

HO CHI MINH CITY SECURITIES CORPORATION

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

HO CHI MINH CITY SECURITIES CORPORATION

**INTERIM FINANCIAL STATEMENTS
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HO CHI MINH CITY SECURITIES CORPORATION

CORPORATE INFORMATION

Establishment and operation licence

No.11/UBCK-GPHDKD dated 29 April 2003 issued by the State Securities Commission. The establishment and operation licence was amended several times and the latest amendment No. 09/GPDC-UBCK was issued on 2 March 2017.

Board of Directors

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

Board of Management

Mr. Johan Nyvene	Chief Executive Officer
Mr. Trinh Hoang Giang	Deputy Chief Executive Officer
Mr. Le Cong Thien	Deputy Chief Executive Officer
Mr. Fiachra Mac Cana	Managing Director
Mr. Bach Quoc Vinh	Managing Director
Mr. Arnold V. Pangilinan	Managing Director
Mr. Pham Ngoc Bich	Managing Director
Mr. Henry Dickon Verey	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 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 2017 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 65 which give a true and fair view of the financial position of the Company as at 30 June 2017 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
11 August 2017



REPORT ON 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 2017 and approved by the Board of Management on 11 August 2017. The interim financial statements comprise the interim statement of financial position as at 30 June 2017, the interim statement of 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 65.

The Board of Management' 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 2017, 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.

Other matter

The financial statements of the Company for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 March 2017. In addition, the interim financial statements of the Company for the six-month period ended 30 June 2016 were reviewed by this auditor who expressed an unmodified conclusion on those financial statements on 12 August 2016.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No.
0849-2017-006-1
Authorised signatory

Report reference number: HCM6355
Ho Chi Minh City, 11 August 2017

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

INTERIM STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			30.6.2017 VND	31.12.2016 VND
	ASSETS			
100	CURRENT ASSETS		4,683,988,740,895	3,472,717,136,729
110	Financial assets		4,677,855,385,456	3,468,203,146,189
111	Cash and cash equivalents	3.1	36,726,018,353	60,193,684,900
111.1	Cash		36,726,018,353	60,193,684,900
112	Financial assets at fair value through profit or loss (FVTPL)	3.2	980,957,509,244	306,371,695,555
114	Loans	3.3	3,463,674,075,883	2,750,945,233,394
116	Provisions for impairment loss of financial assets and mortgages	3.4	(19,997,479,770)	(19,997,479,770)
118	Prepayments to suppliers		1,956,926,315	424,654,405
119	Service fees receivable	3.5	210,457,581,173	370,008,403,676
122	Other receivables	3.5	43,664,546,406	35,167,679,780
129	Provision for doubtful debts	3.6	(39,583,792,148)	(34,910,725,751)
130	Other current assets		6,133,355,439	4,513,990,540
131	Advances		334,858,285	433,534,797
133	Short-term prepaid expenses		5,770,738,554	4,052,697,143
134	Pledged assets, mortgages, security deposits in short term		27,758,600	27,758,600
200	NON-CURRENT ASSETS		170,849,387,196	144,125,197,959
220	Fixed assets		8,370,487,401	9,116,376,326
221	Tangible fixed assets	3.7(a)	5,629,117,049	5,630,956,930
222	Historical cost		47,382,138,147	45,772,044,510
223a	Accumulated depreciation		(41,753,021,098)	(40,141,087,580)
227	Intangible fixed assets	3.7(b)	2,741,370,352	3,485,419,396
228	Historical cost		30,525,565,250	29,853,565,250
229a	Accumulated amortisation		(27,784,194,898)	(26,368,145,854)
240	Construction in progress	3.7(c)	27,833,947,721	11,158,311,542
250	Other non-current assets		134,644,952,074	123,850,510,091
251	Pledged assets, mortgages, security deposits in long term		5,653,083,350	4,718,807,750
252	Long-term prepaid expenses	3.8	96,445,069,832	96,160,834,900
253	Deferred income tax assets	3.16	2,546,798,892	3,638,284,131
254	Deposits in the Settlement Supporting Fund	3.9	20,000,000,000	19,332,583,310
255	Other long-term assets		10,000,000,000	-
255.1	Deposits in the Derivatives trading Settlement Fund	3.10	10,000,000,000	-
270	TOTAL ASSETS		4,854,838,128,091	3,616,842,334,688

The notes on pages 15 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			30.6.2017 VND	31.12.2016 VND
300	LIABILITIES		2,376,844,959,800	1,224,924,883,425
310	Current liabilities		2,376,844,959,800	1,224,924,883,425
311	Short-term borrowings and finance lease liabilities		1,373,055,578,800	1,000,000,000,000
312	Short-term borrowings	3.11	1,373,055,578,800	1,000,000,000,000
318	Trading obligations	3.12	189,018,747,318	37,343,090,857
320	Short-term trade accounts payable		2,786,720,275	2,936,065,430
322	Tax and other payables to the State Budget	3.13	48,429,608,776	39,140,841,363
324	Employee welfare payables		3,021,226,794	2,681,960,041
325	Short-term accrued expenses	3.14	18,997,330,827	19,118,684,934
329	Other short-term liabilities	3.15	728,449,768,792	108,811,108,212
331	Bonus and welfare funds		13,085,978,218	14,893,132,588
400	OWNERS' EQUITY		2,477,993,168,291	2,391,917,451,263
410	Capital and reserves	3.17	2,477,993,168,291	2,391,917,451,263
411	Owners' capital		1,626,839,121,491	1,581,839,121,491
411.1	Share capital		1,297,567,580,000	1,272,567,580,000
411.1a	Ordinary shares		1,297,567,580,000	1,272,567,580,000
411.2	Share premium		330,343,798,499	310,343,798,499
411.5	Treasury shares		(1,072,257,008)	(1,072,257,008)
414	Supplementary capital reserve		117,012,921,701	117,012,921,701
415	Financial and operational risk reserve		117,012,921,702	117,012,921,702
416	Other equity funds		3,961,374,994	3,961,374,994
417	Undistributed earnings	3.18	613,166,828,403	572,091,111,375
417.1	Realised profits		629,382,221,295	628,246,013,560
417.2	Unrealised losses		(16,215,392,892)	(56,154,902,185)
440	TOTAL RESOURCES		4,854,838,128,091	3,616,842,334,688

The notes on pages 15 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)
OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			30.6.2017	31.12.2016
A	ASSETS OF THE COMPANY AND ASSETS IN TRUST			
004	Bad debts written off (VND)	4.1	345,059,000	345,059,000
005	Foreign currencies (original currency)	4.2		
	US Dollar		35,392.29	45,182.58
	Japanese Yen		190,755	190,755
	Singapore Dollar		300	300
	British Pound		100	100
	Taiwanese Dollar		3,200	3,200
	Canadian Dollar		100	100
006	Number of shares in issue (share)	4.3	129,655,368	127,155,368
007	Number of treasury shares (share)		101,390	101,390
			Par value (VND)	
008	Securities listed/registered to Vietnam Securities Depository (VSD)		203,795,830,000	74,178,610,000
009	Securities custodied at VSD but not yet traded		9,727,500,000	1,010,000
010	Securities awaiting settlement		1,974,700,000	2,099,960,000
012	Securities not custodied at VSD		115,453,100,000	60,297,270,000
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
021	Securities listed/registered to Vietnam Securities Depository (VSD)		15,576,109,690,000	12,992,363,100,000
021.1	Freely traded securities		12,872,450,920,000	10,695,622,580,000
021.2	Blocked securities		229,688,350,000	12,819,940,000
021.3	Morgaged securities		1,708,137,650,000	1,964,810,500,000
021.4	Suspended securities		90,276,820,000	90,276,820,000
021.5	Securities awaiting settlement		675,555,950,000	228,833,260,000
022	Securities custodied at VSD but not yet traded		107,621,920,000	38,878,010,000
022.1	Securities custodied at VSD but not yet traded – freely traded securities		64,469,670,000	22,049,360,000
022.2	Securities custodied at VSD but not yet traded – blocked securities		43,152,250,000	16,828,650,000
023	Securities awaiting settlement		548,585,840,000	219,655,840,000

