

VNDIRECT Securities Joint Stock Company

Separate 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 separate interim financial statements of the Company 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 separate 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 (“Circular 210”) 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. In preparing the separate 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 interim financial statements; and
- prepare the interim financial statements on going concern basis unless it is inappropriate to presume that the Company will continue its operations.

In the opinion of the Board of Management:

- (a) the separate interim financial statements set out on pages 5 to 59 give a true and fair view of the unconsolidated financial position of the Company as at 30 June 2017, and of the unconsolidated results of operations and the unconsolidated cash flows of the Company 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 the Company 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 separate interim financial statements for issue.

On behalf of the Board of Management

Nguyen Hoang Giang
Chief Executive Officer

Hanoi, 14 August 2017

INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To The Shareholders VNDIRECT Securities Joint Stock Company

We have reviewed the accompanying separate interim financial statements of VNDIRECT Securities Joint Stock Company (“the Company”), which comprise the separate statement of financial position as at 30 June 2017, the separate 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 14 August 2017, as set out on pages 5 to 59.

Management’s Responsibility

The Company’s Board of Management is responsible for the preparation and fair presentation of these separate 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 (“Circular 210”) 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 for such internal control as the Board of Management determines is necessary to enable the preparation of separate 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 separate 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 separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of VNDIRECT Securities Joint Stock Company as at 30 June 2017 and of its unconsolidated results of operations and its unconsolidated 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. 17-02-186/1

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

Hanoi, 14 August 2017

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

Form B01a - CTCK
(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)		7,473,260,867,038	4,972,018,587,213	
I	Financial assets		7,463,271,247,876	4,833,949,115,349	
1	Cash and cash equivalents	111	7	161,102,784,300	256,958,791,274
1.1	Cash	111.1		141,102,784,300	173,958,791,274
1.2	Cash equivalents	111.2		20,000,000,000	83,000,000,000
2	Financial assets at fair value through profit or loss (“FVTPL”)	112	9(a)	1,006,562,266,807	629,374,662,053
3	Held-to-maturity investments (“HTM”)	113	9(b)	2,964,003,911,666	1,630,500,000,000
4	Loans receivable	114	9(c)	2,595,979,395,330	1,911,798,465,127
5	Available-for-sale financial assets (“AFS”)	115	9(d)	840,517,853,999	530,968,216,861
6	Allowance for diminuation in value of financial assets	116	11	(187,411,844,858)	(189,295,534,267)
7	Receivables	117		79,387,250,410	56,214,395,144
7.1	Receivables from sales of financial assets	117.1		11,987,159,553	18,109,483,700
7.2	Dividends and interest receivables from financial assets	117.2	12	67,400,090,857	38,104,911,444
7.2.2	Dividends and interest receivables not yet due	117.4		67,400,090,857	38,104,911,444
8	Prepayments to suppliers	118		2,566,330,040	-
9	Receivables from services rendered	119		-	7,317,124,296
12	Other receivables	122		4,635,602,611	4,185,297,290
13	Allowance for doubtful debts	129	13	(4,072,302,429)	(4,072,302,429)
II	Other current assets			9,989,619,162	138,069,471,864
1	Advances	131		2,866,881,789	2,775,646,115
3	Short-term prepaid expenses	133	14(a)	5,449,840,528	5,835,778,600
4	Short-term deposits and collaterals	134		1,672,896,845	39,898,752,670
7	Other current assets	137		-	89,559,294,479

