

Deloitte.

VNDIRECT SECURITIES JOINT STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2019

VNDIRECT SECURITIES JOINT STOCK COMPANY

No.01 Nguyen Thuong Hien Street, Hai Ba Trung District
Hanoi, S.R. Vietnam

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VNDIRECT SECURITIES JOINT STOCK COMPANY

01 Nguyen Thuong Hien Street, Hai Ba Trung District
Ha Noi, S.R. Viet Nam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of VNDIRECT Securities Joint Stock Company (the "Company") presents this report together with interim consolidated financial statements of the Company and its subsidiaries ("VNDIRECT") for the 6-month period ended 30 June 2019.

THE BOARDS OF DIRECTORS AND MANAGEMENT

The members of the Boards of Directors and Management of the Company who held office during the period and to the date of this report are as follows:

Board of Directors

Ms. Pham Minh Huong	Chairwoman
Mr. Vu Hien	Member
Mr. Nguyen Hoang Giang	Member
Mr. Pham Le Nhat Quang	Member
Mr. Pekka Mikeal Nastamo	Member (Appointed on 18 April 2019)
Mr. Christopher Bertram Brinkeborn Beselin	Member (Resigned on 18 April 2019)

Board of Management

Ms. Pham Minh Huong	Chief Executive Officer
Mr. Tran Vu Thach	Managing Director (Resigned on 09 April 2019)
Mr. Hoang Minh Chau	IT Director (Resigned on 01 June 2019)
Ms. Vu Nam Huong	Financial Director
Ms. Nguyen Thi Ha Ninh	Chief Accountant

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for preparing the interim consolidated financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance, its cash flows and its changes in equity for the 6-month period then ended in accordance with Vietnamese Accounting Standards, the accounting regime applicable to securities companies issued by the Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014; Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Annexes 02 and 04 of Circular 210 and other legal regulations relating to interim consolidated financial reporting. In preparing these interim consolidated financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures, disclosed and explained in the interim consolidated financial statements;
- Prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the interim consolidated financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management is responsible for ensuring that the accounting records are properly recorded in a reasonable manner to properly reflect the financial position of the Company at any time and to ensure that the interim consolidated financial statements comply with Vietnamese Accounting Standards and accounting regimes applicable to securities companies promulgated together with the Ministry of Finance's Circular No. 210/2014/TT-BTC of 30 December 2014; Circular No. 334/2016/TT-BTC dated 27 December 2016 amending, supplementing and replacing annexes 02 and 04 of Circular 210 and other legal regulations relating to interim consolidated financial reporting. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Company has complied with the above requirements in preparing these interim consolidated financial statements.

For and on behalf of the Board of Management,



Phạm Minh Hương
Chief Executive Officer

14 August 2019
Hanoi, S.R. Vietnam

Số: 0275 /VN1A-HN-BC

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: Shareholders
Board of Directors and Board of Management
VNDIRECT Securities Joint Stock Company

We have reviewed the accompanying interim consolidated financial statements of VNDIRECT Securities Joint Stock Company (the "Company") and its subsidiaries (collectively referred to as "VNDIRECT"), prepared on 14 August 2019, as set out on from page 5 to page 52, which comprise the interim consolidated statement of financial position as at 30 June 2019, the interim consolidated income statement, interim consolidated cash flow statement and interim consolidated statement of changes in equity for the 6-month period then ended and the explanatory notes to the interim consolidated financial statements.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the accounting regime applicable to securities companies issued by Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014 and Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Appendix 02 and 04 of Circular 210 and the other legal regulations relating to interim consolidated financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagement (VSRE) No. 2410 – Review of Interim Financial Information Performed by the Independent Auditors of the Entity.

A review of interim consolidated financial statements 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 therefore 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.

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of VNDIRECT as at 30 June 2019, and of its income statements, cash flow statements and changes in equity for the 6-month period then ended in accordance with Vietnamese Accounting Standards, the accounting regime applicable to securities companies issued by Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014 and Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Appendix 02 and 04 of Circular 210 and the other legal regulations relating to interim consolidated financial reporting.



Tran Thi Thuy Ngoc
Deputy General Director
Audit Practising Registration Certificate
No. 0031-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

14 August 2019
Hanoi, S.R. Vietnam

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
ASSETS				
A. CURRENT ASSETS (100=110+130)	100		10,590,145,635,691	10,231,031,388,656
I. Financial assets	110		10,550,582,164,047	10,214,489,951,731
1. Cash and cash equivalents	111	6	413,837,038,988	915,397,756,735
1.1 Cash	111.1		252,137,038,988	507,397,756,735
1.2 Cash equivalents	111.2		161,700,000,000	408,000,000,000
2. Financial assets at fair value through profit or loss (FVTPL)	112	8	1,481,133,400,821	1,089,324,365,595
3. Held-to-maturity investments (HTM)	113	8	4,441,000,000,000	5,371,330,000,000
4. Loans receivable	114	8	3,035,553,021,266	2,582,474,306,127
5. Available-for-sale financial assets (AFS)	115	8	1,278,129,265,469	387,030,902,241
6. Provision for impairment of financial assets and collaterals	116	10	(372,390,625,083)	(288,925,602,948)
7. Receivables from financial assets	117		210,673,452,608	149,044,009,181
7.1 Receivables from sales of financial assets	117.1		52,769,195,800	70,296,321,189
7.2 Dividends and interest receivables from financial assets	117.2	11	157,904,256,808	78,747,687,992
Dividend and interest receivable not yet due	117.4		157,904,256,808	78,747,687,992
8. Prepayment to suppliers	118		55,102,767,499	2,424,693,340
9. Other receivables	122	12	12,207,056,908	11,052,735,889
10. Allowance for doubtful debts	129	13	(4,663,214,429)	(4,663,214,429)
II. Other current assets	130		39,563,471,644	16,541,436,925
1. Advances	131		2,815,566,897	3,420,828,003
2. Short-term prepaid expenses	133	14	6,299,006,352	6,623,025,546
3. Short-term deposits, collaterals and pledges	134		2,697,870,768	2,500,563,283
4. Taxes and other obligations to the State budget	136		80,564,235	-
5. Other current assets	137		27,670,463,392	3,997,020,093