The notes on pages 15 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	As at	
		30.6.2017 VND	31.12.2016 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)		
026	Customers' deposits	854,917,577,564	581,883,723,061
027	Customers' deposits for securities trading	854,917,577,564	581,883,723,061
031	Payables to customers relating to their deposits at the Company for securities trading	854,917,577,564	581,883,723,061
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	853,104,294,010	581,657,003,061
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	1,813,283,554	226,720,000



Ho Thi Thu Thao
Head of Accounting Department



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
11 August 2017

The notes on pages 15 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF INCOME

Code	ITEMS	Note	For the six-month period ended 30 June	
			2017 VND	2016 VND
	OPERATING INCOME			
01	Gains from financial assets at fair value through profit or loss (FVTPL)		97,714,595,405	29,032,848,674
01.1	<i>Realised gains on disposals of FVTPL financial assets</i>	5.1	36,698,019,985	13,276,411,638
01.2	<i>Gains from revaluation of FVTPL financial assets</i>	5.2	36,461,392,527	2,402,822,886
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		24,555,182,893	13,353,614,150
03	Interest income from loans and receivables		191,442,128,897	157,412,520,839
06	Brokerage fee income		210,312,813,636	163,869,860,295
08	Investment consultancy service income		23,308,142,344	6,445,612,326
09	Custody service income		3,026,400,170	2,389,618,392
11	Other operating income		1,578,333,452	1,116,685,681
20	TOTAL OPERATING INCOME		527,382,413,904	360,267,146,207
	OPERATING EXPENSES			
21	Losses from financial assets at fair value through profit or loss (FVTPL)		(1,057,731,227)	(5,750,405,699)
21.1	<i>Realised losses on disposals of FVTPL financial assets</i>	5.1	(4,535,847,993)	(9,733,251,947)
21.2	<i>Losses from revaluation of FVTPL financial assets</i>	5.2	3,478,116,766	3,982,846,248
24	Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities		(39,743,001,526)	(14,636,418,749)
26	Self-trading expenses		(26,885,908,107)	(6,343,511,265)
27	Brokerage fee expenses		(113,618,474,181)	(98,721,824,302)
30	Custody fee expenses		(3,082,367,679)	(2,407,064,898)
31	Consultancy expenses		(4,069,801,900)	(5,064,000,000)
32	Other operating expenses		(482,708,650)	(416,296,951)
40	TOTAL OPERATING EXPENSES		(188,939,993,270)	(133,339,521,864)

The notes on pages 15 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	For the six-month period ended 30 June	
			2017 VND	2016 VND
	FINANCIAL INCOME			
42	Dividend income and interest income from demand deposits		2,320,253,644	1,017,428,080
50	TOTAL FINANCIAL INCOME		2,320,253,644	1,017,428,080
62	GENERAL AND ADMINISTRATION EXPENSES	5.3	(51,438,707,041)	(45,148,372,222)
70	OPERATING RESULT		289,323,967,237	182,796,680,201
	OTHER INCOME AND EXPENSES			
71	Other income		-	7,772,725
80	NET OTHER INCOME		-	7,772,725
90	NET ACCOUNTING PROFIT BEFORE TAX		289,323,967,237	182,804,452,926
91	Realised profit		249,384,457,944	176,418,783,792
92	Unrealised profit		39,939,509,293	6,385,669,134
100	CORPORATE INCOME TAX	5.4	(57,640,745,759)	(35,839,273,260)
100.1	Corporate income tax – current		(56,549,260,520)	(35,839,273,260)
100.2	Corporate income tax – deferred		(1,091,485,239)	-
200	NET PROFIT AFTER TAX		231,683,221,478	146,965,179,666
300	OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-
400	TOTAL COMPREHENSIVE INCOME		231,683,221,478	146,965,179,666
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.5	1,800	1,156
502	Diluted earnings per share (VND/share)	5.5	1,800	1,156


Ho Thi Thu Thao
Head of Accounting Department

Lam Huu Ho
Chief Financial Officer

Johan Nyvene
Chief Executive Officer
11 August 2017

The notes on pages 15 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	For the six-month period ended 30 June	
		2017 VND	2016 VND
	Cash flows from operating activities		
01	Net profit before tax	289,323,967,237	182,804,452,926
02	Adjustments for:		
03	Depreciation and amortisation	3,027,982,562	2,836,963,479
04	Provisions	4,673,066,397	-
07	Profits from investing activities	-	(7,772,725)
08	Accrued interest income	(3,852,544,723)	(2,613,177,778)
10	Add non-cash expenses		
11	Losses from revaluation of FVTPL financial assets	(3,478,116,766)	(3,982,846,248)
18	Less non-cash income		
19	Gains from revaluation of FVTPL financial assets	(36,461,392,527)	(2,402,822,886)
30	Changes in working capital	(393,355,289,161)	(248,378,143,799)
31	Increase in FVTPL financial assets	(634,646,304,396)	(6,886,766,067)
33	Increase in loans	(712,728,842,489)	(446,075,066,764)
37	Decrease/(increase) in service fee receivables	159,550,822,503	(257,118,418,235)
39	(Increase)/decrease in other receivables	(6,176,593,813)	3,549,745,053
41	Increase in accrued expenses (excluding interest expenses)	2,209,457,957	1,045,516,078
42	(Increase)/decrease in prepaid expenses	(2,002,276,343)	1,093,615,153
43	Corporate income tax paid	(49,409,941,082)	(34,659,056,385)
45	Increase in trade payables	149,195,499,242	500,565,365,900
46	Increase in employee welfare payables	339,266,753	854,925,507
47	Increase/(decrease) in tax and other payables to the State Budget (excluding corporate income tax paid)	9,288,767,413	(361,119,546)
50	Increase in other short-term payables	709,667,190,310	2,156,988,057
52	Other payments for operating activities	(18,642,335,216)	(12,543,872,550)
60	Net cash outflows for operating activities	(140,122,326,981)	(71,743,347,031)
	Cash flows from investing activities		
61	Purchases of fixed assets	(18,957,729,816)	(1,934,312,570)
62	Proceeds from disposals of fixed assets	-	8,550,000
70	Net cash outflows for investing activities	(18,957,729,816)	(1,925,762,570)

The notes on pages 15 to 65 are an integral part of these interim financial statements.

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

Code	ITEMS	Note	For the six-month period ended 30 June	
			2017 VND	2016 VND
	Cash flows from financing activities			
71	Proceeds from issuance of shares		45,000,000,000	-
72	Payments for share repurchases		-	(1,367,550)
73	Proceeds from borrowings	6.1	10,275,937,631,688	6,031,082,782,512
74.3	Repayments of borrowings	6.2	(9,902,882,052,888)	(5,830,590,248,966)
76	Dividend paid		(282,443,188,550)	(181,542,249,081)
80	Net cash inflows from financing activities		135,612,390,250	18,948,916,915
90	Net decrease in cash and cash equivalents		(23,467,666,547)	(54,720,192,686)
101	Cash and cash equivalents at beginning of period		60,193,684,900	164,147,260,813
101.1	Cash		60,193,684,900	164,147,260,813
103	Cash and cash equivalents at end of period		36,726,018,353	109,427,068,127
103.1	Cash		36,726,018,353	109,427,068,127

The notes on pages 15 to 65 are an integral part of these interim financial statements.

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

CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES

		For the six-month period ended 30	
		June	
Code	ITEMS	2017 VND	2016 VND
	Cash flows of brokerage and trusting activities		
01	Trade proceeds	36,531,502,540,100	25,178,542,626,100
02	Trade payments	(37,104,346,547,220)	(25,818,409,334,666)
07	Receipts for settlement of customers' transactions	848,904,261,793	870,978,486,585
11	Payments for custody fees of customers	(3,026,400,170)	(2,389,618,392)
20	Net increase in customers' deposits	273,033,854,503	228,722,159,627
30	Customers' deposits at beginning of period		
31	Cash at bank	581,883,723,061	493,009,558,764
32	<i>Customers' deposits at the Company for securities trading</i>	581,883,723,061	493,009,558,764
40	Customers' deposits at end of period		
41	Cash at bank	854,917,577,564	721,731,718,391
42	<i>Customers' deposits at the Company for securities trading</i>	854,917,577,564	721,731,718,391



Ho Thi Thu Thao
Head of Accounting Department



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer
11 August 2017

The notes on pages 15 to 65 are an integral part of these interim financial statements.