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

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

Form B01a - CTCK
(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		299,006,091,399	202,074,255,646
I Long-term financial assets	210		168,500,000,000	80,000,000,000
2 Investments	212		168,500,000,000	80,000,000,000
2.1 Held-to-maturity investments	212.1	9(b)	58,500,000,000	80,000,000,000
2.2 Investments in subsidiaries	212.2	15	110,000,000,000	-
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		70,076,458,977	55,401,994,056
2 Long-term prepaid expenses	252	14(b)	5,076,458,977	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
TOTAL ASSETS (270 = 100 + 200)	270		7,772,266,958,437	5,174,092,842,859
C LIABILITIES (300 = 310 + 340)	300		5,571,192,212,534	3,225,829,341,616
I Current liabilities	310		5,450,456,415,388	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	21	4,496,450,304,747	2,613,806,976,714
6 Accounts payable for securities trading activities	318	22	844,913,823,635	472,546,426,921
8 Accounts payable to suppliers	320		530,675,366	588,024,693
9 Advances from customers	321		1,346,025,271	844,691,201
10 Taxes payable to State Treasury	322	23	30,415,243,411	19,061,077,930
11 Payables to employees	323		17,460,913,237	12,835,449,309
12 Employees' benefits payable	324		1,044,532,344	689,690,314
13 Accrued expenses	325	24	33,490,834,355	8,440,117,883
16 Short-term deposits and collaterals received	328		17,692,791,052	-
17 Other short-term payables	329		804,830,409	964,505,522
19 Bonus and welfare funds	331	25	6,306,441,561	1,752,381,129

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

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

Form B01a - CTCK
(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)
II Long-term liabilities	340		120,735,797,146	94,300,000,000
4 Long-term bonds issued	346	26	94,300,000,000	94,300,000,000
14 Deferred tax liabilities	356	27	26,435,797,146	-
D EQUITY (400 = 410)	400		2,201,074,745,903	1,948,263,501,243
I Owners' equity	410		2,201,074,745,903	1,948,263,501,243
1 Capital	411		1,491,516,811,427	1,525,134,111,427
1.1 Share capital	411.1	28(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	28(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	28(b)	641,219,551,527	354,791,006,867
7.1 Realised profits	417.1		535,476,362,942	354,791,006,867
7.2 Unrealised profits	417.2		105,743,188,585	-
TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)	440		7,772,266,958,437	5,174,092,842,859

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

OFF-BALANCE SHEET ITEMS

	Code	30/6/2017 VND	31/12/2016 VND (Reclassified)
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	328,282,590,000	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	217,611,360,000	236,223,080,000
B ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY THE COMPANY			
1	021	20,196,725,480,000	17,925,136,390,000
<i>a</i>	<i>021.1</i>	<i>18,979,154,270,000</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
7	026	1,929,106,254,265	1,192,949,516,223
7.1	027	1,249,221,461,336	828,810,828,201
7.2	028	671,369,090,300	357,027,018,800
7.3	029	75,317,764	140,583,472
<i>a</i>	<i>029.1</i>	<i>40,955,683</i>	<i>78,858,245</i>
<i>b</i>	<i>029.2</i>	<i>34,362,081</i>	<i>61,725,227</i>

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

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

Form B01a - CTCK
(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 (Reclassified)
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	1,920,665,869,400	1,185,978,430,473
8.1 Payables to domestic customers for cash deposits for securities transactions managed by the Company	031.1	1,840,286,908,692	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

14 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 separate interim financial statements

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

Form B02a - CTCK
(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)
III FINANCIAL INCOME				
3.2 Dividends and interest income from demand deposits at banks	42	32	4,162,695,399	2,476,694,730
Total financial income	50		4,162,695,399	2,476,694,730
IV FINANCIAL EXPENSES				
4.2 Interest expense	52	33	97,591,060,714	51,000,005,239
Total financial expenses	60		97,591,060,714	51,000,005,239
VI GENERAL AND ADMINISTRATION EXPENSES	62	34	106,403,286,530	89,168,437,093
VII RESULTS FROM OPERATING ACTIVITIES (70 = 20 + 50 - 40 - 60 - 62)	70		363,265,103,833	111,757,216,086
VIII OTHER INCOME AND OTHER EXPENSES				
8.1 Other income	71		338,574,389	70,238,717
8.2 Other expenses	72		7,973,858	3,115,483,850
Results from other activities (80 = 71 - 72)	80		330,600,531	(3,045,245,133)
IX ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)	90		363,595,704,364	108,711,970,953
9.1 Realised profits before tax	91		231,416,718,633	108,711,970,953
9.2 Unrealised profits before tax	92		132,178,985,731	-