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS (200=210+220+240+250)	200		1,329,741,982,291	303,609,931,346
I. Non-current financial assets	210		1,129,886,250,000	102,000,000,000
1. Investments	212		1,129,886,250,000	102,000,000,000
1.1 Held-to-maturity investments	212.1	8	1,100,000,000,000	100,000,000,000
1.2 Other long-term investments	212.4	8	29,886,250,000	2,000,000,000
II. Fixed assets	220		64,588,595,586	72,912,546,977
1. Tangible fixed assets	221	15	47,596,962,828	54,009,140,204
- Cost	222		108,106,792,793	107,783,001,986
- Accumulated depreciation	223a		(60,509,829,965)	(53,773,861,782)
2. Intangible assets	227	16	16,991,632,758	18,903,406,773
- Cost	228		85,171,624,207	83,084,078,207
- Accumulated amortisation	229a		(68,179,991,449)	(64,180,671,434)
III. Construction in progress	240		1,579,725,563	500,000,000
IV. Other non-current assets	250		133,687,411,142	128,197,384,369
1. Long-term prepaid expenses	252	14	8,652,226,436	7,473,184,996
2. Deferred income tax assets	253	27	20,872,035,255	15,301,984,520
3. Deposits at Payment Support Fund	254	17	20,000,000,000	20,000,000,000
4. Other long-term assets	255	18	65,987,438,192	66,046,721,049
5. Goodwill	256	19	18,175,711,259	19,375,493,804
TOTAL ASSETS (270=100+200)	270		11,919,887,617,982	10,534,641,320,002

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2019

Unit: VND

ITEMS	Codes	Notes	Closing balance	Opening balance
LIABILITIES AND EQUITY				
C. LIABILITIES	300		8,932,246,770,750	7,551,711,467,349
(300=310+340)				
I. Current liabilities	310		8,629,923,196,179	7,050,210,912,528
1. Short-term borrowings and finance lease liabilities	311	20	6,849,588,284,179	6,012,344,898,307
1.1 Short-term borrowings	312		6,849,588,284,179	6,012,344,898,307
2. Short-term bonds issued	316	21	911,562,200,000	726,562,200,000
3. Accounts payable for securities trading activities	318	22	780,173,058,996	152,425,291,772
4. Accounts payable to suppliers	320	23	1,135,002,106	2,382,421,715
5. Advances from customers	321		7,517,954,370	2,535,120,090
6. Taxes and other obligations to the State budget	322	24	18,903,256,501	36,049,127,774
7. Payables to employees	323		4,511,547,963	6,996,117,562
8. Employees' benefits payable	324		4,271,116,497	3,028,864,974
9. Short-term accrued expenses	325	25	35,466,140,864	92,417,509,353
10. Other short-term payables	329		2,352,324,710	607,578,976
11. Bonus and welfare funds	331	26	14,442,309,993	14,861,782,005
II. Non-current liabilities	340		302,323,574,571	501,500,554,821
1. Long-term bonds issued	346	21	300,000,000,000	500,000,000,000
2. Deferred tax liabilities	356	27	2,323,574,571	1,500,554,821
D. EQUITY	400		2,987,640,847,232	2,982,929,852,653
(400=410+420)				
I. Owners' equity	410		2,987,640,847,232	2,982,929,852,653
1. Owners' contributed capital	411		2,124,679,209,127	2,124,680,195,027
1.1 Share capital	411.1	28	2,204,301,690,000	2,204,301,690,000
a. Ordinary shares with voting rights	411.1a		2,204,301,690,000	2,204,301,690,000
1.2 Share premium	411.2		121,224,048,620	121,224,048,620
1.3 Treasury shares	411.5		(200,846,529,493)	(200,845,543,593)
2. Reserve to supplement charter capital	414		90,351,911,844	90,351,911,844
3. Financial and operational risk reserve	415		61,050,184,841	61,050,184,841
4. Undistributed profits	417	29	711,559,541,420	706,847,560,941
4.1 Realised profits	417.1		819,514,140,651	794,851,251,780
4.2 Unrealised (losses)	417.2		(107,954,599,231)	(88,003,690,839)
TOTAL LIABILITIES AND EQUITY	440		11,919,887,617,982	10,534,641,320,002
(440=300+400)				

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2019

Unit: VND

OFF-BALANCE SHEET ITEMS

ITEMS	Codes	Notes	Closing balance	Opening balance
A. ASSETS of Securities Company AND ASSETS MANAGED UNDER COMMITMENTS				
1. Bad debts written off	004		101,986,716,060	101,986,716,060
2. Shares in circulation (share)	006		208,565,416	208,565,480
3. Treasury shares (share)	007		11,864,753	11,864,689
4. Listed/registered financial assets at VSD of Securities Company	008		367,521,339,330	269,117,370,000
5. Custodied financial assets at VSD but not yet traded of Securities Company	009		14,315,870,000	5,770,000
6. Financial assets in transit of Securities Company	010		704,879,400,000	148,490,500,000
7. Financial assets of Securities Company but not yet custodied at VSD	012		1,513,396,230,000	556,924,410,000
8. Covered warrants	014		2,568,680	-
B. ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY THE VNDIRECT				
1. Listed/registered financial assets at VSD of the investors/customers	021		32,498,695,767,000	28,943,992,430,000
a. Freely traded financial assets	021.1		29,750,302,631,500	26,629,255,570,000
b. Financial assets under pledged transactions	021.3		2,263,815,930,000	1,942,609,490,000
c. Blocked financial assets	021.4		104,633,610,000	54,631,610,000
d. Financial assets awaiting settlement	021.5		379,943,595,500	317,495,760,000
2. Financial assets custodied at VSD but not yet traded	022		764,257,470,000	1,010,283,560,000
a. Freely traded financial assets custodied at VSD but not yet traded	022.1		701,729,320,000	263,545,560,000
b. Financial assets custodied at VSD but not yet traded and restricted for transfer	022.2		24,742,100,000	708,951,950,000
c. Financial assets custodied at VSD but not yet traded and under pledged transactions	022.3		37,786,050,000	37,786,050,000
3. Financial assets in transit of investors/customers	023		309,221,288,800	324,074,460,000
4. Customers' deposits	026		1,932,776,763,207	1,993,122,252,442
4.1. Customers' cash deposits for securities transactions managed by Securities Company	027		1,433,525,755,941	1,524,410,851,943
4.2. Customers' deposits for securities transactions	028		499,107,923,700	468,569,564,560
4.3. Cash deposits for clearing and settlement of securities transactions	029		142,773,566	91,855,939
a. Cash deposits for securities transaction clearing and settlement of domestic customers	029.1		46,758,184	17,809,964
b. Cash deposits for securities transaction clearing and settlement of foreign customers	029.2		96,015,382	74,045,975