HO CHI MINH CITY SECURITIES CORPORATION

Form B04g – CTCK

INTERIM STATEMENT OF CHANGES IN EQUITY

Items	As at		For the six-month period ended		For the six-month period ended		As at	
	1.1.2016	1.1.2017	Increase	Decrease	Increase	Decrease	30.6.2016	30.6.2017
1. Share capital	1,582,140,489,041	1,581,839,121,491	(261,367,550)	-	45,000,000,000	-	1,581,879,121,491	1,626,839,121,491
1.1 Ordinary shares	1,272,567,580,000	1,272,567,580,000	-	-	25,000,000,000	-	1,272,567,580,000	1,297,567,580,000
1.2 Share premium	310,343,798,499	310,343,798,499	-	-	20,000,000,000	-	310,343,798,499	330,343,798,499
1.3 Treasury shares	(770,889,458)	(1,072,257,008)	(261,367,550)	-	-	-	(1,032,257,008)	(1,072,257,008)
2. Financial and operational risk reserve	101,786,372,632	117,012,921,702	-	-	-	-	101,786,372,632	117,012,921,702
3. Supplementary capital reserve	101,786,372,631	117,012,921,701	-	-	-	-	101,786,372,631	117,012,921,701
4. Other equity funds	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Undistributed earnings	489,874,717,764	572,091,111,375	146,965,179,666	128,283,805,552	231,683,221,478	190,607,504,450	508,556,091,878	613,166,828,403
5.1 Realised profits	547,779,193,929	628,246,013,560	140,579,510,532	128,283,805,552	191,743,712,185	190,607,504,450	560,074,898,909	629,382,221,295
5.2 Unrealised losses	(57,904,476,165)	(56,154,902,185)	6,385,669,134	-	39,939,509,293	-	(51,518,807,031)	(16,215,392,892)
Total	2,279,549,327,062	2,391,917,451,263	146,703,812,116	128,283,805,552	276,683,221,478	190,607,504,450	2,297,969,333,626	2,477,993,168,291



Ho Thi Thu Thao
Head of Accounting Department



Lam Huu Ho
Chief Financial Officer



Johan Nyvene
Chief Executive Officer
11 August 2017

The notes on pages 15 to 65 are an integral part of these interim financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

1 GENERAL INFORMATION

Establishment and operation licence

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

Headquarter and contact information

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

Contact information:

Email: info@hsc.com.vn

Telephone: (+84 28) 3823 3299

Charter

The Company's latest charter was approved in the Annual General Meeting of shareholders and became effective from 24 April 2017 onwards.

Operations

The principal activities of the Company are brokerage services, securities trading, securities investment consultancy services, corporate finance consultancy services, underwriting and securities custodian services.

Charter capital

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

Investment objectives and investment restrictions

Being a listed broker firm in the Vietnamese securities market, the Company aims to contribute to 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 as stipulated in its charter and applicable securities rules.

Network of operation

As at 30 June 2017, the Company had 8 branches and representative offices in Vietnam.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****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 and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam. The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss (FVTPL) based on market value (or fair value in case market value is undetermined).

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

2.2 Significant changes in the Company's accounting policies applied**(a) *Prevailing regulations on fair value and basis of fair value accounting***

Prevailing regulations on accounting applicable to securities companies operating in Vietnam include Circular 210/2014/TT-BTC dated 30 December 2014 ("Circular 210/2014") and Circular 334/2016/TT-BTC dated 27 December 2016 ("Circular 334/2016") issued by the Ministry of Finance.

According to these two circulars, financial assets at fair value through profit or loss ("FVTPL") are subsequently measured under one of two models:

- (i) Cost less provision for diminution in value; or
- (ii) Market value or fair value (in case market value is undetermined)

If the cost model is adopted, the securities company shall apply accounting policies in accordance with Vietnamese Corporate Accounting System. Accordingly, the securities company shall provide for diminution in value of FVTPL financial assets at period end based on their market value (or fair value in case market value is undetermined). Provision/reversal of provision for diminution in value of FVTPL financial assets is debited/credited to expenses in the statement of income.

If the fair value model is adopted, the securities company shall comply with the prevailing regulations on securities in determining the market value. In case market value is undetermined or uncertainly fluctuates, the securities companies may use fair value to measure its FVTPL financial assets. Fair value is determined based on principles, approaches and valuation models defined in the company charter or valuation manuals approved by the management in written form. All gains or losses from changes in fair value of FVTPL financial assets are recognised in the statement of income.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.2 Significant changes in the Company's accounting policies applied (continued)**

According to Circular 210/2014, fair value accounting is adopted only when Law on Accounting permits fair value concept.

On 20 November 2015, the National Assembly of Vietnam has passed the Law on Accounting No. 88/2015/QH13, which includes fair value concept and fair value accounting. The Law on Accounting became effective since 1 January 2017 onwards. Also accordingly to the Law on Accounting, determining fair value of assets and liabilities must be based on realistic evidence. Where fair value can not be reliably measured, assets and liabilities are accounted at cost.

(b) Accounting policy applied

Up to 31 December 2016, the Company had been recognising and subsequently measuring FVTPL financial assets at cost less provision for diminution in value.

From 1 January 2017 onwards, the Company has been subsequently measuring FVTPL financial assets at market value or fair value (in case market value is undetermined). The Company applied retrospectively such changes in accounting policies. Details of such restatements are presented in Note 12.

(c) Comparative figures

As Circular 334/2016 was issued on 27 December 2016, certain comparative figures for the six-month period ended 30 June 2016 have been reclassified to conform with the current reporting period's presentation. Details of such reclassifications are presented in Note 12.

2.3 Form of records applied

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

2.4 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 2017 to 30 June 2017.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Currency**

The 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 statement of income.

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

2.6 Cash and cash equivalents

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

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

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

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

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

- It is purchased or created for resale/repurchase in short term; or
- At initiation 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).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification (continued)****(i) Financial assets carried at fair value through profit or loss (FVTPL) (continued)**

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

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency (also called as “accounting inconsistency”) that would otherwise arise due to different bases; or
- It gives rise to a group of financial assets whose performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and internally disseminated to the Company's key management (as defined in Vietnamese Accounting Standard on Related parties disclosure) such as Board of Directors, Chief Executive Officer 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 undetermined). All gains or losses from change in fair value of FVTPL financial assets are recognised in the statement of income.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(a) Classification (continued)****(ii) Loans**

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

- Items that the Company intends to dispose of shortly or in the foreseeable future so that classified as held for trading, or designated as FVTPL at initial recognition;
- Items classified as AFS financial assets at initial recognition;
- 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 purchase cost, 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).

(iii) Receivables

Receivables comprise receivables from disposals of financial assets, dividends and interests receivable, service fees receivables, receivables from trading errors and other receivables. Receivables are recorded on an accruals basis and presented at cost less provision for impairment (if any).

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(b) Reclassification***(i) Reclassification of non-FVTPL financial assets to be sold*

Non-FVTPL financial assets are reclassified to FVTPL financial assets before they are sold.

(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 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 criteria 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 into AFS group and remeasured at fair value. Difference between its carrying value and its fair value is recognised in the statement of income – Changes in fair value of reclassified assets.

(c) Recognition/derecognition

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 derecognised 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is 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 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Financial assets (continued)****(d) Initial recognition**

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

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

(e) Determination of market value/fair value

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

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

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

(ii) Unlisted securities registered/unregistered to Vietnam Securities Depository ("VSD")

The fair values of these equities based on the average of transacted prices announced by the three (03) independent quoting entities at the latest trading date within one (01) month prior to the reporting date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Securities Law.

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

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

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

The fair values of these equities are determined at its book value as at 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 as 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

(g) *Provision for impairment of receivables*

Receivables are subject to review for impairment based on the overdue status of the receivables or the estimated loss arising from undue debts of which the indebted economic entities fall bankrupt or are undergoing dissolution procedures; debtors are missing, deceased or under legal claims.

