

VIET DRAGON SECURITIES CORPORATION

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



VIET DRAGON SECURITIES CORPORATION

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

TABLE OF CONTENTS

PAGE

Corporate information	1
Statement by the Board of Management	2
Independent auditor's report on the review of interim financial information	3
Interim statement of financial position (Form B 01g – CTCK)	5
Interim statement of income (Form B 02g – CTCK)	9
Interim statement of cash flows (Form B 03(b)g – CTCK)	12
Interim statement of changes in equity (Form B 04g – CTCK)	15
Notes to the interim financial statements (Form B 09g – CTCK)	16

VIET DRAGON SECURITIES CORPORATION

CORPORATE INFORMATION

Establishment and operation licence

No. 32/UBCK-GPHĐKD dated 21 December 2006 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No. 56/GPĐC-UBCK was issued on 2 August 2018.

Board of Directors

Mr. Tran Le Nguyen	Chairman
Mr. Nguyen Mien Tuan	Vice Chairman
Mr. Nguyen Hieu	Member
Mr. Kelly Yin Hon Wong	Member
Ms. Pham My Linh	Member
Mr. Vo Long Nguyen	Member
Mr. Nguyen Quoc Bao	Member

Board of Supervision

Ms. Nguyen Thi Oanh	Chief Supervisor
Mr. Nguyen Thuc Vinh	Member
Mr. Nguyen Van Minh	Member

Key management

Board of Management

Mr. Nguyen Hieu	General Director
Mr. Nguyen Minh Nhut	Deputy General Director
Mr. Nguyen Chi Trung	Deputy General Director
Ms. Nguyen Thi Thu Huyen	Deputy General Director

Other key management

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

Mr. Tran Le Nguyen	Chairman
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Registered office

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

Auditor

PwC (Vietnam) Limited

VIET DRAGON SECURITIES CORPORATION

RESPONSIBILITY OF THE COMPANY'S LEGAL REPRESENTATIVE IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Legal Representative of Viet Dragon Securities Corporation ("the Company") authorised the Board of Management to be responsible for preparation of the interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2019 and of the results of its operations, cash flows and changes in equity for the six-month period then ended. In preparing these interim financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying interim financial statements as set out on pages 5 to 65 which give a true and fair view of the financial position of the Company as at 30 June 2019 and of the results of its operations, cash flows and changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of Management 





Nguyen Hieu
General Director
Authorised signatory

Ho Chi Minh City, Vietnam
12 August 2019



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

We have reviewed the accompanying interim financial statements of Viet Dragon Securities Corporation ("the Company") which were prepared on 30 June 2019 and approved by the Board of Management on 12 August 2019. The interim financial statements comprise the interim statement of financial position as at 30 June 2019, the interim statement of income, the interim statement of cash flows and the interim statement of changes in equity for the six-month period then ended, and explanatory notes to the interim financial statements including significant accounting policies, as set out on pages 5 to 65.

The Board of Management' Responsibility

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

Auditor's Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2019, the results of its operations, cash flows and changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of financial statements applicable to securities companies operating in Vietnam.

Other matter

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

For and on behalf of PwC (Vietnam) Limited



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

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

Report reference number: HCM8556
Ho Chi Minh City, 12 August 2019

INTERIM STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			30.6.2019 VND	31.12.2018 VND
ASSETS				
100	CURRENT ASSETS		2,059,610,491,309	1,880,837,990,128
110	Financial assets		2,055,492,762,720	1,873,348,069,169
111	Cash and cash equivalents	3.1	83,465,806,060	71,744,099,797
111.1	<i>Cash</i>		83,465,806,060	71,744,099,797
112	Financial assets at fair value through profit or loss (FVTPL)	3.2	272,061,167,710	222,036,422,110
114	Loans	3.3	1,711,835,699,609	1,585,365,383,073
116	Provisions for impairment loss of financial assets and mortgages	3.3	(27,288,631,385)	(27,288,622,415)
117	Receivables	3.4	3,645,606,985	3,539,330,720
117.2	<i>Dividend and interest receivables</i>		3,645,606,985	3,539,330,720
117.3	<i>Due dividend and interest receivables</i>		234,142,915	-
117.4	<i>Undue dividend and interest receivables</i>		3,411,464,070	3,539,330,720
118	Prepayments to suppliers		2,039,991,820	597,735,273
119	Services related receivables	3.4	9,565,029,441	17,349,672,513
122	Other receivables	3.4	2,146,300,958	1,982,256,576
129	Provision for doubtful debts	3.4	(1,978,208,478)	(1,978,208,478)
130	Other current assets		4,117,728,589	7,489,920,959
131	Advances to employees	3.5	350,679,500	2,547,968,621
132	Office tools and supplies	3.5	10,536,900	62,271,700
133	Short-term prepaid expenses	3.5	2,296,642,072	3,074,807,176
134	Pledged assets, mortgages, security deposits in short term	3.5	21,400,000	21,400,000
136	Tax and other receivables from the State Budget	3.14	1,438,470,117	1,783,473,462
200	NON-CURRENT ASSETS		54,181,879,398	51,499,766,728
220	Fixed assets		16,410,892,729	14,618,771,551
221	Tangible fixed assets	3.6(a)	14,143,053,077	12,135,495,992
222	<i>Historical cost</i>		48,409,028,110	43,903,688,535
223a	<i>Accumulated depreciation</i>		(34,265,975,033)	(31,768,192,543)
227	Intangible fixed assets	3.6(b)	2,267,839,652	2,483,275,559
228	<i>Historical cost</i>		14,454,099,791	13,764,088,791
229a	<i>Accumulated amortisation</i>		(12,186,260,139)	(11,280,813,232)
240	Construction in progress	3.7	3,218,325,000	3,218,325,000
250	Other non-current assets		34,552,661,669	33,662,670,177
251	Pledged assets, mortgages, security deposits in long term	3.8	3,127,076,384	3,127,076,384
252	Long-term prepaid expenses	3.9	1,425,585,285	1,641,938,127
254	Deposits in the Settlement Supporting Fund	3.10(a)	20,000,000,000	18,893,655,666
255	Other long-term assets	3.10 (b)	10,000,000,000	10,000,000,000
270	TOTAL ASSETS		2,113,792,370,707	1,932,337,756,856

The notes on pages 16 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

Code	ITEMS	Note	As at	
			30.6.2019 VND	31.12.2018 VND
300	LIABILITIES		1,047,730,795,802	821,438,859,650
310	Current liabilities		1,047,319,436,359	820,947,212,327
311	Short-term borrowings and finance lease liabilities	3.11	217,005,000,000	216,300,000,000
312	<i>Short-term borrowings</i>		<i>217,005,000,000</i>	<i>216,300,000,000</i>
316	Short-term issued bonds	3.11	797,855,000,000	581,674,000,000
318	Trading obligations	3.12	1,126,688,763	1,462,093,407
320	Short-term trade accounts payable	3.13	11,242,673,426	167,554,100
321	Short-term advances from customers		781,300,000	744,200,000
322	Tax and other payables to the State Budget	3.14	2,831,666,553	5,447,743,588
323	Payables to employees		7,796,756	176,546,755
325	Short-term accrued expenses	3.15	12,670,989,288	14,254,810,696
329	Other short-term liabilities	3.16	3,798,321,573	720,263,781
340	Non-current liabilities		411,359,443	491,647,323
353	Other long-term liabilities		365,270,500	436,145,500
356	Deferred income tax liabilities	3.17	46,088,943	55,501,823
400	OWNERS' EQUITY		1,066,061,574,905	1,110,898,897,206
410	Capital and reserves	3.18	1,066,061,574,905	1,110,898,897,206
411	Owners' capital		1,010,239,178,792	1,010,239,178,792
411.1	<i>Share capital</i>		<i>1,000,999,060,000</i>	<i>1,000,999,060,000</i>
411.1a	<i>Ordinary shares</i>		<i>1,000,999,060,000</i>	<i>1,000,999,060,000</i>
411.2	<i>Share premium</i>		<i>9,240,118,792</i>	<i>9,240,118,792</i>
414	Supplementary capital reserve		13,624,381,369	13,624,381,369
415	Financial and operational risk reserve		13,624,381,369	13,624,381,369
417	Undistributed earnings	3.19	28,573,633,375	73,410,955,676
417.1	<i>Realised profits</i>		<i>108,170,432,030</i>	<i>148,478,416,393</i>
417.2	<i>Unrealised losses</i>		<i>(79,596,798,655)</i>	<i>(75,067,460,717)</i>
440	TOTAL RESOURCES		2,113,792,370,707	1,932,337,756,856