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


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)


As at 30 June 2019

Unit: VND

OFF-BALANCE SHEET ITEMS (Continued)

ITEMS	Codes	Notes	Closing balance	Opening balance
4.4. Deposits from securities issuers	030		310,000	49,980,000
5. Payables to customers for cash deposits for securities transactions managed by Securities Company	031		1,931,151,159,266	1,991,753,674,247
5.1. Payables to domestic customers for cash deposits for securities transactions managed by Securities Company	031.1		1,842,178,086,953	1,859,790,878,722
5.2. Payables to foreign customers for cash deposits for securities transactions managed by Securities Company	031.2		88,973,072,313	131,962,795,525
6. Payables to securities issuers	032		310,000	49,980,000
7. Dividend, bond principal and interest payable	035		1,625,293,941	1,318,598,196
8. Margin deposits from investors at VSD	036		275,500,165,426	443,921,851,802


Ms. Nguyen Thi Tuyen
Preparer


Ms. Nguyen Thi Ha Ninh
Chief Accountant


Ms. Pham Minh Huong
Chief Executive Officer
Hanoi, S.R.Vietnam
14 August 2019

INTERIM CONSOLIDATED INCOME STATEMENT

For the 6-month period ended 30 June 2019

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
I. OPERATING REVENUE				
1.1. Gains from financial assets at fair value through profit or loss ("FVTPL")	01		126,672,192,683	179,936,498,511
a. Gains from sales of financial assets at FVTPL	01.1	30	103,305,387,111	145,895,510,957
b. Gains from revaluation of financial assets at FVTPL	01.2	31	3,031,577,847	25,757,092,001
c. Dividends and interest income from financial assets at FVTPL	01.3	32	19,056,708,125	8,283,895,553
d. Loss from revaluation of payable for outstanding covered warrants	01.4		1,278,519,600	-
1.2. Interest income from held-to-maturity investments	02	32	180,318,133,604	115,802,659,558
1.3. Interest income from loans and receivables	03	32	191,284,050,586	239,486,033,817
1.4. Gains from available-for-sale financial assets	04	32	14,765,628,775	1,598,700,022
1.5. Revenue from securities brokerage	06	33	168,363,698,390	304,206,329,601
1.6. Revenue from underwriting and issuance agency services	07	33	7,978,836,848	2,460,351,615
1.7. Revenue from securities investment advisory services	08	33	15,543,751,747	1,335,163,579
1.8. Revenue from securities custody services	09	33	6,707,100,763	4,985,473,923
1.9. Other operating income	11	33	2,805,597,116	4,674,280,856
Total operating income (20=01+02+03+04+06+07+08+09+11)	20		714,438,990,512	854,485,491,482
II. OPERATING EXPENSES				
2.1. Losses from financial assets at fair value through profit or loss ("FVTPL")	21		118,364,323,972	190,401,861,340
a. Losses from sales of financial assets at FVTPL	21.1	30	37,281,497,301	129,463,560,547
b. (Reversal of)/Allowance for impairment loss of financial assets at FVTPL	21.2	10	79,979,885,698	60,270,493,488
c. Costs of purchase transactions of financial assets at FVTPL	21.3		907,942,273	667,807,305
d. Gains from revaluation of payable for outstanding covered warrants	21.4		194,998,700	-
2.2. (Reversal of)/Allowance for financial assets, write-off of doubtful debts and impairment loss of financial assets	24		3,485,136,437	(1,407,113,565)
2.3. Expenses for securities brokerage services	27		76,833,310,934	136,132,744,398
2.4. Expenses for securities investment advisory services	29		-	405,019,540
2.5. Expenses for securities custody services	30		7,102,658,151	6,916,408,024
Total operating expenses (40=21+24+27+29+30)	40		205,785,429,494	332,448,919,737


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


INTERIM CONSOLIDATED INCOME STATEMENT (Continued)


For the 6-month period ended 30 June 2019

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
III. FINANCIAL INCOME				
3.1. Dividends and interest income from demand deposits at banks	42	34	2,931,278,141	3,941,886,587
Total financial income (50=42)	50		2,931,278,141	3,941,886,587
IV. FINANCIAL EXPENSES				
4.1. Realised and unrealised foreign exchange loss	51		2,616,551,380	-
4.2. Interest expense	52	35	204,128,461,055	124,180,839,527
4.3. The share of profit generated by investment in associate	56		-	(5,475,633,279)
Total financial expenses (60=51+52+56)	60		206,745,012,435	118,705,206,248
V. GENERAL AND ADMINISTRATION EXPENSES	62	36	155,994,532,717	130,419,171,042
VI. OPERATING PROFIT (70=20+50-40-60-62)	70		148,845,294,007	276,854,081,042
VII. OTHER INCOME AND EXPENSES				
7.1. Other income	71		148,378,781	77,550,214
7.2. Other expenses	72		739,645,207	12,930
Profit from other activities (80=71-72)	80		(591,266,426)	77,537,284
VIII. ACCOUNTING PROFIT BEFORE TAX (90=70+80)	90		148,254,027,581	276,931,618,326
8.1. Realised profit before tax	91		172,951,966,958	251,174,526,325
8.2. Unrealised (loss)/profit before tax	92		(24,697,939,377)	25,757,092,001
IX. CORPORATE INCOME TAX ("CIT") EXPENSES	100	37	26,904,385,964	52,647,691,644
9.1. Current CIT expense	100.1		31,651,416,949	47,496,273,244
9.2. Deferred CIT (income)/expense	100.2		(4,747,030,985)	5,151,418,400
X. NET PROFIT AFTER CIT EXPENSES (200 = 90 - 100)	200		121,349,641,617	224,283,926,682
XI. NET INCOME ON COMMON STOCKS	500		582	1,099
11.1. Basic earnings per share (VND/share)	501	38	582	1,099