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

Overdue period	Provision rate
From 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%
Over 3 years	100%

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

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

Purchasing transaction costs

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

Selling transaction costs

Selling transaction costs are expensed off in the reporting period.

Gain/(loss) on disposals

Gain/(loss) on disposals of financial assets are accounted as income/(expenses) in profit or loss of statement of income. Cost of bonds disposed is determined using specific identification method while cost of other securities disposed is determined using weighted average method up to the end of trading dates.

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the statement of financial position. The corresponding proceed is recognised in the 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 statement of financial position. The corresponding cash paid is recognised in the 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.

2.9 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 disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the statement of income.

2.10 Leased assets

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Prepaid expenses**

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be accounted as fixed assets under current 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 allocated to expenses over two (2) to forty (40) years in the statement of income:

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

2.12 Security deposits

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

2.13 Liabilities**(a) Recognition/Derecognition**

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 derecognised when such obligations are fully discharged. Liabilities are recognised on an accruals basis and on prudent concept.

(b) Classification

Classifications of liabilities are based on their nature as follows:

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.14 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is presented in the 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.

2.15 Income tax paid on behalf of customers

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 corporate customers and pay on their behalf. For individual customers (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 customers. For customers being local organisations, the Company is not responsible for withholding tax as these customers have responsibility for their own tax payment and declaration.

2.16 Borrowing costs

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

2.17 Accrued expenses

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

2.18 Provisions

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Equity****(a) *Share capital***

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

Share premium is the difference between the par value and the issuing price of shares and the difference between the repurchase price and re-issuing 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 to equity. The Company does not account for gains/(losses) from purchase/sale, issuance/cancellation of its equity instruments.

(b) *Undistributed profits*

Undistributed profits represents cumulative undistributed post-tax profits as at reporting date including cumulative realised profits and cumulative unrealised profits.

Unrealised profit of the reporting period is total difference between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the statement of income.

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

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

According to Circular 146/2014/TT-BTC issued 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 resolution of Annual General Meeting of shareholders.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Revenue and income recognition****(a) *Revenue from provision of services to investors***

Revenue from provision of services to investors consists of securities brokerage fees, securities underwriting fees and investment consultancy fees, securities custody services and entrustment services.

Revenue from the provision of services is recognised in the statement of 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 consists of income from proprietary trading activities and dividend income.

Income from proprietary trading activities is measured as difference between selling price and costs of securities disposed. Cost of bonds disposed is determined using specific identification method while cost of other securities disposed is determined using weighted average method up to the end of trading dates.

Dividend income is recognised in the statement of income when the Company's right to receive dividend is established, except for scrip dividends which the Company adds their quantity in securities portfolio and does not recognise income.

(c) *Income from capital activities*

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

(d) *Revenue from securities repurchase and reverse repurchase agreements*

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

(e) *Other income*

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Expenses****(a) Recognition**

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

(b) Classification

Expenses are classified by function as follows:

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

2.22 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 that 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 income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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.

2.23 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Annual General Meeting of shareholders.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 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 each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.25 Segment reporting

A segment is a component which can be separated by 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 financial statements in order to help users of financial statements to understand and evaluate the situation the operations of the Company in a comprehensive way.

2.26 Nil balances

Items or balances required by Circular 210/2014/TT-BTC and Circular 334/2016 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	
	30.6.2017	31.12.2016
	VND	VND
Cash on hand	606,435,803	614,575,794
Cash at bank	36,119,582,550	59,579,109,106
	36,726,018,353	60,193,684,900

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

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

	As at 30.6.2017		As at 31.12.2016	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
Securities listed and securities traded on UPCoM	560,182,949,227	599,358,240,197	105,438,833,114	104,543,050,730
Hoa Phat Group Joint Stock Company (HPG)	56,065,738,661	58,583,360,000	-	-
Mobile World Investment Corporation (MWG)	42,765,400,374	53,008,935,000	18,645,308,328	19,187,220,000
Hoang Anh Gia Lai Agricultural Joint Stock Company (HNG)	51,613,225,500	55,384,967,500	-	-
Hoang Anh Gia Lai Joint Stock Company (HAG)	51,049,748,628	53,110,562,400	-	-
Hoa Sen Group (HSG)	29,090,387,932	33,773,274,000	-	-
Military Commercial Joint - Stock Bank (MBB)	21,434,123,128	31,922,494,600	-	-
GTNFOODS Joint Stock Company (GTN)	17,500,085,500	22,125,000,000	17,500,085,500	20,750,083,000
Hoang Huy Investment Services Joint Stock Company (HHS)	2,240,000,000	873,600,000	-	-
Others	288,424,239,504	290,576,046,697	69,293,439,286	64,605,747,730
Unlisted and unregistered securities	415,811,564,048	360,356,994,296	246,484,721,548	191,030,138,825
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
Viet Capital Securities JSC (VCI)	15,597,600,000	15,597,600,000	-	-
Ho Chi Minh Development Joint Stock Commercial Bank	6,406,870,500	6,406,870,500	-	-
Dong A Joint Stock Commercial Bank	16,967,999,502	1,511,472,000	16,967,999,502	1,511,472,000
Tan Binh Real Estate Joint Stock Company	12,025,000,000	6,200,000,000	12,025,000,000	6,300,000,000
Ca Mau Seafood Joint Stock Company	10,950,000,000	585,000,000	10,950,000,000	585,000,000
Minh Hai Export Frozen Seafood Processing JSC	8,000,000,000	330,000,000	8,000,000,000	330,000,000
Special Aquatic Products Joint-Stock Company	7,550,000,000	2,160,000,000	7,550,000,000	2,160,000,000
Can Tho Import - Export Seafood Joint Stock Company	4,900,000,000	1,586,117,750	4,900,000,000	1,586,117,750
Others	294,610,454,046	287,176,294,046	147,288,082,046	139,753,909,075
ETF certificates	21,178,388,861	21,242,274,751	10,603,043,078	10,798,506,000
VFMVN30 ETF (VFMVN30)	21,178,388,861	21,242,274,751	10,603,043,078	10,798,506,000
	997,172,902,136	980,957,509,244	362,526,597,740	306,371,695,555

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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 2017

			Comparison to market price or fair value		
	Cost VND	Market price/ fair value VND	Increase VND	Decrease VND	Market price/ fair value VND
Securities listed and securities traded on UPCoM	560,182,949,227	599,358,240,197	41,643,676,616	(2,468,385,646)	599,358,240,197
Unlisted and unregistered securities	415,811,564,048	360,356,994,296	-	(55,454,569,752)	360,356,994,296
ETF certificates	21,178,388,861	21,242,274,751	63,885,890	-	21,242,274,751
	997,172,902,136	980,957,509,244	41,707,562,506	(57,922,955,398)	980,957,509,244

As at 31 December 2016

			Comparison to market price or fair value		
	Cost VND	Market price/ fair value VND	Increase VND	Decrease VND	Market price/ fair value VND
Securities listed and securities traded on UPCoM	105,438,833,114	104,543,050,730	5,050,707,057	(5,946,489,441)	104,543,050,730
Unlisted and unregistered securities	246,484,721,548	191,030,138,825	-	(55,454,582,723)	191,030,138,825
ETF certificates	10,603,043,078	10,798,506,000	195,462,922	-	10,798,506,000
	362,526,597,740	306,371,695,555	5,246,169,979	(61,401,072,164)	306,371,695,555

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.3 Loans

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

		As at	
		30.6.2017	31.12.2016
		VND	VND
Margin loans	(i)	3,451,556,098,669	2,666,330,636,119
Trading advances	(ii)	12,117,977,214	84,614,597,275
		3,463,674,075,883	2,750,945,233,394

(i) Margin loans

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

(ii) Trading advances

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

3.4 Provisions for impairments of financial assets and mortgages

The entire balance of provisions for impairment of financial assets and mortgages was provision for impairment of margin loans.