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

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

Form B02a - CTCK
(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)
X				
INCOME TAX EXPENSES	100		67,614,787,217	15,250,571,908
10.1				
Income tax expense – current	100.1	35	41,178,990,071	15,250,571,908
10.2				
Income tax expense – deferred	100.2	35	26,435,797,146	-
XI				
NET PROFIT AFTER TAX (200 = 90 - 100)	200		295,980,917,147	93,461,399,045
XII				
OTHER COMPREHENSIVE INCOME	300		-	-
TOTAL COMPREHENSIVE INCOME (400= 200 + 300)	400		295,980,917,147	93,461,399,045

14 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 separate interim financial statements

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

Form B03b – CTCK
(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	363,595,704,364	108,711,970,953
2 Adjustments for	02	7,524,969,524	(32,712,128,897)
Depreciation and amortisation of fixed assets	03	9,408,658,933	9,112,854,063
Allowances and provisions	04	(1,883,689,409)	(41,824,982,960)
4 Decrease in non-cash income	18	(132,178,985,731)	-
Gains from revaluation of financial assets at FVTPL	19	(132,178,985,731)	-
5 Operating profit before changes in working capital (30 = 01 + 02 + 18)	30	238,941,688,157	75,999,842,056
Increase in financial assets at FVTPL	31	(245,008,619,023)	(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	(29,295,179,413)	(28,853,984,344)
Increase in receivables from services rendered	37	7,317,124,296	-
(Increase)/decrease in other receivables	39	(450,305,321)	1,164,217,568
Decrease/(increase) in other assets	40	20,385,346,337	(92,431,928,651)
Increase in accrued expenses (excluding interest expense)	41	96,683,998,992	50,555,292,836
Decrease in prepaid expenses	42	2,453,711,404	2,294,737,661
Corporate income tax paid	43	(35,060,816,264)	(14,775,705,405)
Interest paid	44	(71,633,282,520)	(45,328,349,673)
Decrease in payables to suppliers	45	(57,349,327)	(2,251,005,729)
Increase in employees' benefits payable	46	354,842,030	1,019,439,603
Increase in taxes payable to State Treasury (excluding corporate income tax)	47	5,235,991,674	3,857,148,598
Increase payables to employees	48	4,625,463,928	1,328,299,134
Increase/(decrease) in other payables	50	385,403,534,668	(994,974,318,768)
Net cash flows from operating activities	60	(1,919,716,005,242)	(2,473,119,453,596)

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

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

Form B03b – CTCK
(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)
II CASH FLOWS FROM INVESTING ACTIVITIES			
1			
1	61	(3,166,029,765)	(5,078,675,086)
3	63	(22,000,000,000)	-
Net cash flows from investing activities		70	(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)
Net cash flows from financing activities		80	1,237,478,035,514
IV	90	(95,856,006,974)	(1,240,720,093,168)
V Cash and cash equivalents at the beginning of the period			
	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 Cash and cash equivalents at the end of the period (103 = 90 + 101) (Note 7)			
	103	161,102,784,300	311,945,999,312
Cash	103.1	141,102,784,300	61,945,999,312
Cash equivalents	103.2	20,000,000,000	250,000,000,000

The accompanying notes are an integral part of these separate 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	734,752,704,635	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	736,156,738,042	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 separate interim financial statements

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

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

ITEMS	Code	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
III Cash and cash equivalents of customers at the end of the period (40 = 20 + 30)	40	1,929,106,254,265	1,370,764,450,706
Cash at banks at the end of the period:	41	1,929,106,254,265	1,370,764,450,706
▪ Customers' deposits for securities transactions managed by the Company	42	1,249,221,461,336	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

14 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 separate interim financial statements

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

Form B04a – CTCK
*(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 VND	1/1/2017 VND	Six-month period ended 30/6/2016		Six-month period ended 30/6/2017		30/6/2016 VND	30/6/2017 VND
			Increase VND	(Decrease) VND	Increase VND	(Decrease) 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 28(b))	270,311,091,725	354,791,006,867	93,461,399,045	(8,179,968,167)	295,980,917,147	(9,552,372,487)	355,592,522,603	641,219,551,527
TOTAL	1,935,431,563,239	1,948,263,501,243	34,876,989,045	(8,179,968,167)	262,363,617,147	(9,552,372,487)	1,962,128,584,117	2,201,074,745,903

14 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 separate interim financial statements

These notes form an integral part of and should be read in conjunction with the accompanying separate 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 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 the Company are to conduct securities brokerage activities, securities trading activities, and to provide securities investment and finance advisory, margin trade, securities custody and securities underwriting services.