The notes on pages 16 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

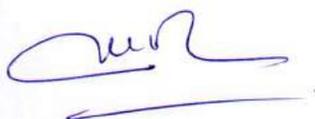
Code	ITEMS	Note	As at	
			30.6.2019	31.12.2018
A	ASSETS OF THE COMPANY AND ASSETS IN TRUST			
006	Number of shares in issue (share)	4.1	100,099,906	100,099,906
			Par value (VND)	
008	Securities listed/registered to the Vietnam Securities Depository (VSD)		190,983,110,000	127,015,730,000
	<i>Freely traded securities</i>		190,982,840,000	127,015,730,000
	<i>Restricted transfer securities</i>		270,000	-
009	Securities custodied at VSD but not yet traded		3,540,000	3,090,000
010	Securities awaiting settlement		9,514,200,000	-
012	Securities not custodied at VSD		4,500,200,000	9,592,580,000
013	Bonus shares, stock dividends and subscription rights		681,680,000	822,980,000
B	ASSETS OF AND LIABILITIES TO CUSTOMERS			
			Quantity	
021	Securities listed/registered to the Vietnam Securities Depository (VSD)		1,166,863,769	991,062,625
021.1	<i>Freely traded securities</i>		801,922,291	691,654,714
021.2	<i>Blocked securities</i>		8,609,997	6,072,633
021.3	<i>Mortgaged securities</i>		240,184,402	191,454,831
021.4	<i>Suspended securities</i>		90,286,355	74,286,355
021.5	<i>Securities awaiting settlement</i>		25,860,583	27,593,680
021.7	<i>Customers' deposits for derivatives trading</i>		141	412
022	Securities custodied at VSD but not yet traded		20,481,281	3,110,126
022.1	<i>Securities custodied at VSD but not yet traded – freely traded securities</i>		20,145,281	2,806,126
022.2	<i>Securities custodied at VSD but not yet traded – blocked securities</i>		336,000	304,000
023	Securities awaiting settlement		19,669,533	31,425,272
025	Bonus shares, stock dividends and subscription rights		1,925,729	1,258,695

The notes on pages 16 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS
(continued)

Code	ITEMS	As at	
		30.6.2019 VND	31.12.2018 VND
B	ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)		
026	Customers' deposits	549,357,903,335	772,514,226,857
027	Customers' deposits for securities trading	548,095,695,929	632,391,680,951
027.1	Customers' deposits at VSD	8,731,099,273	12,786,914,195
029	Cash blocked for trading settlements	760,677,204	128,763,551,154
029.1	<i>Cash blocked for trading settlements of domestic customers</i>	353,820,373	128,616,469,545
029.2	<i>Cash blocked for trading settlements of foreign customers</i>	406,856,831	147,081,609
030	Securities issuers' deposits	501,530,202	11,358,994,752
031	Payables to customers relating to their deposits at the Company for securities trading	543,975,758,869	770,016,299,091
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	543,691,143,055	769,893,104,544
032.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	284,615,814	123,194,547
035	Dividends, bond principals and interests payable	5,382,144,466	2,497,927,766



Nguyen Thi Bich Thuy
Preparer





Le Minh Hien
Chief Accountant

Nguyen Hieu
General Director
Authorised signatory
12 August 2019

VIET DRAGON SECURITIES CORPORATION

Form B 02g – CTCK

INTERIM STATEMENT OF INCOME

Code	ITEMS	Note	For the six-month period ended	
			30 June	
			2019	2018
			VND	VND
OPERATING INCOME				
01	Gains from financial assets at fair value through profit or loss (FVTPL)		12,873,309,551	76,739,635,038
01.1	<i>Realised gains on disposals of FVTPL financial assets</i>	5.1(a)	6,222,784,398	66,715,961,572
01.2	<i>(Decrease)/increase in revaluation gains of FVTPL financial assets</i>	5.1(b)	(47,064,397)	5,070,037,131
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		6,697,589,550	4,953,636,335
03	Interest income from loans and receivables		110,193,013,495	99,464,307,499
06	Brokerage fee income		45,356,563,762	58,066,934,381
09	Custody service income		3,472,241,564	3,386,708,881
10	Financial consultancy service income		1,138,745,455	1,806,136,363
11	Other operating income		966,854,104	642,562,226
20	TOTAL OPERATING INCOME		174,000,727,931	240,106,284,388
OPERATING EXPENSES				
21	Losses from financial assets at fair value through profit or loss (FVTPL)		(15,003,200,391)	(46,147,995,939)
21.1	<i>Realised losses on disposals of FVTPL financial assets</i>	5.1(a)	(10,520,926,850)	(6,158,381,434)
21.2	<i>Increase in revaluation losses of FVTPL financial assets</i>	5.1(b)	(4,482,273,541)	(39,989,614,505)
24	Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities	5.2	(46,974,258,450)	(41,476,006,400)
26	Self-trading expenses	5.3	(1,016,629,475)	(889,574,598)
27	Brokerage fee expenses	5.3	(40,055,123,961)	(45,546,240,969)
29	Securities investment consultancy expenses	5.3	(1,432,776,444)	(804,222,587)
30	Custody fee expenses	5.3	(3,566,701,152)	(3,773,888,751)
31	Financial consultancy expenses	5.3	(4,511,230,006)	(3,747,156,323)
32	Other operating expenses	5.3	(5,244,488,901)	(4,817,027,415)
40	TOTAL OPERATING EXPENSES		(117,804,408,780)	(147,202,112,982)

The notes on pages 16 to 65 are an integral part of these interim financial statements.

VIET DRAGON SECURITIES CORPORATION

Form B 02g – CTCK

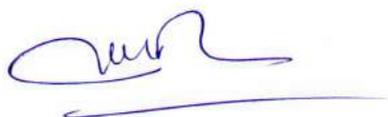
INTERIM STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	For the six-month period ended 30 June	
			2019 VND	2018 VND
	FINANCIAL INCOME			
41	Realised and unrealised foreign exchange gains		140,000,000	185,444,203
42	Dividend income and interest income from demand deposits		6,419,241,579	8,347,768,680
50	TOTAL FINANCIAL INCOME		6,559,241,579	8,533,212,883
	FINANCIAL EXPENSES			
51	Realised and unrealised foreign exchange losses		(512,000,000)	(902,624,694)
60	TOTAL FINANCIAL EXPENSES		(512,000,000)	(902,624,694)
62	GENERAL AND ADMINISTRATION EXPENSES	5.4	(31,603,153,039)	(33,379,321,192)
70	OPERATING RESULT		30,640,407,691	67,155,438,403
	OTHER INCOME AND EXPENSES			
71	Other income		23,787,336	35,226,182
72	Other expense		(15,675,992)	(2,007)
80	NET OTHER INCOME		8,111,344	35,224,175
90	NET ACCOUNTING PROFIT BEFORE TAX		30,648,519,035	67,190,662,578
91	Realised profit		35,177,856,973	102,110,239,952
92	Unrealised loss		(4,529,337,938)	(34,919,577,374)
100	CORPORATE INCOME TAX	5.5	(5,415,907,136)	(12,858,887,827)
100.1	Corporate income tax – current		(5,425,320,016)	(11,844,880,400)
100.2	Corporate income tax – deferred		9,412,880	(1,014,007,427)
200	NET PROFIT AFTER TAX		25,232,611,899	54,331,774,751

The notes on pages 16 to 65 are an integral part of these interim financial statements.

INTERIM STATEMENT OF INCOME
(continued)

Code	ITEMS	Note	For the six-month period ended 30 June	
			2019 VND	2018 VND
500	EARNINGS PER SHARE			
501	Basic earnings per share (VND/share)	5.6	252	543
502	Diluted earnings per share (VND/share)	5.6	252	543



Nguyen Thi Bich Thuy
Preparer





Le Minh Hien
Chief Accountant

Nguyen Hieu
General Director
Authorised signatory
12 August 2019

INTERIM STATEMENT OF CASH FLOWS
(Indirect method)

Code	ITEMS	For the six-month period ended	
		30 June	
		2019 VND	2018 VND
	Cash flows from operating activities		
01	Net profit before tax	30,648,519,035	67,190,662,578
02	Adjustments for:	(6,556,610,197)	(10,287,215,066)
03	Depreciation and amortisation	3,403,229,397	3,232,549,933
04	Provisions/(reversal of provisions)	8,970	(498,575,128)
05	Unrealised foreign exchange losses	105,000,000	742,238,154
07	Profits from investing activities	(6,419,241,579)	(8,347,768,680)
08	Accrued interest income	(3,645,606,985)	(5,415,659,345)
10	Add non-cash expenses	4,482,273,541	39,989,614,505
11	Increase in revaluation losses of financial assets at fair value through profit or loss FVTPL	4,482,273,541	39,989,614,505
18	Add/(less) non-cash income	47,064,397	(5,070,037,131)
19	Decrease/(increase) in revaluation gains of financial assets at fair value through profit or loss FVTPL	47,064,397	(5,070,037,131)
30	Changes in working capital	(168,164,321,117)	(382,078,642,152)
31	Increase in financial assets at fair value through profit or loss FVTPL	(54,554,083,538)	(64,977,766,684)
33	Increase in loans and receivables	(126,470,316,536)	(295,287,695,603)
35	Decrease in receivables from disposals of financial assets	-	182,710,000
36	Decrease in interests and dividends receivable	3,539,330,720	2,654,903,636
37	Decrease/(increase) in services related receivables	7,784,643,072	(749,185,038)
39	Increase in other receivables	(1,606,300,929)	(279,015,809)
40	Decrease/(increase) in other assets	2,594,027,266	(4,027,685,163)
41	(Decrease)/increase in accrued expenses (exclusive of interest expenses)	(1,583,821,408)	2,612,985,148
42	Decrease/(increase) in prepaid expenses	994,517,946	(2,271,031,701)
43	Corporate income tax paid	(5,000,082,493)	(19,219,077,252)
45	Decrease in trade payables	11,075,119,326	115,319,104
47	(Decrease)/increase in tax and other payables to the State Budget	(3,041,314,558)	1,871,213,987
48	Decrease in payable to employees	(168,749,999)	-
50	Decrease in other payables	(620,945,652)	(225,160,217)
52	Other payments for operating activities	(1,106,344,334)	(2,479,156,560)
60	Net cash outflows for operating activities	(139,543,074,341)	(290,255,617,266)
	Cash flows from investing activities		
61	Purchases of fixed assets	(5,195,350,575)	(5,356,543,500)
65	Dividend receipt and profit distribution from investments	6,419,241,579	8,347,768,680
70	Net cash inflows from investing activities	1,223,891,004	2,991,225,180

The notes on pages 16 to 65 are an integral part of these interim financial statements.

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

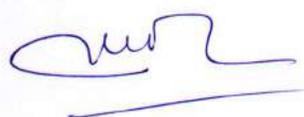
Code	ITEMS	Note	For the six-month period ended 30 June	
			2019 VND	2018 VND
	Cash flows from financing activities			
73	Proceeds from borrowings	6.1	2,053,472,000,000	1,251,883,626,487
74	Repayments of borrowings	6.2	(1,836,691,000,000)	(1,088,775,626,650)
76	Dividend paid	3.16	(66,740,110,400)	-
80	Net cash inflows from financing activities		150,040,889,600	163,107,999,837
90	Net increase/(decrease) in cash and cash equivalents		11,721,706,263	(124,156,392,249)
101	Cash and cash equivalents at beginning of period		71,744,099,797	238,873,951,937
101.1	Cash		71,744,099,797	238,873,951,937
101.2	Cash equivalents		-	-
103	Cash and cash equivalents at end of period		83,465,806,060	114,717,559,688
103.1	Cash		83,465,806,060	114,717,559,688
103.2	Cash equivalents		-	-

The notes on pages 16 to 65 are an integral part of these interim financial statements.

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

CASH FLOWS OF BROKERAGE AND TRUSTING ACTIVITIES

Code	ITEMS	For the six-month period ended 30 June	
		2019 VND	2018 VND
	Cash flows of brokerage and trusting activities		
01	Trade proceeds	2,443,068,846,394	3,723,398,208,820
02	Trade settlements	(2,571,071,720,344)	(3,723,686,056,232)
07	Receipts in customers' trading accounts	30,313,534,369,808	26,214,385,293,851
07.1	Customers' deposits at VSD	194,395,421,140	-
08	Payments from customers' trading accounts	(30,592,225,775,970)	(26,266,612,438,586)
14	Receipts from securities issuers	399,246,115,841	467,650,797,853
15	Payments to securities issuers	(410,103,580,391)	(470,362,392,945)
20	Net decrease in customers' deposits	(223,156,323,522)	(55,226,587,239)
30	Customers' deposits at beginning of period	772,514,226,857	415,801,658,434
31	Cash at bank at beginning of period	772,514,226,857	415,801,658,434
32	Customers' deposits at the Company for securities trading	619,604,766,756	411,697,196,243
32.1	Customers' deposits at VSD	12,786,914,195	-
34	Cash blocked for trading settlements	128,763,551,154	859,307,515
35	Securities issuers' deposits	11,358,994,752	3,245,154,676
40	Customers' deposits at end of period	549,357,903,335	360,575,071,195
41	Cash at bank at end of period	549,357,903,335	360,575,071,195
42	Customers' deposits at the Company for securities trading	539,364,596,656	359,470,051,508
42.1	Customers' deposits at VSD	8,731,099,273	-
44	Cash blocked for trading settlements	760,677,204	571,460,103
45	Securities issuers' deposits	501,530,202	533,559,584



Nguyen Thi Bich Thuy
Preparer



Le Minh Hien
Chief Accountant




Nguyen Hieu
General Director
Authorised signatory
12 August 2019

The notes on pages 16 to 65 are an integral part of these interim financial statements.

VIET DRAGON SECURITIES CORPORATION

Form B 04g – CTCK

INTERIM STATEMENT OF CHANGES IN EQUITY

Items	As at		For the six-month period ended		For the six-month period ended		As at	
	1.1.2018	1.1.2019	Increase	Decrease	Increase	Decrease	30.6.2018	30.6.2019
1. Owners' equity	919,240,118,792	1,010,239,178,792	90,999,060,000	-	-	-	1,010,239,178,792	1,010,239,178,792
1.1 Share capital	910,000,000,000	1,000,999,060,000	90,999,060,000	-	-	-	1,000,999,060,000	1,000,999,060,000
1.2 Share premium	9,240,118,792	9,240,118,792	-	-	-	-	9,240,118,792	9,240,118,792
2. Financial and operational risk reserve	10,190,332,248	13,624,381,369	-	-	-	-	10,190,332,248	13,624,381,369
3. Supplementary capital reserve	10,190,332,248	13,624,381,369	-	-	-	-	10,190,332,248	13,624,381,369
5. Undistributed earnings	102,597,131,502	73,410,955,676	89,251,352,125	(125,918,637,374)	29,761,949,837	(74,599,272,138)	65,929,846,253	28,573,633,375
5.1 Realised profits	97,966,752,187	148,478,416,393	89,251,352,125	(90,999,060,000)	29,761,949,837	(70,069,934,200)	96,219,044,312	108,170,432,030
5.2 Unrealised profits/(losses)	4,630,379,315	(75,067,460,717)	-	(34,919,577,374)	-	(4,529,337,938)	(30,289,198,059)	(79,596,798,655)
Total	1,042,217,914,790	1,110,898,897,206	180,250,412,125	(125,918,637,374)	29,761,949,837	(74,599,272,138)	1,096,549,689,541	1,066,061,574,905

Nguyen Thi Bich Thuy
Preparer

Le Minh Hien
Chief Accountant



Nguyen Hieu
General Director
Authorised signatory
12 August 2019

The notes on pages 16 to 65 are an integral part of these interim financial statements.

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

Viet Dragon Securities Corporation (“the Company”) is a joint stock company incorporated in Vietnam pursuant to the Business Registration Certificate No. 4103005723 dated 15 December 2006 issued by the Department of Planning and Development of Ho Chi Minh City and the Establishment and operation licence No. 32/UBCK-GPHĐKD dated 21 December 2006 issued by the State Securities Commission (“SSC”). The Establishment and operation licence was amended several times and the latest amendment No. 56/GPĐC-UBCK was on 2 August 2018.

The Company was listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 229/QĐ-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 29 June 2017.

Headquarter and contact information

The Company is headquartered at 141 Nguyen Du Street, District 1, Ho Chi Minh City. As at 30 June 2019, the Company had three (3) branches in Hanoi, Nha Trang City and Can Tho.

Contact information:
Telephone: (+84) 28 6299 2006

Charter

The Company’s prevailing charter was issued on 11 September 2018.

Principal activities

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

Charter capital

The Company’s charter capital according to its latest Establishment and operation licence is VND1,000,999,060,000.

Investment objectives

Being a listed broker firm in the Vietnamese securities market, the Company aims to contribute to development of the securities market and deliver benefits to customers, investors and its shareholders.

Investment restrictions

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of interim financial statements**

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

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

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

2.2 Form of records applied

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

2.3 Fiscal year

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

These interim financial statements are prepared for the period from 1 January 2019 to 30 June 2019.

2.4 Currency

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Cash and cash equivalents**

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading or designated by the Board of Management at initial recognition at fair value through profit or loss.

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification (continued)***(i) Financial assets carried at fair value through profit or loss (FVTPL) (continued)*

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

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

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

(ii) Loans

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(a) Classification (continued)***(ii) Loans (continued)*

Loans are initially recorded at cost and subsequently measured at amortised cost using the effective interest rate method.

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

(iii) Receivables

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

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

(b) Recognition/derecognition

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

(c) Initial recognition

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

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

(d) Basis of revaluation of FVTPL financial assets

The Company applies valuation bases for financial assets in accordance with Circular 87/2017/TT-BTC dated 15 August 2017 regarding capital adequacy ratio of securities trading entities and Circular 146/2014/TT-BTC dated 6 Oct 2014 regarding financial regimes for securities companies and fund management companies, both issued by the Ministry of Finance, to make provision for these financial assets, in particular:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(d) Basis of revaluation of FVTPL financial assets (continued)**

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

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

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

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

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

These equities are revalued using the average of transacted prices quoted by at least three (3) independent quoting entities at the latest trading date prior to the valuation date but not over than one (1) month up to the valuation date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Securities Law.

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

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

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

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

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

- (iv) *Equities of entities in the process of dissolution or bankruptcy*

These equities are revalued at one of the following bases:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(d) Basis on revaluation of FVTPL financial assets (continued)***(v) Other equities and other capital contributions*

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

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

(vi) Bonds listed on stock exchanges

These bonds are revalued based on the average quoted price of outright transactions on stock exchanges at the latest trading date prior to the valuation date plus accumulated accrued interest.

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

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

(vii) Unlisted bonds

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

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

(viii) Certificates of closed-end public funds

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

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

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

These certificates/shares are revalued at the latest reported net asset value per one (1) unit of contributed capital/certificates/shares prior to the valuation date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Financial assets (continued)****(d) Basis on revaluation of FVTPL financial assets (continued)***(x) Certificates of other funds/ shares of other securities investment company*

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

(xi) Term deposits

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

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

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

(e) Provision for impairment of loans

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

(f) Provision for impairments of receivables

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

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

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

Provision/(reversal of provision) incurred during the period is debited/credited to expenses in the interim statement of income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Recognition of gains/(losses) of financial assets***Purchasing transaction costs*

Purchasing transaction costs related to FVTPL financial assets are expensed off, while purchasing transaction costs related to other financial assets are capitalised.

Selling transaction costs

Selling transaction costs are expensed off.

Gains/(losses) from disposals

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

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

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

2.8 Fixed assets*Tangible and intangible fixed assets*

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

Depreciation and amortisation

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

Motor vehicles	6 years
Office equipment	3 – 5 years
Computer software	6 – 8 years
Trademark	5 years
Copyrights, patents	5 years
Other intangible fixed assets	5 years

Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Leased assets**

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

2.10 Prepaid expenses

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

2.11 Security deposits

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

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

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

(b) Classification

Classifications of liabilities are based on their nature as follows:

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

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

2.13 Offsetting financial instruments

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Income tax paid on behalf of customers**

According to the prevailing taxation regulations in Vietnam, the Company is required to withhold foreign contractor tax of 0.1% on transacted amount of foreign corporate customers and pay on their behalf. For individual customers (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on transacted amount. The Company will declare and make tax payment on behalf of these customers. For customers being local organisations, the Company is not responsible for withholding tax on transacted amount as these customers have responsibility for their own tax payment and declaration.

2.15 Borrowing costs

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

2.16 Accrued expenses

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

2.17 Provisions

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Equity (continued)****(c) Undistributed profits**

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

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

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

2.19 Revenue and other income recognition**(a) Revenue from provision of services to investors**

Revenue from provision of services to investors consists of securities brokerage fees, securities underwriting fees, issue agency, securities investment consultancy fees, financial consultancy fee, securities custody services and entrustment activities which are based on agreements with investors.

Revenue from the provision of services is recognised in the interim statement of income when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the provision of services is only recognised when all four (4) following conditions are satisfied:

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

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

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

Income from proprietary trading activities is measured as difference between selling price inclusive of transaction costs and costs of securities sold. Cost of securities sold is determined by weighted average method up to the end of trading dates.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue and other income recognition (continued)****(c) Income from capital activities**

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

(d) Other income

Other income arises from other activities other than those listed above and is recognised on an accrual basis.

2.20 Expenses**(a) Recognition**

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

(b) Classification

Expenses are classified by function as follows:

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

2.21 Current and deferred 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 interim statement of financial position.

Current income tax is charged or credited to the interim statement of income, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Current and deferred income tax (continued)***Deferred income tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet 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.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable 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 balance sheet 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 period when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the interim statement of income, 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.

2.22 Dividend distribution

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Related parties**

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

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

2.24 Segment reporting

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

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

2.25 Nil balances

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

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

	As at	
	30.6.2019	31.12.2018
	VND	VND
Cash on hand	109,464,331	75,416,597
Cash at bank	82,304,131,676	71,179,367,991
Cash blocked for trading settlements	1,052,210,053	489,315,209
	<u>83,465,806,060</u>	<u>71,744,099,797</u>

VIET DRAGON SECURITIES CORPORATION

Form B 09g – CTC

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

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

	Cost VND	Comparison to market value/fair value		Market value/ fair value VND	Remeasured amount VND
		Increase VND	Decrease VND		
As at 30 June 2019					
Listed equities	269,654,891,060	227,473,244	(57,038,922,974)	212,843,441,330	212,843,441,330
Unlisted equities	82,003,075,305	2,971,472	(22,788,320,397)	59,217,726,380	59,217,726,380
	351,657,966,365	230,444,716	(79,827,243,371)	272,061,167,710	272,061,167,710
As at 31 December 2018					
Listed equities	207,176,237,029	45,589,251	(54,322,567,750)	152,899,258,530	152,899,258,530
Unlisted equities	89,927,645,798	231,919,862	(21,022,402,080)	69,137,163,580	69,137,163,580
	297,103,882,827	277,509,113	(75,344,969,830)	222,036,422,110	222,036,422,110

VIET DRAGON SECURITIES CORPORATION

Form B 09g – CTC

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

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

	As at 30 June 2019					As at 31 December 2018				
	Cost VND	Market value/ fair value VND	Increase VND	Decrease VND	Remeasured amount VND	Cost VND	Market value/ fair value VND	Increase VND	Decrease VND	Remeasured amount VND
Listed equities										
DIG	118,028,223,043	80,391,393,000	-	(37,636,830,043)	80,391,393,000	102,344,006,383	73,779,690,000	-	(28,564,316,383)	73,779,690,000
MBB	35,073,489,447	29,270,596,300	-	(5,802,893,147)	29,270,596,300	38,034,949,270	28,014,846,400	-	(10,020,102,870)	28,014,846,400
GEX	34,798,005,580	27,261,784,000	-	(7,536,221,580)	27,261,784,000	25,903,377,060	19,473,526,900	-	(6,429,850,160)	19,473,526,900
SHS	20,018,575,800	20,018,542,500	-	(33,300)	20,018,542,500	271,800	256,000	-	(15,800)	256,000
POW	18,173,819,794	18,001,861,600	-	(171,958,194)	18,001,861,600	-	-	-	-	-
PC1	9,464,662,720	7,475,330,400	-	(1,989,332,320)	7,475,330,400	9,464,374,180	8,441,771,200	-	(1,022,602,980)	8,441,771,200
DCM	8,951,013,540	8,797,738,000	-	(153,275,540)	8,797,738,000	304,740	288,400	-	(16,340)	288,400
LCG	6,859,542,317	5,916,335,240	-	(943,207,077)	5,916,335,240	243,817	271,660	27,843	-	271,660
HUT	6,301,955,411	3,601,152,000	-	(2,700,803,411)	3,601,152,000	945,431	737,200	-	(208,231)	737,200
VRC	4,991,854,550	4,991,968,000	113,450	-	4,991,968,000	416,700	600,600	183,900	-	600,600
DHC	4,237,654,387	4,302,623,000	64,968,613	-	4,302,623,000	1,644,057	1,800,000	155,943	-	1,800,000
PVS	2,197,789,241	2,308,671,000	110,881,759	-	2,308,671,000	1,489,143	1,372,800	-	(116,343)	1,372,800
VPB	219,116,422	158,533,200	-	(60,583,222)	158,533,200	218,203,552	166,343,100	-	(51,860,452)	166,343,100
Others	339,188,808	346,913,090	51,509,422	(43,785,140)	346,913,090	31,206,010,896	23,017,754,270	45,221,565	(8,233,478,191)	23,017,754,270
	269,654,891,060	212,843,441,330	227,473,244	(57,038,922,974)	212,843,441,330	207,176,237,029	152,899,258,530	45,589,251	(54,322,567,750)	152,899,258,530
Unlisted equities										
BSR	68,188,808,393	51,420,690,000	-	(16,768,118,393)	51,420,690,000	46,348,798,393	31,760,080,000	-	(14,588,718,393)	31,760,080,000
MPC	8,501,200,000	6,867,500,000	-	(1,633,700,000)	6,867,500,000	9,141,000,000	8,060,000,000	-	(1,081,000,000)	8,060,000,000
DRFM(*)	4,450,000,000	225,000,000	-	(4,225,000,000)	225,000,000	4,450,000,000	225,000,000	-	(4,225,000,000)	225,000,000
VIB	836,893,775	691,424,000	-	(145,469,775)	691,424,000	5,602,980,000	4,967,776,000	-	(635,204,000)	4,967,776,000
Others	26,173,137	13,112,380	2,971,472	(16,032,229)	13,112,380	24,384,867,405	24,124,307,580	231,919,862	(492,479,687)	24,124,307,580
	82,003,075,305	59,217,726,380	2,971,472	(22,788,320,397)	59,217,726,380	89,927,645,798	69,137,163,580	231,919,862	(21,022,402,080)	69,137,163,580
Total	351,657,966,365	272,061,167,710	230,444,716	(79,827,243,371)	272,061,167,710	297,103,882,827	222,036,422,110	277,509,113	(75,344,969,830)	222,036,422,110

(*) Dong Phu Technical Rubber Joint Stock Company

VIET DRAGON SECURITIES CORPORATION

Form B 09g – CTC

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

3.3 Loans

		As at 30 June 2019		As at 31 December 2018	
		Amortised cost VND	Provision VND	Amortised cost VND	Provision VND
Margin loans and investment cooperation contracts	(i)	1,525,785,819,673	(27,288,631,385)	1,347,690,622,065	(27,288,622,415)
Trading advances	(ii)	186,049,879,936	-	237,674,761,008	-
Total		1,711,835,699,609	(27,288,631,385)	1,585,365,383,073	(27,288,622,415)

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.3 Loans (continued)****(i) Margin loans and investment cooperation contracts**

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

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

	Doubtful amount		Provision			
	As at 30.6.2019 VND	As at 31.12.2018 VND	As at 31.12.2018 VND	Provision VND	Reversal of provision VND	As at 30.6.2019 VND
Tran Quoc Tan	12,210,000,000	12,210,000,000	12,210,000,000	-	-	12,210,000,000
Nguyen Hong Mai	8,587,695,000	8,587,695,000	8,587,695,000	-	-	8,587,695,000
Pham Cong Khanh	2,576,209,616	2,576,209,616	2,576,209,616	-	-	2,576,209,616
Nguyen Thi Ly	1,643,644,306	1,643,644,306	1,643,644,306	-	-	1,643,644,306
Vuong Dang	1,544,620,920	1,544,620,920	1,544,620,920	-	-	1,544,620,920
Nguyen Thu Hien	616,325,496	616,325,496	616,325,496	-	-	616,325,496
Tran Trung Nghia	109,137,598	109,137,598	109,067,398	3,120	-	109,070,518
Tran Quang Huy	1,085,094	1,085,094	1,059,679	5,850	-	1,065,529
	27,288,718,030	27,288,718,030	27,288,622,415	8,970	-	27,288,631,385

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

3.3 Loans (continued)

(ii) Trading advances

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

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

3.4 Receivables

	As at 30 June 2019		As at 31 December 2018	
	Book value VND	Doubtful amount VND	Book value VND	Doubtful amount VND
Dividends and interests receivable	3,645,606,985	-	3,539,330,720	-
Due dividends and interests receivable	234,142,915	-	-	-
Undue dividends and interests receivable	3,411,464,070	-	3,539,330,720	-
	<u>3,645,606,985</u>	<u>-</u>	<u>3,539,330,720</u>	<u>-</u>
Services related receivables	9,565,029,441	-	17,349,672,513	-
	<u>9,565,029,441</u>	<u>-</u>	<u>17,349,672,513</u>	<u>-</u>
Other receivables	2,146,300,958	1,978,208,478	1,982,256,576	1,978,208,478
	<u>2,146,300,958</u>	<u>1,978,208,478</u>	<u>1,982,256,576</u>	<u>1,978,208,478</u>

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

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

3.4 Receivables (continued)

Details of provision for doubtful debts are as follows:

	Doubtful amount		Provision			
	As at 30.6.2019 VND	As at 31.12.2018 VND	As at 31.12.2018 VND	Provision VND	Reversal of provision VND	As at 30.6.2019 VND
Other receivables	1,978,208,478	1,978,208,478	1,978,208,478	-	-	1,978,208,478
Mr. Van Thien Hung	1,978,208,478	1,978,208,478	1,978,208,478	-	-	1,978,208,478

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

3.5 Other current assets

	As at	
	30.6.2019 VND	31.12.2018 VND
Advances to employees	350,679,500	2,547,968,621
Office tools and supplies	10,536,900	62,271,700
Short-term prepaid expenses	2,296,642,072	3,074,807,176
- Information technology equipments	366,133,063	699,114,622
- Office renovation expenses	-	163,793,975
- Other short-term prepaid expenses	1,930,509,009	2,211,898,579
Short-term security deposits	21,400,000	21,400,000
Corporate income tax overpaid (Note 3.14)	1,344,573,711	1,769,811,234
Personal income tax paid on behalf (Note 3.14)	93,896,406	13,662,228
	<u><u>4,117,728,589</u></u>	<u><u>7,489,920,959</u></u>

3.6 Fixed assets

(a) Tangible fixed assets

	Motor vehicles VND	Office equipment VND	Total VND
Historical cost			
As at 1.1.2019	5,837,902,900	38,065,785,635	43,903,688,535
New purchases	-	4,505,339,575	4,505,339,575
As at 30.6.2019	<u>5,837,902,900</u>	<u>42,571,125,210</u>	<u>48,409,028,110</u>
Accumulated depreciation			
As at 1.1.2019	3,775,442,019	27,992,750,524	31,768,192,543
Charge for the period	251,967,030	2,245,815,460	2,497,782,490
As at 30.6.2019	<u>4,027,409,049</u>	<u>30,238,565,984</u>	<u>34,265,975,033</u>
Net book value			
As at 1.1.2019	<u>2,062,460,881</u>	<u>10,073,035,111</u>	<u>12,135,495,992</u>
As at 30.6.2019	<u><u>1,810,493,851</u></u>	<u><u>12,332,559,226</u></u>	<u><u>14,143,053,077</u></u>

As at 30 June 2019, the Company had no outstanding commitment to purchase or sell tangible fixed assets.

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2019 was VND18,237,026,246 (as at 31 December 2018: VND18,237,026,246).

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

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

	Computer software VND	Trademark VND	Copyrights VND	Other intangible assets VND	Total VND
Historical cost					
As at 1.1.2019	11,292,236,066	307,500,192	1,661,848,751	502,503,782	13,764,088,791
New purchases	690,011,000	-	-	-	690,011,000
As at 30.6.2019	11,982,247,066	307,500,192	1,661,848,751	502,503,782	14,454,099,791
Accumulated amortisation					
As at 1.1.2019	9,025,994,349	307,500,192	1,444,814,909	502,503,782	11,280,813,232
Charge for the period	832,798,065	-	72,648,842	-	905,446,907
As at 30.6.2019	9,858,792,414	307,500,192	1,517,463,751	502,503,782	12,186,260,139
Net book value					
As at 1.1.2019	2,266,241,717	-	217,033,842	-	2,483,275,559
As at 30.6.2019	2,123,454,652	-	144,385,000	-	2,267,839,652

As at 30 June 2019, the Company had the commitment to purchase intangible fixed assets with a total value of VND3,629,175,000 (Note 12) (as at 31 December 2018: VND3,629,175,000).

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2019 was VND2,551,891,465 (as at 31 December 2018: VND2,287,891,465).

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

3.7 Construction in progress

Construction in progress as at 30 June 2019 comprised development costs of the derivatives trading and settlement system and upgrading costs for the underlying securities trading and settlement system.

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

	For the six-month period ended 30 June 2019 VND	For the year ended 31 December 2018 VND
Beginning of period/year	3,218,325,000	-
Additions	-	3,218,325,000
Transfers to intangible fixed assets	-	-
End of period/year	3,218,325,000	3,218,325,000

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.8 Pledged assets, mortgages, security deposits in long term**

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

3.9 Long-term prepaid expenses

	As at	
	30.6.2019 VND	31.12.2018 VND
Office renovation expenses	1,134,906,699	1,108,190,299
Other long-term prepaid expenses	290,678,586	533,747,828
	<u>1,425,585,285</u>	<u>1,641,938,127</u>

3.10 Deposits at the Vietnam Securities Depository**(a) Deposits in the Settlement Support Fund**

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

	As at	
	30.6.2019 VND	31.12.2018 VND
Initial deposit	120,000,000	120,000,000
Additional deposits	13,464,509,286	13,308,567,704
Interests	6,415,490,714	5,465,087,962
	<u>20,000,000,000</u>	<u>18,893,655,666</u>

(b) Deposits in the Derivatives trading Settlement Fund

This is the minimum amount of initial contribution applicable to direct clearing members according to Policy of management and use of Derivatives trading Settlement Fund attached to Decision No.97/QD-VSD dated 23 March 2017 of the Vietnam Securities Depository.

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

3.11 Borrowings

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

	Interest rate % per annum	Opening balance VND	Drawdowns VND	Repayments VND	Interest capitalised into principal VND	Revaluation VND	Closing balance VND
Bank borrowings		216,300,000,000	1,363,692,000,000	(1,363,092,000,000)	-	105,000,000	217,005,000,000
<i>In which:</i>							
From domestic banks	(i) 6.6 – 10.5	100,000,000,000	921,000,000,000	(921,000,000,000)	-	-	100,000,000,000
From a foreign bank	(ii) 5.2 – 5.7	116,300,000,000	442,692,000,000	(442,092,000,000)	-	105,000,000	117,005,000,000
Short-term issued bonds	(iii)	581,674,000,000	689,780,000,000	(473,599,000,000)	-	-	797,855,000,000
<i>In which:</i>							
Held by individuals	8.5 - 9.5	378,674,000,000	418,780,000,000	(281,099,000,000)	-	-	516,355,000,000
Held by institutions	8.5 - 9.5	203,000,000,000	271,000,000,000	(192,500,000,000)	-	-	281,500,000,000
Total		797,974,000,000	2,053,472,000,000	(1,836,691,000,000)	-	105,000,000	1,014,860,000,000

- (i) The closing balance represents loans from a domestic bank with a credit limit of VND100,000,000,000 valid until 14 June 2020, with tenors of 2 months. Value of collateral assets as at 30 June 2019 was VND1,715,223,258,959 (as at 31 December 2018: VND1,588,904,713,793).
- (ii) The closing balance represents unsecured loans from a foreign bank with a credit limit of USD5,000,000 and longest tenor not exceeding 60 days from date of drawdown.
- (iii) 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.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.12 Trading obligations**

These are expenses payable to the stock exchanges and the Vietnam Securities Depository.

3.13 Short-term trade accounts payable

	As at	
	30.6.2019	31.12.2018
	VND	VND
Payables for purchases of listed securities	6,724,980,800	-
Payables for purchases of unlisted securities	4,194,110,000	-
Payables for purchases of goods and services	323,582,626	167,554,100
	<u>11,242,673,426</u>	<u>167,554,100</u>
Third parties	<u>11,242,673,426</u>	<u>167,554,100</u>

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

The Company had no overdue trade payables as at 30 June 2019 and as at 31 December 2018.

3.14 Tax and other payables to/(receivables from) the State Budget

	As at	
	30.6.2019	31.12.2018
	VND	VND
Payables		
Personal income tax paid on behalf of customers	1,992,617,006	3,718,970,788
Personal income tax	590,844,224	1,311,238,541
Value added tax	40,895,922	148,583,927
Foreign contractor tax	207,309,401	268,950,332
	<u>2,831,666,553</u>	<u>5,447,743,588</u>
Receivables (Note 3.5)		
Corporate income tax overpaid	1,344,573,711	1,769,811,234
Personal income tax paid on behalf	93,896,406	13,662,228
	<u>1,438,470,117</u>	<u>1,783,473,462</u>
	<u>1,393,196,436</u>	<u>3,664,270,126</u>

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

3.14 Tax and other payables to/(receivables from) the State Budget (continued)

	As at 1.1.2019 VND	Incurred VND	Paid VND	As at 30.6.2019 VND
Corporate income tax - current	(1,769,811,234)	5,425,320,016	(5,000,082,493)	(1,344,573,711)
Personal income tax paid on behalf of customers	3,718,970,788	18,898,276,995	(20,624,630,777)	1,992,617,006
Personal income tax	1,297,576,313	4,693,071,158	(5,493,699,653)	496,947,818
<i>In which:</i>				
<i>Payable</i>	1,311,238,541			590,844,224
<i>Receivable</i>	(13,662,228)			(93,896,406)
Value added tax	148,583,927	226,356,830	(334,044,835)	40,895,922
Foreign contractor tax	268,950,332	801,846,910	(863,487,841)	207,309,401
Charges, fees and other payables	-	6,000,000	(6,000,000)	-
	<u><u>3,664,270,126</u></u>	<u><u>30,050,871,909</u></u>	<u><u>(32,321,945,599)</u></u>	<u><u>1,393,196,436</u></u>

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

3.15 Short-term accrued expenses

	As at	
	30.6.2019 VND	31.12.2018 VND
Interests on bonds and borrowings	5,884,892,917	5,002,450,476
Supplemental salary	5,000,000,000	7,900,000,000
Brokerage fee and custody fee	575,529,706	622,626,876
Others	1,210,566,665	729,733,344
	<u>12,670,989,288</u>	<u>14,254,810,696</u>

3.16 Other short-term payables

	As at	
	30.6.2019 VND	31.12.2018 VND
Dividend payable (*)	3,471,380,600	141,556,800
Other short-term payables	326,940,973	578,706,981
	<u>3,798,321,573</u>	<u>720,263,781</u>

(*) Movement in the dividend payable during period is as follows:

	VND
Opening balance	141,556,800
Dividend payables (Note 7.1)	70,069,934,200
Dividend paid	(66,740,110,400)
Closing balance	<u>3,471,380,600</u>

3.17 Deferred tax liability

	As at	
	2019 VND	2018 VND
Deferred tax liability		
Deferred tax liability to be recovered within 12 months	<u>46,088,943</u>	<u>55,501,823</u>

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.17 Deferred tax liability (continued)**

Movement in the deferred tax liability is as follows:

	For the six-month period ended 30 June 2019	For the year ended 31 December 2018
	VND	VND
Opening balance	55,501,823	3,067,561,143
Credited to the income statement	(9,412,880)	(3,012,059,320)
Closing balance	<u><u>46,088,943</u></u>	<u><u>55,501,823</u></u>

Details of deferred tax liability are as follows:

	As at	
	30.6.2019	31.12.2018
	VND	VND
Taxable temporary differences		
Gain from revaluation of FVTPL financial assets	<u>230,444,716</u>	<u>277,509,113</u>
Calculated at tax rate of 20%:		
Deferred tax liability to be recovered within 12 months	<u>46,088,943</u>	<u>55,501,823</u>

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

	As at	
	30.6.2019	31.12.2018
	VND	VND
Number of shares registered	<u>100,099,906</u>	<u>100,099,906</u>
Number of shares issued	100,099,906	100,099,906
Number of shares repurchased	-	-
	<u><u>100,099,906</u></u>	<u><u>100,099,906</u></u>

As at 30 June 2019 and as at 31 December 2018, all of the Company's shares are ordinary shares. Each ordinary share has a par value of VND10,000. Each share is entitled to one vote at the Annual General Meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.18 Share capital (continued)****(b) Movement of share quantity**

	Ordinary shares
As at 1 January 2018	91,000,000
New shares issued	9,099,906
	<hr/>
As at 31 December 2018	100,099,906
	<hr/>
New shares issued	-
	<hr/>
As at 30 June 2019	100,099,906
	<hr/> <hr/>

(c) Details of major shareholders as at the reporting date

	Number of ordinary shares	Value of charter capital contributed VND	Interest %
Mr. Tran Le Nguyen	35,035,000	350,350,000,000	35.00%
Asia Investment Company	15,043,617	150,436,170,000	15.03%
Ms. Pham My Linh	13,721,276	137,212,760,000	13.71%
Other shareholders	36,300,013	363,000,130,000	36.26%
	<hr/>	<hr/>	<hr/>
Total	100,099,906	1,000,999,060,000	100.00%
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3.19 Undistributed earnings

	As at	
	30.6.2019 VND	31.12.2018 VND
Undistributed realised profits	108,170,432,030	148,478,416,393
Unrealised losses	(79,596,798,655)	(75,067,460,717)
	<hr/>	<hr/>
	28,573,633,375	73,410,955,676
	<hr/> <hr/>	<hr/> <hr/>

3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)**3.19 Undistributed earnings (continued)**

Details of changes in equity during the period are as follows:

	As at 31.12.2018 VND	Profits/(losses) for the period VND	Dividend declared VND	Appropriations to reserves VND	As at 30.6.2019 VND
Undistributed realised profits	148,478,416,393	29,761,949,837	(70,069,934,200)	-	108,170,432,030
Unrealised losses	(75,067,460,717)	(4,529,337,938)	-	-	(79,596,798,655)
Undistributed earnings	<u>73,410,955,676</u>	<u>25,232,611,899</u>	<u>(70,069,934,200)</u>	<u>-</u>	<u>28,573,633,375</u>

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

	As at	
	30.6.2019	31.12.2018
Ordinary shares		
Quantity issued within 1 year	-	9,099,906
Quantity issued for 1 year or more	100,099,906	91,000,000
	<u>100,099,906</u>	<u>100,099,906</u>

5 NOTES TO THE INTERIM STATEMENT OF INCOME

5.1 Income from FVTPL financial assets

(a) Net realised (loss)/gains on disposals of FVTPL financial assets

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Realised gains on disposals of FVTPL financial assets	6,222,784,398	66,715,961,572
Realised losses on disposals of FVTPL financial assets	(10,520,926,850)	(6,158,381,434)
	<u>(4,298,142,452)</u>	<u>60,557,580,138</u>

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

	Quantity disposed share	Sales proceeds VND	Costs of disposals (*) VND	Realised (losses)/gains in this period VND	Realised gains/ (losses) in prior period VND
Listed shares	6,982,960	161,713,801,000	166,304,395,227	(4,590,594,227)	60,794,274,202
Unlisted shares	1,505,338	17,889,790,000	17,597,338,225	292,451,775	(236,694,064)
	<u>8,488,298</u>	<u>179,603,591,000</u>	<u>183,901,733,452</u>	<u>(4,298,142,452)</u>	<u>60,557,580,138</u>

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

5 NOTES TO THE INTERIM STATEMENT OF INCOME

5.1 Income from FVTPL financial assets

(b) Gains/(losses) on revaluation of FVTPL financial assets

	For the six-month period ended 30 June	
	2019 VND	2018 VND
(Decrease)/increase in revaluation gains of FVTPL financial assets	(47,064,397)	5,070,037,131
Increase in revaluation losses of FVTPL financial assets	(4,482,273,541)	(39,989,614,505)
	(4,529,337,938)	(34,919,577,374)

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

	Cost VND	Market value/ fair value VND	Accumulated revaluation losses as at 30.6.2019 VND	Accumulated revaluation gains/(losses) as at 31.12.2018 VND	Charged to profit or loss VND
Listed shares	269,654,891,060	212,843,441,330	(56,811,449,730)	(54,276,978,499)	(2,534,471,231)
Unlisted shares	82,003,075,305	59,217,726,380	(22,785,348,925)	(20,790,482,218)	(1,994,866,707)
	351,657,966,365	272,061,167,710	(79,596,798,655)	(75,067,460,717)	(4,529,337,938)

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)

5.2 Provisions for diminution in value of financial assets and impairment losses and borrowing costs to finance lending activities

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Borrowing costs to finance lending activities	46,974,249,480	41,974,581,528
Provision/(reversal of provisions) for impairment of financial assets	8,970	(498,575,128)
	46,974,258,450	41,476,006,400

5.3 Other operating expenses

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Self-trading activities	1,016,629,475	889,574,598
Salaries	640,875,344	684,331,599
Office rentals	138,291,120	128,604,960
Other expenses	237,463,011	76,638,039
Brokerage fee expenses	40,055,123,961	45,546,240,969
Salaries	18,112,863,114	21,982,028,008
Securities trading transaction fees	10,151,749,642	10,603,413,508
Brokerage expense for collaborators	3,245,489,265	4,403,120,235
Office rentals	3,428,831,738	3,060,931,019
Depreciation and amortisation	1,024,329,132	1,024,329,132
Other expenses	4,091,861,070	4,472,419,067
Securities investment consultancy expenses	1,432,776,444	804,222,587
Custody fee expenses	3,566,701,152	3,773,888,751
Financial consultancy expenses	4,511,230,006	3,747,156,323
Salaries	3,797,819,305	2,894,743,683
Office rentals	265,456,362	250,910,238
Other expenses	447,954,339	601,502,402
Other operating expenses	5,244,488,901	4,817,027,415
Salaries	3,902,292,158	3,825,165,600
Office rentals	630,396,308	542,969,864
Maintenance expenses	36,860,245	30,750,000
Other expenses	674,940,190	418,141,951
	55,826,949,939	59,578,110,643

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)

5.4 General and administration expenses

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Staff costs	19,075,865,852	19,039,541,058
Office rentals	2,115,086,378	1,947,405,571
Outsourced services	2,616,102,457	2,230,982,532
Depreciation and amortisation	2,378,900,265	2,208,220,801
Advertisement and entertainment expenses	935,080,088	2,185,474,243
Maintenance expenses	776,204,356	468,693,245
Remuneration of the Board of Directors	771,147,000	1,462,250,000
Tools and supplies	442,946,207	828,923,950
Office stationeries	66,757,690	57,470,454
Tax, duties and fees	6,000,000	8,280,000
Other administrative expenses	2,419,062,746	2,942,079,338
	31,603,153,039	33,379,321,192

5.5 Corporate income tax

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

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Accounting profit before tax	30,648,519,035	67,190,662,578
Tax at rate of 20%:	6,129,703,807	13,438,132,516
Adjustment for:		
Non-taxable income	(1,118,432,533)	(990,727,267)
Non deductible expenses	355,824,737	411,482,578
Additional tax paid after finalisation	48,811,125	-
Corporate income tax charge (*)	5,415,907,136	12,858,887,827
Charged/(credited) for the period:		
Corporate income tax – current	5,425,320,016	11,844,880,400
Corporate income tax – deferred	(9,412,880)	1,014,007,427
	5,415,907,136	12,858,887,827

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

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

5 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)**5.6 Earnings per share****(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares:

	For the six-month period ended 30 June	
	2019	2018
Net profit attributable to shareholders (VND)	25,232,611,899	54,331,774,751
Less amount allocated to bonus and welfare funds (VND)	-	-
	<u>25,232,611,899</u>	<u>54,331,774,751</u>
Weighted average number of ordinary shares in issue (shares)	100,099,906	100,099,906
	<u>100,099,906</u>	<u>100,099,906</u>
Basic earnings per share (VND)	<u>252</u>	<u>543</u>

(b) Diluted earnings per share

The Company did not have potentially dilutive ordinary shares.

6 NOTES TO THE STATEMENT OF CASH FLOW**6.1 Proceeds from borrowings**

Proceeds from borrowings are loan drawdowns and proceeds from issuance of bonds (Note 3.11).

6.2 Repayment of borrowings

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

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

	For the six-month period ended	
	30 June	
	2019	2018
	VND	VND
Undistributed realised profits brought forward	148,478,416,393	97,966,752,187
Cumulative unrealised losses as at the reporting date	(79,596,798,655)	(30,289,198,059)
Realised post-tax profits incurred	29,761,949,837	89,251,352,125
Appropriations of retaining earnings:		
To supplementary capital reserve	-	-
To financial and operational risk reserve fund	-	-
Distributable profits	98,643,567,575	156,928,906,253
Dividend declared	70,069,934,200	90,999,060,000
Income tax withheld (*)	(2,812,795,395)	-
Net amount to be distributed to shareholders	67,257,138,805	90,999,060,000

(*) Dividend declared in 2019 was paid by cash.

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

7.2 Details of changes in equity

	Owners' capital VND	Share premium VND	Supplementary capital reserve VND	Financial and operational risk reserve VND	Undistributed earnings VND	Total VND
As at 1 January 2019	1,000,999,060,000	9,240,118,792	13,624,381,369	13,624,381,369	73,410,955,676	1,110,898,897,206
Profit for the period	-	-	-	-	25,232,611,899	25,232,611,899
Cash dividends (*)	-	-	-	-	(70,069,934,200)	(70,069,934,200)
As at 30 June 2019	1,000,999,060,000	9,240,118,792	13,624,381,369	13,624,381,369	28,573,633,375	1,066,061,574,905
As at 1 January 2018	910,000,000,000	9,240,118,792	10,190,332,248	10,190,332,248	102,597,131,502	1,042,217,914,790
Profit for the period	-	-	-	-	54,331,774,751	54,331,774,751
Stock dividends (**)	90,999,060,000	-	-	-	(90,999,060,000)	-
As at 30 June 2018	1,000,999,060,000	9,240,118,792	10,190,332,248	10,190,332,248	65,929,846,253	1,096,549,689,541

(*) The Annual General Meeting of shareholders on 18 April 2019 approved the cash dividend for the year 2018 at 7% of the Company's charter capital as at 31 December 2018 and was paid in 2019.

(**) The Annual General Meeting of Shareholders on 28 March 2018 approved the issuance of new shares to pay dividend to existing shareholders at a ratio of 10:1. Accordingly, the Company issued 9,099,906 shares on 25 June 2018. The numbers of the new shares issued were rounded down to units, numbers of shares after decimal stop were forfeited.

8 RELATED PARTIES DISCLOSURES

Related party	Relationship
Mr. Tran Le Nguyen	Major shareholder
Asia Investment Limited	Major shareholder
Ms. Pham My Linh	Major shareholder
KIDO Group Corporation	Related to the Company's key management
KIDO Frozen Foods JSC	Related to the Company's key management
Tuong An Vegetable Oil JSC	Related to the Company's key management
Vietnam Vegetable Oils Industry Corporation	Related to the Company's key management
DABACO Group	Related to the Company's key management
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

(a) Related parties transactions

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

	For the six-month period ended	
	30 June	
	2019	2018
	VND	VND
Revenue from other services	50,000,000	150,000,000
Dividend received from related parties	-	1,300,126,000
Shares of related parties purchased	-	52,002,565,810
Services provided by related parties	5,703,204,712	5,324,809,234
Bond issued to related parties	200,000,000,000	-
Bond settlements to related parties	70,000,000,000	-
Bond interest expenses payable to related parties	10,967,945,209	10,651,065,449
Salary and other benefits	5,064,060,772	5,608,202,840
Dividend paid to shareholders	41,651,201,700	-

8 RELATED PARTIES DISCLOSURES (continued)**(b) Year-end balances with related parties**

	As at	
	30.6.2019 VND	31.12.2018 VND
Bonds issued to related parties	230,000,000,000	100,000,000,000
Dividend payables to related parties	3,008,723,400	-
Accrued bond interests payable to related parties	1,168,630,137	143,150,685
Services related payables	193,847,883	-

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

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

9 SEGMENT REPORTING (continued)

(b) Business activity segments

Revenue, income and expenses based on the Company's business activity segments were as follows:

	For the six-month period ended 30 June 2019				Total VND
	Brokerage VND	Self-trading VND	Securities services and lending VND	Consultancy VND	
Revenue and income (*)	45,737,754,309	11,767,882,666	113,946,600,434	1,138,745,455	172,590,982,864
Expenses	(41,487,900,405)	(16,019,829,866)	(55,785,448,503)	(4,511,230,006)	(117,804,408,780)
<i>In which:</i>					
<i>Direct cash expenses</i>	(35,120,726,494)	(11,393,929,919)	(55,014,540,710)	(4,168,445,823)	(105,697,642,946)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	(4,482,273,541)	(8,970)	-	(4,482,282,511)
<i>Total depreciation and amortisation of fixed assets</i>	(1,024,329,132)	-	-	-	(1,024,329,132)
<i>Allocation of long-term and short-term prepaid expenses</i>	(5,342,844,779)	(143,626,406)	(770,898,823)	(342,784,183)	(6,600,154,191)
Segment result	<u>4,249,853,904</u>	<u>(4,251,947,200)</u>	<u>58,161,151,931</u>	<u>(3,372,484,551)</u>	<u>54,786,574,084</u>
Unallocated revenue and income					1,409,745,067
Net financial income					6,047,241,579
General and administration expenses					(31,603,153,039)
Net other income					8,111,344
Operating result					<u>30,648,519,035</u>

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

	For the six-month period ended 30 June 2018				
	Brokerage VND	Self-trading VND	Securities services and lending VND	Consultancy VND	Total VND
Revenue and income (*)	58,378,263,108	76,739,635,038	102,889,520,181	1,806,136,363	239,813,554,690
Expenses	(46,351,765,602)	(47,037,570,537)	(50,065,620,520)	(3,747,156,323)	(147,202,112,982)
<i>In which:</i>					
<i>Direct cash expenses</i>	(41,036,755,821)	(6,913,687,050)	(49,970,038,579)	(3,401,692,606)	(101,322,174,056)
<i>Total amount of significant non-cash expenses, other than depreciation, amortisation and allocation of prepaid expenses</i>	-	(39,989,614,505)	498,575,128	-	(39,491,039,377)
<i>Total depreciation and amortisation of fixed assets</i>	(1,024,329,132)	-	-	-	(1,024,329,132)
<i>Allocation of long-term and short-term prepaid expenses</i>	(4,290,680,649)	(134,268,982)	(594,157,069)	(345,463,717)	(5,364,570,417)
Segment result	<u>12,026,497,506</u>	<u>29,702,064,501</u>	<u>52,823,899,661</u>	<u>(1,941,019,960)</u>	<u>92,611,441,708</u>
Unallocated revenue and income					292,729,698
Net financial income					7,630,588,189
General and administration expenses					(33,379,321,192)
Net other income					35,224,175
Operating result					<u>67,190,662,578</u>

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

VIET DRAGON SECURITIES CORPORATION

Form B 09g – CTCK

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

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

	As at 30 June 2019				
	Brokerage VND	Self-trading VND	Securities services and lending VND	Consultancy VND	Total VND
Segment assets	39,210,698,698	273,113,377,763	1,778,264,747,227	196,100,000	2,090,784,923,688
Unallocated assets					23,007,447,019
Total assets					2,113,792,370,707
Segment liabilities	(3,163,319,538)	(11,031,770,963)	(1,021,937,844,483)	(1,210,081,378)	(1,037,343,016,362)
Unallocated liabilities					(10,387,779,440)
Total liabilities					(1,047,730,795,802)
Total expense incurred for purchases of fixed assets					
<i>In which:</i>					
Fixed assets in segments	5,195,350,575	-	-	-	5,195,350,575
Fixed assets in unallocated assets					-
					5,195,350,575

9 SEGMENT REPORTING (continued)

(b) Business activity segments (continued)

	As at 31 December 2018				
	Brokerage VND	Self-trading VND	Securities services and lending VND	Consultancy VND	Total VND
Segment assets	40,539,423,116	222,525,737,319	1,648,035,890,269	225,500,000	1,911,326,550,704
Unallocated assets					21,011,206,152
Total assets					1,932,337,756,856
Segment liabilities	(4,265,132,764)	(245,690,000)	(804,020,850,339)	(1,497,070,000)	(810,028,743,103)
Unallocated liabilities					(11,410,116,547)
Total liabilities					(821,438,859,650)
Total expense incurred for purchases of fixed assets					
<i>In which:</i>					
Fixed assets in segments	3,218,325,000	-	-	-	3,218,325,000
Fixed assets in unallocated assets					5,707,381,100
					8,925,706,100

10 FINANCIAL RISK MANAGEMENT

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

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

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

The information presented below is based on information disclosed by the Board of Management.

(a) Credit risk

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

Balances with banks

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

FVTPL financial assets

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

Trading advances

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

Investment cooperation contracts

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

10 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk (continued)***Margin loan*

Margin loans are secured by eligible securities listed on stock exchanges, customers' cash and trading proceeds. Under the local rules, the loan limit is set at 50% of the eligible securities' value. Eligible securities are defined by the stock exchanges based on a number of criteria including liquidity and frequently updated.

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

Receivables and other assets

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

Credit risk exposure

	As at	
	30.6.2019	31.12.2018
	VND	VND
Cash and cash equivalents (Note 3.1)		
Cash at bank	82,304,131,676	71,179,367,991
Cash blocked for trading settlements	1,052,210,053	489,315,209
	83,356,341,729	71,668,683,200
Loans (Note 3.3)		
Margin loans and investment cooperation contracts	1,525,785,819,673	1,347,690,622,065
Trading advances	186,049,879,936	237,674,761,008
	1,711,835,699,609	1,585,365,383,073
Receivables (Note 3.4)		
Receivables from disposals of financial assets		-
Dividends and interests receivable	3,645,606,985	3,539,330,720
Services related receivables	9,565,029,441	17,349,672,513
Other receivables	2,146,300,958	1,982,256,576
	15,356,937,384	22,871,259,809
Total credit risk exposure	1,810,548,978,722	1,679,905,326,082

10 FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk**

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

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

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. Currently, the Company records its financial assets and financial liabilities under the historical cost convention less decrease in revaluation and provision for decline in value (if any), hence, the Company only has cash flow risk for its interest receivable/payable. The Company is exposed to interest rate risk mainly on its deposits at bank and bank borrowings.

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

- **Share price risk**

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

As at 30 June 2019, had the prices of the securities increased/decreased by 10% with all other variables being held constant including tax rate, the Company's profit after tax would have been higher/lower by VND21,764,893,417 respectively (as at 31 December 2018: higher/ lower by VND17,762,913,769 respectively).

(c) Liquidity risk

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

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

As at 30 June 2019, the Company had financial liabilities including bank loans, short-term issued bonds, trading obligation, short-term trade payables, accrued expenses and other short-term liabilities with the amount of VND1,043,698,673,050 (as at 31 December 2018: VND814,578,721,984) which represented contractual undiscounted cash outflows payable in less than one year.

9 FINANCIAL RISK MANAGEMENT (continued)**(d) Capital risk management**

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

CAR is calculated and presented in the Company’s monthly report in accordance with Circular 87/2017/TT-BTC (“Circular 87”) issued by the Ministry of Finance on 15 August 2017 and took effective from 10 October 2017 onwards. Circular 87 regulates requirements of capital adequacy ratio applicable to securities business organisations and remedies for non-compliance. According to Circular 87, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As at 30 June 2019, the Company’s CAR was 881%.

11 OPERATING LEASE COMMITMENTS

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

	As at	
	30.6.2019	31.12.2018
	VND	VND
Within 1 year	8,342,035,241	11,382,797,929
From 1 to 5 years	7,823,471,663	9,718,675,489
Total	<u>16,165,506,904</u>	<u>21,101,473,418</u>

12 CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised in the interim financial statements was as follows:

	As at	
	30.6.2019	31.12.2018
	VND	VND
Derivatives trading and settlement system and upgrade of underlying securities trading and settlement system	3,629,175,000	3,629,175,000
	<u>3,629,175,000</u>	<u>3,629,175,000</u>

13 OPERATIONAL FACTS

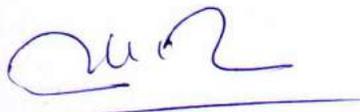
Volume and value of transactions during the period

	Volume of transactions during the period	Value of transactions during the period VND
(a) Of the Company Shares	23,733,099 23,733,099	422,357,550,442 422,357,550,442
(b) Of investors		
Shares	1,781,919,180	30,457,368,324,776
Bonds	1,781,833,820	30,456,415,104,576
Other shares	85,360	953,220,200
	<u>1,805,652,279</u>	<u>30,879,725,875,218</u>

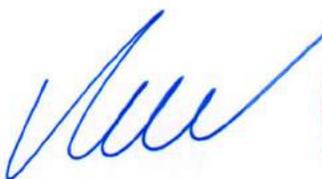
14 SUBSEQUENT EVENTS

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

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



Nguyen Thi Bich Thuy
Preparer



Le Minh Hien
Chief Accountant



Nguyen Hieu
General Director
Authorised signatory


S.O.Đ: 312-C.T.C.Đ
CÔNG TY
CỔ PHẦN
CHỨNG KHOÁN
RỒNG VIỆT
QUẬN 1 - TP. HỒ CHÍ MINH