There was no movement of provisions for impairment of financial assets in 2017.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

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

3.5 Receivables

		As at 30.6.2017		As at 31.12.2016	
		Carrying value VND	Doubtful amount VND	Carrying value VND	Doubtful amount VND
Service fees receivable					
Receivable from VSD	(i)	195,617,113,977	-	312,618,075,234	-
Receivable from securities purchasing	(ii)	-	-	51,168,439,301	-
Consultancy service fees receivable		13,765,623,335	1,145,650,000	4,119,375,001	1,145,650,000
Other receivables from trading activities		1,074,843,861	-	2,102,514,140	-
		210,457,581,173	1,145,650,000	370,008,403,676	1,145,650,000
Other receivables					
Overdue margin loans	(iii)	37,783,317,946	37,783,317,946	33,110,251,549	33,110,251,549
Others		5,881,228,460	654,824,202	2,057,428,231	654,824,202
		43,664,546,406	38,438,142,148	35,167,679,780	33,765,075,751
		254,122,127,579	39,583,792,148	405,176,083,456	34,910,725,751

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.5 Receivables (continued)

- (i) This was receivable from VSD for sales of securities during the last 2 days of the reporting period. This receivable was subsequently collected in the first days of third quarter of 2017.
- (ii) The receivable from securities trading as at 31 December 2016 was due from a institutional investor and subsequently collected on 3 January 2017.
- (iii) This was residual amount of overdue margin loans after the Company forcedly sold out all of collateral assets to collect the loans. This amount was fully provided for.

The Company had no receivables due from related parties as at 30 June 2017 and as at 31 December 2016.

3.6 Provision for doubtful debts

	Doubtful amount		Provision			
	Opening balance VND	Closing balance VND	Opening balance VND	Provision VND	Reversal VND	Closing balance VND
Overdue margin loans	33,110,251,549	37,783,317,946	33,110,251,549	4,673,066,397	-	37,783,317,946
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	34,910,725,751	39,583,792,148	34,910,725,751	4,673,066,397	-	39,583,792,148

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.7 Fixed assets

(a) Tangible fixed assets

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2017	3,462,891,640	42,309,152,870	45,772,044,510
New purchases	-	639,407,337	639,407,337
Transfers from construction in progress (Note 3.7(c))	-	970,686,300	970,686,300
As at 30.6.2017	3,462,891,640	43,919,246,507	47,382,138,147
Accumulated depreciation			
As at 1.1.2017	2,031,687,575	38,109,400,005	40,141,087,580
Charge for the period	349,900,875	1,262,032,643	1,611,933,518
As at 30.6.2017	2,381,588,450	39,371,432,648	41,753,021,098
Net book value			
As at 1.1.2017	1,431,204,065	4,199,752,865	5,630,956,930
As at 30.6.2017	1,081,303,190	4,547,813,859	5,629,117,049

As at 30 June 2017, 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 2017 was VND35,238,828,416 (As at 31 December 2016: VND35,220,524,705).

The Company had no tangible fixed assets awaiting disposal as at 30 June 2017.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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 1.1.2017 29,853,565,250

New purchases 672,000,000

As at 30.6.2017 **30,525,565,250**

Accumulated amortisation

As at 1.1.2017 26,368,145,854

Charge for the period 1,416,049,044

As at 30.6.2017 **27,784,194,898**

Net book value

As at 1.1.2017 **3,485,419,396**

As at 30.6.2017 **2,741,370,352**

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2017 was VND24,607,038,107 (As at 31 December 2016: VND21,990,858,667).

The Company had no intangible fixed asset awaiting disposal as at 30 June 2017.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

(c) Construction in progress

Construction in progress comprises the followings:

	As at	
	30.6.2017	31.12.2016
	VND	VND
Software purchases	19,219,121,423	5,298,570,886
System setup costs	7,702,563,708	4,052,293,236
Others	912,262,590	1,807,447,420
	27,833,947,721	11,158,311,542

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

	Six-month period ended 30.6.2017	Year ended 31.12.2016
	VND	VND
Beginning of period/year	11,158,311,542	1,807,447,420
Increase during period/year	17,646,322,479	9,350,864,122
Transfers to tangible fixed assets (Note 3.7(a))	(970,686,300)	-
End of period/year	27,833,947,721	11,158,311,542

3.8 Long-term prepaid expenses

	As at	
	30.6.2017	31.12.2016
	VND	VND
Office rentals	93,952,578,896	95,368,949,432
Office renovations	2,460,689,706	723,757,334
Office supplies	31,801,230	68,128,134
	96,445,069,832	96,160,834,900

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.9 Deposits in the Settlement Supporting Fund

According to Decision No.45/QD-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 2017, the Company fully contributed the maximum amount.

	As at	
	30.6.2017	31.12.2016
	VND	VND
Initial contribution	120,000,000	120,000,000
Additional contributions	19,212,583,310	18,224,666,297
Allocated interests	667,416,690	987,917,013
	20,000,000,000	19,332,583,310

3.10 Deposits in the Derivatives trading Settlement Fund

According to Policy of management and use of Derivatives trading Settlement Fund attached to Decision No.97/QD-VSD dated 23 March 2017 of 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 2017**

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

3.11 Short-term borrowings

Movements of short-term borrowings during the period are as follows:

	Interest % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Bank borrowings	7.0 – 8.0	1,000,000,000,000	5,981,000,000,000	(5,650,000,000,000)	1,331,000,000,000
Bank overdrafts	6.5	-	4,294,937,631,688	(4,252,882,052,888)	42,055,578,800
Total		1,000,000,000,000	10,275,937,631,688	(9,902,882,052,888)	1,373,055,578,800

Short-term borrowings have maturities from 1 to 3 months and are used to supplement working capital for operations. The short-term borrowings bear interest from 6.5% to 8% per annum.

Value of collateral assets as at 30 June 2017 was VND3,678 billion (as at 31 December 2016: 3,121 billion).

The Company had no short-term borrowings from related parties as at 31 December 2016, 30 June 2017 and during the six-month period then ended.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.12 Trading obligations

	As at	
	30.6.2017	31.12.2016
	VND	VND
Payables to investors relating to their sales of securities	160,069,454,397	-
Payables to an investor relating to their advance for securities purchases	17,170,000,000	17,170,000,000
Payables to stock exchanges and VSD	7,063,897,121	4,733,085,057
Other payables	4,715,395,800	15,440,005,800
	189,018,747,318	37,343,090,857

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.13 Tax and other payables to the State budget

	As at 31.12.2016 VND	Incurred during the period VND	Settled during the period VND	As at 30.6.2017 VND
Corporate income tax - current	28,854,214,980	56,549,260,520	(49,409,941,082)	35,993,534,418
Personal income tax withheld and paid on behalf of investors	3,547,047,973	36,899,116,856	(32,815,015,942)	7,631,148,887
Corporate income tax withheld and paid on behalf of foreign institutions	4,073,130,728	14,173,318,383	(15,746,386,686)	2,500,062,425
Foreign contractor tax	1,297,255,563	2,267,155,832	(3,564,411,395)	-
Personal income tax withheld and paid on behalf of employees	1,033,089,189	15,482,846,141	(14,670,380,591)	1,845,554,739
Value added tax	336,102,930	1,159,961,258	(1,036,755,881)	459,308,307
Business license tax	-	11,000,000	(11,000,000)	-
	39,140,841,363	126,542,658,990	(117,253,891,577)	48,429,608,776

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.14 Short-term accrued expenses

	As at	
	30.6.2017	31.12.2016
	VND	VND
Allowance for working performance	9,000,000,000	12,000,000,000
Interest expenses	3,197,571,956	3,615,835,487
Others	6,799,758,871	3,502,849,447
	18,997,330,827	19,118,684,934

3.15 Other short-term liabilities

	As at	
	30.6.2017	31.12.2016
	VND	VND
Advances for purchases of bonds (*)	700,000,000,000	-
Receipts from investors for their subscription of shares of issuers	11,639,960,000	35,453,170,000
Dividends payable to shareholders	4,542,358,278	67,765,947,688
Dividends paid on behalf	2,206,310,447	2,566,598,772
Other payables	10,061,140,067	3,025,391,752
	728,449,768,792	108,811,108,212

(*) These were advances from related parties (Note (8(b))) for purchases of bonds.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.16 Deferred income tax assets