Ms. Nguyen Thi Tuyen
Preparer


Ms. Nguyen Thi Ha Ninh
Chief Accountant


Ms. Phạm Minh Hương
Chief Executive Officer
Hanoi, S.R.Vietnam
14 August 2019

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT*(Indirect method)**For the 6-month period ended 30 June 2019**Unit: VND*

ITEMS	Codes	Current period	Prior period
I. Cash flows from operating activities			
1. Profit before tax	01	148,254,027,581	276,931,618,326
2. Adjustments for:	02	299,664,872,508	193,827,507,855
- Depreciation and amortisation of fixed assets	03	10,735,288,198	9,578,809,746
- Allowances and provisions	04	83,465,022,135	58,863,379,923
- Unrealised loss foreign exchange differences	05	136,318,575	-
- Interest expenses	06	204,128,461,055	124,185,535,640
- Other adjustments	09	1,199,782,545	1,199,782,546
3. Adjustment for non-cash expenses	10	194,998,700	-
- Losses from revaluation of financial assets at FVTPL	11	194,998,700	-
4. Adjustment for non-cash income	18	(4,310,097,447)	(25,757,092,001)
- Gains from revaluation of financial assets at FVTPL	19	(4,310,097,447)	(25,757,092,001)
5. Operating profit before changes in working capital	30	443,803,801,342	445,002,034,180
- (Increase) in financial assets at FVTPL	31	(388,777,457,379)	(97,987,370,070)
- (Increase) in held-to-maturity investments (HTM)	32	(69,670,000,000)	(1,870,464,125,307)
- Decrease/(increase) in loans receivable	33	(453,078,715,139)	187,151,303,457
- Decrease/(increase) in financial assets available for sales (AFS)	34	(891,098,363,228)	206,315,474,771
- (Increase)/decrease in receivables from sales of financial assets	35	17,527,125,389	(52,577,016,748)
- (Increase) in dividends and interests receivable from financial assets	36	(79,346,477,111)	(34,009,697,024)
- (Increase)/decrease in other receivables	39	(53,912,959,413)	29,494,706,643
- (Increase) in other assets	40	(23,206,206,821)	(4,921,788,903)
- (Decrease)/Increase in accrued expenses (excluding loan interest expense)	41	(122,685,947,347)	1,721,750,980
- (Decrease)/Increase in prepaid expenses	42	(855,022,246)	839,799,236
- Corporate income tax paid	43	(44,853,595,131)	(58,120,443,753)
- Interest paid	44	(138,394,200,772)	(101,871,222,966)
- (Decrease)/increase in accounts payable to suppliers	45	623,547,187,215	(218,498,343,972)
- Increase in employees' benefits payable	46	1,242,251,523	1,116,995,800
- (Decrease)/Increase in taxes and other obligations to the State budget (excluding corporate income tax paid)	47	(3,943,693,091)	58,058,952
- (Decrease) in payables to employees	48	(2,484,569,599)	(28,393,729,535)
- (Decrease) in other payables	50	(2,199,956,836)	(32,979,089,817)
Net cash flows from operating activities	60	(1,188,386,798,644)	(1,628,122,704,076)

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT (Continued)

(Indirect method)

For the 6-month period ended 30 June 2019

Unit: VND

ITEMS	Codes	Current period	Prior period
II. Cash flows from investing activities			
1. Payments for acquisition and construction of fixed assets, investment properties and other assets	61	(3,491,062,370)	(1,749,236,000)
2. Payments for investments in subsidiaries, joint ventures, associates and other investments	63	(27,886,250,000)	-
3. Proceeds from dividends and profit from long-term financial investments	65	189,908,295	-
Net cash flows from investing activities	70	(31,187,404,075)	(1,749,236,000)
III. Cash flows from financing activities			
1. Proceeds from equity issued or capital contributed by shareholders	71	-	504,584,770,000
2. Cash paid for capital withdrawals and buy-back of issued shares	72	(985,900)	(467,150)
3. Proceeds from borrowings	73	92,464,070,158,593	40,572,735,461,671
3.1. Other borrowings	73.2	92,464,070,158,593	40,572,735,461,671
4. Payments to settle loan principals	74	(91,641,962,772,721)	(39,385,083,061,346)
4.1. Payments to settle other loan principals	74.3	(91,641,962,772,721)	(39,385,083,061,346)
5. Dividends, profits paid to shareholders	76	(104,092,915,000)	(216,429,761,000)
Net cash flows from financing activities	80	718,013,484,972	1,475,806,942,175
IV. Net cash flows during the period	90	(501,560,717,747)	(154,064,997,901)
V. Cash and cash equivalents at the beginning of the period	101	915,397,756,735	342,470,238,293
- Cash	101.1	507,397,756,735	241,470,238,293
- Cash equivalents	101.2	408,000,000,000	101,000,000,000
VI. Cash and cash equivalents at the end of the period	103	413,837,038,988	188,405,240,392
- Cash	103.1	252,137,038,988	187,405,240,392
- Cash equivalents	103.2	161,700,000,000	1,000,000,000

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT (Continued)


(Direct method)


