

VNDIRECT Securities Joint Stock Company

Consolidated Interim Financial Statements
for the six-month period
ended 30 June 2017

**VNDIRECT Securities Joint Stock Company
Corporate Information**

**Securities Operating
Licence No.**

101/UBCK-GP	31 December 2007
11/GPDC-UBCK	6 February 2015
22/UBCK-GPHDKD	16 November 2006
14/GPDC-UBCK	1 June 2016

The initial Securities Operating Licence and its updates were issued by the State Securities Commission of Vietnam.

**Business Registration
Certificate No.**

0103014521	7 November 2006
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The Business Registration Certificate was issued by Hanoi Department of Planning and Investment.

Board of Directors

Ms. Pham Minh Huong	Chairwoman
Mr. Vu Hien	Member
Mr. Nguyen Hoang Giang	Member
Mr. Pham Le Nhat Quang	Member
Mr. Christopher Bertram Brinkeborn Beselin	Member (from 29 May 2017)
Ms. Nguyen Ngoc Thanh	Member (until 29 May 2017)

Board of Management

Mr. Nguyen Hoang Giang	Chief Executive Officer
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Registered Office

No. 1 Nguyen Thuong Hien
Hai Ba Trung District, Hanoi
Vietnam

Auditor

KPMG Limited
Vietnam

VNDIRECT Securities Joint Stock Company Statement of the Board of Management

The Board of Management of VNDIRECT Securities Joint Stock Company (“the Company”) presents this statement and the accompanying consolidated interim financial statements of the Company and its subsidiary (collectively referred to as “VNDIRECT”) for the six-month period ended 30 June 2017.

The Company’s Board of Management is responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies (“Circular 210”) and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting. In preparing the consolidated interim financial statements, the Company’s Board of Management is required to:

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

In the opinion of the Board of Management:

- (a) the consolidated interim financial statements set out on pages 5 to 65 give a true and fair view of the consolidated financial position of VNDIRECT as at 30 June 2017, and of the consolidated results of operations and the consolidated cash flows of VNDIRECT for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that VNDIRECT will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying consolidated interim financial statements for issue.

On behalf of the Board of Management

Mr. Nguyen Hoang Giang
Chief Executive Officer

Hanoi, 30 August 2017

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders VNDIRECT Securities Joint Stock Company

We have reviewed the accompanying consolidated interim financial statements of VNDIRECT Securities Joint Stock Company (“the Company”) and its subsidiary (collectively referred to as “VNDIRECT”), which comprise the consolidated statement of financial position as at 30 June 2017, the consolidated statements of income, cash flows and changes in equity for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 30 August 2017, as set out on pages 5 to 65.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies (“Circular 210”) and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated 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 these consolidated 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.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of VNDIRECT Securities Joint Stock Company and its subsidiary as at 30 June 2017 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited

Vietnam

Review Report No. 17-02-186/3

Truong Vinh Phuc
Practicing Auditor Registration
Certificate No. 1901-2013-007-1
Deputy General Director

Hanoi, 30 August 2017

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
30 June 2017

Form B01 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2017 VND	31/12/2016 VND (Reclassified)
ASSETS				
A	CURRENT ASSETS			
	(100 = 110 + 130)		7,562,986,080,558	4,972,018,587,213
I	Financial assets		7,552,905,351,976	4,833,949,115,349
1	Cash and cash equivalents	8	167,095,217,671	256,958,791,274
1.1	<i>Cash</i>	111.1	145,095,217,671	173,958,791,274
1.2	<i>Cash equivalents</i>	111.2	22,000,000,000	83,000,000,000
2	Financial assets at fair value through profit or loss (“FVTPL”)	10(a)	1,091,170,285,807	629,374,662,053
3	Held-to-maturity investments (“HTM”)	10(b)	2,964,003,911,666	1,630,500,000,000
4	Loans receivable	10(c)	2,595,979,395,330	1,911,798,465,127
5	Available-for-sale financial assets (“AFS”)	10(d)	840,517,853,999	530,968,216,861
6	Allowance for diminuation in value of financial assets	12	(191,977,770,458)	(189,295,534,267)
7	Receivables		82,517,199,336	56,214,395,144
7.1	<i>Receivables from sales of financial assets</i>	117.1	11,987,159,553	18,109,483,700
7.2	<i>Dividends and interest receivables from financial assets</i>	13	70,530,039,783	38,104,911,444
7.2.2	<i>Dividends and interest receivables not yet due</i>	117.4	70,530,039,783	38,104,911,444
8	Prepayments to suppliers		2,570,830,040	-
9	Receivables from services rendered		-	7,317,124,296
12	Other receivables		5,100,731,014	4,185,297,290
13	Allowance for doubtful debts	14	(4,072,302,429)	(4,072,302,429)
II	Other current assets		10,080,728,582	138,069,471,864
1	Advances		2,894,569,684	2,775,646,115
3	Short-term prepaid expenses	15(a)	5,503,262,053	5,835,778,600
4	Short-term deposits and collaterals		1,682,896,845	39,898,752,670
7	Other current assets		-	89,559,294,479

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
30 June 2017 (continued)

Form B01 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2017 VND	31/12/2016 VND (Reclassified)
B LONG-TERM ASSETS (200 = 210 + 220 + 240 + 250)	200		204,201,972,075	202,074,255,646
I Long-term financial assets	210		58,500,000,000	80,000,000,000
2 Investments	212		58,500,000,000	80,000,000,000
2.1 Held-to-maturity investments	212.1	10(b)	58,500,000,000	80,000,000,000
II Fixed assets	220		57,929,632,422	64,172,261,590
1 Tangible fixed assets	221	16	38,036,305,920	40,858,984,054
Cost	222		93,566,523,550	94,046,764,254
Accumulated depreciation	223a		(55,530,217,630)	(53,187,780,200)
3 Intangible fixed assets	227	17	19,893,326,502	23,313,277,536
Cost	228		67,967,099,541	66,725,200,461
Accumulated amortisation	229a		(48,073,773,039)	(43,411,922,925)
IV Construction in progress	240	18	2,500,000,000	2,500,000,000
V Other long-term assets	250		85,272,339,653	55,401,994,056
1 Long-term deposits and collaterals	251		76,697,125	-
2 Long-term prepaid expenses	252	15(b)	5,184,826,742	7,144,232,309
4 Deposits at Payment Support Fund	254	19	20,000,000,000	18,257,761,747
5 Other long-term assets	255	20	45,000,000,000	30,000,000,000
6 Goodwill	256	21	15,010,815,786	-
TOTAL ASSETS (270 = 100 + 200)	270		7,767,188,052,633	5,174,092,842,859
C LIABILITIES (300 = 310 + 340)	300		5,565,905,871,173	3,225,829,341,616
I Current liabilities	310		5,450,879,863,235	3,131,529,341,616
1 Short-term borrowings and finance lease liabilities	311		4,496,450,304,747	2,613,806,976,714
1.1 Short-term borrowings	312	22	4,496,450,304,747	2,613,806,976,714
6 Accounts payable for securities trading activities	318	23	844,913,823,635	472,546,426,921
8 Accounts payable to suppliers	320		531,005,366	588,024,693
9 Advances from customers	321		1,346,025,271	844,691,201
10 Taxes payable to State Treasury	322	24	30,541,027,177	19,061,077,930
11 Payables to employees	323		17,683,424,612	12,835,449,309
12 Employees' benefits payable	324		1,044,532,344	689,690,314
13 Accrued expenses	325	25	33,522,231,615	8,440,117,883
16 Short-term deposits and collaterals received	328		17,692,791,052	-
17 Other short-term payables	329		848,255,855	964,505,522
19 Bonus and welfare funds	331	26	6,306,441,561	1,752,381,129

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
30 June 2017 (continued)

Form B01 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2017 VND	31/12/2016 VND
II Long-term liabilities	340		115,026,007,938	94,300,000,000
4 Long-term bonds issued	346	27	89,300,000,000	94,300,000,000
14 Deferred tax liabilities	356	28	25,726,007,938	-
D EQUITY (400 = 410)	400		2,201,282,181,460	1,948,263,501,243
I Owners' equity	410		2,201,282,181,460	1,948,263,501,243
1 Capital	411		1,491,516,811,427	1,525,134,111,427
1.1 Share capital	411.1	29(a)	1,549,981,650,000	1,549,981,650,000
a Ordinary shares with voting rights	411.1a		1,549,981,650,000	1,549,981,650,000
1.2 Share premium	411.2		65,433,524,852	65,433,524,852
1.5 Treasury shares	411.5	29(a)	(123,898,363,425)	(90,281,063,425)
4 Reserve to supplement charter capital	414		48,820,054,976	48,820,054,976
5 Financial and operational risk reserve	415		19,518,327,973	19,518,327,973
7 Retained profits	417	29(b)	641,426,987,084	354,791,006,867
7.1 Realised profits	417.1		535,205,398,853	354,791,006,867
7.2 Unrealised profits	417.2		106,221,588,231	-
TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)	440		7,767,188,052,633	5,174,092,842,859

The accompanying notes are an integral part of these consolidated interim financial statements

OFF-BALANCE SHEET ITEMS

	Code	30/6/2017 VND	31/12/2016 VND
A ASSETS OF THE COMPANY AND ASSETS MANAGED UNDER COMMITMENTS			
4	004	26,178,472,147	26,178,472,147
6	006	144,997,785	147,539,485
7	007	10,000,380	7,458,680
8	008	332,112,590,000	292,606,200,000
9	009	2,256,750,000	11,400,000
10	010	809,610,000,000	455,660,500,000
12	012	243,504,770,000	236,223,080,000
		Entrusted investment portfolio	38,700,340,500
		Receivables of entrusting investors	2,825,844,000
		Payables of entrusting investors	4,238,766
			-
			-
			-
B ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY THE COMPANY			
1	021	20,192,895,480,000	17,925,136,390,000
<i>a</i>	<i>021.1</i>	<i>18,975,324,270,000</i>	<i>17,109,551,430,000</i>
<i>c</i>	<i>021.3</i>	<i>747,744,210,000</i>	<i>616,662,860,000</i>
<i>d</i>	<i>021.4</i>	<i>54,631,610,000</i>	<i>9,879,300,000</i>
<i>e</i>	<i>021.5</i>	<i>415,195,390,000</i>	<i>189,042,800,000</i>
2	22	590,400,740,000	852,004,880,000
<i>a</i>	<i>022.1</i>	<i>549,027,450,000</i>	<i>780,592,100,000</i>
<i>b</i>	<i>022.2</i>	<i>3,587,240,000</i>	<i>33,626,730,000</i>
<i>c</i>	<i>022.3</i>	<i>37,786,050,000</i>	<i>37,786,050,000</i>
3	023	436,293,090,000	177,866,250,000