(d) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(e) Company structure

As at 30 June 2017, the Company had 664 employees (31/12/2016: 657 employees).

As at 30 June 2017, the Company had one (01) subsidiary (31/12/2016: nil). See Note 15.

2. Basis of preparation

(a) Statement of compliance

The separate 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 (“Circular 210”) 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. 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 separate interim financial statements are not intended to present the unconsolidated financial position, unconsolidated results of operations and unconsolidated cash flows of the Company in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. In addition, the separate 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.

The Company also prepares and issues the consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) 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. These separate interim financial statements should be read in conjunction with the consolidated interim financial statements of the Group for the six-month period ended 30 June 2017 for comprehensive understanding of the Group’s consolidated financial position as at 30 June 2017, its consolidated results of operations and its consolidated cash flows for the six-month period then ended.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for interim 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, the Company 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 Note 4(c) and 4(e).

The adoption of fair value accounting has increased the profit after tax for the six-month period ended 30 June 2017 by VND105,743,188,585.

4. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these separate 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) Financial assets and financial liabilities

(i) Recognition

Financial assets and financial liabilities are recognised in the statement of financial position when the Company 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(c);
- Held-to-maturity investments: Note 4(d);
- Available-for-sale financial assets: Note (e);
- Loans receivable: Note 4(f);

(iii) Derecognition

The Company 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 the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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, the Company 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.

(b) Cash and cash equivalents

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

(c) 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 the Company 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 latest 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 the Company. 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.

(d) Held-to-maturity investments

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

- those that the Company on initial recognition designates as at fair value in the statement of income;
- those that the Company 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 the Company 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 the Company's control and such event is unforeseeable.

(e) 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(c).

(f) 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 the Company 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(g).

(g) 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.

(h) Investments in subsidiaries

For the purpose of these separate interim financial statements, investments in subsidiaries are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(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 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) Trade and other payables

Trade and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Company 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.

(n) Bonds issued

Straight bonds

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

(o) 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.

(p) Statutory reserves

The Company allocates realised profits to statutory reserves annually in accordance with Circular No. 146/2014/TT-BTC dated 6 October 2014 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.

(q) Revenue and other income

(i) *Gains/losses from sales of financial assets*

Gains/losses from sales of financial assets is recognised in the separate 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).

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

Dividend income recognised in the separate statement of income when the Company’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, the Company only recognises the number of the shares and no dividend income is recognised.

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

(ii) *Revenue from securities brokerage*

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

(iii) *Revenue from securities investment advisory*

Revenue from securities investment advisory activities is recognised in the separate 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.

(iv) *Revenue from securities custody*

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

(r) Operating lease payments

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

(s) Interest expense

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

(t) 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.

(u) Segment reporting

A segment is a distinguishable component of the Company 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. The Company's primary format for segment reporting is based on business segments.

(v) Related parties

Parties are considered to be related to the Company 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 the Company 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.

(w) 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 separate 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 the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Company's 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 the Company.

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

To manage the level of credit risk, the Company 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 the Company'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 (Reclassified)
Cash and cash equivalents	(i)	161,102,784,300	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)	84,022,853,021	67,716,816,730
Other financial assets		36,672,896,845	58,156,514,417
		6,733,299,695,161	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 the Company 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 the Company.