For the 6-month period ended 30 June 2019


Unit: VND

CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES

ITEMS	Codes	Current period	Prior period
I. Cash flows of customers for brokerage and entrustment activities			
1. Proceeds from sales of securities brokered by the Company	01	41,842,809,820,028	78,581,088,604,266
2. Payments for purchases of securities brokered by the Company	02	(41,842,758,902,401)	(78,580,800,457,900)
3. Deposits received to settle securities transactions of customers	07	(60,653,432,607)	562,484,645,806
4. Receipts from securities issuers	14	1,230,110,327,054	1,171,113,699,704
5. Payments to securities issuers	15	(1,229,853,301,309)	(1,167,035,976,535)
Net cash flows during the period	20	(60,345,489,235)	566,850,515,341
II. Cash and cash equivalents of customers at the beginning of the period	30	1,993,122,252,442	2,167,977,438,501
Cash at banks at the beginning of the period	31	1,993,122,252,442	2,167,977,438,501
- Deposits of customers for securities transactions managed by the Company	32	1,523,092,253,747	1,295,267,199,378
- Deposits for securities transactions for customers	33	468,569,564,560	872,053,173,200
- Deposits for clearing and settlement of securities transactions	34	91,855,939	33,435,738
- Deposits from securities issuers	35	1,368,578,196	623,630,185
III. Cash and cash equivalents of customers at the end of the period (40=20+30)	40	1,932,776,763,207	2,734,827,953,842
Cash at banks at the end of the period:	41	1,932,776,763,207	2,734,827,953,842
- Deposits of customers for securities transactions managed by the Company	42	1,431,900,462,000	2,015,462,872,084
- Deposits for securities transactions for customers	43	499,107,923,700	714,342,146,300
- Deposits for clearing and settlement of securities transactions	44	142,773,566	321,582,104
- Deposits from securities issuers	45	1,625,603,941	4,701,353,354


Ms. Nguyen Thi Tuyen
Preparer


Ms. Nguyen Thi Ha Ninh
Chief Accountant


Ms. Pham Minh Huong
Chief Executive Officer
Hanoi, S.R.Vietnam
14 August 2019

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

VNDIRECT SECURITIES JOINT STOCK COMPANY

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

FORM B04a - CTCK
Issued under Circular No.334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 6-month period ended 30 June 2019

Unit: VND

ITEMS	Note	Opening balance		Movement			Closing balance	
		Current period	Prior period	Current period	Decrease	Prior period	Current period	Prior period
I. Changes in owners' equity		2,515,713,706,692	2,982,929,852,653	879,119,499,730	(408,539,876,458)	141,299,564,109	2,986,293,329,964	2,987,640,847,232
1. Owners' contributed capital		1,621,127,781,027	2,124,680,195,027	654,835,573,048	742,899,802	(985,900)	2,276,706,253,877	2,124,679,209,127
1.1. Share capital	28	1,549,981,650,000	2,204,301,690,000	654,320,040,000	-	-	2,204,301,690,000	2,204,301,690,000
1.2. Share premium		120,708,515,572	121,224,048,620	515,533,048	-	-	121,224,048,620	121,224,048,620
1.3. Treasury shares		(49,567,384,545)	(200,845,543,593)	-	742,899,802	(985,900)	(48,819,484,743)	(200,846,529,493)
2. Reserve to supplement charter capital		69,472,492,286	90,351,911,844	-	-	-	69,472,492,286	90,351,911,844
3. Financial and operational risk reserves		40,170,765,283	61,050,184,841	-	-	-	40,170,765,283	61,050,184,841
4. Undistributed profits	29	784,942,668,096	706,847,560,941	224,283,926,682	(409,282,776,260)	141,300,550,009	599,943,818,518	711,559,541,420
4.1. Realised profits		757,921,397,031	794,851,251,780	203,678,253,081	(409,282,776,260)	141,300,550,009	552,316,873,852	819,514,140,651
4.2. Unrealised profits		27,021,271,065	(88,003,690,839)	20,605,673,601	-	-	47,626,944,666	(107,954,599,231)
Total		2,515,713,706,692	2,982,929,852,653	879,119,499,730	(408,539,876,458)	141,299,564,109	2,986,293,329,964	2,987,640,847,232

Handwritten signature

Ms. Nguyen Thi Tuyen
Preparer

Ms. Nguyen Thi Ha Ninh
Chief Accountant

Ms. Pham Minh Huong
Chief Executive Officer

Hanoi, S.R.Vietnam
14 August 2019



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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

VNDIRECT Securities Joint Stock Company (the "Company") is incorporated as a joint stock company in Vietnam under 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 and the amended License for Establishment and Operation of securities company No. 38/GPDC-UBCK dated 01 June 2018. The Company's Head Office is located at No. 1 Nguyen Thuong Hien Street, Hai Ba Trung District, Hanoi, Vietnam. The Company's Charter was issued on 25 September 2006 with the latest amendment dated 20 April 2018.

Charter capital

As at 30 June 2019, the Company's charter capital is VND 2,204,301,690,000 (at 31 December năm 2018 is VND 2,204,301,690,000).

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 services, margin service, securities custody and securities underwriting services.

Investment restrictions of securities companies

The Company follows Article 44 of Circular No. 210/2012/TT-BTC issued by the Ministry of Finance on 30 November 2012 and Circular No. 07/2016/TT-BTC dated 18 January 2016 amending and supplementing several articles of Circular 210, accordingly:

Securities companies must not purchase or contribute capital for purchase of real estate, except for cases where they are used as head offices, branches or transaction offices in direct service of professional operations of securities companies.

Securities companies purchase or invest in real estate under the provisions of Clause 1 of this Article and fixed assets on the principle that the residual value of fixed assets and real estate shall not exceed fifty percent (50%) of the total assets of the securities companies.

The total value of investments in corporate bonds of securities companies must not exceed seventy percent (70%) of equity. Securities companies licensed to conduct securities proprietary trading activities may sell and repurchase listed bonds in accordance with relevant regulations on bond repurchase transactions.

Securities companies must not directly or entrust other entities or individuals to:

- a) Invest in shares or capital contributions of companies owning more than fifty percent (50%) of the charter capital of such securities companies, except for cases of purchase of odd lots of shares at the request of customers;
- b) Together with related persons, invest from five percent (5%) or more in the charter capital of other securities companies;
- c) Invest in more than twenty per cent (20%) of the total number of outstanding stocks and fund units of a listed entities;
- d) Invest more than fifteen per cent (15%) of the total outstanding stocks and fund units of an unlisted entities. This provision shall not apply to member fund units, exchange traded funds and open funds;

- e) Invest or contribute more than ten percent (10%) of the total capital contributed by a limited liability company or business project;
- f) Invest or contribute more than fifteen percent (15%) of equity to an entity or business project;
- g) Invest in more than seventy percent (70%) of equity capital in shares, capital contributions and business projects, of which no more than twenty per cent (20%) of equity may be invested in unlisted shares, capital contributions and business projects.

