

VIET DRAGON SECURITIES CORPORATION

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

VIET DRAGON SECURITIES CORPORATION

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

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VIET DRAGON SECURITIES CORPORATION

CORPORATE INFORMATION

Establishment and operation licence

No. 32/UBCK-GPHDKD dated 21 December 2006 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 19/GPDC-UBCK was issued on 30 May 2017.

Board of Directors

Mr. Tran Le Nguyen	Chairman
Mr. Nguyen Mien Tuan	Vice Chairman
Mr. Nguyen Hieu	Member
Mr. Kelly Yin Hon Wong	Member
Ms. Pham My Linh	Member (since 23.3.2017)
Mr. Dao Hong Chau	Member (since 23.3.2017)
Mr. Vo Long Nguyen	Member (since 23.3.2017)
Mr. Nguyen Thuc Vinh	Member (until 23.3.2017)
Mr. Ton That Dien Khoa	Member (until 23.3.2017)
Ms. Nguyen Nu Tuong Oanh	Member (until 23.3.2017)

Key management

Board of Management

Mr. Nguyen Hieu	General Director
Mr. Nguyen Minh Nhut	Deputy General Director
Mr. Nguyen Chi Trung	Deputy General Director
Ms. Nguyen Thi Thu Huyen	Deputy General Director (since 18.4.2017)

Other key management

Mr. Le Minh Hien	Chief Finance Officer - cum Chief Accountant
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Legal Representative

Mr. Tran Le Nguyen	Chairman
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Registered office

1st-2nd-3rd-4th Floors, Viet Dragon Building
141 Nguyen Du Street, District 1
Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

VIET DRAGON SECURITIES CORPORATION

STATEMENT OF THE RESPONSIBILITY OF LEGAL REPRESENTATIVE OF THE COMPANY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Legal Representative of Viet Dragon Securities Corporation ("the Company") authorised the Board of Management to be responsible for preparation of 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 results 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 59 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



Nguyen Hieu
General Director
Authorised signatory

Ho Chi Minh City, Vietnam
7 August 2017



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF VIET DRAGON SECURITIES CORPORATION

We have reviewed the accompanying interim financial statements of Viet Dragon Securities Corporation ("the Company") which were prepared on 30 June 2017 and approved by the General Director on 7 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 59.

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 information 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 24 February 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 11 August 2016.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No.
0849-2013-006-1
Authorised signatory

Report reference number: HCM6349
Ho Chi Minh City, 7 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		1,516,834,191,630	1,562,665,911,314
110	Financial assets		1,513,789,815,073	1,428,040,695,023
111	Cash and cash equivalents	3.1	102,232,577,042	248,012,673,266
111.1	Cash		102,232,577,042	248,012,673,266
112	Financial assets at fair value through profit or loss (FVTPL)	3.2	220,659,368,598	335,565,864,659
114	Loans	3.3	1,204,858,197,249	861,420,252,720
116	Provisions for impairment loss of financial assets and mortgages	3.3	(27,687,767,386)	(28,610,104,426)
117	Receivables	3.4	4,580,305,956	4,145,678,317
117.1	Receivables from disposals of financial assets		2,760,000,000	2,484,000,000
117.2	Dividend and interest receivables		1,820,305,956	1,661,678,317
117.3	Dividend, interest receivables		253,921,992	-
117.4	Undue dividend and interest receivables		1,566,383,964	1,661,678,317
118	Prepayments to suppliers		2,166,919,820	1,662,837,000
119	Service fees receivable	3.4	6,980,213,794	5,843,493,487
122	Other receivables	3.4	1,978,208,478	1,978,208,478
129	Provision for doubtful debts	3.4	(1,978,208,478)	(1,978,208,478)
130	Other current assets		3,044,376,557	134,625,216,291
131	Advances to employees	3.5	860,493,333	132,955,166,000
133	Short-term prepaid expenses	3.5	2,089,026,024	1,619,001,959
134	Pledged assets, mortgages, security deposits in short term	3.5	48,550,000	48,550,000
136	Tax and receivables from the State Budget	3.5	46,307,200	2,498,332
200	NON-CURRENT ASSETS		35,635,531,563	30,569,517,429
220	Fixed assets		15,614,180,142	13,410,029,791
221	Tangible fixed assets	3.6(a)	11,154,161,275	9,577,738,069
222	Historical cost		36,379,434,070	32,741,559,294
223a	Accumulated depreciation		(25,225,272,795)	(23,163,821,225)
227	Intangible fixed assets	3.6(b)	4,460,018,867	3,832,291,722
228	Historical cost		13,105,931,628	11,707,841,628
229a	Accumulated amortisation		(8,645,912,761)	(7,875,549,906)
240	Construction in progress		170,157,163	170,157,163
250	Other non-current assets		19,851,194,258	16,989,330,475
251	Pledged assets, mortgages, security deposits in long term	3.7	2,734,871,664	2,734,871,664
252	Long-term prepaid expenses	3.8	722,666,928	245,182,746
254	Deposits in the Settlement Supporting Fund	3.9	16,393,655,666	14,009,276,065
270	TOTAL ASSETS		1,552,469,723,193	1,593,235,428,743

The notes on pages 16 to 59 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			
310	Current liabilities		774,039,187,855	829,840,256,069
316	Short-term bonds	3.10	711,410,000,000	503,120,000,000
320	Short-term trade accounts payable	3.11	39,500,049,027	20,037,277,465
321	Short-term advances from customers	3.12	2,956,762,800	1,717,240,560
322	Tax and other payables to the State Budget	3.13	10,656,804,696	5,308,043,049
323	Payables to employees		7,796,755	7,796,755
325	Short-term accrued expenses	3.14	8,399,548,949	8,037,734,900
329	Other short-term liabilities	3.15	1,108,225,628	291,612,163,340
340	Non-current liabilities		509,421,000	534,171,000
353	Other long-term liabilities		509,421,000	534,171,000
	TOTAL LIABILITIES		774,548,608,855	830,374,427,069
400	OWNERS' EQUITY			
410	Capital and reserves	3.16	777,921,114,338	762,861,001,674
411	Owners' capital		709,240,118,792	709,240,118,792
411.1	Share capital		700,000,000,000	700,000,000,000
411.2	Share premium		9,240,118,792	9,240,118,792
414	Supplementary capital reserve		4,622,486,592	4,622,486,592
415	Financial and operational risk reserve		4,622,486,592	4,622,486,592
417	Undistributed earnings	3.17	59,436,022,362	44,375,909,698
417.1	Realised profits		71,312,937,548	68,930,268,960
417.2	Unrealised losses		(11,876,915,186)	(24,554,359,262)
	TOTAL EQUITY		777,921,114,338	762,861,001,674
440	TOTAL RESOURCES		1,552,469,723,193	1,593,235,428,743

The notes on pages 16 to 59 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			
006	Number of shares in issue (share)	5.1	70,000,000	70,000,000
			Quantity	
008	Securities listed/registered to Vietnam Securities Depository (VSD)		8,188,718	8,757,516
	<i>Freely traded securities</i>		8,158,718	8,757,516
	<i>Securities awaiting settlement</i>		30,000	-
009	Securities custodied at VSD but not yet traded		1,181	1,912
010	Securities awaiting settlement		1,856,000	896,380
012	Securities not custodied at VSD		1,794,251	4,844,251
013	Bonus shares, scrip dividends and subscription rights		428,144	37
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
021	Securities listed/registered to Vietnam Securities Depository (VSD)		1,027,175,755	829,656,532
021.1	<i>Freely traded securities</i>		691,110,878	492,727,356
021.2	<i>Blocked securities</i>		26,953,111	3,380,298
021.3	<i>Morgaged securities</i>		205,424,110	233,913,148
021.4	<i>Suspended securities</i>		90,846,126	90,846,126
021.5	<i>Securities awaiting settlement</i>		12,841,530	8,789,604
022	Securities custodied at VSD but not yet traded		43,188,725	27,552,795
022.1	<i>Securities custodied at VSD but not yet traded – freely traded securities</i>		29,980,573	14,356,679
022.2	<i>Securities custodied at VSD but not yet traded – blocked securities</i>		13,208,152	13,196,116
023	Securities awaiting settlement		9,358,320	8,744,896
025	Bonus shares, scrip dividends and subscription rights		4,185,295	5,290,131