	As at	
	30.6.2017	31.12.2016
	VND	VND
Deferred income tax assets	<u>2,546,798,892</u>	<u>3,638,284,131</u>

The movement of deferred income tax assets are as follows:

	For the six- month period ended 30.6.2017	Year ended 31.12.2016
	VND	VND
Beginning of period/year	3,638,284,131	-
Income statement (charge)/credit	<u>(1,091,485,239)</u>	<u>3,638,284,131</u>
End of period/year	<u>2,546,798,892</u>	<u>3,638,284,131</u>

Details of deferred tax assets is as below:

	As at	
	30.6.2017	31.12.2016
	VND	VND
Deductible temporary differences:		
Provisions for impairment of overdue margin loans	<u>12,733,994,460</u>	<u>18,191,420,655</u>

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

3.17 Share capital

(a) Number of shares

	As at	
	30.6.2017	31.12.2016
	VND	VND
Number of shares registered	129,756,758	127,256,758
Number of shares issued	129,756,758	127,256,758
Number of shares repurchased	(101,390)	(101,390)
Number of existing shares in issue	129,655,368	127,155,368

As at 30 June 2017 and as at 31 December 2016, 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) Movement of share capital

	Ordinary shares
As at 1 January 2016	127,185,417
Treasury shares repurchased	(30,049)
As at 31 December 2016	127,155,368
New shares issued	2,500,000
As at 30 June 2017	129,655,368

3.18 Undistributed earnings

	As at	
	30.6.2017	31.12.2016
	VND	VND
Undistributed realised profits	629,382,221,295	628,246,013,560
Unrealised losses	(16,215,392,892)	(56,154,902,185)
	613,166,828,403	572,091,111,375

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

4 NOTES TO OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

4.1 Bad debts written off

	As at	
	30.6.2017	31.12.2016
	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 as follows:

	As at	
	30.6.2017	31.12.2016
	VND	VND
US Dollar	35,392.29	45,182.58
Japanese Yen	190,755	190,755
Singapore Dollar	300	300
British Pound	100	100
Taiwanese Dollar	3,200	3,200
Canadian Dollar	100	100

4.3 Number of shares in issue

	As at	
	30.6.2017	31.12.2016
Ordinary shares		
Quantity issued within 1 year (share)	2,500,000	-
Quantity issued for 1 year or more (share)	127,155,368	127,155,368
	129,655,368	127,155,368

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

5 NOTES TO THE INTERIM STATEMENT OF INCOME

5.1 Net realised gains on disposals of FVTPL financial assets

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Realised gains on disposals of FVTPL financial assets	36,698,019,985	13,276,411,638
Realised losses on disposals of FVTPL financial assets	(4,535,847,993)	(9,733,251,947)
	32,162,171,992	3,543,159,691

Details of net realised gain from disposals of FVTPL financial assets by category are as follows:

	Quantity disposed Share	Sales proceeds VND	Costs of disposals (*) VND	Realised gains in the reporting period VND	Realised gains in the comparative period VND
Equities	14,947,856	500,143,989,818	472,971,522,975	27,172,466,843	3,536,159,691
Bonds	1,000,000	100,962,000,000	101,006,000,000	(44,000,000)	7,000,000
ETF certificates	17,819,600	204,684,618,652	199,650,913,503	5,033,705,149	-
	33,767,456	805,790,608,470	773,628,436,478	32,162,171,992	3,543,159,691

(*) Cost of bonds disposed is determined using specific identification method while cost of other securities disposed is determined using weighted average method up to the end of trading dates.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)

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

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Gains from revaluation of FVTPL financial assets	36,461,392,527	2,402,822,886
Losses from revaluation of FVTPL financial assets	3,478,116,766	3,982,846,248
	39,939,509,293	6,385,669,134

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation gains/(losses) as at 30.6.2017 VND	Accumulated revaluation gains/(losses) as at 31.12.2017 VND	Credited/ (charged) to statement of income VND
Securities listed and securities traded on UPCoM	560,182,949,227	599,358,240,197	39,175,290,970	(895,782,384)	40,071,073,354
Unlisted and unregistered securities	415,811,564,048	360,356,994,296	(55,454,569,752)	(55,454,582,723)	12,971
ETF certificates	21,178,388,861	21,242,274,751	63,885,890	195,462,922	(131,577,032)
	997,172,902,136	980,957,509,244	(16,215,392,892)	(56,154,902,185)	39,939,509,293

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)

5.3 General and administration expenses

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Staff costs	28,241,331,547	22,994,422,497
Rental expenses	11,000,305,577	10,094,360,661
Outsourcing expenses	7,621,622,254	7,532,803,224
Depreciation and amortisation	1,834,243,179	1,585,251,005
Stationery expenses	475,368,933	311,398,256
Tax and other fees	116,349,036	272,814,873
Other administrative expenses	2,149,486,515	2,357,321,706
	51,438,707,041	45,148,372,222

5.4 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	
	2017 VND	2016 VND
Accounting profit before tax	289,323,967,237	182,804,452,926
Tax at rate of 20%:	57,864,793,447	36,560,890,585
Adjustment:		
Non-taxable income	(224,047,688)	(721,617,325)
Corporate income tax charge (*)	57,640,745,759	35,839,273,260
Charged for the period:		
Corporate income tax – current	56,549,260,520	35,839,273,260
Corporate income tax – deferred (Note 3.16)	1,091,485,239	-
	57,640,745,759	35,839,273,260

(*) 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 corporate income tax up to 31 December 2014.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)

5.5 Earnings per share

(a) Basic earnings per share

According to prevailing regulations, basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the 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 interim financial statements, the resolution of Annual General Meeting of shareholders regarding how much bonus and welfare funds to be appropriated from post-tax profits of the current year was not available. Therefore, the net profit amount used for calculation of basic earnings per shares for the first six-month period is not deducted by the amount of bonus and welfare funds to be appropriated.

	For the six-month period ended 30 June	
	2017	2016
Net profit after tax attributable to ordinary shareholders (VND)	231,683,221,478	146,965,179,666
Weighted average number of ordinary shares in issue (shares)	128,743,766	127,176,350
Basic earnings per share (VND)	1,800	1,156

The basic earnings per share for the year ended 31 December 2016 will be recalculated after deducting the actual amount appropriated to bonus and welfare funds from retained earnings according to Resolution of Annual General Meeting of shareholders No. 01/2017/ND-DHDCD dated 24 April 2017 and presented in annual financial statements for the year ended 31 December 2017.

(b) Diluted earnings per share

The Company does not have potentially dilutive ordinary shares.

6 NOTES TO THE INTERIM STATEMENT OF CASH FLOWS

6.1 Proceeds from borrowings

Proceeds from borrowings are bank overdrafts and loan drawdowns (Note 3.11).

6.2 Repayments of borrowings

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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 and operational risk reserve VND	Other equity funds VND	Undistributed earnings VND	Total VND
As at 1 January 2016	1,272,567,580,000	310,343,798,499	(770,889,458)	101,786,372,631	101,786,372,632	3,961,374,994	489,874,717,764	2,279,549,327,062
Profit for the period	-	-	-	-	-	-	146,965,179,666	146,965,179,666
Appropriate to bonus and welfare funds (i)	-	-	-	-	-	-	(7,465,853,509)	(7,465,853,509)
Appropriate to operation fund of Board of Directors (i)	-	-	-	-	-	-	(2,559,721,203)	(2,559,721,203)
Final dividend of the year 2015 (i)	-	-	-	-	-	-	(118,258,230,840)	(118,258,230,840)
Share repurchases	-	-	(261,367,550)	-	-	-	-	(261,367,550)
As at 30 June 2016	1,272,567,580,000	310,343,798,499	(1,032,257,008)	101,786,372,631	101,786,372,632	3,961,374,994	508,556,091,878	2,297,969,333,626
Profit for the period	-	-	-	-	-	-	157,565,801,637	157,565,801,637
Appropriate to statutory reserves (Note 2.19(c))	-	-	-	15,226,549,070	15,226,549,070	-	(30,453,098,140)	-
Interim dividend of the year 2016 (ii)	-	-	-	-	-	-	(63,577,684,000)	(63,577,684,000)
Share repurchases	-	-	(40,000,000)	-	-	-	-	(40,000,000)
As at 31 December 2016	1,272,567,580,000	310,343,798,499	(1,072,257,008)	117,012,921,701	117,012,921,702	3,961,374,994	572,091,111,375	2,391,917,451,263
Share issuance (iv)	25,000,000,000	20,000,000,000	-	-	-	-	-	45,000,000,000
Profit for the period	-	-	-	-	-	-	231,683,221,478	231,683,221,478
Appropriate to bonus and welfare funds (iii)	-	-	-	-	-	-	(30,453,098,130)	(30,453,098,130)
Appropriate to operation fund of Board of Directors (iii)	-	-	-	-	-	-	(4,567,964,720)	(4,567,964,720)
Final dividend of the year 2016 (iii)	-	-	-	-	-	-	(155,586,441,600)	(155,586,441,600)
As at 30 June 2017	1,297,567,580,000	330,343,798,499	(1,072,257,008)	117,012,921,701	117,012,921,702	3,961,374,994	613,166,828,403	2,477,993,168,291