(ii) Loans receivable and other receivables

The Company'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	31/12/2016
	VND	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
	<u>79,880,546,342</u>	<u>79,880,546,342</u>

(iii) Available-for-sale debt securities

The Company 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 the Company will not be able to meet its financial obligations as they fall due. The Company'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 the Company'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 separate interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B09a – CTCK
(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	530,675,366	530,675,366	530,675,366
Advances from customers	1,346,025,271	1,346,025,271	1,346,025,271
Accrued expenses	33,490,834,355	33,490,834,355	33,490,834,355
Short-term deposits and collaterals received	17,692,791,052	17,692,791,052	17,692,791,052
Other financial liabilities	804,830,409	804,830,409	804,830,409
Long-term liabilities			
Long-term bonds issued	94,300,000,000	96,731,100,000	96,731,100,000
	5,489,529,284,835	5,513,881,033,744	5,513,881,033,744

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

Form B09a – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

The Company 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 the Company'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 the Company's interest-bearing financial instruments is as follows:

	Carrying amount	
	30/6/2017	31/12/2016
	VND	VND
		(Reclassified)
Fixed rate instruments		
<i>Financial assets</i>		
Cash in banks and cash equivalents	161,102,784,300	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	(94,300,000,000)	(94,300,000,000)

(i) 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 the Company's financial assets at fair value through profit or loss.

Financial assets at FVTPL of the Company 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 the Company was VND784.4 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 the Company would have increased or decreased by VND62.8 billion (31/12/2016: 8%, increased by VND5.4 billion or decreased by VND10.4 billion).

(ii) 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, the Company was not exposed to any currency risk because the Company did not have any exposures to currencies other than VND, the Company's accounting currency.

6. Segment reporting

(a) Business segment

The Company comprises the following main business segments:

- **Brokerage:** Securities brokerage activities for customers, securities investment, advisory and custodian services.
- **Securities trading:** Securities trading activities of the Company.
- **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 separate interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B09a – CTCK
(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	-	-	266,972,361,350	89,890,086,114	-	-	266,972,361,350	89,890,086,114
- Interest income from held-to-maturity investments	-	-	-	-	91,733,774,159	66,757,489,136	91,733,774,159	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	138,626,870,941	84,769,575,945	-	-	-	-	138,626,870,941	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	3,439,163,142	3,153,853,591	-	-	-	-	3,439,163,142	3,153,853,591
- Other operating income	-	-	-	-	457,551,380	3,001,766,883	457,551,380	3,001,766,883
- Financial income	-	-	-	-	4,162,695,399	2,476,694,730	4,162,695,399	2,476,694,730
Total segment revenue	149,495,657,727	90,014,625,907	296,835,026,022	89,974,843,337	244,009,343,382	162,745,305,951	690,340,027,131	342,734,775,195

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

Form B09a – CTCK
(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
Direct expenses								
- Losses from financial assets at FVTPL	-	-	(46,463,498,509)	(24,824,241,691)	-	-	(46,463,498,509)	(24,824,241,691)
- Allowance made for financial assets and doubtful debts	-	-	-	-	(5,160,662,345)	(11,168,717,741)	(5,160,662,345)	(11,168,717,741)
- Expenses for securities brokerage	(65,882,368,154)	(50,504,591,351)	-	-	-	-	(65,882,368,154)	(50,504,591,351)
- Expenses for investment advisory services	(563,690,000)	(4,000,000)	-	-	-	-	(563,690,000)	(4,000,000)
- Expenses for securities custody	(5,010,357,046)	(4,307,565,994)	-	-	-	-	(5,010,357,046)	(4,307,565,994)
- Interest expense	-	-	-	-	(97,591,060,714)	(51,000,005,239)	(97,591,060,714)	(51,000,005,239)
Total expenses	(71,456,415,200)	(54,816,157,345)	(46,463,498,509)	(24,824,241,691)	(102,751,723,059)	(62,168,722,980)	(220,671,636,768)	(141,809,122,016)
Segment results	78,039,242,527	35,198,468,562	250,371,527,513	65,150,601,646	141,257,620,323	100,576,582,971	469,668,390,363	200,925,653,179
Unallocated expenses							(106,403,286,530)	(89,168,437,093)
Results from operating activities							363,265,103,833	111,757,216,086

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

Form B09a – CTCK
(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							338,574,389	70,238,717
Other expenses							(7,973,858)	(3,115,483,850)
Income tax expenses							(67,614,787,217)	(15,250,571,908)
Net profit after tax							295,980,917,147	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	1,869,033,802,391	1,071,374,532,892	5,751,999,600,819	3,799,595,761,803	7,628,533,403,210	4,878,470,294,695
Unallocated assets							143,733,555,227	295,622,548,164
Total assets							7,772,266,958,437	5,174,092,842,859
Segment liabilities	10,131,097,064	5,929,339,020	844,913,823,635	472,546,426,921	4,716,147,291,835	2,747,353,575,675	5,571,192,212,534	3,225,829,341,616
Total liabilities							5,571,192,212,534	3,225,829,341,616

(b) Geographical segment

All business activities of the Company are carried out in Vietnam.

7. Cash and cash equivalents

	30/6/2017 VND	31/12/2016 VND
Cash in banks for the Company's activities	141,043,566,009	173,902,030,786
Deposits for clearance and settlement of securities transactions	59,218,291	56,760,488
Cash equivalents (*)	20,000,000,000	83,000,000,000
	161,102,784,300	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 of 5.3% (31/12/2016: from 5% to 5.5%).

8. 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 the Company				
Shares	115,008,388	14,809,693,193,318	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	4,499,276,368	70,088,316,523,590	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

9. 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)	874,383,281,076	1,006,562,266,807	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 the Company (Note 21).

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

Form B09a – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

(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	(*)
	<hr/>		<hr/>	
	3,022,503,911,666		1,710,500,000,000	

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 the Company (31/12/2016: VND240,800 million) (Note 21).

(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	(*)
	<hr/>		<hr/>	
	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 (Reclassified)	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	(*)
	<hr/>		<hr/>	
	840,517,853,999	(*)	530,968,216,861	(*)

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

Form B09a – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

- (ii) As at 30 June 2017, these government bonds were pledged with banks as security for loans granted to the Company (31/12/2016: nil) (Note 21).

- (*) The Company has not determined fair values of these financial instruments for disclosure in the separate 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.

10. 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
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	524,700	33,029,430,000	32,059,170,000	-	970,260,000	32,059,170,000
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	4,437,081	103,187,311,663	111,268,049,181	11,888,095,179	3,807,357,661	111,268,049,181
<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
	53,942,136	874,383,281,076	914,028,788,839	132,178,985,731	92,533,477,968	914,028,788,839
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

11. 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	524,700	33,029,430,000	32,059,170,000	970,260,000	-	970,260,000
ACB	770,388	20,055,958,728	19,953,049,200	102,909,528	1,871,928	101,037,600
NTC	281,600	14,361,760,000	12,643,840,000	1,717,920,000	-	1,717,920,000
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
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)
	19,667,977	247,631,561,891	155,098,083,923	92,533,477,968	99,577,829,722	(7,044,351,754)
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
				187,411,844,858	189,295,534,267	(1,883,689,409)

11. 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 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)
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)
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	(4,840,718,951)
<i>Listed fund certificates</i>					
E1SSHN30	100,000	919,700,000	950,000,000	-	-

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

Form B09a – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Six-month period ended 30/6/2016		30/6/2016		31/12/2015	Allowance made/(reversed) during the period VND
	Quantity	Cost	Market value/ Recoverable amount	Allowance	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)

12. Dividends and interest receivables from financial assets

	30/6/2017	31/12/2016
	VND	VND
Dividends receivable	-	77,775,700
Interest receivables from term deposits at banks	35,413,568,127	10,056,209,947
Interest receivables from bonds	108,214,444	-
Interest receivables from loans	31,878,308,286	27,970,925,797
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	67,400,090,857	38,104,911,444
	<hr/> <hr/>	<hr/> <hr/>

13. 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	-

14. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2017 VND	31/12/2016 VND
Office rental	2,343,858,957	1,351,714,269
Software expenses	1,735,437,555	2,948,645,096
Others	1,370,544,016	1,535,419,235
	5,449,840,528	5,835,778,600