The notes on pages 16 to 59 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	422,977,441,277	289,067,982,252
027	Customers' deposits for securities trading	412,918,531,216	265,493,738,775
029	Cash blocked for trading settlements	1,068,240,835	15,080,839,725
029.1	Cash blocked for trading settlements of domestic customers	106,497,222	14,887,810,194
029.2	Cash blocked for trading settlements of foreign customers	961,743,613	193,029,531
030	Securities issuers' deposits	8,990,669,226	8,493,403,752
031	Payables to customers relating to their deposits at the Company for securities trading	420,456,762,171	286,541,231,166
031.1	Payables to domestic customers relating to their deposits at the Company for securities trading	419,698,877,196	285,923,507,805
032.2	Payables to foreign customers relating to their deposits at the Company for securities trading	757,884,975	617,723,361
035	Dividends, bond principals and interests payable	2,520,679,106	2,526,751,086



Duong Kim Chi
Preparer



Le Minh Hien
Chief Accountant



Nguyen Hieu
General Director
7 August 2017

The notes on pages 16 to 59 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)		40,667,143,539	25,408,738,935
01.1	<i>Realised gains on disposals of FVTPL financial assets</i>	5.1	38,257,658,305	20,282,262,248
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		2,409,485,234	5,126,476,687
03	Interest income from loans and receivables		66,002,075,215	36,300,879,718
06	Brokerage fee income		43,578,332,624	19,431,764,547
07	Underwriting fee income and placing fee income		5,824,000,000	3,000,000,000
09	Custody service income		3,368,362,633	2,522,726,327
10	Financial consultancy service income		1,142,363,272	1,744,636,363
11	Other operating income		400,832,981	354,955,613
20	TOTAL OPERATING INCOME		160,983,110,264	88,763,701,503
	OPERATING EXPENSES			
21	Losses from financial assets at fair value through profit or loss (FVTPL)		(3,067,097,321)	567,333,062
21.1	<i>Realised losses on disposals of FVTPL financial assets</i>	5.1	(15,744,541,397)	(2,052,956,885)
21.2	<i>Losses from revaluation of financial asset FVTPL</i>	3.2	12,677,444,076	2,620,289,947
24	Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities	5.2	(29,254,259,238)	(17,398,773,452)
26	Self-trading expenses	5.3	(1,234,825,881)	(986,576,618)
27	Brokerage fee expenses	5.3	(26,539,304,573)	(18,797,236,340)
28	Underwriting expenses and placing expenses	5.3	(1,264,599,600)	(180,000,000)
29	Securities investment consultancy expenses	5.3	(443,650,674)	(194,372,271)
30	Custody fee expenses	5.3	(3,365,993,308)	(2,446,263,750)
31	Financial consultancy expenses	5.3	(2,518,881,270)	(2,198,328,689)
32	Other operating expenses	5.3	(4,386,905,778)	(3,570,824,595)
40	TOTAL OPERATING EXPENSES		(72,075,517,643)	(45,205,042,653)

The notes on pages 16 to 59 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		5,616,251,704	4,488,452,851
50	TOTAL FINANCIAL INCOME		5,616,251,704	4,488,452,851
62	GENERAL AND ADMINISTRATION EXPENSES	5.4	(23,523,190,644)	(21,100,608,756)
70	OPERATING RESULT		71,000,653,681	26,946,502,945
	OTHER INCOME AND EXPENSES			
71	Other income		35,917,463	82,836,222
72	Other expenses		(33,111,271)	(25,947,857)
80	NET OTHER INCOME		2,806,192	56,888,365
90	NET ACCOUNTING PROFIT BEFORE TAX		71,003,459,873	27,003,391,310
91	Realised profit		58,326,015,797	24,383,101,363
92	Unrealised profit		12,677,444,076	2,620,289,947
100	CORPORATE INCOME TAX	5.5	(13,943,347,209)	(5,078,455,512)
100.1	Corporate income tax – current		(13,943,347,209)	-
100.2	Corporate income tax – deferred		-	(5,078,455,512)
200	NET PROFIT AFTER TAX		57,060,112,664	21,924,935,798

The notes on pages 16 to 59 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
200	NET PROFIT AFTER TAX		57,060,112,664	21,924,935,798
300	OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-
400	TOTAL COMPREHENSIVE INCOME		<u>57,060,112,664</u>	<u>21,924,935,798</u>
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.6	815	313
502	Diluted earnings per share (VND/share)	5.6	815	313



 Duong Kim Chi
 Preparer



 Le Minh Hien
 Chief Accountant



 Nguyen Hieu
 General Director
 7 August 2017

The notes on pages 16 to 59 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CASH FLOWS
(Indirect method)

		For the six-month period ended	
		30 June	
Code	ITEMS	2017 VND	2016 VND
	Cash flows from operating activities		
01	Net profit before tax	71,003,459,873	27,003,391,310
02	Adjustments for:	(5,493,845,051)	292,083,458
03	Depreciation and amortisation	2,865,049,649	2,417,890,936
04	Provisions	(922,337,040)	2,666,691,029
07	Profits from investing activities	(5,616,251,704)	(4,488,452,851)
08	Accrued interest income	(1,820,305,956)	-
09	Other adjustments:		
	Accrued expenses and prepaid expenses	-	(304,045,656)
10	Less non-cash expenses	(12,677,444,076)	(2,594,342,101)
11	Losses from revaluation of financial assets at fair value through profit or loss FVTPL	(12,677,444,076)	(2,620,289,947)
12	Loss on disposal of fixed assets	-	25,947,846
30	Changes in working capital	(365,449,318,674)	(395,719,982,324)
31	Decrease/(increase) in FVTPL financial assets	127,583,940,137	(130,878,270,993)
33	Increase in loans	(343,437,944,529)	(479,516,738,333)
35	Increase in other assets	(276,000,000)	-
36	Decrease/(increase) in interests and dividends receivable	1,661,678,317	(1,105,606,816)
37	(Increase)/decrease in service fees receivable	(1,136,720,307)	746,373,044
39	Increase in other receivables	(504,082,820)	(59,375,643,572)
40	Decrease in other assets	132,050,863,799	5,811,520,000
41	Increase in accrued expenses	361,814,049	-
42	Increase in prepaid expenses	(947,508,247)	-
43	Corporate income tax paid	(8,222,503,789)	-
45	Increase in trade payables	19,462,771,562	4,091,356,355
47	(Decrease)/increase in tax and other payables to the State Budget	(372,081,773)	112,586,978
50	(Decrease)/increase in other payables	(289,289,165,472)	264,394,441,013
52	Other payments for operating activities	(2,384,379,601)	-
60	Net cash outflows for operating activities	(312,617,147,928)	(371,018,849,657)
	Cash flows from investing activities		
61	Purchases of fixed assets	(5,069,200,000)	(1,748,444,501)
65	Dividend receipt and profit distribution from long-term investments	5,616,251,704	4,488,452,851
70	Net cash inflows from investing activities	547,051,704	2,740,008,350

The notes on pages 16 to 59 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			
73	Proceeds from borrowings	6.1	1,026,871,436,967	578,150,406,344
74.3	Repayments of borrowings	6.2	(818,581,436,967)	(231,420,506,344)
76	Dividend paid		(42,000,000,000)	-
80	Net cash inflows from financing activities		166,290,000,000	346,729,900,000
90	Net decrease in cash and cash equivalents		(145,780,096,224)	(21,548,941,307)
101	Cash and cash equivalents at beginning of period		248,012,673,266	241,819,134,521
101.1	Cash		248,012,673,266	81,819,134,521
101.2	Cash equivalents		-	160,000,000,000
103	Cash and cash equivalents at end of period		102,232,577,042	220,270,193,214
103.1	Cash		102,232,577,042	30,270,193,214
103.2	Cash equivalents		-	190,000,000,000

The notes on pages 16 to 59 are an integral part of these interim financial statements.