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of financial position as at
30 June 2017 (continued)

Form B01 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	30/6/2017 VND	31/12/2016 VND
7 Customers' deposits	026	1,924,244,975,921	1,192,949,516,223
7.1 Customers' cash deposits for securities transactions managed by the Company	027	1,244,360,182,992	828,810,828,201
7.2 Customers' deposits for securities transactions	028	671,369,090,300	357,027,018,800
7.3 Cash deposits for securities transactions clearing and settlement	029	75,317,764	140,583,472
<i>a Cash deposits for securities transactions clearing and settlement of domestic customers</i>	<i>029.1</i>	<i>40,955,683</i>	<i>78,858,245</i>
<i>b Cash deposits for securities transactions clearing and settlement of foreign customers</i>	<i>029.2</i>	<i>34,362,081</i>	<i>61,725,227</i>
7.4 Deposits from securities issuers	030	8,440,384,865	6,971,085,750
8 Payables to customers for cash deposits for securities transactions managed by the Company	031	1,915,804,591,056	1,185,978,430,473
8.1 Payables to domestic customers for cash deposits for securities transactions managed by the Company	031.1	1,835,425,630,348	1,148,612,947,376
8.2 Payables to foreign customers for cash deposits for securities transactions managed by the Company	031.2	80,378,960,708	37,365,483,097
9 Payables to securities issuers	032	7,896,660,000	6,550,385,000
12 Dividends, bond principal and interest payables	035	543,724,865	420,700,750

30 August 2017

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of income for the
six-month period ended 30 June 2017

Form B02 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND (Reclassified)
I OPERATING INCOME				
1.1				
	01		272,359,730,597	89,890,086,114
a				
	01.1	30(a)	106,252,994,287	54,336,187,854
b				
	01.2	30(b)	132,776,985,289	-
c				
	01.3	30(c)	33,329,751,021	35,553,898,260
1.2				
	02	30(d)	91,806,989,584	66,757,489,136
1.3				
	03	30(e)	147,655,322,444	90,509,355,202
1.4				
	04	30(f)	29,862,664,672	84,757,223
1.6				
	06		138,609,999,298	84,769,575,945
1.7				
	07		5,306,509,646	-
1.8				
	08		2,123,113,998	2,091,196,371
1.9				
	09		3,438,871,478	3,153,853,591
1.11				
	11		896,538,632	3,001,766,883
	20		692,059,740,349	340,258,080,465
II OPERATING EXPENSES				
2.1				
	21		50,381,075,684	24,824,241,691
a				
	21.1	31(a)	52,602,034,546	76,329,450,979
b				
	21.2	31(b)	(2,478,426,154)	(52,993,700,701)
c				
	21.3		257,467,292	1,488,491,413
2.4				
	24	32	5,160,662,345	11,168,717,741
2.7				
	27		65,857,090,374	50,504,591,351
2.9				
	29		546,818,357	4,000,000
2.10				
	30		5,010,357,046	4,307,565,994
	40		126,956,003,806	90,809,116,777

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of income for the
six-month period ended 30 June 2017 (continued)

Form B02 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
III FINANCIAL INCOME				
3.2 Dividends and interest income from demand deposits at banks	42	33	4,173,372,730	2,476,694,730
Total financial income	50		4,173,372,730	2,476,694,730
IV FINANCIAL EXPENSES				
4.2 Interest expense	52	34	97,453,738,821	51,000,005,239
Total financial expenses	60		97,453,738,821	51,000,005,239
VI GENERAL AND ADMINISTRATION EXPENSES	62	35	108,930,655,376	89,168,437,093
VII RESULTS FROM OPERATING ACTIVITIES (70 = 20 + 50 - 40 - 60 - 62)	70		362,892,715,076	111,757,216,086
VIII OTHER INCOME AND OTHER EXPENSES				
8.1 Other income	71		338,575,439	70,238,717
8.2 Other expenses	72		7,973,858	3,115,483,850
Results from other activities (80 = 71 – 72)	80		330,601,581	(3,045,245,133)
IX ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)	90		363,223,316,657	108,711,970,953
9.1 Realised profits before tax	91		230,446,331,368	108,711,970,953
9.2 Unrealised profits before tax	92		132,776,985,289	-

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of income for the
six-month period ended 30 June 2017 (continued)

Form B02 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
X INCOME TAX EXPENSES	100		67,034,963,953	15,250,571,908
10.1 Income tax expense – current	100.1	36	41,308,956,015	15,250,571,908
10.2 Income tax expense – deferred	100.2	36	25,726,007,938	-
XI NET PROFIT AFTER TAX (200 = 90 - 100)	200		296,188,352,704	93,461,399,045
XII OTHER COMPREHENSIVE INCOME	300		-	-
TOTAL COMPREHENSIVE INCOME (400= 200 + 300)	400		296,188,352,704	93,461,399,045
Comprehensive income attributable to owners	401		296,188,352,704	93,461,399,045
XIII EARNINGS PER SHARE	500			
13.1 Basic earnings per share (VND/share)	501	37	2,040	612

30 August 2017

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of cash flows for the six-month
period ended 30 June 2017 (Indirect method)

Form B03b – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND (Reclassified)
I			
CASH FLOWS FROM OPERATING ACTIVITIES			
1 Profit before tax	01	363,223,316,657	108,711,970,953
2 Adjustments for	02	12,090,895,124	(32,712,128,897)
Depreciation and amortisation of fixed assets	03	9,408,658,933	9,112,854,063
Allowances and provisions	04	2,682,236,191	(41,824,982,960)
4 Decrease in non-cash income	18	(132,776,985,289)	-
Gains from revaluation of financial assets at FVTPL	19	(132,776,985,289)	-
5 Operating profit before changes in working capital (30 = 01 + 02 + 18)	30	242,537,226,492	75,999,842,056
Increase in financial assets at FVTPL	31	(252,318,999,465)	(1,516,006,924,134)
Increase in held-to-maturity investments	32	(1,312,003,911,666)	-
(Increase)/decrease in loans receivable	33	(684,180,930,203)	281,668,887,652
Increase in AFS financial assets	34	(309,549,637,138)	(179,187,904,000)
Decrease/(increase) in receivables from sales of financial assets	35	6,122,324,147	(17,197,198,000)
Increase in dividends and interests receivable from financial assets	36	(32,339,177,092)	(28,853,984,344)
Decrease in receivables from services rendered	37	7,317,124,296	-
Decrease in other receivables	39	467,101,260	1,164,217,568
Decrease/(increase) in other assets	40	21,112,722,155	(92,431,928,651)
Increase in accrued expenses (excluding interest expense)	41	96,655,396,252	50,555,292,836
Decrease in prepaid expenses	42	2,548,446,415	2,294,737,661
Corporate income tax paid	43	(35,112,742,996)	(14,775,705,405)
Interest paid	44	(71,633,282,520)	(45,328,349,673)
Decrease in payables to suppliers	46	(57,019,327)	(2,251,005,729)
Increase in employees' benefits payable	47	354,842,030	1,019,439,603
Increase in taxes payable to State Treasury (excluding corporate income tax)	48	5,208,115,756	3,857,148,598
Increase payables to employees	49	4,297,975,303	1,328,299,134
Increase/(decrease) in other payables	51	376,705,122,435	(994,974,318,768)
Net cash flows from operating activities	60	(1,933,869,303,866)	(2,473,119,453,596)

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of cash flows for the six-month
period ended 30 June 2017 (Indirect method - continued)

Form B03b – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
II CASH FLOWS FROM INVESTING ACTIVITIES			
1			
1	61	(3,166,029,765)	(5,078,675,086)
3	63	(1,854,268,005)	-
	70	(5,020,297,770)	(5,078,675,086)
III CASH FLOWS FROM FINANCING ACTIVITIES			
2	72	(33,617,300,000)	(58,584,410,000)
3	73	28,662,313,413,977	16,428,827,677,870
3.1	73.2	28,662,313,413,977	16,428,827,677,870
4	74	(26,779,670,085,944)	(15,132,765,232,356)
4.1	74.3	(26,779,670,085,944)	(15,132,765,232,356)
	80	1,849,026,028,033	1,237,478,035,514
IV	90	(89,863,573,603)	(1,240,720,093,168)
V	101	256,958,791,274	1,552,666,092,480
Cash	102.1	173,958,791,274	199,231,759,147
Cash equivalents	102.2	83,000,000,000	1,353,434,333,333
VI	103	167,095,217,671	311,945,999,312
Cash	103.1	145,095,217,671	61,945,999,312
Cash equivalents	103.2	22,000,000,000	250,000,000,000

The accompanying notes are an integral part of these consolidated interim financial statements

**CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT
 ACTIVITIES**

ITEMS	Code	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
I Cash flows of customers for brokerage and entrustment activities			
1 Proceeds from sales of securities brokered by the Company	01	40,317,912,982,614	26,161,565,071,890
2 Payments for purchases of securities brokered by the Company	02	(40,317,978,248,322)	(26,161,607,663,200)
7 Deposits received to settle securities transactions of customers	07	729,891,426,291	276,995,707,660
14 Receipts from securities issuers	14	1,285,978,757,568	636,318,487,184
15 Payments to securities issuers	15	(1,284,509,458,453)	(636,360,657,816)
Net cash flows during the period	20	731,295,459,698	276,910,945,718
II Cash and cash equivalents of customers at the beginning of the period	30	1,192,949,516,223	1,093,853,504,988
Cash at banks at the beginning of the period:	31	1,192,949,516,223	1,093,853,504,988
▪ Customers' deposits for securities transactions managed by the Company	32	828,810,828,201	625,999,593,790
▪ Customers' deposits for securities transactions	33	357,027,018,800	466,763,327,000
▪ Customers' deposits for securities transactions clearance and settlement	34	140,583,472	142,142,273
▪ Deposits from securities issuers	35	6,971,085,750	948,441,925

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of cash flows for the six-month
period ended 30 June 2017 (Indirect method - continued)

Form B03b – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

ITEMS	Code	Period from 1/1/2017 to 30/6/2017 VND	Period from 1/1/2016 to 30/6/2016 VND
III Cash and cash equivalents of customers at the end of the period (40 = 20 + 30)	40	1,924,244,975,921	1,370,764,450,706
Cash at banks at the end of the period:	41	1,924,244,975,921	1,370,764,450,706
▪ Customers' deposits for securities transactions managed by the Company	42	1,244,360,182,992	997,797,297,450
▪ Customers' deposits for securities transactions	43	671,369,090,300	371,961,331,000
▪ Cash deposits for securities transactions clearing and settlement	44	75,317,764	99,550,963
▪ Deposits from securities issuers	45	8,440,384,865	906,271,293