(b) Long-term prepaid expenses

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Opening balance	7,144,232,309	7,606,814,449
Additions	1,090,685,580	2,329,679,760
Amortisation for the period	(2,895,499,658)	(2,303,672,512)
Reclassification to short-term prepaid expenses	(262,959,254)	-
	5,076,458,977	7,632,821,697

15. Investments in subsidiaries

	30/6/2017		31/12/2016	
	% of equity owned and voting rights	Cost VND	% of equity owned and voting rights	Cost VND
<i>Investments in subsidiaries:</i>				
I.P.A Securities Investment Fund Management Limited Company	100%	110,000,000,000	-	-

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 the 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 effectively owned 100% of I.P.A Securities Investment Fund Management Limited Company.

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
Closing balance	<u>20,000,000,000</u>	<u>18,257,761,747</u>

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	-
	<u>45,000,000,000</u>	<u>30,000,000,000</u>

- (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. Short-term borrowings

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

As at 30 June 2017, these borrowings were secured by term deposits at banks of the Company 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 the Company amounting to VND240,800 million, listed shares amounting to VND309,219 million (Note 9).

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

22. Accounts payable for securities trading activities

	30/6/2017	31/12/2016
	VND	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
	<hr/>	<hr/>
	844,913,823,635	472,546,426,921
	<hr/>	<hr/>

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

23. Taxes payable to State Treasury

Six-month period ended 30/6/2017

	Opening balance	Incurred	Paid	Closing balance
	VND	VND	VND	VND
Corporate income tax	12,401,990,732	41,178,990,071	(35,060,816,264)	18,520,164,539
Personal income tax	6,535,694,713	46,234,870,810	(41,010,412,481)	11,760,153,042
Value added tax	123,392,485	452,818,471	(441,285,126)	134,925,830
	<hr/>	<hr/>	<hr/>	<hr/>
	19,061,077,930	87,866,679,352	(76,512,513,871)	30,415,243,411
	<hr/>	<hr/>	<hr/>	<hr/>

Six-month period ended 30/6/2016

	Opening balance	Incurred	Paid	Closing balance
	VND	VND	VND	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
	<hr/>	<hr/>	<hr/>	<hr/>
	8,449,273,019	47,860,026,667	(43,528,011,566)	12,781,288,120
	<hr/>	<hr/>	<hr/>	<hr/>

24. Accrued expenses

	30/6/2017 VND	31/12/2016 VND
Interest expense	31,733,343,851	5,775,565,657
Bonds interest	265,087,784	289,186,676
Others	1,492,402,720	2,375,365,550
	33,490,834,355	8,440,117,883

25. 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 ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Opening balance	1,752,381,129	-
Appropriation during the period (Note 28(b))	9,552,372,487	8,179,968,167
Utilisation during the period	(4,998,312,055)	(6,427,587,038)
Closing balance	6,306,441,561	1,752,381,129

26. Long-term bonds issued

In 2015, the Company 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, the Company early redeemed for 5,700 bonds with a par value of VND5,700,000,000.

27. Deferred tax liabilities

	30/6/2017		31/12/2016	
	Tax rate	VND	Tax rate	VND
<i>Recognised deferred tax liabilities</i>				
Gains from revaluation of financial assets at FVTPL	20%	26,435,797,146	20%	-

28. 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

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	295,980,917,147	93,461,399,045
Appropriation to bonus and welfare funds (Note 25)	(9,552,372,487)	(8,179,968,167)
Closing balance	641,219,551,527	355,592,522,603

29. 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	Total costs	Gains from sales of securities for the period
		VND	VND	VND
Listed shares	32,194,590	611,004,011,247	529,024,364,844	81,979,646,403
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
	70,939,517	6,525,156,791,828	6,420,341,958,030	104,814,833,798

Six-month period ended 30/6/2016	Number of securities sold	Total sales proceeds	Total costs	Gains from sales of securities for the period
		VND	VND	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