A securities company can establish, acquire a fund management company as a subsidiary. In this case, the securities company shall not have to comply with the provisions at Points c, d and e, Clause 4 of this Article. A securities company which plans to establish or acquire a fund management company as a subsidiary must meet the following conditions:

- a) The owner's equity after the capital contribution for the establishment and acquisition of fund management company must be at least equal to the legal capital for the business operations being performed by the company;
- b) Liquid capital ratio after the capital contribution for the establishment or acquisition of the fund management company must be at least one hundred and eighty percent (180%);
- c) Securities companies, after making capital contribution for the establishment and acquisition of a fund management company, must comply with the debt limit prescribed in Article 42 of this Circular and investment limit prescribed in Clause 3 of this Article and Point f of Clause 4 of this Article.

In cases where the securities company exceeds the limit prescribed due to its underwriting under the form of firm commitment, consolidation or merger, or changes in assets or owner's equity of the securities company or capital contributing entities, securities companies must apply necessary measures to comply with the investment limits prescribed in Clauses 2, 3 and 4 of this Article for a maximum of one (01) year.

Disclosure of information comparability in the interim consolidated financial statements

The comparative figures are the figures in the audited consolidated financial statements for the year ended 31 December 2018 and the figures in the reviewed interim consolidated financial statements for the six-month period ended 30 June 2018

Normal production and business cycle

VNDIRECT's normal production and business cycle is carried out for a time period of 12 months.

Number of employees

As at 30 June 2019, VNDIRECT has 900 employees (as at 31 December 2018: 947 employees).

Subsidiaries

As at 30 June 2019, the Company has two (02) subsidiaries, of which one (01) is directly owned and (01) is indirectly owned as follows:

Name	Establishment and Operation	Principal activities	Charter capital	% ownership interest
I.P.A Securities Investment Fund Management Limited Company	Licences For Establishment and Operation No.30/UBCK-GP dated 4/3/2008, No. 02/GPDC-UBCK dated 8/3/2017	Securities investment fund management and securities investment portfolio management	VND 100 billion	100%

Name	Establishment and Operation	Principal activities	Charter capital	% ownership interest
IVND Limited Company	Business Registration Certificate No. 0108599981 dated 24 January 2019	Web portal	VND 20 billion	100% (*)

(*) Indirect ownership through I.P.A Securities Investment Fund Management Company Limited

2. BASIS OF PREPARATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING PERIOD

Basis of preparation of interim consolidated financial statements

The interim consolidated financial statements expressed in Vietnam dong ("VND") are prepared in accordance with Vietnamese Accounting Standards, the accounting regime applicable to securities companies issued by Ministry of Finance attached to Circular No. 210/2014/TT-BTC ("Circular 210") dated 30 December 2014 and Circular No. 334/2016/TT-BTC ("Circular 334") dated 27 December 2016 amending, supplementing and replacing Appendix 02 and 04 of Circular 210 and other legal regulations relating to to interim consolidated financial reporting.

The accompanying interim consolidated financial statements are not intended to present the financial position, results of operations, cash flows, in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The use of these interim consolidated financial statements are not intended for use by those who are not aware of Vietnam's accounting principles, procedures and practices applicable to securities companies.

Measurement basics

The interim consolidated financial statements, except for the interim consolidated cash flow statement, are prepared on an accrual basis using the historical cost method, except for financial assets at FVTPL and available-for-sale financial assets to be disclosed in Note 3. The interim consolidated cash flow statement is prepared using the indirect method.

Accounting period

These interim consolidated financial statements are prepared for the period from 01 January 2018 to 30 June 2019.

The financial year of VNDIRECT begins on 01 January and ends on 31 December.

Accounting and presentation currency

VNDIRECT 's accounting currency is Vietnam Dong ("VND"), which is also the currency used for interim consolidated financial statement presentation purpose.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the VNDIRECT in the preparation of these interim consolidated financial statements, are as follows:

Basis of consolidation

The interim financial statements incorporate the interim financial statements of the Company and the enterprise controlled by the Company (its subsidiary) for the 6-month period ended 30 June 2019. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed of during the period are included in the interim consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiary are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combination

Assets, liabilities and contingent liabilities of the subsidiaries are determined under the fair value at the date of acquisition. Any premiums between purchase price and the total fair value of assets acquired is recorded as goodwill. Any shortfall between the total purchase price and the fair value of assets acquired is recognized in the results of operations of the accounting period incurred acquisition activities.

The interests of minority shareholders at the date of business combination are initially determined based on the ratio of minority shareholders the total fair value of assets, liabilities and contingent liabilities are recognized.

Goodwill

Goodwill on the consolidated financial statements is the premium between the cost of business combination compared with the interests of the Company in the total fair value of assets, liabilities and contingent liabilities of the subsidiary at the date of investment operations. The excess is negative (profit from cheap purchases) are recognized immediately in the interim consolidated income statement.

Business advantage from the purchase of subsidiaries are shown separately as other assets on the interim consolidated statement of financial position, and amortized on the straight-line basis over 10 years. The carrying value of goodwill arising when the acquisition is reduced to the value that can be recovered when the Board of Management determined the goodwill account is irrevocable in whole.

When selling a subsidiary, the carrying value of goodwill amounts not yet allocated all be charged to profit/loss on sale of company operations, respectively.

Financial assets and financial liabilities

Recognition

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

Derecognition

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

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

Offsetting

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

Cash and cash equivalents

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

Cash equivalents are short-term investments with recovery or maturity of no 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.

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

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

- A financial asset is considered by Board of Management as held for trading. A financial asset is considered as held for trading if:
 - Assets are 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 financial instrument (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by VNDIRECT as at FVTPL.

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

Financial assets at fair value through profit or loss are stated at fair value and the gain or loss arising from the change in fair value is recognised in profit or loss in the interim consolidated income statement.

