,556,831	54,542,556,831
Total assets	822,014,648,162	1,178,320,523,682	5,104,683,643,160	34,518,335,690	54,542,556,831	7,194,079,707,525
Segment liabilities	(262,091,408,171)	-	(2,605,243,016,051)	-	-	(2,867,334,424,222)
Unallocated liabilities	-	-	-	-	(108,488,004,271)	(108,488,004,271)
Total liabilities	(262,091,408,171)	-	(2,605,243,016,051)	-	(108,488,004,271)	(2,975,822,428,493)
Total expense incurred for purchases of fixed assets	1,331,532,000	-	-	62,480,000	-	1,394,012,000
<i>Segment assets</i>	1,331,532,000	-	-	62,480,000	-	1,394,012,000
<i>Unallocated assets</i>	-	-	-	-	-	-

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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 31 December 2018					
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Unallocated VND	Total VND
Segment assets	871,838,163,387	965,722,873,139	3,375,423,227,994	3,531,711,273	-	5,216,515,975,793
Unallocated assets	-	-	-	-	39,789,351,388	39,789,351,388
Total assets	871,838,163,387	965,722,873,139	3,375,423,227,994	3,531,711,273	39,789,351,388	5,256,305,327,181
Segment liabilities	(328,500,415,674)	-	(1,708,085,956,739)	-	-	(2,036,586,372,413)
Unallocated liabilities	-	-	-	-	(159,182,792,271)	(159,182,792,271)
Total liabilities	(328,500,415,674)	-	(1,708,085,956,739)	-	(159,182,792,271)	(2,195,769,164,684)
Total expense incurred for purchases of fixed assets	16,605,178,370	4,191,641,551	-	153,780,000	8,746,117,620	29,696,717,541
<i>Segment assets</i>	16,605,178,370	4,191,641,551	-	153,780,000	-	20,950,599,921
<i>Unallocated assets</i>	-	-	-	-	8,746,117,620	8,746,117,620

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****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 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 2019**

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Margin loans

Margin loans are secured by eligible securities listed on the stock exchanges. 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.

The market value of collateral assets as at 30 June 2019 was VND15,615,098,199,510 (as at 31 December 2018 : VND12,620,681,071,110).

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	
	30.6.2019	31.12.2018
	VND	VND
Cash at bank (Note 3.1)	389,954,011,611	117,117,216,438
Listed bonds (Note 3.2)	330,546,334,732	81,450,161,318
Unlisted bonds (Note 3.2)	1,000,000,000	1,000,000,000
Loans (Note 3.3)	4,719,424,343,608	3,262,014,843,244
Receivables (Note 3.4)	759,297,558,378	779,829,882,358
Deposit for derivatives trading activities (Note 3.6)	119,715,312,950	102,256,365,000
Total credit risk exposure	6,319,937,561,279	4,343,668,468,358

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019****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 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 2019 and as at 31 December 2018, 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 2019, 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 VND33,903,982,936 (at 31 December 2018: higher/lower by VND22,715,915,216).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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	
	30.6.2019	31.12.2018
	VND	VND
Short-term borrowings (Note 3.11)	2,441,123,117,328	1,554,132,323,195
Short-term issued bonds (Note 3.11)	150,000,000,000	150,000,000,000
Trading obligations (Note 3.12)	257,364,716,939	315,637,153,051
Short-term trade account payables	2,195,435,243	3,466,914,332
Short-term accrued expenses (Note 3.14)	36,897,875,219	58,349,981,835
Other short-term payables (Note 3.15)	25,275,446,676	31,471,069,058
Total financial liabilities	2,912,856,591,405	2,113,057,441,471

(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 2019, the Company's CAR was 880% (as at 31 December 2018: 505%).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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	
	30.6.2019	31.12.2018
	VND	VND
Within 1 year	24,345,982,385	25,771,977,761
Between 1 and 5 years	57,322,724,280	62,705,263,783
Total minimum payments	81,668,706,665	88,477,241,544

12 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation, in particular:

Code	ITEMS	For the six-month period ended 30 June 2018		
		Previously reported	Reclassification	Reclassified
		VND	VND	VND
	OPERATING EXPENSES			
26	Self-trading expenses	(96,127,932,460)	55,446,266,225	(40,681,666,235)
27	Brokerage fee expenses	(162,652,771,216)	(56,254,056,322)	(218,906,827,538)
31	Financial consultancy expenses	(4,237,488,998)	(12,041,158,391)	(16,278,647,389)
32	Other operating expenses	(478,332,842)	287,674,325	(190,658,517)
62	General and administration expenses	(83,235,521,212)	12,561,274,163	(70,674,247,049)

Furthermore, the segmental reports were presented with more detailed information as required in Vietnamese Accounting Standard No. 28 and guidance in Circular 20/2006/TT-BTC issued by the Ministry of Finance on 20 March 2006 in order to help users of interim financial statements to understand and evaluate the Company's operations in a comprehensive way.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

12 SUBSEQUENT EVENTS


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

13 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	441,427,637	12,482,995,502,050
Bonds	116,420,707	12,401,550,598,484
Future contracts	185,405	16,329,300,071,000
Covered warrants	133,580	364,384,300
b) Of Investors		
Shares	2,945,306,180	64,873,540,439,210
Bonds	366,297,111	37,348,458,420,802
Future contracts	2,661,658	234,046,035,561,000
Covered warrants	323,640	698,368,900
	3,872,755,918	377,482,943,345,746

The interim financial statements were approved by the Board of Management on 12 August 2019.



Le Thi Thuy Duong
Preparer



Lam Huu Ho
Chief Financial Officer



Johan Nyvene
Chief Executive Officer