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

Form B09a – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

(b) Gains from revaluation of financial assets at FVTPL

Six-month period ended 30/6/2017	30/6/2017			31/12/2016	Revaluation difference for the period VND
	Cost	Fair value	Revaluation gain	Revaluation difference	
	VND	VND	VND	VND	
Listed shares	657,092,069,765	789,270,953,020	132,178,883,255	-	132,178,883,255
Listed fund certificates	919,700,000	919,700,000	-	-	-
Unlisted shares	216,371,511,311	216,371,613,787	102,476	-	102,476
	874,383,281,076	1,006,562,266,807	132,178,985,731	-	132,178,985,731

(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)	29,978,541,821	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	91,733,774,159	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

30. 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	12,724,220	325,153,512,852	345,543,163,128	(20,389,650,276)
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)
	51,307,367	10,798,685,277,673	10,850,599,789,437	(51,914,511,764)

Six-month period ended 30/6/2016	Number of securities sold	Total sales proceeds VND	Total costs VND	Losses from sales of securities for the period 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 diminution in value of financial assets at FVTPL

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Reversal of allowance for diminution in value of financial assets at FVTPL (Note 11)	7,044,351,754	52,993,700,701

31. Allowance made for financial assets and doubtful debts

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

32. Dividends and interest income from demand deposits at banks

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Interest income from demand deposits at banks	4,162,695,399	2,476,694,730

33. 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	94,058,429,452	48,378,419,845
Interest expense on customers' deposits	3,532,631,262	2,621,585,394
	97,591,060,714	51,000,005,239

34. General and administration expenses

	Six-month period ended 30/6/2017 VND	Six-month period ended 30/6/2016 VND
Salary and related expenses	66,614,811,329	54,889,568,900
Depreciation and amortisation of fixed assets	9,408,658,933	9,112,854,063
Stationery expenses	306,762,070	274,281,789
Tools and supplies	1,555,017,865	2,712,331,098
Outside services	20,407,567,613	15,964,966,440
Office rental	8,004,907,720	6,044,034,803
Taxes and fees	105,561,000	170,400,000
	106,403,286,530	89,168,437,093

35. Income tax

(a) Recognised in the separate 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	41,178,990,071	15,250,571,908
Income tax expense – deferred		
Origination and reversal of temporary differences	26,435,797,146	-
Corporate income tax	67,614,787,217	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	363,595,704,364	108,711,970,953
Tax at the Company's tax rate	72,719,140,873	21,742,394,191
Effect of non-deductible expenses	891,354,708	618,957,369
Effect of tax exempt income (*)	(32,431,505,510)	(7,110,779,652)
Income tax expense – current	41,178,990,071	15,250,571,908

(*) Included in the tax exempt income are the dividend received during the period amounting to VND29,978,541,821 (six-month period ended 30/6/2016: VND35,553,898,260) (Note 29(c)) and the gains from revaluation of financial assets at FVTPL amounting to VND132,178,985,731.

(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	132,178,985,731	-
Income tax expense – deferred	26,435,797,146	-

(d) Applicable tax rates

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

36. 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.

37. 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	-	-
Deposits for acquisition of subsidiary	-	87,757,922,975	-	87,757,922,975
I.P.A Securities Investment Fund Management Limited Company - subsidiary				
Investment portfolio management fee	1,514,393,673	1,306,022,748	-	146,329,084
Bonds issued	-	-	5,000,000,000	5,000,000,000
Bonds interest expense	128,880,517	-	12,602,740	12,602,740
Other expenses	33,719,156	-	-	-
Other income	17,163,307	-	-	-
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	-	-

38. Unusual items

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

39. Changes in the composition of the Company

Except for the investments in subsidiaries as described in Note 15, there were no significant changes in the composition of the Company for the six-month period ended 30 June 2017 as compared with those at the end of the latest annual accounting period.

40. Seasonal or cyclical factors

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

(a) Employees’ bonus

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

41. 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) Separate 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) Separate 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

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

Form B09a – CTCK
(Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

(d) Separate 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)

14 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