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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 21 April 2016:
- Amount appropriated for bonus and welfare funds was 3.5% of post-tax profit of the year 2015.
 - Amount appropriated for operation fund of Board of Directors was 1.2% of post-tax profit of the year 2015.
 - Final dividend of the year 2015 was 9.3% of par value, equivalent to VND930/share.
 - Provisional rate of dividend of the year 2016 was 12% of par value, equivalent to VND1,200/share.
- (ii) According to authorisation of Annual General Meeting of Shareholders on 21 April 2016, the Board of Directors had advanced the interim dividend of the year 2016 in cash at 5% of par value, equivalent to VND500/share.
- (iii) According to the Resolution of the Annual General Meeting of Shareholders on 24 April 2017:
- Amount appropriated for bonus and welfare funds was 10% of post-tax profit of the year 2016.
 - Amount appropriated for operation fund of Board of Directors was 1.5% of post-tax profit of the year 2016.
 - Final dividend of the year 2016 was 12% of par value, equivalent to VND1,200/share.
- (iv) The Employee Stock Option Plan 2016 (ESOP 2016) was approved in the Annual General Meeting of shareholders on 21 April 2016. Accordingly, the Company issued 2,500,000 shares to its executives. The capital increase was sourced from bonus and welfare fund and contributions of the executives. The new shares issued are blocked for transfer according to Policy of ESOP 2016 approved by the Board of Directors.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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

7.2 Distributed earnings

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Undistributed earnings brought forward	628,246,013,560	547,779,193,929
Unrealised losses incurred in the period	(16,215,392,892)	(51,518,807,031)
Realised profits incurred in the period	191,743,712,185	140,579,510,532
Appropriations of retaining earnings:		
To supplementary capital reserve	-	-
To financial and operational risk reserve fund	-	-
Distributable profits	803,774,332,853	636,839,897,430
Dividend declared	155,586,441,600	118,258,230,840
Income tax withheld	(1,448,822,700)	(1,140,864,351)
Net amount distributed to shareholders	154,137,618,900	117,117,366,489

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

8 RELATED PARTIES DISCLOSURES

Identified related parties and relationships are presented below:

Related party	Relationship
Dragon Capital Markets Limited (DC)	Strategic shareholder – holding 30.87% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy General Director of DC Group. The Company's member of the Board of Directors, cum Chief Executive Officer is representative for DC's shares.
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder – holding 29.47% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy Director of HFIC. The Company's member of the Board of Directors is Head of Investment Department at HFIC.
Vietnam Debt Fund SPC (VDF)	DC's subsidiary
Vietnam Enterprise Investments	DC's subsidiary
Amersham Industries Limited	DC's subsidiary
Vietnam Property Fund Limited	DC's subsidiary
Cam Vietnam Mother Fund	DC's subsidiary
DC Developing Markets Strategies Public Limited Company	DC's subsidiary
Board of Directors and Board of Management	Key management

(a) Related party transactions

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

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Dragon Capital Markets Limited (DC)		
Brokerage service - purchases	105,165,500,000	-
Brokerage service - sales	443,519,015,980	-
Brokerage fee income	476,622,926	-
Consultancy expenses	3,600,000,000	4,800,000,000
Dividend paid	66,773,977,000	56,168,698,300
Ho Chi Minh Finance and Investment State-owned Company (HFIC)		
Dividend paid	63,750,000,000	53,625,000,000
Vietnam Debt Fund SPC (VDF)		
Brokerage service - purchases	211,899,500,000	-
Brokerage service - sales	212,522,000,000	-
Brokerage fee income	84,884,300	-

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

8 RELATED PARTIES DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Cam Vietnam Mother Fund		
Brokerage service - purchases	238,285,849,500	553,990,404,000
Brokerage service - sales	337,944,935,750	363,273,668,750
Brokerage fee income	861,858,693	1,301,121,928
Amersham Industries Limited		
Brokerage service - purchases	31,015,646,000	104,411,054,000
Brokerage service - sales	167,430,924,750	244,671,254,200
Brokerage fee income	297,669,857	523,623,464
Vietnam Enterprise Investments Limited		
Brokerage service - purchases	6,101,000,000	85,419,065,000
Brokerage service - sales	27,408,541,800	101,386,294,740
Brokerage fee income	50,264,313	280,208,040
Vietnam Property Fund Limited		
Brokerage service - purchases	-	-
Brokerage service - sales	-	72,177,700,000
Brokerage fee income	-	108,266,500
DC Developing Markets Strategies Public Limited Company		
Brokerage service - purchases	165,024,838,300	41,148,031,000
Brokerage service - sales	22,561,460,500	20,181,960,000
Brokerage fee income	281,379,449	91,994,990
Compensation of key management		
Gross salaries and other benefits	13,789,805,679	9,849,067,586

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

8 RELATED PARTIES DISCLOSURES (continued)

(b) Period-end balances with related parties

	As at	
	30.6.2017	31.12.2016
	VND	VND
Dragon Capital Markets Limited (DC)		
Consultancy fee payable	3,600,000,000	-
Advance for purchases of bonds (Note 3.15)	500,000,000,000	-
Dividend payable	-	19,639,405,000
Ho Chi Minh Finance and Investment State-owned Company (HFIC)		
Deposits for securities trading	24,895,359	24,829,079
Dividend payable	-	18,750,000,000
Vietnam Debt Fund SPC (VDF)		
Advance for purchases of bonds (Note 3.15)	200,000,000,000	-

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 this ground, 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 2017**

9 SEGMENT REPORTING (continued)

(b) Business activity segments

Information of segment income and expenses based on the activities of the Company is as follows:

For the six-month period ended 30 June 2017						
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	213,339,213,806	97,714,595,405	193,762,382,541	23,308,142,344	1,578,333,452	529,702,667,548
Expenses	(183,455,640,367)	(4,286,697,666)	(45,481,144,337)	(6,478,226,753)	(676,991,188)	(240,378,700,311)
Profits before tax	<u>29,883,573,439</u>	<u>93,427,897,739</u>	<u>148,281,238,204</u>	<u>16,829,915,591</u>	<u>901,342,264</u>	<u>289,323,967,237</u>
For the six-month period ended 30 June 2016						
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Total VND
Income	166,259,478,687	17,015,998,247	171,216,416,198	3,048,416,441	3,752,037,439	361,292,347,012
Expenses	(63,054,635,576)	(8,275,542,123)	(101,433,701,367)	(3,505,801,152)	(2,218,213,868)	(178,487,894,086)
Profits before tax	<u>103,204,843,111</u>	<u>8,740,456,124</u>	<u>69,782,714,831</u>	<u>(457,384,711)</u>	<u>1,533,823,571</u>	<u>182,804,452,926</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

Information of segment assets and liabilities based on the activities of the Company is as follows:

As at 30 June 2017							
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated VND	Total VND
Assets	2,161,706,297,932	981,707,614,916	1,687,889,103,181	1,950,274,744	13,810,174,595	7,774,662,723	4,854,838,128,091
Liabilities	(207,576,623,602)	-	(2,076,382,975,831)	-	(10,495,053,709)	(82,390,306,658)	(2,376,844,959,800)
Net assets	1,954,129,674,330	981,707,614,916	(388,493,872,650)	1,950,274,744	3,315,120,886	(74,615,643,935)	2,477,993,168,291
As at 31 December 2016							
	Brokerage and services VND	Trading VND	Lending VND	Consultancy VND	Others VND	Unallocated VND	Total VND
Assets	2,694,827,342,415	307,120,143,057	593,279,662,886	1,796,274,005	13,735,560,734	6,083,351,591	3,616,842,334,688
Liabilities	(73,227,381,323)	-	(1,008,491,170,000)	-	(1,221,786,220)	(141,984,545,882)	(1,224,924,883,425)
Net assets	2,621,599,961,092	307,120,143,057	(415,211,507,114)	1,796,274,005	12,513,774,514	(135,901,194,291)	2,391,917,451,263

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****10 FINANCIAL RISK MANAGEMENT**

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

The Board of Management 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 by 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 the bank balances are placed with local financial institutions which have high credit ratings.