30 August 2017

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

The accompanying notes are an integral part of these consolidated interim financial statements

VNDIRECT Securities Joint Stock Company
Consolidated statement of changes in equity for the six-month period ended 30 June 2017

Form B04a – CTCK/HN
*(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)*

	Opening balance		Increase/(decrease) during the period				Closing balance	
	1/1/2016	1/1/2017	Six-month period ended		Six-month period ended		30/6/2016	30/6/2017
	VND	VND	Increase	Decrease	Increase	Decrease	VND	VND
			VND	VND	VND	VND		
I Changes in owners' equity								
1 Share capital	1,615,415,174,852	1,615,415,174,852	-	-	-	-	1,615,415,174,852	1,615,415,174,852
2 Treasury shares	(4,333,425)	(90,281,063,425)	(58,584,410,000)	-	(33,617,300,000)	-	(58,588,743,425)	(123,898,363,425)
3 Reserve to supplement charter capital	39,505,678,545	48,820,054,976	-	-	-	-	39,505,678,545	48,820,054,976
4 Financial and operational risk reserve	10,203,951,542	19,518,327,973	-	-	-	-	10,203,951,542	19,518,327,973
8 Retained profits (Note 29(b))	270,311,091,725	354,791,006,867	93,461,399,045	(8,179,968,167)	296,188,352,704	(9,552,372,487)	355,592,522,603	641,426,987,084
TOTAL	1,935,431,563,239	1,948,263,501,243	34,876,989,045	(8,179,968,167)	262,571,052,704	(9,552,372,487)	1,962,128,584,117	2,201,282,181,460

30 August 2017

Prepared by

Reviewed by

Approved by

Ms. Vu Thi Thanh Van
General Accountant

Ms. Nguyen Ha Ninh
Chief Accountant

Mr. Nguyen Hoang Giang
Chief Executive Officer

The accompanying notes are an integral part of these consolidated interim financial statements

These notes form an integral part of and should be read in conjunction with the accompanying consolidated interim financial statements.

1. Reporting entity

(a) Establishment

VNDIRECT Securities Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam under the Business Registration Certificate No. 0103014521 dated 7 November 2006. The Company’s Securities Operating Licence No. 101/UBCK-GP dated 31 December 2007 was issued by the State Securities Commission of Vietnam. The consolidated interim financial statements of the Company for the six-month period ended 30 June 2017 comprise the Company and its subsidiary (collectively referred to as the “VNDIRECT”).

The Company’s Head Office is located at No. 1 Nguyen Thuong Hien, Hai Ba Trung District, Hanoi, Vietnam.

The Company’s Charter was issued on 25 September 2006 with the latest amendment on 29 May 2017.

(b) Charter capital

As at 30 June 2017, the Company’s charter capital is VND1,549,981,650,000.

(c) Principal activities

The principal activities of VNDIRECT include securities brokerage, securities trading, financial consulting and securities investment services, margin trading of securities, securities custody and securities underwriting, securities investment fund management and portfolio management.

(d) Normal operating cycle

The normal operating cycle of VNDIRECT is generally within 12 months.

(e) VNDIRECT structure

As at 30 June 2017, VNDIRECT had one subsidiary as follows:

Name of subsidiary	Establishment and operations	Principal activities	Charter capital	% of ownership and voting rights
I.P.A Securities Investment Fund Management Limited Company	<ul style="list-style-type: none"> ▪ Establishment and Operation License No. 30/UBCK-GP dated 4 March 2008 issued by the State Securities Commission ▪ The most recent amended license No. 02/GPDC-UBCK dated 8 March 2017 	Manage securities investment funds and manage securities investment portfolios	VND50 billion	100%

As at 30 June 2017, VNDIRECT had 680 employees (31/12/2016: 657 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies (“Circular 210”) and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting. These accounting standards and statutory requirements may differ in some material respects from the International Financial Reporting Standards and the generally accepted accounting principles and standards of other countries. Therefore, the accompanying consolidated interim financial statements are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows of VNDIRECT in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. In addition, the consolidated interim financial statements and its utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices applicable to securities companies.

(b) Basis of measurement

The consolidated interim financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of VNDIRECT is from 1 January to 31 December. These consolidated interim financial statements are for the six-month period ended 30 June 2017.

(d) Accounting and presentation currency

VNDIRECT’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for financial statements presentation purpose.

3. Adoption of new accounting guidance for securities companies

In accordance with Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies, the fair value accounting for relevant financial instruments shall be adopted when the Law on Accounting allows the fair value accounting. Law on Accounting No. 88/2015/QH13 dated 20 November 2015 approved by the National Assembly of Vietnam, which is effective from 1 January 2017, allows the fair value accounting. Accordingly, VNDIRECT has adopted the fair value accounting for financial assets at fair value through profit or loss and available-for sale financial assets for the six-month period ended 30 June 2017 on a prospective basis. See Notes 4(d) and 4(f).

The adoption of fair value accounting has increased the profit after tax for the six-month period ended 30 June 2017 by VND106,221,588,231.

4. Summary of significant accounting policies

The following significant accounting policies have been adopted by VNDIRECT in the preparation of these consolidated interim financial statements. The accounting policies adopted in preparing these interim financial statements are consistent with those adopted in preparing the most recent annual financial statements, except for the changes in accounting policy as described in Note 3.

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities controlled by VNDIRECT. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) *Transactions eliminated on consolidation*

Intra-group balances and transactions within VNDIRECT, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) *Business combination*

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to VNDIRECT. Control exists when VNDIRECT has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(b) Financial assets and financial liabilities

(i) *Recognition*

Financial assets and financial liabilities are recognised in the statement of financial position when VNDIRECT becomes a party to the contractual provisions of the financial assets and liabilities.

(ii) *Classification and measurement*

- Financial assets at fair value through profit or loss: Note 4(d);
- Held-to-maturity investments: Note 4(e);
- Available-for-sale financial assets: Note 4(f);
- Loans receivable: Note 4(h);

(iii) *Derecognition*

VNDIRECT derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which VNDIRECT neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

VNDIRECT derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, VNDIRECT has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Cash and cash equivalents

Cash comprises cash in banks for VNDIRECT's activities, deposits in respect of sales of underwritten securities and deposits for clearance and settlement of securities transactions of the VNDIRECT. Cash deposits for securities transactions, securities transactions clearing and settlement of the customers are separated from VNDIRECT's accounts.

Cash equivalents are short-term investments with term to maturity of not more than three months, which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value from the acquisition date at reporting date.

(d) Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held for trading. A financial asset is considered as held for trading if:
 - it is acquired principally for the purpose of selling it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by VNDIRECT as at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognised at cost which are the purchase prices of the financial assets (for unlisted securities) or at order matching prices on the Stock Exchanges (for listed securities).

Prior to 1 January 2017, financial assets at fair value through profit or loss are stated at cost less allowance for diminution in the value of financial assets.

Effective from 1 January 2017, financial assets at fair value through profit or loss are measured at fair value with the gain or loss arising from the changes in fair value being recognised in profit or loss in the statement of income.

For the securities listed on the Stock Exchanges, the fair values are the closing prices at the latest trading date prior to the reporting date.

For the securities already registered for trading (shares registered in Upcom), fair values are the closing prices at the latest trading date prior to the reporting date.

For the securities which are unlisted and not yet registered for trading, fair value is the average price of transaction prices at the latest trading date prior to the reporting date but within one month from the reporting date provided by three securities companies which are not related to VNDIRECT. In case there were no transaction prices within this period, these securities are stated at cost.

For delisted securities and securities for which trading has been suspended or cancelled from the 6th day onwards, fair value shall be the book value at the latest balance sheet date.

For the investments in equity instruments, including derivatives to be settled by equity instruments are stated at cost if there are no quoted prices and their fair values cannot be determined reliably.

(e) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that VNDIRECT has the positive intention and ability to hold to maturity, other than:

- those that VNDIRECT on initial recognition designates as at fair value in the statement of income;
- those that VNDIRECT designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Held-to-maturity investments are recognised initially at cost which includes purchase prices plus (+) transaction costs which are directly attributable to the purchase of such investments such as brokerage fee, transaction fee, communication fee. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate less allowance for diminution in the value of financial assets (if any).

Financial assets shall be no longer classified as held-to-maturity investments if in the current period or in the most recent two financial years if a significant amount of held-to-maturity financial assets are reclassified or sold, unless the sales and reclassification meets either of the following conditions:

- Close to the maturity date, changes in the market interest rates do not cause material effect to the value of these financial assets;
- Such sales or reclassification is carried out after VNDIRECT has recovered a significant portion of the principal of these financial assets by or before the contractual payment date; or
- Such sales or reclassification is related to a special event beyond VNDIRECT's control and such event is unforeseeable.

(f) Available-for-sale financial assets

Available-for-sale financial assets are debt securities and equity instruments of other entities that are designated as available-for-sale or as remaining financial assets.

Available-for-sale investments are recognised initially at cost which includes purchase prices plus (+) transaction costs which are directly attributable to the purchase such as brokerage fee, transaction fee, communication fee.

Prior to 1 January 2017, available-for-sale financial assets are stated at cost less allowance for diminution in the value of financial assets.

Effective from 1 January 2017, available-for-sale financial assets are measured at fair value with the gain or loss arising from the changes in fair value being recognised in equity (other comprehensive income), except for impairment losses.

The fair values of available-for-sale financial assets are determined using the method as described in Note 4(d).

(g) Loans receivable

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans receivable of VNDIRECT comprise margin loans and advances to customers for the proceeds from selling securities.

Loans receivable are initially stated at cost and subsequently measured at amortised cost using the effective interest rate method, less allowance for doubtful debts made in accordance with accounting policy described in Note 4(h).

(h) Accounts receivable

Receivables from sales of financial assets and services rendered and other receivables are stated at cost less allowance for doubtful debts.

Allowance for doubtful debts is made based on the overdue status of debts or expected losses on undue debts which may occur when an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased.

Allowance for doubtful debts based on overdue status is made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by Ministry of Finance as follows:

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

For overdue debts, the Board of Management also assesses the expected recovery of the debts in determining the allowance.

Allowance for doubtful debts based on the expected losses of undue debts is determined by the Board of Management after giving consideration to the recovery of these debts.