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

CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES

Code	ITEMS	For the six-month period ended 30 June	
		2017 VND	2016 VND
	Cash flows of brokerage and trusting activities		
01	Trade proceeds	3,365,094,744,110	814,144,466,800
02	Trade settlements	(3,379,107,343,000)	(1,020,461,435,600)
07	Receipts in customers' trading accounts	19,058,804,824,524	280,543,460,372
08	Payments from customers' trading accounts	(18,911,380,032,083)	-
14	Receipts from securities issuers	887,253,981,884	151,746,281,337
15	Payments to securities issuers	(886,756,716,410)	(91,209,939,091)
20	Net increase in customers' deposits	133,909,459,025	134,762,833,818
30	Customers' deposits at beginning of period		
31	Cash at bank	289,067,982,252	238,629,977,652
32	Customers' deposits at the Company for securities trading	265,493,738,775	219,624,056,410
34	Cash blocked for trading settlements	15,080,839,725	19,005,921,242
35	Securities issuers' deposits	8,493,403,752	-
40	Customers' deposits at end of period		
41	Cash at bank	422,977,441,277	373,392,811,470
42	Customers' deposits at the Company for securities trading	412,918,531,216	329,451,260,834
43	Customers' deposits at commercial banks for securities trading	-	99,155,321
44	Cash blocked for trading settlements	1,068,240,835	32,870,051,153
45	Securities issuers' deposits	8,990,669,226	10,972,344,162



Duong Kim Chi
Preparer



Le Minh Hien
Chief Accountant



Nguyen Hieu
General Director
7 August 2017

The notes on pages 16 to 59 are an integral part of these interim financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY

	Owners' capital VND	Share premium VND	Supplementary capital reserve VND	Financial and operational risk reserve VND	Undistributed earnings VND	Total VND
As at 1 January 2016	700,000,000,000	9,240,118,792	2,157,158,275	2,157,158,275	-	713,554,435,342
Profit for the year	-	-	-	-	49,306,566,332	49,306,566,332
Appropriation to reserves (Note 2.19(b))	-	-	2,465,328,317	2,465,328,317	(4,930,656,634)	-
As at 31 December 2016	700,000,000,000	9,240,118,792	4,622,486,592	4,622,486,592	44,375,909,698	762,861,001,674
Profit for the period	-	-	-	-	57,060,112,664	57,060,112,664
Dividend declared (*)	-	-	-	-	(42,000,000,000)	(42,000,000,000)
As at 30 June 2017	700,000,000,000	9,240,118,792	4,622,486,592	4,622,486,592	59,436,022,362	777,921,114,338

(*) The Annual General Meeting of shareholders on 23 March 2017 approved the cash dividend for the year 2016 at 6% of the Company's charter capital.



Duong Kim Chi
Preparer



Le Minh Hien
Chief Accountant



Nguyen Hieu
General Director
7 August 2017

The notes on pages 16 to 59 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***

Viet Dragon Securities Corporation ("the Company") is a joint stock company incorporated in Vietnam pursuant to the Business Registration Certificate No. 4103005723 dated 15 December 2006 issued by the Department of Planning and Development of Ho Chi Minh City and the Establishment and operation licence No. 32/UBCK-GPHĐKD dated 21 December 2006 issued by the State Securities Commission ("SSC"). The Establishment and operation licence was amended several times and the latest amendment No. 19/GPDC-UBCK was issued by the SSC on 30 May 2017.

Headquarter and contact information

The Company is headquartered at 141 Nguyen Du Street, District 1, Ho Chi Minh City, Vietnam. As at 30 June 2017, the Company had three (3) branches in Hanoi, Nha Trang City and Can Tho.

Contact information:

Telephone: (+84) 28 6299 2006

Charter

The Company's prevailing charter was approved on 26 April 2016.

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 VND700 billion.

Investment objectives

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.

Investment restrictions

The Company's investment portfolio and its restrictions shall be in compliance with Articles 44 of Circular 210/2012/TT-BTC dated 30 November 2012 providing guidance on establishment and operation of securities companies and Circular 07/2016/TT-BTC dated 18 January 2016 amending some articles of Circular 210/2012/TT-BTC.

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.

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 Newly effective accounting policies not yet adopted

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 applicable to certain assets and liabilities whose value volatilise and are required to be measured at fair value pursuant to relevant accounting standards. The Law on Accounting became effective since 1 January 2017 onwards. Also accordingly to the Law on Accounting, the Ministry of Finance would specify which assets and liabilities should be recognised and subsequently measured at fair value and guidance on accounting treatment under fair value concept.

As at the date of approval of these interim financial statements, the relevant accounting standards and officially specific guidance on accounting treatment under fair value concept are not yet available. Therefore, the Company continues to apply guidance on accounting applicable to securities companies which are 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 Circular 210/2014 and Circular 334/2016, financial assets at fair value through profit or loss (FVTPL) are recognised at purchase cost exclusive of transaction costs and subsequently measured either at their costs or their market values determined following prevailing regulations on securities.

Specifically, the Company continues to recognise FVTPL financial assets at cost and subsequently measure them at cost less diminution in value at reporting date.

The Company advocates the adoption of fair value model when the officially specific guidance from the Ministry of Finance is released. The Company also assesses impacts to the interim financial statements at Note 14 if the fair value model had been adopted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 three (3) months or less and subject to insignificant risk in conversion into cash.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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).

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 and subsequently measured at cost less diminution in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(a) Classification (continued)****(ii) Loans and receivables**

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 and subsequently measured at amortised cost using the effective interest rate method.

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

(b) 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.

(c) Initial recognition

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

Bonus shares and scrip dividends are recorded as financial assets at nil value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Financial assets (continued)****(d) Basis of revaluation of FVTPL financial assets**

The Company applies valuation bases for financial assets in accordance with Circular 226/2010/TT-BTC dated 31 December 2010 regarding capital adequacy ratio of securities trading entities and Circular 146/2014/TT-BTC dated 6 Oct 2014 regarding financial regimes for securities companies and fund management companies, both issued by the Ministry of Finance, to make provision for these financial assets, 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 revaluation date.

Where equities are not traded for more than two (02) weeks prior to the revaluation date, their fair values are determined on the maximum of the following bases:

- Book value
- Purchase price
- The price determined based on the Company's valuation techniques

- (ii) *Unlisted securities registered/unregistered to the Vietnam Securities Depository ("VSD") for trading*

These equities are revalued using the average of transacted prices quoted by at least three (03) independent quoting entities at the latest trading date prior to revaluation day but not over than one (01) month up to the revaluation date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Securities Law.

When it is impossible to obtain three (3) quotations as required above, these equities are revalued at the maximum of the following bases:

- Quoted prices
- Most recently reported prices
- Book value
- Purchase price
- The price determined based on the Company's valuation techniques

- (iii) *Suspended equities, delisted equities or deregistered equities*

These equities are revalued at the maximum of the following bases:

- Book value
- Par value
- The price determined based on the Company's valuation techniques

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(d) Basis on revaluation of FVTPL financial assets (continued)***(iv) Equities of entities in the process of dissolution or bankruptcy*

These equities are revalued at one of the following bases:

- 80% of disposal value of these equities as at the entities' latest reporting date prior to the Company's revaluation date
- The price determined based on the Company's valuation techniques

(v) Other equities and other capital contributions

These equities are revalued at the maximum of the following bases:

- Book value
- Purchase price/amount of capital contribution
- The price determined based on the Company's valuation techniques

(vi) Bonds listed on stock exchanges

These bonds are revalued based on the quoted price (also called "clean price") on stock exchange at the latest trading date prior to the revaluation date plus accumulated accrued interest.

Where these bonds are not traded within the two (2) weeks prior to the revaluation date, they are revalued at the maximum of the following bases:

- Purchase price plus accumulated accrued interest
- Par value plus accumulated accrued interest
- The price determined based on the Company's valuation techniques plus accumulated accrued interest

(vii) Unlisted bonds

These bonds are revalued at the maximum of the following bases:

- The quoted price on the unlisted bond quotation system (if any) plus accumulated accrued interest
- Purchase price plus accumulated accrued interest
- Par value plus accumulated accrued interest
- The price determined based on the Company's valuation techniques plus accumulated accrued interest

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(d) Basis on revaluation of FVTPL financial assets (continued)***(viii) Certificates of closed-end public funds*

Certificates of closed-end public funds are revalued at closing prices of last trading date prior to the revaluation date.

Certificates of closed-end public funds that are not traded within two (2) weeks prior to reporting date are revalued at the latest reported net asset value per unit prior to the revaluation date.

(ix) Certificates of member funds/ open-ended funds/ shares of securities investment company

These certificates/shares are revalued at the latest reported net asset value per unit prior to the revaluation date.

(x) Certificates of other funds/ shares of other securities investment company

These certificates/shares are revalued according to the Company's valuation techniques.

(xi) Term deposits

Term deposits are measured at principal plus accumulated accrued interest at the reporting date.

(xii) Treasury bills, bank notes, commercial notes, transferable certificates of deposits, bonds and other discountable money market instruments

These financial instruments are revalued at purchase price plus accumulated accrued interest up to the date prior to the revaluation date.

(e) Provision for impairment of loans

Provision for loans is made when there are indicators of decline in the recoverability of loans. Provision is determined at the difference of market value of collateral assets and carrying value of loans at reporting date. Provision/reversal of provision for loans is debited/credited to expenses in the statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Financial assets (continued)****(f) Provision for impairments 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 over 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) is debited/credited to expenses in the statement of income.

2.8 Recognition of gain/(loss) of financial assets*Purchasing transaction costs*

Purchasing transaction costs related to FVTPL financial assets are expensed off, while purchasing transaction costs related to available-for-sales financial assets are capitalised.

Selling transaction costs

Selling transaction costs are expensed off in the period.

Gains/(losses) from disposals

Gains/(losses) from disposals of financial assets are recognised as income/(expenses) in the statement of income. Cost of disposals are determined using weighted average method up to the end of trading dates.

Provisions/(reversals of provisions) for diminution in value of financial assets

Provisions/(reversal of provisions) for diminution in value of financial assets are debited/(credited) to operating expenses in the statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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. The principal annual rates used are:

Motor vehicles	6 years
Office equipments	3 – 5 years
Computer software	6 – 8 years
Patents, copyrights	5 years
Other intangible fixed assets	5 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.

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the statement of financial position. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount 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 transacted amount 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 transacted amount. 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 on transacted amount as these customers have responsibility for their own tax payment and declaration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Borrowing costs**

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

2.18 Equity**(a) Owners' capital**

Owners's capital is recorded at the actually contributed amount of shareholders. Share capital is recorded at par value.

(b) 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.

(c) Undistributed profits

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue and other 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, issue agency, securities investment consultancy fees, financial consultancy fee, securities custody services and entrustment activities which are based on agreements with investors. These fees are recognised on an accrual basis.

Revenue from the provision of services is recognised in the income statement 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 (4) 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 balance sheet 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 sold. Cost of securities sold is determined by weighted average method.

Dividend income is recognised in the statement of income when the Company's right to receive dividend is established.

(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.

(d) Other income

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

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
- Selling 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.

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/TT-BTC that are not presented in these interim financial statements indicate nil balances.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION**3.1 Cash and cash equivalents**

	As at	
	30.6.2017	31.12.2016
	VND	VND
Cash on hand	81,119,865	103,393,813
Cash at bank	62,994,057,375	237,579,345,783
Cash blocked for trading settlements	39,157,399,802	10,329,933,670
	102,232,577,042	248,012,673,266

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

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

	Cost VND	Comparison to market value		Market value VND	Remeasured amount VND
		Increase VND	Decrease VND		
As at 30 June 2017					
Listed equities	196,632,305,259	14,370,788,666	(7,225,329,855)	203,777,764,070	189,406,975,404
Unlisted equities	35,903,978,525	2,425,375,406	(4,651,585,331)	33,677,768,600	31,252,393,194
	232,536,283,784	16,796,164,072	(11,876,915,186)	237,455,532,670	220,659,368,598
As at 31 December 2016					
Listed equities	294,677,745,858	129,157,145	(19,727,400,513)	275,079,502,490	274,950,345,345
Unlisted equities	65,442,478,063	11,139,486	(4,826,958,749)	60,626,658,800	60,615,519,314
	360,120,223,921	140,296,631	(24,554,359,262)	335,706,161,290	335,565,864,659

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 30.6.2017					As at 31.12.2016				
	Cost VND	Market value VND	Increase VND	Decrease VND	Remeasured amount VND	Cost VND	Market value VND	Increase VND	Decrease VND	Remeasured amount VND
Listed equities										
HPG	71,801,064,211	80,646,880,000	8,845,815,789	-	71,801,064,211	60,744,102,850	60,413,883,500	-	(330,219,350)	60,413,883,500
SSI	24,140,832,713	25,451,548,500	1,310,715,787	-	24,140,832,713	848,059	882,000	33,941	-	848,059
VNS	19,789,623,090	12,969,968,400	-	(6,819,654,690)	12,969,968,400	19,974,742,744	19,846,163,200	-	(128,579,544)	19,846,163,200
BHS	16,538,060,338	16,554,457,500	16,397,162	-	16,538,060,338	330,150	255,600	-	(74,550)	255,600
DIG	14,349,121,324	16,068,265,200	1,719,143,876	-	14,349,121,324	262,062	283,050	20,988	-	262,062
MBB	12,765,331,497	14,045,565,800	1,280,234,303	-	12,765,331,497	19,014,093	19,362,000	347,907	-	19,014,093
CEO	11,287,420,000	11,500,000,000	212,580,000	-	11,287,420,000	-	-	-	-	-
SAM	9,396,602,559	9,678,573,450	281,970,891	-	9,396,602,559	212,169	236,600	24,431	-	212,169
CEE	4,091,000,000	3,724,000,000	-	(367,000,000)	3,724,000,000	-	-	-	-	-
CTG	2,819,448,774	3,038,046,750	218,597,976	-	2,819,448,774	486,050	451,500	-	(34,550)	451,500
ACB	2,621,236,860	2,596,993,000	-	(24,243,860)	2,596,993,000	1,001,710	1,056,000	54,290	-	1,001,710
NLG	2,377,689,090	2,507,316,000	129,626,910	-	2,377,689,090	571,680	710,400	138,720	-	571,680
HT1	2,363,462,738	2,558,998,000	195,535,262	-	2,363,462,738	479,160	451,000	-	(28,160)	451,000
VCG	2,055,360,695	2,140,898,800	85,538,105	-	2,055,360,695	1,816,810	1,768,500	-	(48,310)	1,768,500
Others	236,051,370	296,252,670	74,632,605	(14,431,305)	221,620,065	213,933,878,321	194,793,999,140	128,536,868	(19,268,416,049)	194,665,462,272
	196,632,305,259	203,777,764,070	14,370,788,666	(7,225,329,855)	189,406,975,404	294,677,745,858	275,079,502,490	129,157,145	(19,727,400,513)	274,950,345,345
Unlisted equities										
DRI	11,749,098,642	11,044,880,000	-	(704,218,642)	11,044,880,000	-	-	-	-	-
VLC	9,157,950,560	9,101,400,000	-	(56,550,560)	9,101,400,000	1,829,310,000	1,771,870,000	-	(57,440,000)	1,771,870,000
NVUI (*)	4,556,027,180	2,880,000,000	-	(1,676,027,180)	2,880,000,000	4,556,027,180	2,880,000,000	-	(1,676,027,180)	2,880,000,000
DRFM (**)	4,450,000,000	2,250,000,000	-	(2,200,000,000)	2,250,000,000	4,450,000,000	2,250,000,000	-	(2,200,000,000)	2,250,000,000
CSMEX (***)	4,071,352,000	4,073,904,000	2,552,000	-	4,071,352,000	3,933,297,000	3,933,297,000	-	-	3,933,297,000
CGV	1,900,000,000	4,322,500,000	2,422,500,000	-	1,900,000,000	1,900,000,000	1,900,000,000	-	-	1,900,000,000
Others	19,550,143	5,084,600	323,406	(14,788,949)	4,761,194	48,773,843,883	47,891,491,800	11,139,486	(893,491,569)	47,880,352,314
	35,903,978,525	33,677,768,600	2,425,375,406	(4,651,585,331)	31,252,393,194	65,442,478,063	60,626,658,800	11,139,486	(4,826,958,749)	60,615,519,314
Total	232,536,283,784	237,455,532,670	16,796,164,072	(11,876,915,186)	220,659,368,598	360,120,223,921	335,706,161,290	140,296,631	(24,554,359,262)	335,565,864,659

(*) Nha Vui Architecture Construction Joint Stock Company

(**) Dong Phu Technical Rubber Joint Stock Company

(***) Can Tho Import Export fishery Joint Stock Company

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

3.3 Loans

		As at 30.6.2017		As at 31.12.2016	
		Cost VND	Provision VND	Cost VND	Provision VND
Margin loans and investment cooperation contracts	(i)	1,026,872,924,856	(27,687,767,386)	812,632,458,420	(28,610,104,426)
Trading advances	(ii)	177,985,272,393	-	48,787,794,300	-
Total		1,204,858,197,249	(27,687,767,386)	861,420,252,720	(28,610,104,426)

(i) Margin loans and investment cooperation contracts

Margin loans represent the amounts lent to customers for their purchases of listed securities in accordance with Decision No. 87/QĐ-UBCK issued by the State Securities Commission on 25 November 2017. These amounts are due in 3 months since the date of drawdown.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.3 Loans (continued)**

For overdue balances of investment cooperation contracts whose recoverability is in doubt, the Company has made almost full provision against them, in particular:

	Doubtful amount		Provision			
	As at 30.6.2017 VND	As at 31.12.2016 VND	As at 31.12.2016 VND	Provision VND	Reversal of provision VND	As at 30.6.2017 VND
Tran Quoc Tan	12,210,000,000	12,210,000,000	12,210,000,000	-	-	12,210,000,000
Nguyen Hong Mai	8,587,695,000	8,587,695,000	8,365,698,139	-	-	8,365,698,139
Tran Duc Loi	-	3,496,837,634	-	-	-	-
Pham Thi Kim Xuan	-	224,984,370	-	-	-	-
Pham Cong Khanh	2,576,209,616	2,576,209,616	2,576,209,616	-	-	2,576,209,616
Le Phuong Lan	1,686,992,287	1,688,609,567	1,218,960,331	-	(544,488,274)	674,472,057
Nguyen Thi Ly	1,643,644,306	1,643,644,306	1,597,826,736	-	-	1,597,826,736
Vuong Dan	1,544,620,920	1,544,620,920	1,544,620,920	-	-	1,544,620,920
Dao Thi Ho Huong	-	953,106,791	377,846,391	-	(377,846,391)	-
Nguyen Thu Hien	616,325,496	616,325,496	608,712,951	-	-	608,712,951
Tran Trung Nghia	109,137,598	109,137,598	109,137,598	-	-	109,137,598
Tran Quang Huy	1,089,369	1,091,744	1,091,744	-	(2,375)	1,089,369
	28,975,714,592	33,652,263,042	28,610,104,426	-	(922,337,040)	27,687,767,386

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

3.3 Loans (continued)

(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.

Accrued interest income for trading advances as at 30 June 2017 and as at 30 June 2016 is immaterial due to short term nature.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.4 Short-term receivables**

	As at 30.6.2017		As at 31.12.2016	
	Book value VND	Doubtful amount VND	Book value VND	Doubtful amount VND
Receivables from disposals of financial assets	2,760,000,000	-	2,484,000,000	-
Receivables from disposals of listed equities	276,000,000	-	-	-
Receivables from disposals of unlisted equities	2,484,000,000	-	2,484,000,000	-
Dividends and interests receivable	1,820,305,956	-	1,661,678,317	-
Due dividends and interests receivable	253,921,992	-	-	-
Undue dividends and interests receivable	1,566,383,964	-	1,661,678,317	-
	4,580,305,956	-	4,145,678,317	-
Service fees receivable	6,980,213,794	-	5,843,493,487	-
Other receivables	1,978,208,478	1,978,208,478	1,978,208,478	1,978,208,478

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

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.4 Short-term receivable**

Details of provision for short-term doubtful debts are as follow:

	Doubtful amount		Provision			
	As at 31.12.2016 VND	As at 30.6.2017 VND	As at 31.12.2016 VND	Provision VND	Reversal of provision VND	As at 30.6.2017 VND
Other receivables	1,978,208,478	1,978,208,478	1,978,208,478	-	-	1,978,208,478
Mr. Van Thien Hung	1,978,208,478	1,978,208,478	1,978,208,478	-	-	1,978,208,478

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.5 Other current assets**

	As at	
	30.6.2017 VND	31.12.2016 VND
Advances to employees	860,493,333	132,955,166,000
Short-term prepaid expenses	2,089,026,024	1,619,001,959
- Office rentals	209,898,000	205,114,000
- Information technology equipments	268,044,709	176,410,156
- Other short-term prepaid expenses	1,611,083,315	1,237,477,803
Short-term security deposits	48,550,000	48,550,000
Personal income tax paid on behalf	46,307,200	2,498,332
Total	3,044,376,557	134,625,216,291

3.6 Fixed assets**(a) Tangible fixed assets**

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2017	5,401,721,100	27,339,838,194	32,741,559,294
New purchases	-	3,671,110,000	3,671,110,000
Disposals	-	(33,235,224)	(33,235,224)
As at 30.6.2017	5,401,721,100	30,977,712,970	36,379,434,070
Accumulated depreciation			
As at 1.1.2017	3,298,650,058	19,865,171,167	23,163,821,225
Charge for the period	197,248,471	1,897,438,323	2,094,686,794
Written-off	-	(33,235,224)	(33,235,224)
As at 30.6.2017	3,495,898,529	21,729,374,266	25,225,272,795
Net book value			
As at 1.1.2017	2,103,071,042	7,474,667,027	9,577,738,069
As at 30.6.2017	1,905,822,571	9,248,338,704	11,154,161,275

As at 30 June 2017, the Company had no outstanding commitment to purchase or sell tangible fixed assets.

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2017 was VND13,987,945,602 (31.12.2016: VND12,918,890,026).

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

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.6 Fixed assets (continued)****(b) Intangible fixed assets**

	Computer software VND	Patents VND	Copy rights VND	Other intangible assets VND	Total VND
Historical cost					
As at 1.1.2017	9,235,988,903	307,500,192	1,661,848,751	502,503,782	11,707,841,628
New purchases	1,398,090,000	-	-	-	1,398,090,000
As at 30.6.2017	10,634,078,903	307,500,192	1,661,848,751	502,503,782	13,105,931,628
Accumulated amortisation					
As at 1.1.2017	5,969,993,017	307,500,192	1,095,552,915	502,503,782	7,875,549,906
Charge for the period	683,047,356	-	87,315,499	-	770,362,855
As at 30.6.2017	6,653,040,373	307,500,192	1,182,868,414	502,503,782	8,645,912,761
Net book value					
As at 1.1.2017	3,265,995,886	-	566,295,836	-	3,832,291,722
As at 30.6.2017	3,981,038,530	-	478,980,337	-	4,460,018,867

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2017 was VND2,287,891,465 (31.12.2016: VND2,287,891,465).

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

3.7 Pledged assets, mortgages, security deposits in long term

These are security deposits for office rentals at head office, Nha Trang branch, Ha Noi branch and Can Tho branch.

3.8 Long-term prepaid expenses

This is office renovation at Can Thoi branch which is allocated over 60 months.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.9 Deposits in the Settlement Support Fund**

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

	Six-month period ended 30.6.2017 VND	Year ended 31.12.2016 VND
Opening balance	14,009,276,065	12,214,638,264
Additional deposits	1,588,411,649	1,079,426,615
Interests	795,967,952	715,211,186
Closing balance	16,393,655,666	14,009,276,065

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

3.10 Borrowings

Details of movements in short-term borrowings during the period are as follows:

	Interest rate % per annum	Opening balance VND	Disbursement VND	Repayment VND	Closing balance VND
Short-term borrowings from a domestic bank	6.6	-	592,361,436,967	(592,361,436,967)	-
Short-term issued bonds	8 – 9.5	503,120,000,000	434,510,000,000	(226,220,000,000)	711,410,000,000
Tổng		503,120,000,000	1,026,871,436,967	(818,581,436,967)	711,410,000,000

- (i) These are registered, unconvertible and unsecured bonds issued privately to individuals and institutions. Each bond has a par value of VND1,000,000 and a tenor of 1 year since its issue date.

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

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.11 Short-term trade accounts payable**

	As at	
	30.6.2017	31.12.2016
	VND	VND
Payables for purchases of financial assets	39,268,930,000	19,753,634,300
<i>Payables for purchases of listed shares (*)</i>	<i>39,268,930,000</i>	<i>19,753,634,300</i>
Others	231,119,027	283,643,165
Total	39,500,049,027	20,037,277,465

(*) This is amount payable for purchases of listed shares which is settled within two (2) working days since the transaction day (T+2) according to the current practice of securities trading in Vietnam.

The Company had no trade payables due to related parties as at 30 June 2017 and as at 31 December 2016.

The Company had no overdue trade payables as at 30 June 2017 and as at 31 December 2016.

3.12 Short-term advances from customers

This is amount advanced from customers for their business activities.

3.13 Tax and other payables to the State Budget

	As at	
	30.6.2017	31.12.2016
	VND	VND
Corporate income tax - current	8,058,062,091	2,337,218,671
Personal income tax paid on behalf of customers	2,108,884,643	1,980,459,385
Personal income tax	359,618,658	721,712,220
Value added tax	20,592,304	252,004,946
Foreign contractor tax	109,647,000	16,647,827
	10,656,804,696	5,308,043,049

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

3.13 Tax and other payables to the State Budget (continued)

	As at 1.1.2017 VND	Incurred during the period VND	Settled during the period VND	As at 30.6.2017 VND
Corporate income tax - current	2,337,218,671	13,943,347,209	(8,222,503,789)	8,058,062,091
Personal income tax paid on behalf of customers	1,980,459,385	12,026,731,119	(11,898,305,861)	2,108,884,643
Personal income tax	719,213,888	3,186,747,581	(3,592,650,011)	313,311,458
<i>In which:</i>				
<i>Receivable</i>	721,712,220	-	-	359,618,658
<i>Payable</i>	(2,498,332)	-	-	(46,307,200)
Value added tax	252,004,946	172,290,176	(403,702,818)	20,592,304
Foreign contractor tax	16,647,827	405,312,651	(312,313,478)	109,647,000
Charges, fees and other payables	-	3,000,000	(3,000,000)	-
	5,305,544,717	29,737,428,736	(24,432,475,957)	10,610,497,496

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
Supplementary salary fund and 13-month salary	4,100,000,000	4,479,250,041
Interests on bonds, borrowings and investment cooperation contracts	1,936,903,334	1,852,556,112
Brokerage fee and custody fee	1,827,991,932	1,275,976,560
Others	534,653,683	429,952,187
	8,399,548,949	8,037,734,900

3.15 Other short-term payables

	As at	
	30.6.2017	31.12.2016
	VND	VND
Dividend payable	908,095,800	-
Advances from customers for securities purchases	-	291,478,407,560
<i>Related parties (Note 8(b))</i>	-	276,478,407,560
<i>Third parties</i>	-	15,000,000,000
Other short-term payables	200,129,828	133,755,780
	1,108,225,628	291,612,163,340

3.16 Share capital**(a) Number of shares**

	As at	
	30.6.2017	31.12.2016
	VND	VND
Number of shares registered	70,000,000	70,000,000
Number of shares issued	70,000,000	70,000,000
Number of shares repurchased	-	-
	70,000,000	70,000,000

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 the Annual General 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.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.16 Share capital (continued)****(b) Movement of share quantity**

	Ordinary shares
As at 1 January 2016 and 31 December 2016	70,000,000
New shares issued	-
	<u>70,000,000</u>
As at 30 June 2017	<u><u>70,000,000</u></u>

(c) Details of major shareholder as reporting date

	Number of ordinary shares	Value of charter capital contributed VND	Interest %
Mr. Tran Le Nguyen	24,500,000	245,000,000,000	35.00%
Asia Investment Limited	10,520,013	105,200,130,000	15.03%
Ms. Pham My Linh	9,595,299	95,952,990,000	13.71%
Viet Nam Export Import Commercial Joint Stock Bank	3,800,000	38,000,000,000	5.43%
Other shareholders	21,584,688	215,846,880,000	30.84%
Total	<u><u>70,000,000</u></u>	<u><u>700,000,000,000</u></u>	<u><u>100.00%</u></u>

3.17 Undistributed earnings

	As at 30.6.2017 VND	31.12.2016 VND
Undistributed realised profits	71,312,937,548	68,930,268,960
Unrealised profits	(11,876,915,186)	(24,554,359,262)
	<u><u>59,436,022,362</u></u>	<u><u>44,375,909,698</u></u>

4 NOTES TO OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS**4.1 Number of shares in issue**

	As at 30.6.2017	31.12.2016
Ordinary shares		
Quantity issued within 1 year	-	-
Quantity issued for 1 year or more (share)	70,000,000	70,000,000
	<u><u>70,000,000</u></u>	<u><u>70,000,000</u></u>

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	38,257,658,305	20,282,262,248
Realised losses on disposals of FVTPL financial assets	(15,744,541,397)	(2,052,956,885)
	22,513,116,908	18,229,305,363

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	14,784,380	420,229,627,600	391,776,535,594	28,453,092,006	17,227,335,363
Fund certificates	7,800,900	170,228,130,000	176,168,105,098	(5,939,975,098)	1,001,970,000
	22,585,280	590,457,757,600	567,944,640,692	22,513,116,908	18,229,305,363

(*) The costs of disposals are determined by the weighted average method up to the end of the trading dates.

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)**5.2 Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities**

	For the six-month period ended 30 Jun	
	2017 VND	2016 VND
Borrowing costs to finance lending activities	30,176,596,278	14,732,082,423
Provision for impairment of financial assets	(922,337,040)	2,666,691,029
	29,254,259,238	17,398,773,452

5.3 Other operating expenses

	For the six-month period ended 30 Jun	
	2017 VND	2016 VND
Self-trading activities	1,234,825,881	986,576,618
Salaries	1,014,009,288	755,599,228
Office rentals	135,432,000	135,432,000
Other expenses	85,384,593	95,545,390
Brokerage fee expenses	26,539,304,573	18,797,236,340
Salaries	11,725,206,819	8,357,911,190
Securities trading transaction fees	6,421,598,467	3,314,381,016
Brokerage expense for collaborators	2,681,450,959	1,465,919,480
Office rentals	1,836,574,800	1,826,824,800
Depreciation and amortisation	1,024,329,135	987,095,802
Other expenses	2,850,144,393	2,845,104,052
Underwriting expenses and placing expenses	1,264,599,600	180,000,000
Securities investment consultancy expenses	443,650,674	194,372,271
Custody fee expenses	3,365,993,308	2,446,263,750
Financial consultancy expenses	2,518,881,270	2,198,328,689
Salaries	1,849,812,341	1,660,887,314
Office rentals	211,497,000	211,497,000
Other expenses	457,571,929	325,944,375
Other operating expenses	4,386,905,778	3,570,824,595
Salaries	3,574,618,816	2,733,318,410
Office rentals	507,592,800	507,592,800
Maintenance expenses	36,248,540	19,090,908
Other expenses	268,445,622	310,822,477
	39,754,161,084	28,373,602,263

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)**5.4 General and administration expenses**

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Staff costs	13,360,248,912	10,885,186,194
Office rentals	2,472,345,400	2,501,223,400
Outsourced services	1,739,374,384	1,842,399,885
Depreciation and amortisation	1,840,720,514	1,430,795,134
Advertisement and entertainment expenses	1,070,872,382	1,333,722,715
Maintenance expenses	128,228,227	881,813,801
Remuneration of the Board of Directors	741,563,113	475,093,554
Tools and supplies	245,819,900	325,820,920
Office stationeries	77,918,275	69,882,566
Tax, duties and fees	7,000,000	8,000,000
Others administrative expenses	1,839,099,537	1,346,670,587
	23,523,190,644	21,100,608,756

5.5 Corporate income tax

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

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Accounting profit before tax	71,003,459,873	27,003,391,310
Tax at rate of 20%:	14,200,691,975	5,400,678,262
Adjustment for:		
Non-taxable income	(405,657,388)	(417,241,461)
Non deductible expenses	148,312,622	95,018,711
Corporate income tax charge (*)	13,943,347,209	5,078,455,512
Charged for the period:		
Corporate income tax – current	13,943,347,209	-
Corporate income tax – deferred	-	5,078,455,512
	13,943,347,209	5,078,455,512

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)**5.5 Corporate income tax (continued)**

(*) 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 2015.

5.6 Earnings per share**(a) Basic earnings per share**

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:

	For the six-month period ended 30 June	
	2017	2016
Net profit attributable to shareholders (VND)	57,060,112,664	21,924,935,798
Less amount allocated to bonus and welfare funds (VND)	-	-
	57,060,112,664	21,924,935,798
Weighted average number of ordinary shares in issue (shares)	70,000,000	70,000,000
Basic earnings per share (VND)	815	313

(b) Diluted earnings per share

The Company does not have potentially dilutive ordinary shares.

6 NOTES ON INTERIM CASH FLOW**6.1 Proceeds from borrowings**

Proceeds from borrowings are loan drawdowns and proceeds from issuance of short-term bonds (Note 3.10).

6.2 Repayment of borrowings

Repayments of borrowings are loan repayments and bond repayments (Note 3.10).

7 NOTES TO THE INTERIM STATEMENT OF CHANGES IN EQUITY**7.1 Distributed earnings**

	For the six-month period ended 30 June	
	2017 VND	2016 VND
Undistributed earnings brought forward	68,930,268,960	11,540,602,287
Realised profits incurred in the period	44,382,668,588	19,304,645,851
Appropriations of retaining earnings:		
To supplementary capital reserve	-	-
To financial and operational risk reserve fund	-	-
Distributable profits	113,312,937,548	30,845,248,138
Dividend declared	42,000,000,000	-
Income tax withheld	(1,645,771,680)	-
Net amount to be distributed to shareholders	40,354,228,320	-

8 RELATED PARTIES DISCLOSURES

Related party	Relationship
Viet Nam Export Import Commercial Joint Stock Bank	Major shareholder
KIDO Group Corporation	Related to the Company's key management
Board of Directors and key executives	Key management

(a) Related parties 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
Interest income	4,966,028,180	6,097,336,033
Advance for purchases of shares	-	60,000,000,000
Salary and other benefits	3,329,514,714	2,791,064,156
	<u> </u>	<u> </u>

(b) Period-end balances with related parties

	As at	
	30.6.2017 VND	31.12.2016 VND
Demand deposits	317,598,991,502	167,495,134,664
Other payables (Note 3.15)	-	276,478,407,560
Value of shares under entrustment	-	55,200,000,000
	<u> </u>	<u> </u>

9 SEGMENT REPORTING**(a) Geographical segments**

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

For the six-month period ended 30 June 2017					
	Ho Chi Minh City VND	Ha Noi VND	Nha Trang VND	Can Tho VND	Total VND
Income	146,972,768,043	15,673,761,801	807,058,393	3,145,773,731	166,599,361,968
Expenses	(62,382,846,951)	(7,625,760,341)	(451,447,973)	(1,615,462,378)	(72,075,517,643)
	84,589,921,092	8,048,001,460	355,610,420	1,530,311,353	94,523,844,325
Selling expenses and administrative expenses					(23,523,190,644)
Operating result					71,000,653,681

For the six-month period ended 30 June 2016					
	Ho Chi Minh City VND	Ha Noi VND	Nha Trang VND	Can Tho VND	Total VND
Income	80,861,348,131	9,207,848,336	681,370,329	2,501,587,558	93,252,154,354
Expenses	(38,518,581,990)	(4,889,473,620)	(464,180,128)	(1,332,806,915)	(45,205,042,653)
	42,342,766,141	4,318,374,716	217,190,201	1,168,780,643	48,047,111,701
Selling expenses and administrative expenses					(21,100,608,756)
Operating result					26,946,502,945

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	Self-trading VND	Lending VND	Consultancy VND	Total VND
Income	53,171,528,238	46,283,395,243	66,002,075,215	1,142,363,272	166,599,361,968
Expenses	(35,556,803,259)	(4,301,923,202)	(29,254,259,238)	(2,962,531,944)	(72,075,517,643)
	<u>17,614,724,979</u>	<u>41,981,472,041</u>	<u>36,747,815,977</u>	<u>(1,820,168,672)</u>	<u>94,523,844,325</u>
Selling expenses and administrative expenses					(23,523,190,644)
Operating result					<u>71,000,653,681</u>

For the six-month period ended 30 June 2016					
	Brokerage and services VND	Self-trading VND	Lending VND	Consultancy VND	Total VND
Income	25,309,446,487	29,897,191,786	36,300,879,718	1,744,636,363	93,252,154,354
Expenses	(24,994,324,685)	(419,243,556)	(17,398,773,452)	(2,392,700,960)	(45,205,042,653)
	<u>315,121,802</u>	<u>29,477,948,230</u>	<u>18,902,106,266</u>	<u>(648,064,597)</u>	<u>48,047,111,701</u>
Selling expenses and administrative expenses					(21,100,608,756)
Operating result					<u>26,946,502,945</u>

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 periodical reports for the review of the General Director.

The information presented below is based on information disclosed 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.

FVTPL financial assets

The Company's 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.

Investment cooperation contracts

Balances from investment cooperation contracts have been overdue for more than three (3) years and the Company assesses recoverability is not probable. The Company has made almost full provision against these balances.

10 FINANCIAL RISK MANAGEMENT (continued)*Margin loan*

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

	As at	
	30.6.2017	31.12.2016
	VND	VND
<i>Cash and cash equivalents (Note 3.1)</i>		
Current accounts at bank	102,151,457,177	247,909,279,453
<i>Loans (Note 3.3)</i>		
Margin loans and investment cooperation contracts	1,026,872,924,856	812,632,458,420
Trading advances	177,985,272,393	48,787,794,300
	1,204,858,197,249	861,420,252,720
<i>Receivables (Note 3.4)</i>		
Receivables from disposals of financial assets	2,760,000,000	2,484,000,000
Dividends and interests receivable	1,820,305,956	1,661,678,317
Service fees receivable	6,980,213,794	5,843,493,487
	11,560,519,750	9,989,171,804
Total credit risk exposure	1,318,570,174,176	1,119,318,703,977

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 decrease in revaluation and provision for decline in value (if any), hence, the Company only has cash flow risk for its interest receivable/payable. The Company is exposed to interest rate risk mainly on its deposits at bank and bank borrowings.

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

- **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 value of these financial assets. 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% while the other variables stay constant, the Company's diminution in value of FVTPL financial assets would have been lower by VND2,966,359,323/higher by VND9,886,292,859 respectively (As at 31 December 2016: lower by VND14,056,431,486/higher by VND34,040,404,366 respectively).

(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.

As at 30 June 2017, the Company had financial liabilities including short-term bonds, short-term trade payables, short-term accrued expenses, and other short-term liabilities with the amount of VND760,417,823,604 (as at 31 December 2016: VND 822,807,175,705) which represented contractual undiscounted cash outflows payable in less than one year.

9 FINANCIAL RISK MANAGEMENT (continued)**(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.

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 at 30 June 2017, the Company's CAR was 746%.

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	31.12.2016
	VND	VND
Within 1 year	9,384,735,000	10,000,077,000
From 1 to 5 year	14,518,618,000	19,057,150,000
Total	23,903,353,000	29,057,227,000

12 SUBSEQUENT EVENTS

On 11 July 2017, the Company cancelled its listing status on the Hanoi Stock Exchange to migrate to the Ho Chi Minh City Stock Exchange.

On 19 July 2017, the Company officially listed its 70,000,000 shares on the Ho Chi Minh Stock Exchange (HOSE) under the ticker symbol VDS according to Decision No. 229/QĐ-SGDHCM dated 29 June 2017. The total value of listed securities at par value was VND700 billion.

On 27 July 2017, the Board of Directors approved the second issuance of corporate bonds in 2017. The bonds to be issued are non-convertible and unsecured. Each bond has a par value at VND1,000,000 each and issued at 100% of its par value. Given the approved quantity of issue is 500,000, the total value of the issue is therefore VND500 billion.

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

13 OPERATIONAL FACTS**Volume and value of transactions during the period**

	Volume of transactions during the period	Value of transactions during the period VND
a) Of the Company Shares	34,146,353 34,146,353	771,036,647,247 771,036,647,247
b) Of investors	1,296,297,524	20,691,431,358,250
Shares	1,295,594,754	20,618,396,409,750
Bond	700,000	72,983,000,000
Other shares	2,770	51,948,500
	<u>1,330,443,877</u>	<u>21,462,468,005,497</u>

14 ASSESSMENT OF POTENTIAL IMPACTS IF THE COMPANY HAD CHANGED ITS ACCOUNTING POLICIES

Under existing accounting policies, the Company accounts its FVTPL financial assets at cost less diminution in value as at reporting date. Diminution in value is recognised as expense in the statement of income.

Had the Company adopted the fair value model, the impacts to the financial statements would have been as below:

(a) Interim statement of financial position

Code	ITEMS	Currently reported VND	Impact VND	Fair value model VND
As at 30 June 2017				
112	FVTPL financial assets	220,659,368,598	14,370,788,666	235,030,157,264
356	Deferred income tax liabilities	-	2,848,326,304	2,848,326,304
417	Undistributed earnings	59,436,022,362	11,393,305,217	70,829,327,579
As at 31 December 2016				
112	FVTPL financial assets	335,565,864,659	129,157,145	335,695,021,804
356	Deferred income tax liabilities	-	(110,126,955)	(110,126,955)
417	Undistributed earnings	44,375,909,698	(440,507,821)	43,935,401,877
As at 30 June 2017				
112	FVTPL financial assets	233,410,436,483	2,945,603,931	236,356,040,414
356	Deferred income tax liabilities	-	453,162,402	453,162,402
417	Undistributed earnings	21,924,935,798	1,812,649,608	23,737,585,406
As at 1 January 2016				
112	FVTPL financial assets	99,911,875,543	679,791,921	100,591,667,464
356	Deferred income tax liabilities	-	135,958,384	135,958,384
417	Undistributed earnings	-	543,833,537	543,833,537

14 ASSESSMENT OF POTENTIAL IMPACTS IF THE COMPANY HAD CHANGED ITS ACCOUNTING POLICIES (continued)**(b) Interim statement of income**

Code	ITEMS	Currently reported VND	Impact VND	Fair value model VND
For the six-month period ended 30 June 2017				
01.2	Gain from revaluation of financial assets at fair value through profit or loss (FVTPL)	- 14,241,631,521	14,241,631,521	14,241,631,521
100.2	Business income tax – deferred	- (2,848,326,304)	(2,848,326,304)	(2,848,326,304)
		- 11,393,305,217	11,393,305,217	11,393,305,217
For the six-month period ended 30 June 2016				
01.2	Gain from revaluation of financial assets at fair value through profit or loss (FVTPL)	- 2,265,812,010	2,265,812,010	2,265,812,010
100.2	Business income tax – deferred	- (453,162,402)	(453,162,402)	(453,162,402)
		- 1,812,649,608	1,812,649,608	1,812,649,608

The interim financial statements were approved by the General Director on 7 August 2017.



Duong Kim Chi
Preparer



Le Minh Hien
Chief Accountant



Nguyen Hieu
General Director