For the securities listed at the Stock Exchanges, fair value is the closing price of the nearest trading date prior to the reporting date.

For the securities already registered for trading (shares registered in the Upcom), fair value is the

closing price of the nearest trading date prior to the reporting date.

For the securities which are unlisted and not yet registered for trading in the Upcom, fair value is the average public quoted price of at least three securities companies having securities transactions on the nearest date prior to the reporting date, but no more than one month to the reporting date. In the case that the securities are not actually traded during such period, VNDIRECT shall recognise them at cost.

For those listed securities that are cancelled, suspended or discontinued for trading from the 6th trading day onwards, fair value shall be the book value as at the most recent balance sheet date.

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 value cannot be determined reliably.

Held-to-maturity investments

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

- those that VNDIRECT, on initial recognition, designates as at fair value through profit or loss;
- those that VNDIRECT designates as available-for-sale; and
- those that meet the definition of loans and receivables.

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

Financial assets will be no longer classified as held-to-maturity investments if in the current period or during the most recent financial years, financial assets are sold or a significant number of held-to-maturity financial assets are reclassified, unless the sale 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 financial assets;
- Such sale or reclassification is performed after VNDIRECT has recovered a significant portion of the principal value of these financial assets by or before the contractual payment date; or
- Such sale or reclassification is related to a special event beyond VNDIRECT's control and such event is unforeseeable.

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 recognized initially at cost which includes purchase prices plus (+) transaction costs which are directly attributable to the purchase such as brokerage fee, trading fee, communication fee.

Available-for-sale financial assets are stated at fair value and the difference arising from the change in fair value is recognised in equity (other comprehensive income).

The fair value of available-for-sale financial assets is determined using the method described in financial assets at FVTPL of this Note.

Loans receivable

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

Loans receivable are initially stated at cost and subsequently measured at amortised cost using the effective interest rate method, less allowance for doubtful debts in accordance with the accounting policy described in section Receivables of this Note. In addition, VNDIRECT also makes general allowance for loans receivable at the rate of 0.75% on the total outstanding loans.

For overdue loans which are irrecoverable, the Company perform risk handing process in accordance with current prevailing legal regulations.

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 entity is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, under arrest, 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:

Overdue status	Allowance rate
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 above	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 taking the recovery of these debts into account.

Tangible fixed assets**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 and expense for dismantlement, relocation of assets, and restoration of the place where assets are located. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul cost, is charged to the consolidated income statement for 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.

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:

	Current period (number of years)
Buildings and structures	10
Office equipment	3 - 10

Intangible assets

Computer software

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

Construction in progress

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

Trade and other payables

Trade and other payables are stated at cost.

Provisions

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

Bonds issued

Common bonds

At initial recognition, bonds issued are measured at cost which is the proceed from issuance, net of issuance costs.

Share capital

Ordinary shares

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

Share premium

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

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.

Statutory reserves

VNDIRECT allocates realised profit to statutory reserves on an annual basis 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% of share capital
Financial and operational risk reserve	5% of profit after tax	10% of share capital

The reserve to supplement charter capital is used to supplement share capital as determined by the General Meeting of 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 entities.

These statutory reserves are non-distributable and are recognised as part of owners' equity.

Revenue and other income

Gains/losses from sales of financial assets

Gains/losses from sales of financial assets is recognised in the interim consolidated income statement upon receipt of the notice for payment of securities trading transactions from Vietnam Securities Depository ("VSD") (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

Dividend and interest income from financial assets

Dividend income recognised in the interim consolidated income statement 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, VNDIRECT only recognises the number of shares and no revenue thereof is recognised.

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

Revenue from securities brokerage

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

Revenue from securities investment advisory and financial advisory

Revenue from securities investment advisory and financial advisory activities is recognised in proportion to the stage of completion of the transaction at the end of the accounting period. The stage of completion is assessed by reference to work performed.

Revenue from securities custody

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

Operating lease payment

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

Interest expense

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

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the interim consolidated income statement 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 annual reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized 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.

Segment reporting

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

Related parties

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

Nil balances

Items or balances required by Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance that are not shown in these interim consolidated financial statements indicate nil balances.



4. FINANCIAL RISK MANAGEMENT

Overview

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

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

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

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

Risk management framework

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

VNDIRECT's risk management policies are established to identify and analyse the risks faced by VNDIRECT, 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 VNDIRECT'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.

Credit risk

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

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

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

Exposure to credit risk

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

	Note	Closing balance	Opening balance
		VND	VND
Cash and cash equivalents	(i)	413,837,038,988	915,397,756,735
Held-to-maturity investments	(i)	5,541,000,000,000	5,471,330,000,000
Loans receivable	(ii)	3,035,553,021,266	2,582,474,306,127
Available-for-sale debt securities	(iii)	1,270,629,265,469	379,530,902,241
Accounts receivable	(ii)	222,880,509,516	160,096,745,070
Other financial assets		65,422,284,852	37,547,099,707
		10,549,322,120,091	9,546,376,809,880

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

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

(ii) Loans receivable and receivables

VNDIRECT's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, Board of Management of VNDIRECT has established a credit policy under which each new customer is analysed individually for creditworthiness before VNDIRECT's standard payment and delivery terms and conditions are offered. Credit limit is established for each customer, which represents the maximum receivable amount without requiring approval from the Chief Executive Officer. The limit is annually reviewed. 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 of whom there was no recent history of default. The Board of Management believes that those receivables are of high credit quality.

(iii) Available-for-sale debt securities

VNDIRECT limits credit risk by only investing in government bonds or debt bonds issued by economic entities with low credit risk.