(i) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul cost, is charged to the consolidated statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) **Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- | | |
|----------------------------|--------------|
| ▪ Buildings and structures | 10 years |
| ▪ Office equipment | 3 – 10 years |
-

(j) **Intangible fixed assets**

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 10 years.

(k) **Construction in progress**

Construction in progress represents the cost of construction and software development which has not been completed. No depreciation is provided for construction in progress during the period of construction.

(l) **Goodwill**

Goodwill arises on the acquisition of subsidiaries. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over VNDIRECT's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 10 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as the Board of Management determines that it is not fully recoverable.

(m) **Trade and other payables**

Trade and other payables are stated at their cost.

(n) **Provisions**

A provision is recognised if, as a result of a past event, VNDIRECT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(o) **Bonds issued**

Straight bonds

At initial recognition, straight bonds are measured at cost which comprises proceed from issuance net of issuance costs.

(p) Share capital

(i) Ordinary shares

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(ii) Share premium

When share capital is contributed by shareholders, the difference between the issue price and the par value of shares is recognised in the share premium account under equity section.

(iii) Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

(q) Statutory reserves

(i) The parent company

The Company allocates realised profits to statutory reserves annually in accordance with Circular No. 146/2014/TT-BTC dated 6 October 2014 (“Circular 146”) of the Ministry of Finance as follows:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	10% share capital
Financial and operational risk reserve	5% of profit after tax	10% share capital

The reserve to supplement charter capital is used to supplement share capital as determined by the Shareholders.

The purpose of the financial reserve is to cover the remaining losses/damages incurred during the normal course of business after such losses/damages have been covered by the compensation paid by the individual or organisation who caused them.

These statutory reserves are non-distributable and are classified as part of owners’ equity.

(ii) The subsidiary

In accordance with Circular 146, the subsidiary is required to allocate statutory reserves in accordance with the requirements applicable to the parent company as described above.

(r) Revenue and other income

(i) Gains/losses from sales of financial assets

Gains/losses from sales of financial assets is recognised in the consolidated statement of income upon receipt of the matching order reports of securities trading transactions from Vietnam Securities Depository (“VSD”) (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

(ii) *Dividend and interest income from financial assets*

Dividend income recognised in the consolidated statement of income when VNDIRECT's right to receive dividends is established. Dividend is not recognised in respect of the shares traded from the ex-rights date.

In respect of share dividends, VNDIRECT only recognises the number of the shares and no dividend income is recognised.

Interest income is recognised in the consolidated statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(iii) *Revenue from securities brokerage*

Revenue from securities brokerage activities is recognised in the consolidated statement of income when the securities transactions of the customer have been processed.

(iv) *Revenue from securities investment advisory*

Revenue from securities investment advisory activities is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to work performed.

(v) *Revenue from securities custody*

Revenue from securities custodian service is recognised in the consolidated statement of income when services are rendered.

(vi) *Revenue from portfolio management activities*

Revenue from management of securities investment funds and investment portfolios including management fees are recognised to the consolidated statement of income on an accrual basis in accordance with the terms and conditions of investment management contracts, and if it is probable that the future economic benefits will flow to VNDIRECT and the revenue can be measured reliably.

(s) *Operating lease payments*

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

(t) *Interest expense*

Interest expense is recognised in the consolidated statement of income on accrual basis.

(u) *Taxation*

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Basic earnings per share

VNDIRECT presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period.

(w) Segment reporting

A segment is a distinguishable component of VNDIRECT that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. VNDIRECT's primary format for segment reporting is based on business segments.

(x) Related parties

Parties are considered to be related to VNDIRECT if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where VNDIRECT and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(y) Nil balances

Items or balances required by Circular 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance that are not shown in these consolidated interim financial statements indicate nil balances.

5. Financial risk management

(a) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk;

This note presents information about VNDIRECT's exposure to each of the above risks, VNDIRECT's objectives, policies and processes for measuring and managing risk.

The Company Supervisory Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management policies in relation to the risks faced by VNDIRECT.

(b) Risk management framework

The Board of Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee regularly reports to the Board of Management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Supervisory Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Supervisory Board.

(c) Credit risk

Credit risk is the risk of financial loss to VNDIRECT if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from VNDIRECT's loans and receivables from customers, held-to-maturity investments and available-for-sale debt securities.

To manage the level of credit risk, VNDIRECT attempts to deal with counterparties of good credit standing, and when appropriate, obtains collaterals for other receivables. The management has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard terms and conditions are offered.

Concentrations of credit risk that arise from groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise from type of customer in relation to VNDIRECT's advances to customers for the proceeds from selling securities and margin loans.

Exposure to credit risk

The total carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	30/6/2017 VND	31/12/2016 VND
Cash and cash equivalents	(i)	167,095,217,671	256,958,791,274
Held-to-maturity investments	(i)	3,022,503,911,666	1,710,500,000,000
Loans receivable	(ii)	2,595,979,395,330	1,911,798,465,127
Available-for-sale debt securities	(iii)	833,017,853,999	523,468,216,861
Accounts receivable	(ii)	87,617,930,350	67,716,816,730
Other financial assets		36,759,593,970	58,156,514,417
		6,742,973,902,986	4,528,598,804,409

(i) *Cash and cash equivalents and held-to-maturity investments*

The cash and cash equivalents and held-to-maturity investments of VNDIRECT are mainly held with well-known financial institutions. The Board of Management does not foresee any significant credit risk from these deposits and does not expect that these financial institutions may default and cause losses to VNDIRECT.

(ii) *Loans receivable and other receivables*

VNDIRECT's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, the Board of Management of the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit purchase limit is established for each customer, which represents the maximum open amount without requiring approval from the Chief Executive Officer. The limit is reviewed annually. Debtors with overdue balances are requested to settle the balances before further credit is granted. The Board of Management also requests collaterals based on its assessment of credit risk for each customer. Collaterals generally accepted are deposits and securities. The Board of Management monitors the market value of collaterals and requests more collaterals on the basis of agreements, and monitors the market value of collaterals when considering the adequacy of allowance for doubtful debts.

Loans receivable and other receivables that are neither past due nor impaired mainly relate to a wide range of customers for whom there was no recent history of default. The Board of Management believes that those receivables are of high credit quality.

The aging of financial assets that were impaired is as follows:

	30/6/2017 VND	31/12/2016 VND
Loans receivable that are overdue for 3 years or more	75,808,243,913	75,808,243,913
Receivables that are overdue for 3 years or more	4,072,302,429	4,072,302,429
	79,880,546,342	79,880,546,342

(iii) Available-for-sale debt securities

The VNDIRECT limits credit risk by only investing in government bonds or debt securities issued by economic entities with high credit rating.

(d) Liquidity risk

Liquidity risk is the risk that VNDIRECT will not be able to meet its financial obligations as they fall due. VNDIRECT's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to VNDIRECT's reputation.

The financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

VNDIRECT Securities Joint Stock Company
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017
(continued)

Form B05 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

As at 30 June 2017

	Carrying amount VND	Contractual cash flows VND	Within one year VND
Current liabilities			
Short-term borrowings	4,496,450,304,747	4,518,370,953,656	4,518,370,953,656
Accounts payable for securities trading activities	844,913,823,635	844,913,823,635	844,913,823,635
Accounts payable to suppliers	531,005,366	531,005,366	531,005,366
Advances from customers	1,346,025,271	1,346,025,271	1,346,025,271
Accrued expenses	33,522,231,615	33,522,231,615	33,522,231,615
Short-term deposits and collaterals received	17,692,791,052	17,692,791,052	17,692,791,052
Other financial liabilities	848,255,855	848,255,855	848,255,855
Long-term liabilities			
Long-term bonds issued	89,300,000,000	91,616,100,000	91,616,100,000
	5,484,604,437,541	5,508,841,186,450	5,508,841,186,450

As at 31 December 2016

	Carrying amount VND	Contractual cash flows VND	Within one year VND
Current liabilities			
Short-term borrowings	2,613,806,976,714	2,622,972,998,042	2,622,972,998,042
Accounts payable for securities trading activities	472,546,426,921	472,546,426,921	472,546,426,921
Accounts payable to suppliers	588,024,693	588,024,693	588,024,693
Advances from customers	844,691,201	844,691,201	844,691,201
Accrued expenses	8,440,117,883	8,440,117,883	8,440,117,883
Other financial liabilities	964,505,522	964,505,522	964,505,522
Long-term liabilities			
Long-term bonds issued	94,300,000,000	99,162,200,000	99,162,200,000
	3,191,490,742,934	3,205,518,964,262	3,205,518,964,262

VNDIRECT manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term investments and maintaining several bank facilities.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect VNDIRECT's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

At the reporting date the interest rate profile of VNDIRECT's interest-bearing financial instruments is as follows:

	Carrying amount	
	30/6/2017	31/12/2016
	VND	VND
Fixed rate instruments		
<i>Financial assets</i>		
Cash in banks and cash equivalents	167,095,217,671	256,958,791,274
Held-to-maturity investments	3,022,503,911,666	1,710,500,000,000
Loans receivable	2,595,979,395,330	1,911,798,465,127
Available-for-sale debt securities	833,017,853,999	523,468,216,861
Payment to Clearing Fund for derivative transactions	15,000,000,000	-
Deposits at Payment Support Fund	20,000,000,000	18,257,761,747
<i>Financial liabilities</i>		
Short-term borrowings	(4,496,450,304,747)	(2,613,806,976,714)
Long-term bonds issued	(89,300,000,000)	(94,300,000,000)

(ii) Equity price risk

Equity price risk is the risk that the market values of equities decrease as a result of changes in the values of individual securities. The equity price risk exposure arises from VNDIRECT's financial assets at fair value through profit or loss.

Financial assets at FVTPL of VNDIRECT are affected by market price risk arising from the uncertainty in the fluctuation of the future market value of these securities. Market price risk is managed by diversifying the investment portfolio and careful selection of securities within specified limits.

As at 30 June 2017, market value of listed shares of VNDIRECT was VND864.4 billion. Had the market value of these securities increased or decreased by 10% as at 30 June 2017, assuming that all other variables remained constant, profit after tax of VNDIRECT would have increased or decreased by VND69.2 billion (31/12/2016: 8%, increased by VND5.4 billion or decreased by VND10.4 billion).

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at 30 June 2017 and 31 December 2016, VNDIRECT was not exposed to any currency risk because VNDIRECT did not have any exposures to currencies other than VND, VNDIRECT's accounting currency.

6. Segment reporting

(a) Business segment

VNDIRECT comprises the following main business segments:

- **Brokerage:** Securities brokerage activities for customers, securities investment, advisory and custodian services.
- **Securities trading:** Securities trading activities of VNDIRECT.
- **Treasury:** Granting margin loans and advances to customers for the proceeds from selling securities and deposits at banks.

VNDIRECT Securities Joint Stock Company
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017
(continued)

Form B05 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Brokerage		Securities trading		Treasury activities		Total	
	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Operating revenue								
- Gains from financial assets at FVTPL	-	-	272,359,730,597	89,890,086,114	-	-	272,359,730,597	89,890,086,114
- Interest income from held-to-maturity investments	-	-	-	-	91,806,989,584	66,757,489,136	91,806,989,584	66,757,489,136
- Interest income from loans and receivables	-	-	-	-	147,655,322,444	90,509,355,202	147,655,322,444	90,509,355,202
- Gains from available-for-sale financial assets	-	-	29,862,664,672	84,757,223	-	-	29,862,664,672	84,757,223
- Revenue from securities brokerage	138,609,999,298	84,769,575,945	-	-	-	-	138,609,999,298	84,769,575,945
- Revenue from securities underwriting services	5,306,509,646	-	-	-	-	-	5,306,509,646	-
- Revenue from securities investment advisory services	2,123,113,998	2,091,196,371	-	-	-	-	2,123,113,998	2,091,196,371
- Revenue from securities custody	3,438,871,478	3,153,853,591	-	-	-	-	3,438,871,478	3,153,853,591
- Other operating income	438,987,252	-	-	-	457,551,380	3,001,766,883	896,538,632	3,001,766,883
- Financial income	-	-	-	-	4,173,372,730	2,476,694,730	4,173,372,730	2,476,694,730
Total segment revenue	149,917,481,672	90,014,625,907	302,222,395,269	89,974,843,337	244,093,236,138	162,745,305,951	696,233,113,079	342,734,775,195

VNDIRECT Securities Joint Stock Company
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017
(continued)

Form B05 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Brokerage		Securities trading		Treasury activities		Total	
	Six-month period ended 30/6/2017	Six-month period ended 30/6/2016	Six-month period ended 30/6/2017	Six-month period ended 30/6/2016	Six-month period ended 30/6/2017	Six-month period ended 30/6/2016	Six-month period ended 30/6/2017	Six-month period ended 30/6/2016
	VND	VND	VND	VND	VND	VND	VND	VND
Direct expenses								
- <i>Losses from financial assets at FVTPL</i>	-	-	(50,381,075,684)	(24,824,241,691)	-	-	(50,381,075,684)	(24,824,241,691)
- <i>Allowance made for financial assets and doubtful debts</i>	-	-	-	-	(5,160,662,345)	(11,168,717,741)	(5,160,662,345)	(11,168,717,741)
- <i>Expenses for securities brokerage</i>	(65,857,090,374)	(50,504,591,351)	-	-	-	-	(65,857,090,374)	(50,504,591,351)
- <i>Expenses for investment advisory services</i>	(546,818,357)	(4,000,000)	-	-	-	-	(546,818,357)	(4,000,000)
- <i>Expenses for securities custody</i>	(5,010,357,046)	(4,307,565,994)	-	-	-	-	(5,010,357,046)	(4,307,565,994)
- <i>Interest expense</i>	-	-	-	-	(97,453,738,821)	(51,000,005,239)	(97,453,738,821)	(51,000,005,239)
Total expenses	(71,414,265,777)	(54,816,157,345)	(50,381,075,684)	(24,824,241,691)	(102,614,401,166)	(62,168,722,980)	(224,409,742,627)	(141,809,122,016)
Segment results	78,503,215,895	35,198,468,562	251,841,319,585	65,150,601,646	141,478,834,972	100,576,582,971	471,823,370,452	200,925,653,179
Unallocated expenses							(108,930,655,376)	(89,168,437,093)
Results from operating activities							362,892,715,076	111,757,216,086

VNDIRECT Securities Joint Stock Company
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017
(continued)

Form B05 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Brokerage		Securities trading		Treasury activities		Total	
	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended	Six-month period ended
	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	VND	VND	VND	VND	VND	VND	VND	VND
Other income							338,575,439	70,238,717
Other expenses							(7,973,858)	(3,115,483,850)
Income tax expenses							(67,034,963,953)	(15,250,571,908)
Net profit after tax							296,188,352,704	93,461,399,045
	Brokerage		Securities trading		Treasury activities		Total	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
	VND	VND	VND	VND	VND	VND	VND	VND
Segment assets	7,500,000,000	7,500,000,000	1,839,075,895,791	1,071,374,532,892	5,757,994,773,916	3,799,595,761,803	7,604,570,669,707	4,878,470,294,695
Unallocated assets							162,617,382,926	295,622,548,164
Total assets							7,767,188,052,633	5,174,092,842,859
Segment liabilities	10,131,097,064	5,929,339,020	844,913,823,635	472,546,426,921	4,710,860,950,474	2,747,353,575,675	5,565,905,871,173	3,225,829,341,616
Total liabilities							5,565,905,871,173	3,225,829,341,616

(b) Geographical segment

All business activities of VNDIRECT are carried out in Vietnam.

7. Business combination

During 2016, VNDIRECT Securities Joint Stock Company carried out procedures to receive all of contributed capital in I.P.A Securities Investment Fund Management Limited Company (“IPAAM”), a fund management company incorporated in Vietnam. On 26 December 2016, the State Securities Commission of Vietnam issued Official Letter No. 1436/QD-UBCK approving for the above-mentioned capital transfer. As at 31 December 2016, the Company signed Capital Transfer Contract No. 02/2016/HDCN with I.P.A Investments Group Joint Stock Company to receive all of its contributed capital in I.P.A Securities Investment Fund Management Limited Company at the transfer price of VND110 billion. On 4 January 2017, the Company completed the transfer procedures and effectively owned 100% of IPAAM.

For the period from 4 January 2017 to 30 June 2017, the acquired business contributed profit after tax of VND3,856 million to VNDIRECT’s results of operations.

The acquisition had the following effect on the VNDIRECT’s assets and liabilities on acquisition date:

	Pre-acquisition carrying amounts VND	Fair value adjustments VND	Recognised value on acquisition VND
Cash and cash equivalents	20,145,731,995	-	20,145,731,995
Financial assets at fair value through profit or loss	34,628,987,086	42,070,651,914	76,699,639,000
Accounts receivable – short-term	1,468,486,231	-	1,468,486,231
Other current assets	119,576,375	-	119,576,375
Other long-term assets	218,821,280	-	218,821,280
Current liabilities	(4,432,634,380)	-	(4,432,634,380)
Net identifiable assets	52,148,968,587	42,070,651,914	94,219,620,501
Goodwill on acquisition			15,780,379,499
Considerations paid			110,000,000,000
Cash and cash equivalents acquired			(20,145,731,995)
Net cash outflow			89,854,268,005

8. Cash and cash equivalents

	30/6/2017 VND	31/12/2016 VND
Cash in banks for VNDIRECT’s activities	145,035,999,380	173,902,030,786
Deposits for clearance and settlement of securities transactions	59,218,291	56,760,488
Cash equivalents (*)	22,000,000,000	83,000,000,000
	167,095,217,671	256,958,791,274

(*) These balances represent term deposits at banks with original terms to maturities ranging from 1 to 3 months and earning annual interest rates ranging from 5% to 5.3% (31/12/2016: from 5% to 5.5%).

9. Volume and value of transactions during the period

	Six-month period ended 30/6/2017		Six-month period ended 30/6/2016	
	Volume of transactions	Value of transactions VND	Volume of transactions	Value of transactions VND
Of VNDIRECT				
Shares	117,783,688	14,912,148,872,548	82,301,652	1,831,888,138,311
Bonds	140,599,667	20,339,648,876,812	93,863,292	16,646,290,372,458
Of investors/customers				
Shares	4,496,501,068	69,985,860,844,360	3,151,453,240	45,133,277,814,000
Bonds	333,932,792	5,376,250,308,822	401,640	34,139,200,000
Other securities	81,130	1,344,144,200	40,800	374,696,000
		110,615,253,046,742		63,645,970,220,769

10. Financial assets

(a) Financial assets at fair value through profit or loss

	30/6/2017		31/12/2016	
	Cost VND	Fair value VND	Cost VND (Reclassified)	Fair value VND
Shares (i)	958,393,300,518	1,091,170,285,807	629,374,662,053	659,293,766,570

- (i) At 30 June 2017, 14,164,595 PTI shares and 964,481 HOT shares with a total carrying amount of VND418,780 million (31/12/2016: 14,164,595 PTI shares and 964,481 HOT shares with a total carrying amount of VND309,219 million) were pledged with banks as security for loans granted to VNDIRECT (Note 22).

(b) Held-to-maturity investments

	30/6/2017		31/12/2016	
	Cost VND	Fair value VND	Cost VND (Reclassified)	Fair value VND
Deposits with remaining term to maturity				
- From over 3 months to 1 year	2,964,003,911,666	(*)	1,630,500,000,000	(*)
- Over 1 year	58,500,000,000	(*)	80,000,000,000	(*)
	3,022,503,911,666	(*)	1,710,500,000,000	(*)

VNDIRECT Securities Joint Stock Company
Notes to the consolidated interim financial statements
for the six-month period ended 30 June 2017
(continued)

Form B05 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

As at 30 June 2017, these term deposits earn annual interest rates ranging from 6.1% to 9.3% (31/12/2016: from 5.5% to 7.3%). Included in these term deposits was VND515,200 million which was pledged with banks as security for loans granted to VNDIRECT (31/12/2016: VND240,800 million) (Note 22).

(c) Loans receivable

	30/6/2017		31/12/2016	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Margin loans	2,473,460,000,000	(*)	1,851,910,000,000	(*)
Advances to customers for the proceeds from selling securities	122,519,395,330	(*)	59,888,465,127	(*)
	2,595,979,395,330	(*)	1,911,798,465,127	(*)

(d) Available-for-sale financial assets

	30/6/2017		31/12/2016	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Equity securities	7,500,000,000	(*)	7,500,000,000	(*)
Government bonds				
(ii)	825,652,000,000	825,652,000,000	456,075,000,000	(*)
Corporate bonds	7,365,853,999	7,365,853,999	67,393,216,861	(*)
	840,517,853,999	(*)	530,968,216,861	(*)

(ii) As at 30 June 2017, these government bonds were pledged with banks as security for loans granted to VNDIRECT (31/12/2016: nil) (Note 22).

(*) VNDIRECT has not determined fair values of these financial instruments for disclosure in the consolidated interim financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and accounting guidance for securities companies. The fair values of these financial instruments may differ from their carrying amounts.

11. Movements in fair values of financial assets measured at fair value

	Quantity	30/6/2017		Revaluation differences for the current period		Revaluation value
		Cost VND (1)	Fair value VND (2)	Gains VND (3)=(2)-(1)	Losses VND (4)=(1)-(2)	VND (5)=(1)+(3)-(4)
I Financial assets at FVPTL						
<i>Listed shares</i>						
PTI	14,165,425	282,229,913,982	388,132,645,000	105,902,731,018	-	388,132,645,000
PTI	2,589,341	75,090,889,000	70,947,943,400	-	4,142,945,600	70,947,943,400
BID	4,946,390	97,433,549,140	100,906,356,000	3,472,806,860	-	100,906,356,000
SHB	5,590,924	41,244,851,100	42,491,022,400	1,246,171,300	-	42,491,022,400
VGG	533,700	33,583,670,000	32,609,070,000	-	974,600,000	32,609,070,000
HOT	964,481	27,005,468,000	30,670,495,800	3,665,027,800	-	30,670,495,800
ACB	770,388	20,055,958,728	19,953,049,200	-	102,909,528	19,953,049,200
PNJ	160,949	14,194,820,505	16,384,608,200	2,189,787,695	-	16,384,608,200
HPG	490,359	15,064,860,289	15,691,488,000	626,627,711	-	15,691,488,000
FPT	297,279	11,816,306,422	13,927,521,150	2,111,214,728	-	13,927,521,150
BMI	459,289	11,829,497,460	12,906,020,900	1,076,523,440	-	12,906,020,900
Others	4,816,081	111,552,202,105	119,812,299,181	12,486,094,737	4,225,997,661	119,812,299,181
<i>Listed fund certificates</i>						
<i>EISSHN30</i>	100,000	919,700,000	919,700,000	-	-	919,700,000
<i>Unlisted shares</i>						
ABB	17,574,123	170,489,057,266	82,844,415,822	-	87,644,641,444	82,844,415,822
Others	3,460,748	45,882,556,521	45,874,247,186	-	8,309,335	45,874,247,186
	56,919,477	958,393,300,518	994,070,882,239	132,776,985,289	97,099,403,568	994,070,882,239

11. Movements in fair values of financial assets measured at fair value (continued)

	Quantity	30/6/2017		Revaluation differences for the current period		Revaluation value
		Cost VND (1)	Fair value VND (2)	Gains VND (3)=(2)-(1)	Losses VND (4)=(1)-(2)	VND (5)=(1)+(3)-(4)
II Available-for-sale financial assets						
Government bonds	8,000,000	825,652,000,000	825,652,000,000	-	-	825,652,000,000
Corporate bonds	5,272	7,365,853,999	7,365,853,999	-	-	7,365,853,999
Other financial investments	750,000	7,500,000,000	7,500,000,000	-	-	7,500,000,000
	8,755,272	840,517,853,999	840,517,853,999	-	-	840,517,853,999

12. Allowance for diminuation in value of financial assets

Six-month period ended 30/6/2017	30/6/2017				31/12/2016	Allowance made/(reversed) during the period
	Quantity	Cost	Market value/ Recoverable amount	Allowance	Allowance	
		VND	VND	VND	VND	VND
I Financial assets at FVPTL						
<i>Listed shares</i>						
VGG	533,700	33,583,670,000	32,609,070,000	974,600,000	-	974,600,000
ACB	770,388	20,055,958,728	19,953,049,200	102,909,528	1,871,928	101,037,600
NTC	318,600	16,441,700,000	14,305,140,000	2,136,560,000	-	2,136,560,000
SD9	380,095	5,128,536,877	3,116,779,000	2,011,757,877	3,996,246,877	(1,984,489,000)
PHR	125,000	4,364,992,500	4,362,500,000	2,492,500	-	2,492,500
PTI	2,589,341	75,090,889,000	70,947,943,400	4,142,945,600	-	4,142,945,600
Others	11,336	193,517,185	118,329,901	75,187,284	7,678,856,586	(7,603,669,302)
<i>Unlisted shares</i>						
ABB	17,574,123	170,489,057,266	82,844,415,822	87,644,641,444	87,890,679,166	(246,037,722)
Others	735	8,309,335	-	8,309,335	10,175,165	(1,865,830)
	22,303,318	325,356,630,891	228,257,227,323	97,099,403,568	99,577,829,722	(2,478,426,154)
III Loans receivable	-	2,595,979,395,330	2,501,101,028,440	94,878,366,890	89,717,704,545	5,160,662,345
				191,977,770,458	189,295,534,267	2,682,236,191

12. Allowance for diminuation in value of financial assets (continued)

Six-month period ended 30/6/2016	30/6/2016			31/12/2015	Allowance made/(reversed) during the period VND
	Quantity	Cost VND	Market value/ Recoverable amount VND	Allowance VND	
I Financial assets at FVPTL					
<i>Listed shares</i>					
PTI	14,164,595	282,211,184,202	396,608,660,000	-	-
HOT	964,481	27,005,468,000	23,629,784,500	3,375,683,500	1,446,721,500
CII	500,102	13,048,418,880	13,152,682,600	-	332,060 (332,060)
SD9	649,639	9,817,006,877	7,925,595,800	1,891,411,077	519,711,200
HAH	212,700	8,949,183,700	8,422,920,000	526,263,700	526,263,700
APC	389,505	7,479,122,500	6,933,189,000	545,933,500	257,653,500
HPG	187,534	7,248,067,439	7,426,346,400	-	354,242,109 (354,242,109)
NT2	212,999	6,922,694,700	7,391,065,300	-	-
KBC	340,020	4,966,836,230	5,270,310,000	-	-
VNM	141	3,131,347,944	19,881,000	3,111,466,944	18,717,760
Others	2,350,015	33,352,703,699	33,279,358,800	972,068,211	5,812,787,162 (4,840,718,951)
<i>Listed fund certificates</i>					
E1SSHN30	100,000	919,700,000	950,000,000	-	-

12. Allowance for diminuation in value of financial assets (continued)

Six-month period ended 30/6/2016	30/6/2016			31/12/2015	Allowance made/(reversed) during the period	
	Quantity	Cost	Market value/ Recoverable amount	Allowance		
		VND	VND	VND	VND	
<i>Unlisted shares</i>						
ABB	15,761,118	170,489,057,266	86,166,032,106	84,323,025,160	75,922,349,266	8,400,675,894
VIB	1,711,800	17,118,000,000	17,118,000,000	-	-	-
Lien Viet Post Commercial Joint Stock Bank	1,307,205	4,886,025,000	4,886,025,000	-	-	-
Others	608	8,182,683	-	8,182,683	58,976,333,818	(58,968,151,135)
		597,552,999,120	619,179,850,506	94,754,034,775	147,747,735,476	(52,993,700,701)
II Loans receivable		1,489,162,365,578	1,402,255,651,895	86,906,713,683	75,737,995,942	11,168,717,741
		2,086,715,364,698	2,021,435,502,401	181,660,748,458	223,485,731,418	(41,824,982,960)

13. Dividends and interest receivables from financial assets

	30/6/2017	31/12/2016
	VND	VND
Dividends receivable	3,127,209,200	77,775,700
Interest receivables from term deposits at banks	35,416,307,853	10,056,209,947
Interest receivables from bonds	108,214,444	-
Interest receivables from loans	31,878,308,286	27,970,925,797
	<hr/>	<hr/>
	70,530,039,783	38,104,911,444
	<hr/>	<hr/>

14. Allowance for doubtful debts

Six-month period ended 30/6/2017	Cost	Cost	Allowance	Allowance	Allowance
	30/6/2017 VND	31/12/2016 VND	30/6/2017 VND	31/12/2016 VND	made/(reversed) during the period VND
Allowance for doubtful debts					
<i>Receivables from ex-employees</i>	1,963,775,333	1,963,775,333	1,963,775,333	1,963,775,333	-
<i>Others</i>	2,108,527,096	2,108,527,096	2,108,527,096	2,108,527,096	-
	4,072,302,429	4,072,302,429	4,072,302,429	4,072,302,429	-
Six-month period ended 30/6/2016	Cost	Cost	Allowance	Allowance	Allowance
	30/6/2016 VND	31/12/2015 VND	30/6/2016 VND	31/12/2015 VND	made/(reversed) during the period VND
Allowance for doubtful debts					
<i>Receivables from ex-employees</i>	1,963,775,333	1,963,775,333	1,963,775,333	1,963,775,333	-
<i>Others</i>	1,799,352,891	1,558,527,096	1,558,527,096	1,558,527,096	-
	3,763,128,224	3,522,302,429	3,522,302,429	3,522,302,429	-

15. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2017	31/12/2016
	VND	VND
Office rental	2,343,858,957	1,351,714,269
Software expenses	1,735,437,555	2,948,645,096
Others	1,423,965,541	1,535,419,235
	<hr/>	<hr/>
	5,503,262,053	5,835,778,600
	<hr/> <hr/>	<hr/> <hr/>

(b) Long-term prepaid expenses

	Six-month period	Six-month period
	ended 30/6/2017	ended 30/6/2016
	VND	VND
Opening balance	7,144,232,309	7,606,814,449
Additions	1,250,299,735	2,329,679,760
Amortisation for the period	(2,946,746,048)	(2,303,672,512)
Reclassification to short-term prepaid expenses	(262,959,254)	-
	<hr/>	<hr/>
Closing balance	5,184,826,742	7,632,821,697
	<hr/> <hr/>	<hr/> <hr/>

16. Tangible fixed assets

Six-month period ended 30/6/2017

	Buildings and structures VND	Office equipment VND	Total VND
Cost			
Opening balance	23,167,828,527	70,878,935,727	94,046,764,254
Additions	1,016,728,485	907,402,200	1,924,130,685
Disposals	-	(2,404,371,389)	(2,404,371,389)
Closing balance	24,184,557,012	69,381,966,538	93,566,523,550
Accumulated depreciation			
Opening balance	6,505,834,637	46,681,945,563	53,187,780,200
Charge for the period	1,167,017,908	3,579,790,911	4,746,808,819
Disposals	-	(2,404,371,389)	(2,404,371,389)
Closing balance	7,672,852,545	47,857,365,085	55,530,217,630
Net book value			
Opening balance	16,661,993,890	24,196,990,164	40,858,984,054
Closing balance	16,511,704,467	21,524,601,453	38,036,305,920

Six-month period ended 30/6/2016

	Buildings and structures VND	Office equipment VND	Total VND
Cost			
Opening balance	22,213,716,158	66,885,353,709	89,099,069,867
Additions	167,628,450	799,953,000	967,581,450
Closing balance	22,381,344,608	67,685,306,709	90,066,651,317
Accumulated depreciation			
Opening balance	4,277,474,745	40,121,993,665	44,399,468,410
Charge for the period	1,096,119,187	3,174,485,899	4,270,605,086
Closing balance	5,373,593,932	43,296,479,564	48,670,073,496
Net book value			
Opening balance	17,936,241,413	26,763,360,044	44,699,601,457
Closing balance	17,007,750,676	24,388,827,145	41,396,577,821

Included in tangible fixed assets were assets costing VND27.4 billion which were fully depreciated as at 30 June 2017 (31/12/2016: VND28.4 billion), but which are still in active use.

17. Intangible fixed assets

	Software	
	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Cost		
Opening balance	66,725,200,461	60,537,955,633
Additions	1,241,899,080	2,196,500,000
Closing balance	67,967,099,541	62,734,455,633
Accumulated amortisation		
Opening balance	43,411,922,925	33,927,467,812
Charge for the period	4,661,850,114	4,842,248,977
Closing balance	48,073,773,039	38,769,716,789
Net book value		
Opening balance	23,313,277,536	26,610,487,821
Closing balance	19,893,326,502	23,964,738,844

Included in intangible fixed assets were assets costing VND10.5 billion which were fully amortised as at 30 June 2017 (31/12/2016: VND9.7 billion), but which are still in active use.

18. Construction in progress

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Opening balance	2,500,000,000	543,000,000
Additions	-	1,914,593,636
Closing balance	2,500,000,000	2,457,593,636

19. Deposits at Payment 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 annual contribution of 0.01% of the total value of brokered securities, which are listed and registered for transactions in the Stock Exchanges in the previous year with the maximum of annual contribution of VND2.5 billion to the Payment Support Fund.

Movements of deposits at Payment Support Fund during the period were as follows:

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Opening balance	18,257,761,747	15,757,761,747
Interest during the period	1,036,480,070	923,612,229
Additional contribution	705,758,183	1,576,387,771
	<hr/>	<hr/>
Closing balance	20,000,000,000	18,257,761,747
	<hr/> <hr/>	<hr/> <hr/>

20. Other long-term assets

	30/6/2017 VND	31/12/2016 VND
Deposits for purchase of real estates	30,000,000,000	30,000,000,000
Payment to Clearing Fund for derivative transactions (i)	15,000,000,000	-
	<hr/>	<hr/>
	45,000,000,000	30,000,000,000
	<hr/> <hr/>	<hr/> <hr/>

- (i) On 20 June 2017, the Company officially became a general clearing member at the Vietnam Securities Depository. Accordingly, the Company is qualified for providing derivatives clearing and settlement services under Decision 97/QĐ-VSD dated 23 March 2017 of the Vietnam Securities Depository (“Decision 97”). In accordance with Decision 97, the Company made an initial deposit of VND15 billion to the Clearing Fund for derivative transactions (“the Clearing Fund”). On monthly basis, the Vietnam Securities Depository reviews the Clearing Fund and reevaluates the value of the assets contributed to determine the contribution obligations of clearing members.

21. Goodwill

	Six-month period ended 30/6/2017 VND
Cost	
Opening balance	-
Additions	15,780,379,499
	<hr/>
Closing balance	15,780,379,499
	<hr/>
Accumulated amortisation	
Opening balance	-
Charge for the period	769,563,713
	<hr/>
Closing balance	769,563,713
	<hr/>
Net book value	
Opening balance	-
Closing balance	15,010,815,786
	<hr/> <hr/>

22. Short-term borrowings

	30/6/2017 VND	31/12/2016 VND
Borrowings from banks	4,496,450,304,747	2,613,806,976,714
	<hr/>	

As at 30 June 2017, these borrowings were secured by term deposits at banks of VNDIRECT amounting to VND515,200 million, listed shares amounting to VND418,780 million and government bonds amounting to VND825,652 million (31/12/2016: term deposits at banks of VNDIRECT amounting to VND240,800 million, listed shares amounting to VND309,219 million (Note 10).

These borrowings bore annual interest rates ranging from 1.3% to 8% (31/12/2016: from 2% to 7.9%).

23. Accounts payable for securities trading activities

	30/6/2017 VND	31/12/2016 VND
Payables to the Stock Exchanges	4,690,956,510	2,786,010,521
Payables for purchases of financial assets (i)	840,222,867,125	469,760,416,400
	844,913,823,635	472,546,426,921

(i) This payable amount was paid on T+2 date.

24. Taxes payable to State Treasury

Six-month period ended 30/6/2017

	Opening balance VND	Incurred VND	Paid VND	Closing balance VND
Corporate income tax	12,401,990,732	41,303,779,786	(35,112,742,996)	18,593,027,522
Personal income tax	6,535,694,713	46,548,723,316	(41,271,344,204)	11,813,073,825
Value added tax	123,392,485	452,818,471	(441,285,126)	134,925,830
Other taxes	-	3,000,000	(3,000,000)	-
	19,061,077,930	88,308,321,573	(76,828,372,326)	30,541,027,177

Six-month period ended 30/6/2016

	Opening balance VND	Incurred VND	Paid VND	Closing balance VND
Corporate income tax	4,019,749,392	18,365,358,757	(14,775,705,405)	7,609,402,744
Personal income tax	4,311,856,158	29,069,722,492	(28,291,242,726)	5,090,335,924
Value added tax	117,667,469	424,945,418	(461,063,435)	81,549,452
	8,449,273,019	47,860,026,667	(43,528,011,566)	12,781,288,120

25. Accrued expenses

	30/6/2017	31/12/2016
	VND	VND
Interest expense	31,733,343,851	5,775,565,657
Bonds interest	252,485,044	289,186,676
Others	1,536,402,720	2,375,365,550
	<hr/>	<hr/>
	33,522,231,615	8,440,117,883
	<hr/> <hr/>	<hr/> <hr/>

26. Bonus and welfare funds

This fund is established by appropriating profit after tax as approved by shareholders in the General Meeting of Shareholders. This fund is used to pay bonus and welfare to employees in accordance with the Company's policies. Movements of bonus and welfare funds during the period were as follows:

	Six-month period	Six-month period
	ended 30/6/2017	ended 30/6/2016
	VND	VND
Opening balance	1,752,381,129	-
Appropriation during the period (Note 29(b))	9,552,372,487	8,179,968,167
Utilisation during the period	(4,998,312,055)	(6,427,587,038)
	<hr/>	<hr/>
Closing balance	6,306,441,561	1,752,381,129
	<hr/> <hr/>	<hr/> <hr/>

27. Long-term bonds issued

In 2015, VNDIRECT issued 100,000 unsecured non-convertible bonds which had a term of two years, a fixed annual interest rate of 9.2% and par value of VND1,000,000/bond to supplement capital for margin loans granting, securities trading, securities underwriting, and mergers and acquisitions. During 2016, VNDIRECT early redeemed for 5,700 bonds with a par value of VND5,700,000,000.

28. Deferred tax liabilities

	30/6/2017		31/12/2016	
	Tax rate	VND	Tax rate	VND
<i>Recognised deferred tax liabilities/(assets)</i>				
Gains from revaluation of financial assets at FVTPL	20%	26,555,397,058	20%	-
Allowance for diminution in value of financial assets at FVTPL	20%	(829,389,120)	20%	-
		<hr/>		<hr/>
Net deferred tax liabilities		25,726,007,938		-
		<hr/>		<hr/>

29. Share capital

(a) Share capital

The Company's authorised and issued share capital are:

	30/6/2017		31/12/2016	
	Number of shares	Par value VND	Number of shares	Par value VND
Authorised and issued share capital	154,998,165	1,549,981,650,000	154,998,165	1,549,981,650,000
Treasury shares				
Ordinary shares	(10,000,380)	(100,003,800,000)	(7,458,680)	(74,586,800,000)
Shares in circulation				
Ordinary shares	144,997,785	1,449,977,850,000	147,539,485	1,475,394,850,000
		<hr/>		<hr/>

Each ordinary share has a par value of VND10,000 and is entitled to one vote at shareholders' 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. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

(b) Retained profits

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Opening balance	354,791,006,867	270,311,091,725
Profit after tax for the period	296,188,352,704	93,461,399,045
Allocation to bonus and welfare funds (Note 26)	(9,552,372,487)	(8,179,968,167)
Closing balance	641,426,987,084	355,592,522,603

30. Income from financial assets

(a) Gains from sales of financial assets at FVTPL

Six-month period ended 30/6/2017	Number of securities sold	Total sales proceeds VND	Total costs VND	Gains from sales of securities for the period VND
Listed shares	33,040,240	643,830,351,230	560,412,544,338	83,417,806,892
Unlisted shares	110,000	641,950,000	562,060,000	79,890,000
Listed bonds	37,358,222	4,556,800,250,551	4,549,521,478,895	7,278,771,656
Unlisted bonds	1,276,705	1,356,710,580,030	1,341,234,054,291	15,476,525,739
	71,785,167	6,557,983,131,811	6,451,730,137,524	106,252,994,287
Six-month period ended 30/6/2016	Number of securities sold	Total sales proceeds VND	Total costs VND	Gains from sales of securities for the period VND
Listed shares	15,764,230	434,259,328,481	409,433,334,657	24,825,993,824
Unlisted shares	6,000,000	14,157,000,000	13,380,000,000	777,000,000
Listed bonds	31,460,000	3,191,607,410,000	3,174,527,770,000	17,079,640,000
Unlisted bonds	11,445,172	2,442,840,871,244	2,431,187,317,214	11,653,554,030
	64,669,402	6,082,864,609,725	6,028,528,421,871	54,336,187,854

(b) Gains from revaluation of financial assets at FVTPL

Six-month period ended 30/6/2017	30/6/2017			31/12/2016	
	Cost	Fair value	Revaluation gain	Revaluation difference	Revaluation difference for the period
	VND	VND	VND	VND	VND
Listed shares	741,102,089,207	873,878,972,020	132,776,882,813	-	132,776,882,813
Listed fund certificates	919,700,000	919,700,000	-	-	-
Unlisted shares	216,371,511,311	216,371,613,787	102,476	-	102,476
	958,393,300,518	1,091,170,285,807	132,776,985,289	-	132,776,985,289

(c) Dividends and interest income from financial assets at FVTPL

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND (Reclassified)
Dividend income (Note 36)	33,329,751,021	35,553,898,260

(d) Interest income from held-to-maturity investments

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND (Reclassified)
Interest income from term deposits at banks	91,806,989,584	66,757,489,136

(e) Interest income from loans and receivables

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Interest income from margin loans	139,518,769,010	86,925,127,207
Interest income from advances to customers for the proceeds from selling securities	8,136,553,434	3,584,227,995
	147,655,322,444	90,509,355,202

(f) Gains from available-for-sale financial assets

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND (Reclassified)
Interest income from bonds	29,862,664,672	84,757,223

31. Losses from financial assets at FVTPL

(a) Losses from sales of financial assets at FVTPL

Six-month period ended 30/6/2017	Number of securities sold	Total sales proceeds VND	Total costs VND	Losses from sales of securities for the period VND
Listed shares	13,112,220	340,226,057,670	361,303,230,728	(21,077,173,058)
Unlisted shares	500,000	1,229,200,000	1,869,000,000	(639,800,000)
Listed bonds	27,088,230	3,672,086,890,000	3,673,641,373,600	(1,554,483,600)
Unlisted bonds	10,994,917	6,800,215,674,821	6,829,546,252,709	(29,330,577,888)
	51,695,367	10,813,757,822,491	10,866,359,857,037	(52,602,034,546)

VNDIRECT Securities Joint Stock Company
Notes to the consolidated interim financial statements
for the six-month period ended 30 June 2017
(continued)

Form B05 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

Six-month period ended 30/6/2016	Number of securities sold	Total sales proceeds	Total costs	Losses from sales of securities for the period
		VND	VND	VND
Listed shares	16,158,610	357,224,758,519	374,674,894,980	(17,450,136,461)
Unlisted shares	5,190,552	52,015,041,511	110,871,856,029	(58,856,814,518)
Listed bonds	11,445,172	155,457,500,000	155,480,000,000	(22,500,000)
Unlisted bonds	2,436,880	2,253,130,800,000	2,253,130,800,000	-
	35,231,214	2,817,828,100,030	2,894,157,551,009	(76,329,450,979)

(b) Reversal of allowance for diminuation in value of financial assets at FVTPL

	Six-month period ended 30/6/2017	Six-month period ended 30/6/2016
	VND	VND
Reversal of allowance for diminuation in value of financial assets at FVTPL (Note 12)	2,478,426,154	52,993,700,701

32. Allowance made for financial assets and doubtful debts

	Six-month period ended 30/6/2017	Six-month period ended 30/6/2016
	VND	VND
Allowance made for loans receivable (Note 12)	5,160,662,345	11,168,717,741

33. Dividends and interest income from demand deposits at banks

	Six-month period ended 30/6/2017	Six-month period ended 30/6/2016
	VND	VND
Interest income from demand deposits at banks	4,173,372,730	2,476,694,730

34. Interest expense

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Interest expense on bank loans and bonds issued	93,929,548,935	48,378,419,845
Interest expense on customers' deposits	3,524,189,886	2,621,585,394
	<hr/> 97,453,738,821	<hr/> 51,000,005,239

35. General and administration expenses

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Salary and related expenses	67,879,871,511	54,889,568,900
Depreciation and amortisation of fixed assets	9,408,658,933	9,112,854,063
Amortisation of goodwill	769,563,713	-
Stationery expenses	327,719,296	274,281,789
Tools and supplies	1,555,017,865	2,712,331,098
Outside services	20,776,539,875	15,964,966,440
Office rental	8,004,907,720	6,044,034,803
Taxes and fees	133,338,965	170,400,000
Other expenses	75,037,498	-
	<hr/> 108,930,655,376	<hr/> 89,168,437,093

36. Income tax

(a) Recognised in the consolidated statement of income

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Income tax expense - current		
Current period	41,308,956,015	15,250,571,908
Income tax expense – deferred		
Origination and reversal of temporary differences	25,726,007,938	-
Corporate income tax	67,034,963,953	15,250,571,908

(b) Income tax expense - current

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Accounting profit before tax	363,223,316,657	108,711,970,953
Tax at the Company's and its subsidiaries' tax rate	72,644,663,331	21,742,394,191
Effect of non-deductible expenses	1,885,639,946	618,957,369
Effect of tax exempt income (*)	(6,665,950,204)	(7,110,779,652)
Effect of movements in temporary differences	(26,555,397,058)	-
Income tax expense – current	41,308,956,015	15,250,571,908

(*) Included in the tax exempt income are the dividend received during the period amounting to VND33,329,751,021 (six-month period ended 30/6/2016: VND35,553,898,260) (Note 30(c)).

(c) Income tax expense – deferred

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Gains from revaluation of financial assets at FVTPL	132,776,985,289	-
Allowance for diminution in value of financial assets at FVTPL	(4,146,945,600)	-
Net temporary difference	128,630,039,689	-
Income tax expense – deferred	25,726,007,938	-

(d) Applicable tax rates

The Company's and its subsidiary's income tax rate for the six-month period ended 30 June 2017 is 20% (six-month period ended 30 June 2016: 20%).

37. Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2017 was based on the profit attributable to ordinary shareholders of VND296,188,352,704 (six-month period ended 30 June 2016: VND93,461,399.045) and a weighted average number of ordinary shares outstanding of 145,175,205 (six-month period ended 30 June 2016: 152,666,198), calculated as follows:

VNDIRECT Securities Joint Stock Company
Notes to the consolidated interim financial statements
for the six-month period ended 30 June 2017
(continued)

Form B05 – CTCK/HN
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

(i) Net profit attributable to ordinary shareholders

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Net profit for the period	296,188,352,704	93,461,399,045
Appropriation to bonus and welfare funds (*)	-	-
Net profit attributable to ordinary shareholders	296,188,352,704	93,461,399,045

(*) At the date of these financial statements, the Company has not estimated reliably the profit for the six-month period ended 30 June 2017 to be allocated to bonus and welfare funds as the General Meeting of Shareholders has not decided the rate of appropriation to these funds for 2017. Had the Company appropriated bonus and welfare funds, net profit attributable to ordinary shareholders would have decreased.

(ii) Weighted average number of ordinary shares

	Six-month period ended 30/6/2017 Shares	Six-month period ended 30/6/2016 Shares
Issued ordinary shares at the beginning of the period	147,539,485	154,997,785
Effect of treasury shares repurchased	(2,364,280)	(2,331,587)
Weighted average number of ordinary shares for the period	145,175,205	152,666,198

(iii) Basic earnings per share

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Basic earnings per share	2,040	612

38. Dividends

The Resolution No. 198/2017/NQ-DHDCD dated 29 May 2017 of the Annual General Meeting of Shareholders approved for the plan to issue shares to pay dividends to shareholders at a rate of 100:10 (every 100 shares owned is entitled to receive 10 additional shares). At the date of these financial statements, the Company has not completed necessary procedures for issuing shares.

39. Significant transactions with related parties

	Transaction value		Balance outstanding as at	
	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND	30/6/2017 VND	31/12/2016 VND
Board of Directors, Board of Management and Supervisory Board				
Remunerations	1,800,000,000	1,800,000,000	-	-
I.P.A Investments Group Joint Stock Company - related company				
Office rental	3,822,209,187	3,198,630,529	-	-
Office management fee	1,130,457,048	-	-	-
Car rental	-	87,094,164	-	-
Office rental payable	-	-	-	770,222,019
Deposits for acquisition of subsidiary	-	87,757,922,975	-	87,757,922,975
HOMEDIRECT Joint Stock Company - related company				
Other long-term investments	-	-	7,500,000,000	7,500,000,000
Investment in bonds	200,000,000,000	-	5,365,853,999	65,393,216,861
Bonds issuing fee received	2,900,000,000	-	-	-
Bonds interest expense	33,612,203,720	1,999,777,356	-	-

40. Unusual items

There were no unusual items during the six-month period ended 30 June 2017.

41. Changes in the composition of VNDIRECT

Except for the acquisition of subsidiaries as described in Note 7, there were no significant changes in the composition of VNDIRECT for the six-month period ended 30 June 2017 as compared with those at the end of the latest annual accounting period.

42. Seasonal or cyclical factors

The interim results of VNDIRECT are not affected by seasonal or cyclical factors except for the following items:

(a) Employees' bonus

VNDIRECT had not accrued year-end bonus for employees as this amount cannot be estimated reliably as at 30 June 2017.

(b) Statutory reserves

The Company and its subsidiary are required to allocate reserve to supplement charter capital and financial and operational risk reserve annually; therefore, the Company and its subsidiary will allocate these statutory reserves at the end of the annual accounting period.

43. Corresponding figures

Certain corresponding figures for the year ended 31 December 2016 and for the six-month period ended 30 June 2016 have been reclassified to conform to the financial statement presentation of the current period. A comparison of the amounts previously reported and as reclassified is as follows:

(a) Consolidated statement of financial position

	Code	31/12/2016 VND (as reclassified)	31/12/2016 VND (as previously reported)
Held-to-maturity investments	113	1,630,500,000,000	-
Held-to-maturity investments	212.1	80,000,000,000	-
Financial assets at fair value through profit or loss (“FVTPL”)	112	629,374,662,053	2,339,874,662,053

(b) Off-balance sheet items

	Code	31/12/2016 VND (as restated)	31/12/2016 VND (as previously reported)
Receivables from customers relating to errors in transactions of financial assets	033	-	1,939,769,390,924

(c) Consolidated statement of income

	Code	Six-month period ended 30/6/2016 (as reclassified) VND	Six-month period ended 30/6/2016 (as previously reported) VND
Gains from sales of financial assets at FVTPL	01.1	54,336,187,854	25,602,993,824
Dividends and interest income from financial assets at FVTPL	01.3	35,553,898,260	102,311,387,396
Interest income from held-to-maturity investments	02	66,757,489,136	-
Gains from available-for-sale financial assets	4	84,757,223	28,817,951,253
Losses from sales of financial assets at FVTPL	21.1	76,329,450,979	76,306,950,979
Losses from sales of available-for-sale financial assets	24	-	22,500,000

(d) Consolidated statement of cash flows

	Code	Six-month period ended 30/6/2016 (as reclassified)	Six-month period ended 30/6/2016 (as previously reported)
		VND	VND
Accrued expenses	06	-	47,816,996,717
(Decrease)/increase in other assets	40	(92,431,928,651)	(90,137,190,992)
Increase in accrued expenses (excluding interest expense	41	50,555,292,836	-
Decrease in prepaid expenses	42	2,294,737,661	-
Interest paid	44	(45,328,349,673)	-
Increase in employees' benefits payable	46	1,019,439,603	-
(Decrease)/increase in payables to securities issuers	49	-	(10,952,602,000)
Increase in payables to employees	48	1,328,299,134	-
Increase/(decrease) in other payables	50	(994,974,318,768)	(981,673,978,029)
Other payments for operating activities (interest paid)		-	(42,590,053,554)

30 August 2017

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