Financial assets at fair value through profit or loss

The Company's listed 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 sales 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

The 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 2017**

10 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Margin loans

Margin loans are secured by eligible securities listed on Ho Chi Minh City Stock Exchange ("HOSE") and Hanoi Stock Exchange ("HNX"), customers' cash and trading proceeds. Under the local rules, 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.

Customers Securities department has continuous review of margin loan report which includes balances, collateral assets and margin ratio. When the secured margin ratio falls below 40% (regulated level: 30%), the system alerts and the Company makes margin calls. When the secured margin ratio falls below 30%, the Company forcibly sells out collateral assets to collect the loans.

Receivables and other assets

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

Credit risk exposure includes the following balances:

	As at	
	30.6.2017	31.12.2016
	VND	VND
Cash and cash equivalents (Note 3.1)	36,726,018,353	60,193,684,900
Loans (Note 3.3)	3,463,674,075,883	2,750,945,233,394
Receivables (Note 3.5)	254,122,127,579	405,176,083,456
Total credit risk exposure	3,754,522,221,815	3,216,315,001,750

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

10 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk

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

The Company manages this risk through the careful selection of securities and other financial instruments within specified limits and by holding a diversified portfolio of listed and unlisted instruments.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. Currently, the Company records its financial assets and financial liabilities under the historical cost convention less provision for impairment, hence, the Company only has cash flow risk for its interest receivable/payable. The Company is exposed to interest rate risk mainly on 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. Therefore, the Company's currency risk is considered not material because the Company has small amount in United States Dollar at the reporting date ("USD").

The Company's currency exposure to the USD is as follows:

	Original currency USD		Equivalent to VND	
	2017	2016	2017	2016
Financial assets				
Cash	35,392.29	45,182.58	803,404,956	1,026,548,218
Financial liabilities	-	-	-	-
Net financial assets	35,392.29	45,182.58	803,404,956	1,026,548,218
Currency exposure	35,392.29	45,182.58	803,404,956	1,026,548,218

At 30 June 2017, if the USD had strengthened/weakened by 10% (estimated % change in exchange rate) against the VND with all other variables being held constant, the Company's profit after tax profit/(loss) for the six-month period would have been VND64,272,396 higher/lower as a result of foreign exchange gains/(losses) on translation of USD-denominated financial instruments. (At 31 December 2016: VND82,123,857).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

10 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

- Share price risk

Listed and unlisted shares held by the Company are affected by market risks 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.

As at 30 June 2017, should the prices of the securities had increased/decreased by 10% with all other variables being held constant including tax rate, the Company's profit after tax would have been higher/lower by VND78,476,600,740 (As at 31 December 2016: higher/ lower VND24,509,735,644).

(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 in 1 year:

	As at	
	30.6.2017	31.12.2016
	VND	VND
Short-term borrowings	1,373,055,578,800	1,000,000,000,000
Trading obligations	189,018,747,318	37,343,090,857
Short-term trade account payables	2,786,720,275	2,936,065,430
Short-term accrued expenses	18,997,330,827	19,118,684,934
Other short-term payables	728,449,768,792	108,811,108,212
Total financial liabilities	2,312,308,146,012	1,168,208,949,433

(d) Capital risk management

Capital Adequacy Ratio ("CAR") is the ratio of the Company's capital to its risks. CAR measures the Company's ability to meet its financial liabilities and absorb certain losses resulting from risks.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

10 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk management (continued)

CAR is calculated and presented in the Company's monthly report in accordance with Circular 226/2010/TT-BTC ("Circular 226") dated 31 December 2010, Circular 165/2012/TT-BTC ("Circular 165") dated 9 October 2012 issued by the Ministry of Finance regulating requirements of capital adequacy ratio applicable to securities business organisations and remedies for non-compliance. According to Circular 165, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As as 30 June 2017, the Company's CAR was 564%.

11 OPERATING LEASE COMMITMENTS

The Company is currently renting offices under operating leases. The future minimum lease payments under non-cancellable operating leases were as follows:

	As at	
	30.6.2017 VND	31.12.2016 VND
Within 1 year	16,773,190,298	10,316,776,453
Between 1 and 5 years	30,212,983,640	19,649,844,390
Total minimum payments	46,986,173,938	29,966,620,843

12 COMPARATIVE FIGURES

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

(a) Interim statement of financial position

Code	ITEMS	As at 31 December 2016		
		Previously reported VND	Restatement/ reclassification VND	Restated VND
100	CURRENT ASSETS			
112	FVTPL financial assets	306,371,695,555	-	306,371,695,555
	LIABILITIES			
	Current liabilities			
318	Trading obligations	32,610,005,800	4,733,085,057	37,343,090,857
325	Short-term accrued expenses	23,851,769,991	(4,733,085,057)	19,118,684,934

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

12 COMPARATIVE FIGURES (continued)

(b) Interim statement of income

Code	ITEMS	Six-month period ended 30 June 2016		
		Previously reported VND	Restatement/ reclassification VND	Restated VND
	OPERATING INCOME			
01	Gains from financial assets carried at fair value through profit or loss (FVTPL)	17,015,998,247	12,016,850,427	29,032,848,674
01.1	Realised gains from disposals of FVTPL financial assets	13,276,411,638	-	13,276,411,638
01.2	Unrealised gains from revaluation of FVTPL financial assets	2,402,822,886	-	2,402,822,886
01.3	Dividends and interest income from FVTPL financial assets	1,336,763,723	12,016,850,427	13,353,614,150
	FINANCIAL INCOME			
42	Dividend income and interest income from demand deposits	13,034,278,507	(12,016,850,427)	1,017,428,080

(c) Interim statement of cash flows

Code	ITEMS	Six-month period ended 30 June 2016		
		Previously reported VND	Restatement/ reclassification VND	Restated VND
	Cash flows from operating activities			
	Accrued expenses/prepaid expenses	2,139,131,231	(2,139,131,231)	-
41	Increase in accrued expenses (excluding interest expenses)	-	1,045,516,078	1,045,516,078
42	Decrease in prepaid expenses	-	1,093,615,153	1,093,615,153
46	Increase in employee welfare payables	-	854,925,507	854,925,507
50	Decrease in other payables	3,011,913,564	(854,925,507)	2,156,988,057
	Cash flows from financing activities			
73	Proceeds from borrowings	4,924,795,207,676	1,106,287,574,836	6,031,082,782,512
74.3	Repayments of borrowings	(4,724,302,674,130)	(1,106,287,574,836)	(5,830,590,248,966)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

13 EVENTS AFTER THE REPORTING DATE

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

14 OPERATIONAL FACTS

Volume and value of transactions during the period

	Volume of transactions during the period	Value of transactions during the period VND
a) Of the Company	136,002,217	7,765,651,544,640
Shares	78,002,217	1,633,298,044,640
Bonds	58,000,000	6,132,353,500,000
b) Of investors	5,140,068,030	160,895,994,497,161
Shares	4,588,750,030	104,326,978,761,381
Bonds	551,318,000	56,569,015,735,780
	5,276,070,247	168,661,646,041,801

The interim financial statements were approved by the Board of Management on 11 August 2017.



Ho Thi Thu Thao
Head of Accounting Department



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer