

# **Viet Dragon Securities Corporation**

Interim financial statements

For the six-month period ended 30 June 2020



# Viet Dragon Securities Corporation

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# Viet Dragon Securities Corporation

## GENERAL INFORMATION

### THE COMPANY

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 46/GPĐC-UBCK dated 5 August 2020.

The Company's primary activities are to provide brokerage service, securities trading, finance and investment advisory service, underwriting for securities issues, securities custodian service and derivatives service.

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 30 June 2020, the Company has three (3) branches are located in Ha Noi, Nha Trang and Can Tho.

The number of the Company's employees as at 30 June 2020 is 254 persons (31 December 2019: 288 persons).

### BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment/resignation</i>
Mr. Nguyen Mien Tuan	Chairman	Appointed on 28 May 2020
Mr. Tran Le Nguyen	Chairman	Resigned on 28 May 2020
Mr. Nguyen Hieu	Member	Reappointed on 23 March 2017
Ms. Pham My Linh	Member	Appointed on 23 March 2017
Mr. Nguyen Quoc Bao	Member	Appointed on 28 March 2018
Mr. Nguyen Thuc Vinh	Member	Appointed on 28 May 2020
Ms. Hoang Hai Anh	Member	Appointed on 28 May 2020
Mr. Kelly Yin Hon Wong	Member	Resigned on 28 May 2020
Mr. Vo Long Nguyen	Member	Resigned on 28 May 2020

### BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment/resignation</i>
Ms. Nguyen Thi Oanh	Head of Board	Resigned on 28 May 2020
Mr. Ho Tan Dat	Head of Board	Appointed on 28 May 2020
Mr. Nguyen Van Minh	Member	Reappointed on 23 March 2017
Ms. Nguyen Thi Thuy Hang	Member	Appointed on 28 May 2020
Mr. Nguyen Thuc Vinh	Member	Resigned on 28 May 2020

# Viet Dragon Securities Corporation

## GENERAL INFORMATION (continued)

### MANAGEMENT

Members of the Management during the period and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of reappointment/resignation</i>
Mr. Nguyen Hieu	General Director	Reappointed on 18 September 2017
Mr. Nguyen Chi Trung	Deputy General Director	Reappointed on 15 July 2019
Ms. Nguyen Thi Thu Huyen	Deputy General Director	Reappointed on 18 April 2020
Mr. Nguyen Minh Nhut	Deputy General Director	Resigned on 30 June 2020

Chief Financial Officer cum Chief Accountant of the Company during the period and at the date of this report is Mr. Le Minh Hien, reappointed on 8 October 2017.

### LEGAL REPRESENTATIVE

From 1 January 2020 to 28 May 2020, the legal representative of the Company is Mr. Tran Le Nguyen, Chairman.

From 28 May 2020 to the date of this report, the legal representative of the Company is Mr. Nguyen Mien Tuan, Chairman. The amended license No. 46/GPĐC-UBCK was issued State Securities Commission dated 5 August 2020 on changing the legal representative.

Mr. Nguyen Hieu is authorized by the Board of Directors to sign the accompanying interim financial statements for the six-month period ended 30 June 2020 in accordance with the Resolution of Board of Directors No. 12/2020/NQ-HDQT dated 6 August 2020.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.



# Viet Dragon Securities Corporation

## REPORT OF MANAGEMENT

Management of Viet Dragon Securities Corporation ("the Company") is pleased to present this report and the interim financial statements of the Company for the six-month period ended 30 June 2020.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

Management is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Company and of the interim results of its operations, its interim cash flows and its interim changes in owners' equity for the period. In preparing those interim financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- ▶ prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Company and to ensure that the accounting records comply with the applied accounting system. 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 irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim financial statements.

### STATEMENT BY MANAGEMENT

Management do hereby state that, in their opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Company as at 30 June 2020 and of the interim results of its operations, its interim cash flows and its interim changes in owners' equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the interim financial statements.



Mr. Nguyen Hieu  
General Director

Ho Chi Minh City, Vietnam

12 August 2020

Reference: 60752721/22038498-SX

## **REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**To: The Shareholders of Viet Dragon Securities Corporation**

We have reviewed the accompanying interim financial statements of Viet Dragon Securities Corporation ("the Company"), as prepared on 12 August 2020 and set out on pages 6 to 62, which comprise the interim statement of financial position as at 30 June 2020, the interim income statement, the interim cash flow statement and the interim statement of changes in owners' equity for the six-month period then ended and the notes thereto.

### ***Management's responsibility***

The Company's management is responsible for the preparation and fair presentation of the interim financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the interim financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 Engagement No. 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 give a true and fair view, in all material respects, of the interim financial position of the Company as at 30 June 2020, and of the interim results of its operations, its interim cash flows and its interim changes in owners' equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, accounting guidance applicable to securities companies and the statutory requirements relevant to the preparation and presentation of the interim financial statements.

### **Other Matter**

The interim financial statements of the Company for the six-month period ended 30 June 2019 were reviewed by another audit firm which expressed an unmodified conclusion on those statements on 12 August 2019.

The financial statements of the Company for the year ended 31 December 2019 were audited by another audit firm which expressed an unmodified opinion on those statements on 10 March 2020.

### **Ernst & Young Vietnam Limited**



Nguyen Phuy Duong  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 0893-2018-004-1

Ho Chi Minh City, Vietnam

12 August 2020

# Viet Dragon Securities Corporation

INTERIM STATEMENT OF FINANCIAL POSITION  
as at 30 June 2020

B01a-CTCK

Code	ITEMS	Notes	30 June 2020 VND	31 December 2019 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,162,066,205,289</b>	<b>2,245,757,277,083</b>
<b>110</b>	<b>I. Financial assets</b>		<b>2,158,514,469,636</b>	<b>2,243,543,455,396</b>
111	1. Cash and cash equivalents	5	355,111,229,423	300,264,521,223
111.1	1.1 Cash		355,111,229,423	300,264,521,223
112	2. Financial assets at fair value through profit and loss ("FVTPL")	7	479,168,550,520	340,067,915,810
114	3. Loans	7	1,318,055,410,226	1,633,196,291,178
116	4. Provision for impairment of financial assets and mortgage assets	7	(44,087,377,354)	(44,087,380,995)
117	5. Receivables	8	33,220,418,017	3,707,319,372
117.1	5.1 Receivables from sale of financial assets		30,673,040,500	-
117.2	5.2 Receivables and accruals from dividend and interest income		2,547,377,517	3,707,319,372
117.3	5.2.1 Receivables and accruals for due dividend and interest income		152,673,605	182,689,012
117.4	5.2.2 Accruals for undue dividend and interest income		2,394,703,912	3,524,630,360
118	6. Advances to suppliers	8	65,000,000	356,427,510
119	7. Receivables from services provided by the Company	8	16,970,802,483	10,038,311,298
122	8. Other receivables	8	1,988,644,799	1,978,258,478
129	9. Provision for impairment of receivables	8	(1,978,208,478)	(1,978,208,478)
<b>130</b>	<b>II. Other current assets</b>		<b>3,551,735,653</b>	<b>2,213,821,687</b>
131	1. Advances		506,500,000	441,766,666
132	2. Office supplies, tools and materials		14,080,601	8,963,900
133	3. Short-term prepaid expenses	9	2,855,843,396	1,736,903,445
134	4. Short-term deposits, collaterals and pledges		21,400,000	21,400,000
136	5. Tax and other receivables from the State	19	153,911,656	4,787,676
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>55,090,564,015</b>	<b>53,788,230,614</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>20,635,771,462</b>	<b>18,982,269,642</b>
221	1. Tangible fixed assets	10	14,425,756,896	12,024,721,719
222	1.1 Cost		52,913,955,210	48,409,028,110
223a	1.2 Accumulated depreciation		(38,488,198,314)	(36,384,306,391)
227	2. Intangible fixed assets	11	6,210,014,566	6,957,547,923
228	2.1 Cost		20,017,349,791	19,837,349,791
229a	2.2 Accumulated amortization		(13,807,335,225)	(12,879,801,868)
<b>250</b>	<b>II. Other non-current assets</b>		<b>34,454,792,553</b>	<b>34,805,960,972</b>
251	1. Long-term deposits, collaterals and pledges	12	3,170,863,520	3,127,076,384
252	2. Long-term prepaid expenses	9	1,283,929,033	1,678,884,588
254	3. Deposits to Settlement Assistance Fund	13	20,000,000,000	20,000,000,000
255	4. Other non-current assets	14	10,000,000,000	10,000,000,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,217,156,769,304</b>	<b>2,299,545,507,697</b>



# Viet Dragon Securities Corporation

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2020

B01a-CTCK

Code	ITEMS	Notes	30 June 2020 VND	31 December 2019 VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,158,699,157,461</b>	<b>1,254,101,248,536</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,157,130,923,562</b>	<b>1,253,304,856,662</b>
311	1. Short-term borrowings and financial leases	15	217,026,000,000	165,900,000,000
312	1.1 Short-term borrowings		217,026,000,000	165,900,000,000
316	2. Short-term bond issuance	16	742,790,000,000	879,940,000,000
318	3. Payables for securities trading activities	17	1,491,906,287	1,020,694,969
320	4. Short-term trade payables	18	172,161,741,657	155,595,607,707
321	5. Short-term advance from customers		1,360,728,000	1,098,800,000
322	6. Statutory obligations	19	6,490,873,430	4,425,764,860
323	7. Payables to employees		7,796,756	3,699,053,756
325	8. Short-term accrued expenses	20	14,499,797,333	8,001,154,487
329	9. Other short-term payables	21	1,302,080,099	33,623,780,883
<b>340</b>	<b>II. Non-current liabilities</b>		<b>1,568,233,899</b>	<b>796,391,874</b>
353	1. Other long-term payables		680,583,000	714,983,000
356	2. Deferred tax liabilities	22	887,650,899	81,408,874
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,058,457,611,843</b>	<b>1,045,444,259,161</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>23</b>	<b>1,058,457,611,843</b>	<b>1,045,444,259,161</b>
411	1. Share capital		1,010,239,178,792	1,010,239,178,792
411.1	1.1 Capital contribution		1,000,999,060,000	1,000,999,060,000
411.1a	1.1.1 Ordinary shares		1,000,999,060,000	1,000,999,060,000
411.2	1.2 Share premium		9,240,118,792	9,240,118,792
414	2. Charter capital supplementary reserve		15,356,644,767	15,356,644,767
415	3. Operational risk and financial reserve		15,356,644,767	15,356,644,767
417	4. Undistributed profit		17,505,143,517	4,491,790,835
417.1	4.1. Realized profit		99,357,378,307	78,465,916,697
417.2	4.2. Unrealized loss		(81,852,234,790)	(73,974,125,862)
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,217,156,769,304</b>	<b>2,299,545,507,697</b>

# Viet Dragon Securities Corporation

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2020

B01a-CTCK

## INTERIM OFF-BALANCE SHEET ITEMS

Code	ITEMS	Notes	30 June 2020 VND	31 December 2019 VND
	<b>A. ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER AGREEMENTS</b>			
006	1. Outstanding shares ( <i>shares</i> )	23.2	100,099,906	100,099,906
008	2. Financial assets listed/registered for trading at Vietnam Securities Depository ("VSD") of the Company	24.1	180,508,180,000	130,133,680,000
	2.1 <i>Unrestricted and traded financial assets</i>		165,888,810,000	130,133,410,000
	2.2 <i>Financial assets awaiting for settlement</i>		14,619,100,000	-
	2.3 <i>Restricted financial assets</i>		270,000	270,000
009	3. Non-traded financial assets deposited at VSD of the Company	24.2	3,180,000	3,070,000
	3.1 <i>Unrestricted and non-traded financial assets</i>		3,180,000	2,990,000
	3.2 <i>Unrestricted and awaited for trading financial assets</i>		-	80,000
010	4. Financial assets awaiting for arrival of the Company	24.3	85,457,200,000	54,484,400,000
012	5. Financial assets which have not been deposited at VSD of the Company	24.4	104,500,200,000	4,500,200,000
013	6. Entitled financial assets of the Company		320,000	220,000

# Viet Dragon Securities Corporation

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2020

B01a-CTCK

## INTERIM OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	30 June 2020 shares	31 December 2019 shares
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS</b>			
021	1. Financial assets listed/registered at VSD of investors	24.5	1,566,628,671	1,268,708,605
021.1	a. <i>Unrestricted and traded financial assets</i>		1,215,144,437	915,305,088
021.2	b. <i>Restricted and traded financial assets</i>		9,913,723	12,676,824
021.3	c. <i>Mortgaged and traded financial assets</i>		225,999,831	225,724,678
021.4	d. <i>Blocked financial assets</i>		92,486,355	90,286,355
021.5	e. <i>Financial assets awaiting for settlement</i>		23,083,891	24,715,510
021.7	f. <i>Customers' deposits for derivatives trading</i>		434	150
022	2. Non-traded financial assets deposited at VSD of investors	24.6	4,747,393	5,198,413
022.1	a. <i>Unrestricted and non-traded financial assets</i>		4,739,193	5,198,413
022.2	b. <i>Restricted and non-traded financial assets</i>		8,200	-
023	3. Financial assets awaiting for arrival of investors	24.7	15,473,834	13,182,390
025	4. Entitled financial assets of investors	24.8	432,574	2,341,727



# Viet Dragon Securities Corporation

INTERIM STATEMENT OF FINANCIAL POSITION (continued)  
as at 30 June 2020

B01a-CTCK

## INTERIM OFF-BALANCE SHEET ITEMS (continued)

Code	ITEMS	Notes	30 June 2020 VND	31 December 2019 VND
	<b>B. ASSETS AND PAYABLES UNDER AGREEMENT WITH INVESTORS (continued)</b>			
026	5. Investors' deposits	24.9	487,779,773,832	319,843,095,175
027	5.1 Investors' deposits for securities trading activities managed by the Company		469,772,050,506	313,619,218,115
027.1	5.2 Investors' deposits at VSD		16,943,962,559	4,734,497,646
029	5.3 Investors' deposits for clearing and settlement		722,922,776	1,311,732,093
029.1	a. Domestic investors' deposits for clearing and settlement securities transactions		380,017,435	511,556,652
029.2	b. Foreign investors' deposits for clearing and settlement securities transactions		342,905,341	800,175,441
030	5.4 Deposits of securities issuers		340,837,991	177,647,321
031	6. Payables to investors - investors' deposits for securities trading activities managed by the Company	24.10	485,295,907,406	317,358,638,989
031.1	6.1 Payables to domestic investors' deposits for securities trading activities managed by the Company		485,059,299,624	316,959,015,244
031.2	6.2 Payables to foreign investors' deposits for securities trading activities managed by the Company		236,607,782	399,623,745
035	7. Dividend, bond principal and interest payables	24.11	2,483,866,426	2,484,456,186

Ms. Duong Kim Chi  
Preparer

Mr. Le Minh Hien  
Chief Accountant



Mr. Nguyen Hieu  
General Director

Ho Chi Minh City, Vietnam

12 August 2020

# Viet Dragon Securities Corporation

INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2020

B02a-CTCK

Code	ITEMS	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>I. OPERATING INCOME</b>			
01	1. Gain from financial assets at fair value through profit and loss ("FVTPL")		15,878,602,634	12,873,309,551
01.1	1.1 Gain from disposal of financial assets at FVTPL	25.1	10,469,653,283	6,222,784,398
01.2	1.2 Gain/(loss) from revaluation of financial assets at FVTPL	25.2	4,031,210,126	(47,064,397)
01.3	1.3 Dividend, interest income from financial assets at FVTPL	25.3	1,377,739,225	6,697,589,550
03	2. Gain from loans and receivables	25.3	92,824,915,897	110,193,013,495
06	3. Revenue from brokerage services		42,895,432,636	45,356,563,762
07	4. Revenue from underwriting and issuance agency services		6,000,000,000	-
09	5. Revenue from securities custodian services		4,071,422,069	3,472,241,564
10	6. Revenue from financial advisory services		2,105,272,727	1,138,745,455
11	7. Revenue from other operating activities		778,404,729	966,854,104
<b>20</b>	<b>Total operating income</b>		<b>164,554,050,692</b>	<b>174,000,727,931</b>
	<b>II. OPERATING EXPENSES</b>			
21	1. Loss from financial assets at FVTPL		(30,362,114,980)	(15,003,200,391)
21.1	1.1 Loss from disposal of financial assets at FVTPL	25.1	(18,201,390,752)	(10,520,926,850)
21.2	1.2 Loss from revaluation of financial assets at FVTPL	25.2	(11,909,319,054)	(4,482,273,541)
21.3	1.3 Transaction costs of acquisition of FVTPL financial assets		(251,405,174)	-
24	2. Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans	26	(46,894,535,207)	(46,974,258,450)
26	3. Expenses for proprietary activities	27	(964,717,105)	(1,016,629,475)
27	4. Expenses for brokerage services	28	(30,321,855,920)	(40,055,123,961)
29	5. Expenses for securities investment advisory services		(1,316,520,289)	(1,432,776,444)
30	6. Expenses for securities custodian services	29	(4,101,179,573)	(3,566,701,152)
31	7. Expenses for financial advisory services	30	(4,816,037,139)	(4,511,230,006)
32	8. Expenses for other operating activities	31	(5,300,173,866)	(5,244,488,901)
<b>40</b>	<b>Total operating expenses</b>		<b>(124,077,134,079)</b>	<b>(117,804,408,780)</b>



# Viet Dragon Securities Corporation

INTERIM INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2020

B02a-CTCK

Code	ITEMS	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>III. FINANCE INCOME</b>			
41	1. Realized and unrealized gain from changes in foreign exchange rates		54,000,000	140,000,000
42	2. Dividend and interest income from demand deposits		6,094,927,629	6,419,241,579
<b>50</b>	<b>Total finance income</b>		<b>6,148,927,629</b>	<b>6,559,241,579</b>
	<b>IV. FINANCE EXPENSES</b>			
51	1. Realized and unrealized loss from changes in foreign exchange rates		(1,545,000,000)	(512,000,000)
<b>60</b>	<b>Total finance expenses</b>		<b>(1,545,000,000)</b>	<b>(512,000,000)</b>
<b>62</b>	<b>V. GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>32</b>	<b>(28,647,629,343)</b>	<b>(31,603,153,039)</b>
<b>70</b>	<b>VI. OPERATING PROFIT</b>		<b>16,433,214,899</b>	<b>30,640,407,691</b>
	<b>VII. OTHER INCOME AND EXPENSES</b>			
71	1. Other income		50,028,403	23,787,336
72	2. Other expenses		(100,000)	(15,675,992)
<b>80</b>	<b>Total other operating profit</b>		<b>49,928,403</b>	<b>8,111,344</b>
<b>90</b>	<b>VIII. PROFIT BEFORE TAX</b>		<b>16,483,143,302</b>	<b>30,648,519,035</b>
91	1. Realized profit		24,361,252,230	35,177,856,973
92	2. Unrealized loss		(7,878,108,928)	(4,529,337,938)
<b>100</b>	<b>IX. CORPORATE INCOME TAX (CIT) EXPENSES</b>	<b>33</b>	<b>(3,469,790,620)</b>	<b>(5,415,907,136)</b>
100.1	1. Current CIT expense	33.2	(2,663,548,595)	(5,425,320,016)
100.2	2. Deferred CIT expense	33.3	(806,242,025)	9,412,880
<b>200</b>	<b>X. PROFIT AFTER TAX</b>		<b>13,013,352,682</b>	<b>25,232,611,899</b>



# Viet Dragon Securities Corporation

INTERIM INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2020

B02a-CTCK

Code	ITEMS	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
<b>500</b>	<b>XI. NET INCOME PER SHARE</b>			
501	1. Basic earnings per share (VND/share)	34	130	252
502	2. Diluted earnings per share (VND/share)	34	130	252



Ms. Duong Kim Chi  
Preparer



Mr. Le Minh Hien  
Chief Accountant



Mr. Nguyen Hieu  
General Director

Ho Chi Minh City, Vietnam

12 August 2020

# Viet Dragon Securities Corporation

INTERIM CASH FLOW STATEMENT  
for the six-month period ended 30 June 2020

B03b-CTCK

Code	ITEMS	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>1. Profit before tax</b>		<b>16,483,143,302</b>	<b>30,648,519,035</b>
<b>02</b>	<b>2. Adjustments for</b>		<b>(5,103,543,507)</b>	<b>(6,556,610,197)</b>
03	- Depreciation and amortization expense		3,071,765,280	3,403,229,397
04	- Provisions	7.4	(3,641)	8,970
05	- Unrealized loss from changes in foreign exchange rates	15	467,000,000	105,000,000
07	- Gain from investing activities		(6,094,927,629)	(6,419,241,579)
08	- Accrued interest income	8	(2,547,377,517)	(3,645,606,985)
<b>10</b>	<b>3. Increase in non-monetary expenses</b>		<b>11,909,319,054</b>	<b>4,482,273,541</b>
11	- Loss from revaluation of financial assets at FVTPL	25.2	11,909,319,054	4,482,273,541
<b>18</b>	<b>4. Increase/(decrease) in non-monetary income</b>		<b>(4,031,210,126)</b>	<b>47,064,397</b>
19	- Gain from revaluation of financial assets at FVTPL	25.2	(4,031,210,126)	47,064,397
<b>30</b>	<b>5. Operating gains/(losses) before changes in working capital</b>		<b>153,769,990,548</b>	<b>(168,164,321,117)</b>
31	- Increase in financial assets at FVTPL		(146,978,743,638)	(54,554,083,538)
33	- Decrease/(increase) in loans		315,140,880,952	(126,470,316,536)
35	- Increase in receivables from sale of financial assets	8	(30,673,040,500)	-
36	- Decrease in receivables of dividend and accrued interests of financial assets		3,707,319,372	3,539,330,720
37	- Decrease/(increase) in receivables from services provided by the Company		(6,932,491,185)	7,784,643,072
39	- Decrease/(increase) in other receivables		281,041,189	(1,606,300,929)
40	- (Increase)/decrease in other assets		(262,761,151)	2,594,027,266
41	- Increase/(decrease) in accrued expenses (excluding interest expenses)		6,498,642,846	(1,583,821,408)
42	- Decrease/(increase) in prepaid expenses		(723,984,396)	994,517,946
43	- Corporate income tax paid		(31,468,933)	(5,000,082,493)
45	- Increase in trade payables		16,566,133,950	11,075,119,326
47	- Decrease in taxes and statutory obligation payables (excluding CIT paid)		(566,971,092)	(3,041,314,558)
48	- Decrease in payables to employees		(3,691,257,000)	(168,749,999)
50	- Increase/(decrease) in other payables		1,436,690,134	(620,945,652)
52	- Other payments for operating activities		-	(1,106,344,334)
<b>60</b>	<b>Net cash from/(used in) operating activities</b>		<b>173,027,699,271</b>	<b>(139,543,074,341)</b>

# Viet Dragon Securities Corporation

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2020

B03b-CTCK

Code	ITEMS	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
61	1. Purchase and construction of fixed assets, investment properties and other long-term assets		(4,725,267,100)	(5,195,350,575)
65	2. Interest and dividends from long-term investments received		6,094,927,629	6,419,241,579
<b>70</b>	<b>Net cash from investing activities</b>		<b>1,369,660,529</b>	<b>1,223,891,004</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
73	1. Drawdown of borrowings		1,431,365,000,000	2,053,472,000,000
73.2	1.1 Other borrowings		1,431,365,000,000	2,053,472,000,000
74	2. Repayment of borrowings		(1,517,856,000,000)	(1,836,691,000,000)
74.3	2.1 Other repayment of borrowings		(1,517,856,000,000)	(1,836,691,000,000)
76	3. Profit distributed to shareholders		(33,059,651,600)	(66,740,110,400)
<b>80</b>	<b>Net cash (used in)/from financing activities</b>		<b>(119,550,651,600)</b>	<b>150,040,889,600</b>
<b>90</b>	<b>NET CASH DURING THE YEAR</b>		<b>54,846,708,200</b>	<b>11,721,706,263</b>
<b>101</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>5</b>	<b>300,264,521,223</b>	<b>71,744,099,797</b>
101.1	Cash		300,264,521,223	71,744,099,797
<b>103</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5</b>	<b>355,111,229,423</b>	<b>83,465,806,060</b>
103.1	Cash		355,111,229,423	83,465,806,060



# Viet Dragon Securities Corporation

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2020

B03b-CTCK

## CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS

Code	ITEMS	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
	<b>I. Cash flows from brokerage and trust activities of the customers</b>			
01	1. Cash receipts from disposal of brokerage securities of customers		2,084,444,248,643	2,443,068,846,394
02	2. Cash payments for acquisition of brokerage securities of customers		(2,085,033,057,960)	(2,571,071,720,344)
07	3. Cash receipts for settlement of securities transactions of customers		21,984,119,406,343	30,313,534,369,808
07.1	4. Investors' deposits at VSD		156,010,542,162	194,395,421,140
08	5. Cash payments for securities transactions of customers		(21,971,767,651,201)	(30,592,225,775,970)
14	6. Cash receipts from securities issuers		270,391,465,982	399,246,115,841
15	7. Cash payments to securities issuers		(270,228,275,312)	(410,103,580,391)
20	<b>Net increase/(decrease) in cash during the period</b>		<b>167,936,678,657</b>	<b>(223,156,323,522)</b>
30	<b>II. Cash and cash equivalents of the customers at the beginning of the period</b>	<b>24.9</b>	<b>319,843,095,175</b>	<b>772,514,226,857</b>
31	Cash at banks at the beginning of the period:		319,843,095,175	772,514,226,857
32	- Investors' deposits managed by the Company for securities trading activities In which: Investors' deposits at VSD		318,353,715,761	632,391,680,951
34	- Deposits for clearing and settlement of securities transaction		4,734,497,646	12,786,914,195
35	- Securities issuers' deposits		1,311,732,093	128,763,551,154
			177,647,321	11,358,994,752

# Viet Dragon Securities Corporation

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2020

B03b-CTCK

## CASH FLOWS FROM BROKERAGE AND TRUST ACTIVITIES OF THE CUSTOMERS (continued)

Code	ITEMS	Notes	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
40	<b>III. Cash and cash equivalents of the customers at the end of the period</b>	<b>24.9</b>	<b>487,779,773,832</b>	<b>549,357,903,335</b>
41	Cash at banks at the end of the period:		487,779,773,832	549,357,903,335
42	- Investors' deposits managed by the Company for securities trading activities		486,716,013,065	548,095,695,929
	In which: Investors' deposits at VSD		16,943,962,559	8,731,099,273
44	- Deposits for clearing and settlement of securities transaction		722,922,776	760,677,204
45	- Securities issuers' deposits		340,837,991	501,530,202

Ms. Duong Kim Chi  
Preparer

Mr. Le Minh Hien  
Chief Accountant



Mr. Nguyen Hieu  
General Director

Ho Chi Minh City, Vietnam

12 August 2020



# Viet Dragon Securities Corporation

INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY  
for the six-month period ended 30 June 2020

B04a-CTCK

ITEMS	Notes	Opening balance		Increase/(decrease)				Ending balance	
		1 January 2019 VND	1 January 2020 VND	Previous period		Current period		30 June 2019 VND	30 June 2020 VND
				Increase VND	Decrease VND	Increase VND	Decrease VND		
<b>I. CHANGES IN OWNERS' EQUITY</b>	<b>23</b>								
1. Share capital		1,010,239,178,792	1,010,239,178,792	-	-	-	-	1,010,239,178,792	1,010,239,178,792
1.1 Ordinary share		1,000,999,060,000	1,000,999,060,000	-	-	-	-	1,000,999,060,000	1,000,999,060,000
1.1 Share premium		9,240,118,792	9,240,118,792	-	-	-	-	9,240,118,792	9,240,118,792
2. Charter capital supplementary reserve		13,624,381,369	15,356,644,767	-	-	-	-	13,624,381,369	15,356,644,767
3. Operational risk and financial reserve		13,624,381,369	15,356,644,767	-	-	-	-	13,624,381,369	15,356,644,767
4. Undistributed profit		73,410,955,676	4,491,790,835	29,761,949,837	(74,599,272,138)	20,891,461,610	(7,878,108,928)	28,573,633,375	17,505,143,517
- Realized profit		148,478,416,393	78,465,916,697	29,761,949,837	(70,069,934,200)	20,891,461,610	-	108,170,432,030	99,357,378,307
- Unrealized loss		(75,067,460,717)	(73,974,125,862)	-	(4,529,337,938)	-	(7,878,108,928)	(79,596,798,655)	(81,852,234,790)
<b>TOTAL</b>		<b>1,110,898,897,206</b>	<b>1,045,444,259,161</b>	<b>29,761,949,837</b>	<b>(74,599,272,138)</b>	<b>20,891,461,610</b>	<b>(7,878,108,928)</b>	<b>1,066,061,574,905</b>	<b>1,058,457,611,843</b>

Ms. Duong Kim Chi  
Preparer

Mr. Le Minh Hien  
Chief Accountant



Mr. Nguyen Hieu  
General Director

Ho Chi Minh City, Vietnam

12 August 2020



# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at 30 June 2020 and for the six-month period then ended

B09a-CTCK

## 1. CORPORATE INFORMATION

Viet Dragon Securities Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Securities Trading License No. 32/UBCK-GPHĐKD issued by the State Securities Commission on 21 December 2006 and subsequent amended licenses which the latest license is No. 46/GPĐC-UBCK dated 5 August 2020.

The Company's primary activities are to provide brokerage service, securities trading, finance and investment advisory service, underwriting for securities issues, securities custodian service and derivatives service.

The Company's head office is located at 1-2-3-4 Floor, 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City.

As at 30 June 2020, the Company has three (3) branches are located in Ha Noi, Nha Trang and Can Tho.

The number of the Company's employees as at 30 June 2020 is 254 persons (31 December 2019: 288 persons).

### ***Main features of operation of the Company***

#### *Capital*

According to the interim statement of financial position as at 30 June 2020, the Company's charter capital amounts to VND1,000,999,060,000 while its owners' equity is VND1,058,457,611,843 and its total assets are VND2,217,156,769,304.

#### *Investment objectives*

The Company's aims are to contribute to the development of the securities market and bring benefits to its customers, investors and shareholders.

#### *Investment restrictions*

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

- ▶ Securities company is not allowed to invest, contribute capital to invest in real-estate investment except for the purpose of use for head office, branches, and transaction offices directly serving professional business activities of the securities company.
- ▶ Securities company may invest in real-estate investment and fixed assets on the principle that the carrying value of the fixed assets and real-estate investment should not exceed fifty percent (50%) of the total value of assets of the securities company.
- ▶ Securities company is not allowed to use more than seventy percent (70%) of its charter capital to invest in corporate bonds. Securities company, licensed to engage in self-trading activity, is allowed to trade listed bonds in accordance with relevant provision on trading Government bonds.



**1. CORPORATE INFORMATION** (continued)

*Investment restrictions* (continued)

- ▶ Securities company must not by itself, or authorize another organization or individuals to:  
Invest in shares or contribute capital to companies that owned more than fifty percent (50%) of the charter capital of the securities company, except for purchasing of odd lots at the request of customers; Make joint investment with an affiliated person of five percent (5%) or more in the charter capital of another securities company; Invest more than twenty percent (20%) in the total currently circulating shares or fund certificates of a listing organization; Invest more than fifteen percent (15%) in the total currently circulating shares or fund certificates of an unlisted organization, this provision shall not apply to member fund, ETF fund or open-end fund certificates; Invest or contribute capital of more than ten percent (10%) in the total paid-up capital of a limited company or of a business project; Invest or contribute more than fifteen percent (15%) of its equity in a single organization or of a business project; Invest more than seventy percent (70%) of its total equity in shares, capital contribution and a business project, specifically invest more than twenty percent (20%) of its total equity in unlisted shares, capital contribution and a business project.
- ▶ Securities company is allowed to establish or purchase an asset management company as a subsidiary. In that case, securities company is not required to follow the above restrictions.

**2. BASIS OF PREPARATION**

**2.1 Applied accounting standards and system**

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

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

**2.2 Registered accounting documentation system**

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

**2.3 Fiscal year**

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

The Company prepares its interim financial statements for the six-month period from 1 January to 30 June.



**2. BASIS OF PREPARATION (continued)**

**2.4 Accounting currency**

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

**3. STATEMENT ON THE COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS**

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

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Cash and cash equivalents**

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

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

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

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

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
  - ▶ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
  - ▶ There is evidence of a recent actual pattern of short-term profit-taking; or
  - ▶ It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, a financial asset is designated by the entity as at fair value through profit and loss as it meets one of the following criteria:
  - ▶ The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the asset or recognizing gains or losses on a different basis; or
  - ▶ The assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management policy or investment strategy.



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

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

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

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

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

**4.3 Loans**

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

- a) The amounts the Company intent to immediately sell or will sell in a near future which are classified as assets held for trading, and like those which, upon initial recognition, the Company categorized as such recognized at fair value through profit or loss;
- b) The amounts categorized by the Company as available for sale upon initial recognition; or
- c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available for sale.

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

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

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



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

**4.4 Fair value/market value of financial assets**

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

- ▶ For securities listed on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange, their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For unlisted securities registered for trading on the Unlisted Public Company Market ("UPCoM"), their market prices are their closing prices on the trading day preceding the date of setting up the provision.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.
- ▶ The market price for unlisted securities and securities unregistered for trading used as a basis for setting up the provision is the average of actual trading prices quoted by three (03) securities companies conducting transactions at the latest date preceding the revaluation date.
- ▶ For unlisted bonds, their market prices is the maximum value of the following values: The quoted price (if any) announced on quotation systems selected by the securities-trading organization, plus accrued interest; the purchase price, plus accrued interest; the par value, plus accrued interest; the price determined according to internal regulations of the Company, including accrued interest.

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

For the purpose of determining CIT taxable profit, the tax bases for financial assets are determined by cost minus (-) provision for diminution in value. Accordingly, market value of securities for provision purpose is determined in accordance with the Circular No.146/2014/TT-BTC and Circular No.48/2019/TT-BTC.

**4.5 Derecognition of financial assets**

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

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

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

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



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.6 *Reclassification of financial assets*

###### *Reclassification when selling financial assets other than FVTPL*

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

###### *Reclassification due to change in purpose or ability to hold*

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

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

##### 4.7 *Receivables*

Receivables are initially recorded at cost and subsequently always presented at cost.

Receivables are subject to review for impairment based on their overdue status or estimated loss arising from undue debts of corporate debtors who have bankruptcy or are under liquidation; or of individual debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or are currently suffering from a fatal disease (certified by the hospital) or dead or the debt has been sued for debt collection by the enterprise but the case has been suspended. Increases or decreases to the provision balance are recorded as "Provision expenses for diminution in value and impairment of financial assets, doubtful debts and borrowing costs of loans" in the interim income statement.

The Company has made provision for doubtful receivables in accordance with Circular No. 48/2019/TT-BTC dated 8 August 2019 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

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



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

**4.8 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

**4.9 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortization.

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

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

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

**4.10 Depreciation and amortization**

Depreciation and amortization of tangible fixed assets and intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Means of transportation	6 years
Office equipment	3 - 8 years
Computer software	3 - 8 years
Trademark	5 years
Copyrights	3 - 5 years
Other intangible fixed assets	5 years

**4.11 Operating leases**

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

**4.12 Borrowings and non-convertible bonds issued**

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

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

**4.13 Prepaid expenses**

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

The following types of expenses are recorded as short-term and long-term prepaid expenses and are amortized over the period from one (1) year to three (3) years to the interim income statement:

- ▶ Office renovation expenses;
- ▶ Office tools and consumables;
- ▶ Office rental expenses; and
- ▶ Other prepaid expenses.

**4.14 Payables and accrued expenses**

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

**4.15 Employee benefits**

**4.15.1 Post-employment benefits**

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency, which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary and allowance on a monthly basis. The Company has no further obligation to fund the post-employment benefits of its employees, other than the liability to pay Social Insurance Agency on a monthly basis.

**4.15.2 Severance allowance**

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

**4.15.3 Unemployment allowance**

According to prevailing regulations, the Company is required to pay the unemployment insurance at 1% of salary fund of employees who engage in the unemployment insurance program and to deduct 1% from each employer's basic salary to contribute to the Unemployment Insurance Fund.



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

**4.16 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are determined as follows:

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

All foreign exchange differences incurred are taken to the income statement.

**4.17 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of receipts or receivables less trade discount, concessions and sales return. The following specific recognition criteria must also be met before revenue is recognized:

*Revenue from brokerage services and other services*

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

*Revenue from trading of securities*

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

*Interest income*

Revenue is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

*Dividends*

Income is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares in which only the number of shares is updated.



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

**4.17 Revenue recognition (continued)**

*Other income*

Revenues from irregular activities other than turnover-generating activities are recorded to other incomes as stipulated by VAS 14 - "Revenue and other income", including: Revenues from asset liquidation and sale; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which had been written off and included in the preceding period expenses; payable debts which are now recorded as revenue increase as their owners no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues.

**4.18 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred.

**4.19 Cost of securities sold**

The Company applies moving weighted average method to calculate cost of securities sold.

**4.20 Corporate income tax**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the report date.

Current income tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

*Deferred income tax*

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.



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

**4.20 Corporate income tax (continued)**

*Deferred income tax (continued)*

The carrying amount of deferred income tax assets is reviewed at each financial year end date and reduced to a certain extent that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Previously unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the reporting date. Deferred tax is charged or credited to the interim income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account. Deferred tax is recorded to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**4.21 Owners' equity**

*Contributed capital from shareholders*

Contributed capital from stock issuance is recorded in charter capital at par value.

*Undistributed profit*

Undistributed profit comprises of realized and unrealized undistributed profit.

Unrealized profit of the period is the difference between gain and loss arisen from revaluation of FVTPL financial assets or other financial assets through profit and loss in the interim income statement.

Realized profit during the period is the net difference between total revenue and income, and total expenses in the interim income statement of the Company, except for gain or loss arisen from revaluation of financial assets recognized in unrealized profit.

*Reserves*

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to the following reserves:

	<i>Percentage of profit after tax</i>	<i>Maximum balance</i>
Charter capital supplementary reserve	5%	10% of charter capital
Operational risk and financial reserve	5%	10% of charter capital

Other reserves are appropriated in accordance with the Resolution of the General Meeting of Shareholders.

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

**4.22 Distribution of net profits**

Net profit after tax is available for appropriation to shareholders after being approved in the General Meeting of Shareholders and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

**4.23 Segment information**

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's principal activities are mainly taking place throughout Vietnam. Therefore, the Company's risks and returns are not impacted by the locations where the Company is trading. As a result, the Company's management is of the view that there is only one segment for geography and therefore the Company only presents the segmental information based on activities.

**4.24 Nil balances**

Items or balances required by Circular No. 210/2014/TT-BTC dated 30 December 2014, Circular No. 334/2016/TT-BTC dated 27 December 2016 and Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance that are not shown in these interim financial statements indicate nil balance.

**5. CASH AND CASH EQUIVALENTS**

	30 June 2020 VND	31 December 2019 VND
Cash on hand	80,886,451	77,950,111
Cash at banks for operation of the Company	297,162,860,667	149,347,148,582
Cash for clearing and settlement securities transaction	57,867,482,305	150,839,422,530
	<b>355,111,229,423</b>	<b>300,264,521,223</b>

**6. VALUE AND VOLUME OF TRADING IN THE PERIOD**

	Volume of trading in the period (Unit)	Value of trading in the period (VND)
a. The Company	<b>49,062,203</b>	<b>1,101,903,848,576</b>
- Shares	48,962,203	1,001,903,848,576
- Bonds	100,000	100,000,000,000
b. Investors	<b>1,482,057,935</b>	<b>21,152,584,654,540</b>
- Shares	1,469,939,795	21,135,621,020,540
- Other shares	12,118,140	16,963,634,000
	<b>1,531,120,138</b>	<b>22,254,488,503,116</b>



# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

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## 7. FINANCIAL ASSETS

### 7.1 Financial assets at fair value through profit and loss ("FVTPL")

	30 June 2020		31 December 2019	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Listed shares	231,838,447,152	185,720,997,540	188,928,700,178	148,233,281,730
Unlisted shares	229,182,338,158	193,447,552,980	225,113,341,494	191,834,634,080
Unlisted bonds (i)	100,000,000,000	100,000,000,000	-	-
	<b>561,020,785,310</b>	<b>479,168,550,520</b>	<b>414,042,041,672</b>	<b>340,067,915,810</b>

- (i) This represents an investment in Novaland Group Corporation's bonds. The bond code is NVLBOND2020-06, par value at VND1,000,000 for each bond, interest rates of 10% per annum, term from 30 June 2020 to 30 June 2022 and interest is paid twice a year. The bonds are guaranteed by 4,000,000 shares of Novaland Group Corporation which are owned by Diamond Properties Joint Stock Company.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 7. FINANCIAL ASSETS (continued)

### 7.2 Loans

	Ending balance			Opening balance		
	Cost VND	Provision VND	Fair value (iii) VND	Cost VND	Provision VND	Fair value (iii) VND
Margin activities (i)	1,003,587,762,362	(44,087,377,354)	959,500,385,008	1,295,702,784,902	(44,087,380,995)	1,251,615,403,907
Advances to customers (ii)	314,467,647,864	-	314,467,647,864	337,493,506,276	-	337,493,506,276
	<b>1,318,055,410,226</b>	<b>(44,087,377,354)</b>	<b>1,273,968,032,872</b>	<b>1,633,196,291,178</b>	<b>(44,087,380,995)</b>	<b>1,589,108,910,183</b>

(i) Securities under margin transaction are used as collaterals for the loans granted by the Company to investors. As at 30 June 2020 and 31 December 2019, the par value of those securities that are used as collaterals for margin trading was VND2,181,136,760,000 and VND2,801,112,610,000 respectively, (the market value of those securities that are used as collaterals for margin trading was VND3,269,175,589,460 and VND 4,302,362,692,533 respectively).

Including in the margin activities is the investment cooperation contract before the regulation relating to margin loans were issued amounting to VND27,287,632,936. The Company has made full provision against these balances.

(ii) These relate to advances to investors during the period that the shares selling proceeds are awaiting to be received.

(iii) Determining the fair value of financial assets

The fair value of financial assets was reflected at the value that the financial assets are traded in the prevailing transactions between involved parties, excluding the cases that financial assets are sold or liquidated.

The Company uses the following methods and assumptions to estimate fair value:

The fair value of margin loans, cash advances of selling securities and investment cooperation approximates their carrying value, which is cost less provision, due to short-term maturities of these instruments.



# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

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## 7. FINANCIAL ASSETS (continued)

### 7.3 Changes in market values of financial assets

	30 June 2020					31 December 2019				
Financial assets	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND	Cost VND	Fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND				Increase VND	Decrease VND	
Financial assets at fair value through profit and loss (FVTPL)										
1. Listed shares										
DIG	174,719,888,246	134,688,162,000	-	(40,031,726,246)	134,688,162,000	121,844,208,163	90,102,904,800	-	(31,741,303,363)	90,102,904,800
ACB	23,086,877,925	23,291,841,600	204,963,675	-	23,291,841,600	15,471,038	20,064,000	4,592,962	-	20,064,000
DRC	22,815,056,954	19,187,065,000	-	(3,627,991,954)	19,187,065,000	7,982,696,026	8,156,281,500	173,585,474	-	8,156,281,500
PC1	9,465,121,450	6,842,626,250	-	(2,622,495,200)	6,842,626,250	9,464,978,440	7,148,855,000	-	(2,316,123,440)	7,148,855,000
DXG	1,462,351,706	1,435,918,400	-	(26,433,306)	1,435,918,400	3,444,764	3,248,000	-	(196,764)	3,248,000
Other shares	289,150,871	275,384,290	30,924,044	(44,690,625)	275,384,290	49,617,901,747	42,801,928,430	226,361,618	(7,042,334,935)	42,801,928,430
	231,838,447,152	185,720,997,540	235,887,719	(46,353,337,331)	185,720,997,540	188,928,700,178	148,233,281,730	404,540,054	(41,099,958,502)	148,233,281,730
2. Unlisted shares										
QNS	130,500,000,000	130,500,000,000	-	-	130,500,000,000	149,988,000,000	149,988,000,000	-	-	149,988,000,000
BSR	67,202,877,838	27,504,090,000	-	(39,698,787,838)	27,504,090,000	68,188,808,393	35,396,568,000	-	(32,792,240,393)	35,396,568,000
KLB	27,000,000,000	31,200,000,000	4,200,000,000	-	31,200,000,000	-	-	-	-	-
DORU	-	-	-	-	-	-	-	-	-	-
FOAM	4,450,000,000	4,230,000,000	-	(220,000,000)	4,230,000,000	4,450,000,000	4,230,000,000	-	(220,000,000)	4,230,000,000
Other shares	29,460,320	13,462,980	2,366,777	(18,364,117)	13,462,980	2,486,533,101	2,220,066,080	2,504,316	(268,971,337)	2,220,066,080
	229,182,338,158	193,447,552,980	4,202,366,777	(39,937,151,955)	193,447,552,980	225,113,341,494	191,834,634,080	2,504,316	(33,281,211,730)	191,834,634,080
3. Unlisted bonds										
NOVA	-	-	-	-	-	-	-	-	-	-
LAND	100,000,000,000	100,000,000,000	-	-	100,000,000,000	-	-	-	-	-
	561,020,785,310	479,168,550,520	4,438,254,496	(86,290,489,286)	479,168,550,520	414,042,041,672	340,067,915,810	407,044,370	(74,381,170,232)	340,067,915,810

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## 7. FINANCIAL ASSETS (continued)

### 7.4 Provision for impairment of financial assets

Breakdown of financial assets recognized at cost and corresponding provision for impairment is as follows:

<i>Financial assets</i>	<i>Basis for provision</i>		<i>Provision at 30 June 2020 VND</i>	<i>Provision at 31 December 2019 VND</i>	<i>Charge of provision during the period VND</i>
	<i>Cost VND</i>	<i>Revaluation value VND</i>			
<b>Loans</b>					
Margin activities	1,003,587,762,362	959,500,385,008	44,087,377,354	44,087,380,995	(3,641)
Advances to customers	314,467,647,864	314,467,647,864	-	-	-
	<b>1,318,055,410,226</b>	<b>1,273,968,032,872</b>	<b>44,087,377,354</b>	<b>44,087,380,995</b>	<b>(3,641)</b>



# Viet Dragon Securities Corporation

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## 8. RECEIVABLES

	30 June 2020 VND	31 December 2019 VND
Receivables from disposal of financial assets	30,673,040,500	-
Receivables and accruals from dividends and interest income from financial assets	2,547,377,517	3,707,319,372
- <i>Receivables and accruals for due dividend and interest income</i>	152,673,605	182,689,012
- <i>Accruals for undue dividend and interest income</i>	2,394,703,912	3,524,630,360
Advances to suppliers	65,000,000	356,427,510
Receivables from services provided by the Company	16,970,802,483	10,038,311,298
- <i>Receivables from custodian services</i>	8,826,938,663	8,238,840,163
- <i>Receivables from underwriting and issuance agency services</i>	6,000,000,000	-
- <i>Other receivables</i>	2,143,863,820	1,799,471,135
Other receivables	1,988,644,799	1,978,258,478
Provision for impairment of receivables	(1,978,208,478)	(1,978,208,478)
	<b>50,266,656,821</b>	<b>14,102,108,180</b>

*Details of provision for impairment of receivables:*

	Doubtful debts		Provision		
	31 December 2019 VND	30 June 2020 VND	31 December 2019 VND	Addition/ (reversal) VND	30 June 2020 VND
Other receivables					
- <i>Van Thien Hung</i>	1,978,208,478	1,978,208,478	1,978,208,478	-	1,978,208,478

## 9. PREPAID EXPENSES

	30 June 2020 VND	31 December 2019 VND
Short-term prepaid expenses	2,855,843,396	1,736,903,445
- <i>Office supplies, tools and materials</i>	1,049,528,399	28,198,976
- <i>Other expenses</i>	1,806,314,997	1,708,704,469
Long-term prepaid expenses	1,283,929,033	1,678,884,588
- <i>Office renovation expenses</i>	700,742,311	869,088,043
- <i>Other expenses</i>	583,186,722	809,796,545
	<b>4,139,772,429</b>	<b>3,415,788,033</b>

# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 10. TANGIBLE FIXED ASSETS

	<i>Means of transportation VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
<b>Cost</b>			
1 January 2020	5,837,902,900	42,571,125,210	48,409,028,110
Increase	-	4,545,267,100	4,545,267,100
Disposals	-	(40,340,000)	(40,340,000)
30 June 2020	5,837,902,900	47,076,052,310	52,913,955,210
<b>Accumulated depreciation</b>			
1 January 2020	4,279,376,079	32,104,930,312	36,384,306,391
Depreciation	251,967,030	1,892,264,893	2,144,231,923
Disposals	-	(40,340,000)	(40,340,000)
30 June 2020	4,531,343,109	33,956,855,205	38,488,198,314
<b>Net book value</b>			
1 January 2020	1,558,526,821	10,466,194,898	12,024,721,719
30 June 2020	1,306,559,791	13,119,197,105	14,425,756,896

Cost of tangible fixed assets which have been fully depreciated but are still in use at 30 June 2020 amounted to VND29,004,771,434 (31 December 2019: VND28,280,765,434).



# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 11. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>	<i>Trademark VND</i>	<i>Copyrights VND</i>	<i>Others VND</i>	<i>Total VND</i>
<b>Cost</b>					
1 January 2020	17,365,497,066	307,500,192	1,661,848,751	502,503,782	19,837,349,791
Increase	180,000,000	-	-	-	180,000,000
30 June 2020	17,545,497,066	307,500,192	1,661,848,751	502,503,782	20,017,349,791
<b>Accumulated amortization</b>					
1 January 2020	10,509,018,643	307,500,192	1,560,779,251	502,503,782	12,879,801,868
Amortization	884,217,857	-	43,315,500	-	927,533,357
30 June 2020	11,393,236,500	307,500,192	1,604,094,751	502,503,782	13,807,335,225
<b>Net book value</b>					
1 January 2020	6,856,478,423	-	101,069,500	-	6,957,547,923
30 June 2020	6,152,260,566	-	57,754,000	-	6,210,014,566

Cost of intangible fixed assets which have been fully amortized but are still in use at 30 June 2020 amounted to VND10,661,460,628 (31 December 2019: VND10,611,460,628).

**12. LONG-TERM DEPOSITS, COLLATERALS AND PLEDGES**

These are security deposits for office rentals at Head Office, Ha Noi , Nha Trang and Can Tho Branch.

**13. DEPOSITS TO SETTLEMENT ASSISTANCE FUND**

Advances to settlement assistance fund represent amounts deposited at Vietnam Securities Depository.

According Decision No. 27/QĐ-VSD dated 13 March 2015 regarding the regulations on management and usage of the Assistance Fund issued by the General Director of the Vietnam Securities Depository, the Company must deposit an initial amount of VND120 million at the Vietnam Securities Depository and pay an addition of 0.01% of the total amount of brokered securities in the previous year, but not over VND2.5 billion per annum. The maximum contribution of each custody member to the Settlement Assistance Fund is VND 20 billion for custody members who are the company having trading securities and brokerage activities.

Details of the advance to settlement assistance fund during the period are as follows:

	<i>30 June 2020</i>	<i>31 December 2019</i>
	<i>VND</i>	<i>VND</i>
Initial payment	120,000,000	120,000,000
Addition payment	13,464,509,286	13,464,509,286
Interests	6,415,490,714	6,415,490,714
	<b><u>20,000,000,000</u></b>	<b><u>20,000,000,000</u></b>

**14. OTHER NON-CURRENT ASSETS**

Other non-current assets are the deposits in the Derivatives Trading Clearing Fund. According to the Policy on Management and Use of Derivatives Trading Clearing Fund issued in conjunction with Decision No. 97/QĐ-VSD dated 23 March 2017 by the Vietnam Securities Depository, the minimum amount of initial contribution applicable to direct clearing members is VND10 billion.



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## 15. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES

	<i>Interest rate % per annum</i>	<i>31 December 2019 VND</i>	<i>Addition during the period VND</i>	<i>Repayment during the period VND</i>	<i>Revaluation VND</i>	<i>30 June 2020 VND</i>
Short-term borrowings						
- From a foreign bank (i)	3.60 – 5.30	115,900,000,000	396,825,000,000	(396,166,000,000)	467,000,000	117,026,000,000
- From domestic banks (ii)	6.25 – 10.50	50,000,000,000	584,000,000,000	(534,000,000,000)	-	100,000,000,000
		<b>165,900,000,000</b>	<b>980,825,000,000</b>	<b>(930,166,000,000)</b>	<b>467,000,000</b>	<b>217,026,000,000</b>

(i) The closing balance represents the unsecured borrowings with a total value of USD5,000,000 and longest tenor not exceeding 60 days from the date of drawdown.

(ii) The closing balance represents the borrowings with a credit limit of VND100,000,000,000 with tenors of 3 months. All rights depriving from margin activities and advances to customers are used as collaterals for short-term borrowings of the Company. Value of collateral assets as at 30 June 2020 was VND1,320,602,787,743 (as at 31 December 2019: VND1,636,903,610,550) including loans and accrual interests.

## 16. SHORT-TERM BOND ISSUANCE

	<i>Interest rate % per annum</i>	<i>31 December 2019 VND</i>	<i>Addition during the period VND</i>	<i>Repayment during the period VND</i>	<i>Revaluation VND</i>	<i>30 June 2020 VND</i>
Short-term bond issuance						
- Held by individuals	8.5 – 9.5	372,440,000,000	303,040,000,000	(351,190,000,000)	-	324,290,000,000
- Held by institutions	8.5 – 9.5	507,500,000,000	147,500,000,000	(236,500,000,000)	-	418,500,000,000
		<b>879,940,000,000</b>	<b>450,540,000,000</b>	<b>(587,690,000,000)</b>	<b>-</b>	<b>742,790,000,000</b>

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.

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## 17. PAYABLES FOR SECURITIES TRADING ACTIVITIES

These are expenses payable to the stock exchanges.

## 18. SHORT-TERM TRADE PAYABLES

	30 June 2020 VND	31 December 2019 VND
Payables for purchases of shares trading on UPCoM	157,500,000,000	149,988,000,000
Payables for purchases of listed securities	12,785,498,000	3,814,872,000
Payables for purchases of goods and services	1,876,243,657	1,792,735,707
	<b>172,161,741,657</b>	<b>155,595,607,707</b>

## 19. STATUTORY OBLIGATIONS

Items	31 December 2019 VND	Payables in the period VND	Paid in the period VND	30 June 2020 VND
Corporate income tax	31,468,933	2,663,548,595	(31,468,933)	2,663,548,595
Value added tax	78,919,189	293,367,839	(255,813,637)	116,473,391
Personal income tax on behalf of investors	2,457,733,923	13,238,480,682	(12,607,546,122)	3,088,668,483
- Payables	2,457,733,923			3,098,165,783
- Receivables	-			(9,497,300)
Personal income tax	1,804,512,040	2,553,594,214	(3,928,076,576)	430,029,678
- Payables	1,809,299,716			574,444,034
- Receivables	(4,787,676)			(144,414,356)
Foreign contractor tax	48,343,099	409,930,293	(420,031,765)	38,241,627
Business registration tax	-	6,000,000	(6,000,000)	-
	<b>4,420,977,184</b>	<b>19,164,921,623</b>	<b>(17,248,937,033)</b>	<b>6,336,961,774</b>
In which:				
- Receivables	(4,787,676)			(153,911,656)
- Payables	4,425,764,860			6,490,873,430

## 20. SHORT-TERM ACCRUED EXPENSES

	30 June 2020 VND	31 December 2019 VND
Interests on bonds and borrowings	6,582,884,909	6,974,118,489
13 <sup>th</sup> salary and additional salary	6,000,000,000	-
Brokerage fee and custody fee	551,193,222	585,935,998
Others	1,365,719,202	441,100,000
	<b>14,499,797,333</b>	<b>8,001,154,487</b>



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## 21. OTHER SHORT-TERM PAYABLES

	30 June 2020 VND	31 December 2019 VND
Dividend payables	433,946,900	33,493,598,500
Others	868,133,199	130,182,383
	<b>1,302,080,099</b>	<b>33,623,780,883</b>

Movement in the dividend payable during the period is as follows:

	30 June 2020 VND	31 December 2019 VND
Opening balance	33,493,598,500	141,556,800
Cash dividend declared		
- Final dividend of 2018 (i)	-	70,069,934,200
- Final dividend of 2019 (ii)	-	30,029,971,800
Dividend paid	(33,059,651,600)	(66,747,864,300)
<b>Closing balance</b>	<b>433,946,900</b>	<b>33,493,598,500</b>

- (i) The Annual General Meeting of Shareholders on 18 April 2019 approved the total cash dividend of 2018 at 7% on charter capital of VND1,000,999,060,000. The dividend payment date was 30 January 2019 and 27 May 2019.
- (ii) According to the Resolution of the Annual General Meeting of Shareholders on 18 April 2019, the planned dividend rate of 2019 was 8% of the charter capital of VND1,000,999,060,000. Accordingly, on 9 December 2019, the Board of Directors decided to advance the interim dividend of 2019 at 3% of the par value (1 share is entitled to VND300) to shareholders in the registry as at 24 December 2019 and the dividend actual payment date was 6 January 2020. The Annual General Meeting of Shareholders on 28 May 2020 approved the final cash dividend of 2019 was 3%.

## 22. DEFERRED TAX LIABILITIES

	30 June 2020 VND	31 December 2019 VND
Taxable temporary differences:		
Increase in revaluation gain of financial assets at FVTPL	4,438,254,496	407,044,370
Calculated at tax rate 20% applicable to the Company	<b>887,650,899</b>	<b>81,408,874</b>

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## 23. OWNERS' EQUITY

### 23.1 Undistributed profit

	30 June 2020 VND	31 December 2019 VND
Realized profit	99,357,378,307	78,465,916,697
Unrealized loss	(81,852,234,790)	(73,974,125,862)
	<b>17,505,143,517</b>	<b>4,491,790,835</b>

### 23.2 Share capital

	Share capital VND	Share premium VND	Charter capital supplementary reserve VND	Operational risk and financial reserve VND	Undistributed profit VND	Total VND
As at 1 January 2020	1,000,999,060,000	9,240,118,792	15,356,644,767	15,356,644,767	4,491,790,835	1,045,444,259,161
Net profit for the period	-	-	-	-	13,013,352,682	13,013,352,682
<b>As at 30 June 2020</b>	<b>1,000,999,060,000</b>	<b>9,240,118,792</b>	<b>15,356,644,767</b>	<b>15,356,644,767</b>	<b>17,505,143,517</b>	<b>1,058,457,611,843</b>

Detail of Company share capital as at 30 June 2020:

	Share Unit	Amount VND	Ratio %
Nguyen Mien Tuan	17,810,953	178,109,530,000	17.79
Nguyen Xuan Do	17,000,000	170,000,000,000	16.98
Asia Investment Company	15,043,617	150,436,170,000	15.03
Pham My Linh	11,921,276	119,212,760,000	11.91
Other shareholders	38,324,060	383,240,600,000	38.29
	<b>100,099,906</b>	<b>1,000,999,060,000</b>	<b>100.00</b>



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## 23. OWNERS' EQUITY (continued)

### 23.2 Share capital (continued)

The Company's shares are as follows:

	30 June 2020 Unit	31 December 2019 Unit
Authorized shares	100,099,906	100,099,906
Ordinary shares	100,099,906	100,099,906
Shares issued and fully paid	100,099,906	100,099,906
Ordinary shares	100,099,906	100,099,906
Outstanding shares	100,099,906	100,099,906
Ordinary shares	100,099,906	100,099,906

## 24. DISCLOSURE OF INTERIM OFF-BALANCE SHEET ITEMS

### 24.1 Financial assets listed/registered for trading at VSD of the Company

	Par value	
	30 June 2020 VND	31 December 2019 VND
Unrestricted and traded financial assets	165,888,810,000	130,133,410,000
Financial assets awaiting for settlement	14,619,100,000	-
Restricted financial assets	270,000	270,000
	<b>180,508,180,000</b>	<b>130,133,680,000</b>

### 24.2 Non-traded financial assets deposited at VSD of the Company

	Par value	
	30 June 2020 VND	31 December 2019 VND
Unrestricted and non-traded financial assets	3,180,000	2,990,000
Unrestricted and awaiting for trading financial assets	-	80,000
	<b>3,180,000</b>	<b>3,070,000</b>

### 24.3 Financial assets awaiting for arrival of the Company

	Par value	
	30 June 2020 VND	31 December 2019 VND
Financial assets awaiting for arrival	<b>85,457,200,000</b>	<b>54,484,400,000</b>

# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 24. DISCLOSURE OF INTERIM OFF-BALANCE SHEET ITEMS (continued)

### 24.4 Financial assets which have not been deposited at VSD of the Company

	Par value	
	30 June 2020 VND	31 December 2019 VND
Financial assets which have not been deposited	<b>104,500,200,000</b>	<b>4,500,200,000</b>

### 24.5 Financial assets listed/registered at VSD of investors

	Quantity	
	30 June 2020	31 December 2019
Unrestricted and traded financial assets	1,215,144,437	915,305,088
Restricted and traded financial assets	9,913,723	12,676,824
Mortgage and traded financial assets	225,999,831	225,724,678
Blocked financial assets	92,486,355	90,286,355
Financial assets awaiting for settlement	23,083,891	24,715,510
Customers' deposits for derivatives trading	434	150
	<b>1,566,628,671</b>	<b>1,268,708,605</b>

### 24.6 Non-traded financial assets deposited at VSD of investors

	Quantity	
	30 June 2020	31 December 2019
Unrestricted and non-traded financial assets	4,739,193	5,198,413
Restricted and non-traded financial assets	8,200	-
	<b>4,747,393</b>	<b>5,198,413</b>

### 24.7 Financial assets awaiting for arrival of investors

	Quantity	
	30 June 2020	31 December 2019
Shares	<b>15,473,834</b>	<b>13,182,390</b>



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## 24. DISCLOSURE OF INTERIM OFF-BALANCE SHEET ITEMS (continued)

### 24.8 Entitled financial assets of investors

	Quantity	
	30 June 2020	31 December 2019
Shares	<b>432,574</b>	<b>2,341,727</b>

### 24.9 Investors' deposits

	30 June 2020 VND	31 December 2019 VND
Investors' deposits for securities trading activities managed by the Company	469,772,050,506	313,619,218,115
- Domestic investors' deposits for securities trading activities managed by the Company	469,535,442,724	313,219,594,370
- Foreign investors' deposits for securities trading activities managed by the Company	236,607,782	399,623,745
Investors' deposits at VSD	16,943,962,559	4,734,497,646
Investors' deposits for clearing and settlement	722,922,776	1,311,732,093
- Domestic investors' deposits for clearing and settlement securities transactions	380,017,435	511,556,652
- Foreign investors' deposits for clearing and settlement securities transactions	342,905,341	800,175,441
Deposits of securities issuers	340,837,991	177,647,321
	<b>487,779,773,832</b>	<b>319,843,095,175</b>

### 24.10 Payables to investors – investors' deposits for securities trading activities managed by the Company

	30 June 2020 VND	31 December 2019 VND
Payables to investors - Investors' deposits for securities trading activities managed by the Company		
- Domestic investors	485,059,299,624	316,959,015,244
- Foreign investors	236,607,782	399,623,745
	<b>485,295,907,406</b>	<b>317,358,638,989</b>

### 24.11 Dividend, bond principal and interest payables

	30 June 2020 VND	31 December 2019 VND
Dividend payables	<b>2,483,866,426</b>	<b>2,484,456,186</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 25. GAIN/(LOSS) FROM FINANCIAL ASSETS

### 25.1 Gain/(loss) from sale of financial assets at FVTPL

	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
Gain from sale of financial assets at FVTPL	10,469,653,283	6,222,784,398
Loss from sale of financial assets at FVTPL	(18,201,390,752)	(10,520,926,850)
	<b>(7,731,737,469)</b>	<b>(4,298,142,452)</b>

Details of net realized loss from disposals of FVTPL financial assets by category are as follows:

No	Financial assets	Quantity Shares	Proceeds VND	Cost of disposals (*) VND	Loss from sale during the current period VND	Loss from sale during the prior period VND
1	Listed	15,415,760	304,675,767,000	312,521,857,648	(7,846,090,648)	(4,590,594,227)
2	Unlisted	5,729,004	165,055,048,000	164,940,694,821	114,353,179	292,451,775
		<b>21,144,764</b>	<b>469,730,815,000</b>	<b>477,462,552,469</b>	<b>(7,731,737,469)</b>	<b>(4,298,142,452)</b>

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



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## 25. GAIN/(LOSS) FROM FINANCIAL ASSETS (continued)

### 25.2 Gain/(loss) from revaluation of financial assets

					For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
Increase/(decrease) in revaluation gain of FVTPL financial assets					4,031,210,126	(47,064,397)
Increase in revaluation loss of FVTPL financial assets					(11,909,319,054)	(4,482,273,541)
					<b>(7,878,108,928)</b>	<b>(4,529,337,938)</b>
No	Financial assets	Cost VND	Fair value VND	Revaluation difference as at 30 June 2020 VND	Revaluation difference as at 31 December 2019 VND	Difference adjustment in current period VND
1	Listed shares	231,838,447,152	185,720,997,540	(46,117,449,612)	(40,695,418,448)	(5,422,031,164)
2	Unlisted shares	229,182,338,158	193,447,552,980	(35,734,785,178)	(33,278,707,414)	(2,456,077,764)
3	Unlisted bonds	100,000,000,000	100,000,000,000	-	-	-
		<b>561,020,785,310</b>	<b>479,168,550,520</b>	<b>(81,852,234,790)</b>	<b>(73,974,125,862)</b>	<b>(7,878,108,928)</b>

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## 25. GAIN/(LOSS) FROM FINANCIAL ASSETS (continued)

### 25.3 Dividend, interest income from financial assets at FVTPL, HTM investments, loans and receivables

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Dividend, interest from financial assets at FVTPL	1,377,739,225	6,697,589,550
Interest income from loans and receivables	92,824,915,897	110,193,013,495
	<b>94,202,655,122</b>	<b>116,890,603,045</b>

## 26. PROVISION EXPENSES FOR DIMINUTION IN VALUE AND IMPAIRMENT OF FINANCIAL ASSETS, DOUBTFUL DEBTS AND BORROWING COSTS OF LOANS

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Borrowing costs to finance lending activities	46,894,538,848	46,974,249,480
(Reversal)/expenses of provision for impairment of loans	(3,641)	8,970
	<b>46,894,535,207</b>	<b>46,974,258,450</b>

## 27. EXPENSES FOR PROPRIETARY ACTIVITIES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Salary expense and other related expenses	739,863,652	640,875,344
Office rentals	139,052,001	138,291,120
Other expenses	85,801,452	237,463,011
	<b>964,717,105</b>	<b>1,016,629,475</b>



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## 28. EXPENSES FOR BROKERAGE SERVICES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Salary expense and other related expenses	14,288,530,571	18,112,863,114
Transaction fee for brokerage activities	6,951,629,972	10,151,749,642
Office rentals	3,406,232,080	3,428,831,738
Commission expenses	2,089,170,531	3,245,489,265
Depreciation and amortization expenses	479,325,000	1,024,329,132
Other expenses	3,106,967,766	4,091,861,070
	<b>30,321,855,920</b>	<b>40,055,123,961</b>

## 29. EXPENSES FOR SECURITIES CUSTODIAN SERVICES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Custody expense	3,612,068,822	3,029,991,613
Other expenses	489,110,751	536,709,539
	<b>4,101,179,573</b>	<b>3,566,701,152</b>

## 30. EXPENSES FOR FINANCIAL ADVISORY SERVICES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Salary expense and other related expenses	4,110,647,519	3,797,819,305
Office rentals	276,905,564	265,456,362
Other expenses	428,484,056	447,954,339
	<b>4,816,037,139</b>	<b>4,511,230,006</b>

## 31. EXPENSES FOR OTHER OPERATING SERVICES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Salary expense and other related expenses	4,251,266,865	3,902,292,158
Office rentals	628,425,325	630,396,308
Other expenses	420,481,676	711,800,435
	<b>5,300,173,866</b>	<b>5,244,488,901</b>

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## 32. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Salary expense and other related expenses	18,396,876,194	19,075,865,852
Depreciation and amortization expenses	2,592,440,280	2,378,900,265
Office rentals	2,114,352,744	2,115,086,378
Maintenance expenses	917,301,377	776,204,356
Events and business trip expenses	814,335,860	1,132,046,621
Electricity, telecommunication services	789,658,068	1,062,959,135
Remuneration of the Board of Directors	-	771,147,000
Other expenses	3,022,664,820	4,290,943,432
	<b>28,647,629,343</b>	<b>31,603,153,039</b>

## 33. CORPORATE INCOME TAX

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim financial statements could change later upon final determination by the tax authorities.

### 33.1 Corporate income tax expense

The total corporate income tax in this period is represented in the table below:

	<i>For the six-month period ended 30 June 2019 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Current CIT expense	2,663,548,595	5,425,320,016
Deferred CIT expense	806,242,025	(9,412,880)
	<b>3,469,790,620</b>	<b>5,415,907,136</b>



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## 33. CORPORATE INCOME TAX (continued)

### 33.2 Current CIT expense

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the interim statement income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Reconciliation between CIT expense and accounting profit multiplied by CIT rate presented below:

	For the six-month period ended 30 June 2020 VND	For the six-month period ended 30 June 2019 VND
<b>Profit before tax</b>	<b>16,483,143,302</b>	<b>30,648,519,035</b>
At CIT rate of 20% applicable to the Company	3,296,628,660	6,129,703,807
<b>Increase adjustments</b>	<b>174,325,817</b>	<b>365,237,617</b>
Non-deductible expenses	174,325,817	355,824,737
Decrease in revaluation gain of financial assets at FVTPL	-	9,412,880
<b>Decrease adjustments</b>	<b>807,405,882</b>	<b>1,118,432,533</b>
Dividend income	1,163,857	1,118,432,533
Increase in revaluation gain of financial assets at FVTPL	806,242,025	-
<b>Additional tax paid after finalization</b>	<b>-</b>	<b>48,811,125</b>
<b>Current CIT expense</b>	<b>2,663,548,595</b>	<b>5,425,320,016</b>

### 33.3 Deferred CIT expense

	Interim statement of financial position		Interim income statement	
	Closing balance VND	Beginning balance VND	Current period VND	Prior period VND
<b>Deferred CIT liabilities</b>				
Gain from revaluation of financial assets at FVTPL	887,650,899	81,408,874	806,242,025	(9,412,880)
<b>Deferred CIT expense/(income)</b>			<b>806,242,025</b>	<b>(9,412,880)</b>

The tax authorities have finalized the corporate income tax up to 31 December 2017.

**34. BASIC EARNINGS PER SHARE**

**34.1 Basis earnings per share**

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Profit after tax attributable to ordinary shareholders (VND)	13,013,352,682	25,232,611,899
Weighted average number of outstanding ordinary shares (share)	100,099,906	100,099,906
<b>Basic earnings per share (VND/share)</b>	<b>130</b>	<b>252</b>

**34.2 Diluted earnings per share**

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

**35. OTHER INFORMATION**

**35.1 Related party transactions**

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

Details of the relationship between the Company and related parties are as follows:

<i>Related party</i>	<i>Relationship</i>
Mr. Nguyen Mien Tuan	Major shareholder
Mr. Nguyen Xuan Do	Major shareholder
Asia Investment Company	Major shareholder
Ms. Pham My Linh	Major shareholder
Hoang Trieu Company Limited	Related to the Company's key management
Pymepharco Joint Stock Company	Related to the Company's key management
Board of Directors and Board of Management	Key management



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## 35. OTHER INFORMATION (continued)

### 35.1 Related party transactions (continued)

Significant transactions with related parties during the period are as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2020 VND</i>	<i>For the six-month period ended 30 June 2019 VND</i>
Hoang Trieu Company Limited	Office rentals and related services	5,628,908,111	5,703,204,712
Major shareholders	Dividend paid	11,098,191,300	17,126,701,700
Board of Directors and Management	Remuneration, salary and other benefit	4,346,219,639	5,064,060,772

Balances with related parties at the reporting date are as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Payables</i>	
		<i>30 June 2020 VND</i>	<i>31 December 2019 VND</i>
Hoang Trieu Company Limited	Trade payables	178,446,932	146,795,115

### 35.2 Segment information

Brokerage services segment generates revenues and expenses related to securities brokerages and securities investment advisory services.

Proprietary activities segment generates revenues and expenses related to FVTPL financial assets.

Financial advisory services segment generates revenues and expenses related to corporates financial advisory, underwriting, M&A consultancy and other consultancy.

Securities services segment generates revenues and expenses related to margin loans and custody securities.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

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## 35. OTHER INFORMATION (continued)

### 35.2 Segment information (continued)

Segment information by business lines are as follows:

	<i>Proprietary activities VND</i>	<i>Brokerage services VND</i>	<i>Financial advisory services VND</i>	<i>Securities services and others VND</i>	<i>Total VND</i>
<b>For the six-month period ended 30 June 2020</b>					
Net income from securities trading activities	14,506,682,693	43,203,015,182	8,105,272,727	98,739,080,090	164,554,050,692
Direct expenses	(31,182,611,755)	(26,435,396,008)	(4,483,008,576)	(49,164,152,888)	(111,265,169,227)
Depreciation and allocated expenses	(144,220,330)	(5,202,980,201)	(333,028,563)	(7,131,735,758)	(12,811,964,852)
<b>Segment result</b>	<b>(16,820,149,392)</b>	<b>11,564,638,973</b>	<b>3,289,235,588</b>	<b>42,443,191,444</b>	<b>40,476,916,613</b>
Net financial income					4,603,927,629
General and administrative expenses					(28,647,629,343)
Net other income					49,928,403
<b>Operating result</b>					<b>16,483,143,302</b>
<b>As at 30 June 2020</b>					
Segment assets	567,709,073,325	39,546,292,203	6,530,550,000	1,582,806,601,719	2,196,592,517,247
Unallocated assets	-	-	-	-	20,564,252,057
<b>Total assets</b>	<b>567,709,073,325</b>	<b>39,546,292,203</b>	<b>6,530,550,000</b>	<b>1,582,806,601,719</b>	<b>2,217,156,769,304</b>
Segment liabilities	(170,285,498,000)	(9,408,818,711)	(1,360,728,000)	(966,398,884,909)	(1,147,453,929,620)
Unallocated liabilities	-	-	-	-	(11,245,227,841)
<b>Total liabilities</b>	<b>(170,285,498,000)</b>	<b>(9,408,818,711)</b>	<b>(1,360,728,000)</b>	<b>(966,398,884,909)</b>	<b>(1,158,699,157,461)</b>



# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 35. OTHER INFORMATION (continued)

### 35.2 Segment information (continued)

Segment information by business lines are as follows:

	<i>Proprietary activities VND</i>	<i>Brokerage services VND</i>	<i>Financial advisory services VND</i>	<i>Securities services and others VND</i>	<i>Total VND</i>
<b>For the six-month period ended 30 June 2019</b>					
Net income from securities trading activities	11,767,882,666	45,737,754,309	1,138,745,455	115,356,345,501	174,000,727,931
Direct expenses	(15,876,203,460)	(35,031,726,494)	(4,168,445,823)	(48,490,705,121)	(103,567,080,898)
Depreciation and allocated expenses	(143,626,406)	(6,456,173,911)	(342,784,183)	(7,294,743,382)	(14,237,327,882)
<b>Segment result</b>	<b>(4,251,947,200)</b>	<b>4,249,853,904</b>	<b>(3,372,484,551)</b>	<b>59,570,896,998</b>	<b>56,196,319,151</b>
Net financial income					6,047,241,579
General and administrative expenses					(31,603,153,039)
Net other income					8,111,344
<b>Operating result</b>					<b>30,648,519,035</b>
<b>As at 31 December 2019</b>					
Segment assets	490,907,338,340	39,264,656,569	283,000,000	1,750,598,610,300	2,281,053,605,209
Unallocated assets	-	-	-	-	18,491,902,488
<b>Total assets</b>	<b>490,907,338,340</b>	<b>39,264,656,569</b>	<b>283,000,000</b>	<b>1,750,598,610,300</b>	<b>2,299,545,507,697</b>
Segment liabilities	(153,802,872,000)	(2,047,730,967)	(1,098,800,000)	(1,052,814,118,489)	(1,209,763,521,456)
Unallocated liabilities	-	-	-	-	(44,337,727,080)
<b>Total liabilities</b>	<b>(153,802,872,000)</b>	<b>(2,047,730,967)</b>	<b>(1,098,800,000)</b>	<b>(1,052,814,118,489)</b>	<b>(1,254,101,248,536)</b>

**35. OTHER INFORMATION (continued)**

**35.3 Operating lease commitments**

The Company currently leases its offices under the operating lease contracts. As at 30 June 2020, the future rental fee payables as stated in the rental contracts are as follows:

	30 June 2020 VND	31 December 2019 VND
Within 1 year	13,824,873,920	13,594,343,129
From 1 - 5 years	39,140,408,160	45,376,508,360
	<b>52,965,282,080</b>	<b>58,970,851,489</b>

**35.4 Purposes and policies of financial risk management**

Financial liabilities of the Company mainly comprised of trade payables and other payables. Primary purpose of financial liabilities is to finance main business operation of the Company. The Company possesses financial assets at FVTPL, loans, receivables from customers and other receivables, cash on hand and short-term deposit incurring directly from business operation of the Company. The Company does not hold or issue any derivative instruments.

The Company is exposed to market risk, credit risk and liquidity risk in its daily operation.

Risk management is integral to the whole business of the Company. The Company has a system of control in place to achieve an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized as below.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk including financial asset at FVTPL, loans, deposits and held-to-maturity investments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash, short-term deposits and HTM investment.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain relevant interest policies, which are favorable for its purposes within its risk management limits.

A sensitivity analysis is not performed for the interest rate risk as the Company's financial instrument bearing fixed interest rate.



**35. OTHER INFORMATION** (continued)

**35.4 Purposes and policies of financial risk management** (continued)

**Market risk** (continued)

*Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in which revenue or expense is denominated in a different currency. The Company manages its currency risk by continuously monitoring of foreign exchange rates and thereby timely updating its forecast of cash flows in foreign currencies. The Company's operations are exposed to risk of certain currencies, mainly the United States Dollar ("USD").

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

	<i>Original currency USD</i>		<i>Equivalent to VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
<b>Financial assets</b>	-	-	-	-
<b>Financial liabilities</b>				
Short-term borrowings	(5,000,000)	(5,000,000)	(117,026,000,000)	(115,900,000,000)
<b>Net financial liability</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>	<b>(117,026,000,000)</b>	<b>(115,900,000,000)</b>
<b>Net currency exposure</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>	<b>(117,026,000,000)</b>	<b>(115,900,000,000)</b>

*Share price risk*

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages share price risk by establishing investment limit. Management of the Company also reviews and approves decisions to invest in shares.

Changes in share price can affect to the Company's profit and equity.

At the reporting date, the fair value of both the Company's listed shares and shares registered on UPCoM amounted to VND374,934,936,240 (31 December 2019: VND335,836,629,530). A decrease by 10% on the stock market index may result in a decrease in the Company's profit before tax by VND37,493,493,624 (31 December 2019: VND33,583,662,953). An increase by 10% on the stock market index may result in an increase in the Company's profit before tax by VND37,493,493,624 (31 December 2019: VND33,583,662,953).

**35. OTHER INFORMATION (continued)**

**35.4 Purposes and policies of financial risk management (continued)**

***Credit risk***

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for margin loans, advances to customers and trade receivables) and from its financing activities, including deposits with banks, HTM investments.

***Trade receivables***

The Company based on its established policies, procedures and controls relating to customer credit risk management manages customer credit risk.

The Company is regularly monitored outstanding customer receivables and required secured methods or credit insurance to large customers' receivables. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Company has maintained strict control over its outstanding receivables and has a credit control department to minimize credit risk. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

***Deposits at banks***

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's accounting department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

***Margin loans and advances to customers***

The Company manages its credit risks via the use of internal control policies, processes and procedures relevant to margin lending and advance payments to customers. The Company assesses customers to determine their credit limits and margin rates before lending margin and advances to customers and periodically reassesses the financial position of customers to adjust the credit limits and margin rates accordingly. The credit limits are measured based on value of collateral assets, customer's credit rating and other indicators.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 35. OTHER INFORMATION (continued)

### 35.4 Purposes and policies of financial risk management (continued)

#### Credit risk (continued)

##### Loans and advances to customers (continued)

The following loans are considered as overdue as at 30 June 2020 (excluding of contracts that was extended or liquidated before the signing date of this report). Except for financial assets which are reserved for impairment, according to the Management's assessment, the remaining financial assets are neither overdue nor impaired as they are all liquid.

	Total VND	Balance provision VND	Neither past due nor impaired VND	Past due but not impairment			
				Under 3 months VND	From 3 - 6 months VND	Over 6 - 12 months VND	Over 1 year VND
Opening balance	1,633,196,291,178	44,087,433,255	1,589,108,857,923	-	-	-	-
Ending balance	1,318,055,410,226	44,087,433,254	1,273,967,976,972	-	-	-	-

#### Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulties in meeting financial obligations due to the shortage of funds. The Company's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 35. OTHER INFORMATION (continued)

### 35.4 Purposes and policies of financial risk management (continued)

#### Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 30 June 2020:

	Overdue VND	On demand VND	Up to 1 year VND	Over 1 to 5 years VND	Over 5 years VND	Total VND
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	-	355,111,229,423	-	-	-	355,111,229,423
Financial asset at FVTPL	-	379,168,550,520	-	100,000,000,000	-	479,168,550,520
Loans	44,087,433,254	-	1,273,967,976,972	-	-	1,318,055,410,226
Receivables from sale of financial assets	-	-	30,673,040,500	-	-	30,673,040,500
Receivables and accruals from dividend and interest income	-	-	2,547,377,517	-	-	2,547,377,517
Receivables from services provided by the Company	-	-	16,970,802,483	-	-	16,970,802,483
Advances to suppliers	-	-	65,000,000	-	-	65,000,000
Short-term deposits, collaterals and pledges	-	-	21,400,000	-	-	21,400,000
Other receivables	1,978,208,478	10,436,321	-	-	-	1,988,644,799
Long-term deposits, collaterals and pledges	-	-	78,000,000	3,092,863,520	-	3,170,863,520
Deposits to Settlement Assistance Fund	-	20,000,000,000	-	-	-	20,000,000,000
Other non-current assets	-	10,000,000,000	-	-	-	10,000,000,000
	<b>46,065,641,732</b>	<b>764,290,216,264</b>	<b>1,324,323,597,472</b>	<b>103,092,863,520</b>	<b>-</b>	<b>2,237,772,318,988</b>



# Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 35. OTHER INFORMATION (continued)

### 35.4 Purposes and policies of financial risk management (continued)

#### Liquidity risk (continued)

	Overdue VND	On demand VND	Up to 1 year VND	Over 1 to 5 years VND	Over 5 years VND	Total VND
<b>FINANCIAL LIABILITIES</b>						
Short-term borrowings and financial leases	-	-	217,026,000,000	-	-	217,026,000,000
Short-term bond issuance	-	-	742,790,000,000	-	-	742,790,000,000
Payables for securities trading activities	-	-	1,491,906,287	-	-	1,491,906,287
Short-term trade payables	-	-	172,161,741,657	-	-	172,161,741,657
Short-term advance from customers	-	-	1,360,728,000	-	-	1,360,728,000
Statutory obligations	-	6,490,873,430	-	-	-	6,490,873,430
Payables to employees	-	-	7,796,756	-	-	7,796,756
Short-term accrued expenses	-	-	14,499,797,333	-	-	14,499,797,333
Other short-term payables	-	1,302,080,099	680,583,000	-	-	1,982,663,099
	-	<b>7,792,953,529</b>	<b>1,150,018,553,033</b>	-	-	<b>1,157,811,506,562</b>
<b>Net liquidity gap</b>	<b>46,065,641,732</b>	<b>756,497,262,735</b>	<b>174,305,044,439</b>	<b>103,092,863,520</b>	-	<b>1,079,960,812,426</b>

The Company assessed that concentration of payment risk is low. The Company is in capable of accessing capital resource and borrowings that matures in 12 months could be renewed with existing lenders.

**36. EVENT AFTER THE INTERIM BALANCE SHEET DATE**

There is no matter or circumstance that has arisen since the interim balance sheet date that requires adjustment or disclosure in the interim financial statements of the Company.



Ms. Duong Kim Chi  
General Accountant



Mr. Le Minh Hien  
Chief Accountant



Mr. Nguyen Hieu  
General Director

Ho Chi Minh City, Vietnam

12 August 2020