Liquidity risk

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

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

VNDIRECT SECURITIES JOINT STOCK COMPANY
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Closing balance	Carrying value	Contractual cash flows	Within 1 year	From 1 to 2 years
	VND	VND	VND	VND
Current liabilities				
Short-term borrowings	6,849,588,284,179	6,894,159,774,323	6,894,159,774,323	-
Short-term bonds issued	911,562,200,000	1,008,436,921,512	1,008,436,921,512	-
Accounts payable for securities trading activities	780,173,058,996	780,173,058,996	780,173,058,996	-
Accounts payable to suppliers	1,135,002,106	1,135,002,106	1,135,002,106	-
Advances from customers	7,517,954,370	7,517,954,370	7,517,954,370	-
Short-term accrued expenses	35,466,140,864	35,466,140,864	35,466,140,864	-
Other financial liabilities	2,352,324,710	2,352,324,710	2,352,324,710	-
Long-term liabilities				
Long-term bonds issued	300,000,000,000	357,078,082,192	28,539,041,096	328,539,041,096
	8,887,794,965,225	9,086,319,259,073	8,757,780,217,977	328,539,041,096
Opening balance	Carrying value	Contractual cash flows	Within 1 year	From 1 to 2 years
	VND	VND	VND	VND
Current liabilities				
Short-term borrowings	6,012,344,898,307	6,027,011,882,617	6,027,011,882,617	-
Short-term bonds issued	726,562,200,000	794,639,432,858	794,639,432,858	-
Accounts payable for securities trading activities	152,425,291,772	152,425,291,772	152,425,291,772	-
Accounts payable to suppliers	2,382,421,715	2,382,421,715	2,382,421,715	-
Advances from customers	2,535,120,090	2,535,120,090	2,535,120,090	-
Short-term accrued expenses	92,417,509,353	92,417,509,353	92,417,509,353	-
Other financial liabilities	607,578,976	607,578,976	607,578,976	-
Long-term liabilities				
Long-term bonds issued	500,000,000,000	589,222,222,222	44,611,111,111	544,611,111,111
	7,489,275,020,213	7,661,241,459,603	7,116,630,348,492	544,611,111,111

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

Market risk

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

Interest rate risk

As at the reporting date, the interest rate profile of VNDIRECT's interest-bearing financial instruments was as follows:

	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	413,837,038,988	915,397,756,735
Held-to-maturity investments	5,541,000,000,000	5,471,330,000,000
Loans receivable	3,035,553,021,266	2,582,474,306,127
Available-for-sale debt securities	1,270,629,265,469	379,530,902,241
Payment to Clearing Fund for derivative transactions	15,053,950,692	15,046,536,424
Deposits at Payment Support Fund	20,000,000,000	20,000,000,000
Deposit for derivative transactions	27,670,463,392	3,997,020,093
	10,323,743,739,807	9,387,776,521,620
Financial liabilities		
Short-term borrowings	6,849,588,284,179	6,012,344,898,307
Short-term bonds issued	911,562,200,000	726,562,200,000
Long-term bonds issued	300,000,000,000	500,000,000,000
	8,061,150,484,179	7,238,907,098,307

Equity securities 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 securities price risk exposure arises from VNDIRECT's financial assets at fair value through profit or loss.

Financial assets at FVTPL of VNDIRECT are affected by market 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 2019, market value of equity securities and fund unit at FVTPL of VNDIRECT was VND 1,132 billion (31 December 2018: VND 820.1 billion). Had the market value of these securities increased or decreased by 10% as at 30 June 2019 assuming that all other variables remained constant, profit after tax of VNDIRECT would have increased or decreased by VND 95.5 billion (31 December 2018: 10%, increased or decreased VND 65.6 billion).

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 2019, VNDIRECT had exchange rate risks arising from short-term bank loan contracts with the amount of USD 15 million (as at 31 December 2018: USD 15 million).

As at 30 June 2019, VNDIRECT has prevented exchange rate risks by signing USD forward contracts with May Bank Limited – Ho Chi Minh Branch on 14 June 2019 (with amount of USD 5,000,000 at forward rate of 23.349 VND/USD) and Vietnam Maritime Commercial Joint Stock Bank on 14 June 2019 (with amount of USD 5,000,000 at forward rate of 23.352 VND/USD and USD 5,000,000 at forward rate of 23.347 VND/USD).

5. **SEGMENT REPORTING**

Segment reporting by geographical area

All of VNDIRECT's business activities are performed in Vietnam.

Segment reporting by business segments

VNDIRECT comprises the following main business segments:

- Brokerage: Securities brokerage activities for investors, advisory and custody services.
- Proprietary trading: Securities trading activities of the VNDIRECT on the market.
- Treasury activities: Granting margin loans and advances to customers for the proceeds from selling securities, bank deposits.

VNDIRECT SECURITIES JOINT STOCK COMPANY
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	Brokerage services			Proprietary trading			Treasury			Total		
	Closing balance	Opening balance	VND	Closing balance	Opening balance	VND	Closing balance	Opening balance	VND	Closing balance	Opening balance	VND
Segment assets	7,500,000,000	7,500,000,000		2,466,325,221,919	1,068,525,736,593		9,111,818,845,651	9,028,277,334,639		11,585,644,067,570	10,104,303,071,232	
Unallocated assets	-	-		-	-		-	-		334,243,550,412	430,338,248,770	
Total assets	7,500,000,000	7,500,000,000		2,466,325,221,919	1,068,525,736,593		9,111,818,845,651	9,028,277,334,639		11,919,887,617,982	10,534,641,320,002	
Segment liabilities	-	-		780,173,058,996	152,425,291,772		8,152,073,711,754	7,399,286,175,577		8,932,246,770,750	7,551,711,467,349	
Total liabilities	-	-		780,173,058,996	152,425,291,772		8,152,073,711,754	7,399,286,175,577		8,932,246,770,750	7,551,711,467,349	

	Brokerage services			Proprietary trading			Treasury			Total		
	Closing balance	Opening balance	VND	Closing balance	Opening balance	VND	Closing balance	Opening balance	VND	Closing balance	Opening balance	VND
Operating revenue												
- Gains from financial assets at FVTPL and derivatives	-	-		126,672,192,683	179,936,498,511		-	-		126,672,192,683	179,936,498,511	
- Interest income from held-to-maturity investments	-	-		-	-		-	-		-	-	
- Interest income from loans and receivables	-	-		-	-		-	-		-	-	
- Gains from available-for-sale financial assets	-	-		14,765,628,775	1,598,700,022		-	-		14,765,628,775	1,598,700,022	
- Revenue from brokerage services	168,363,698,390	304,206,329,601		-	-		-	-		168,363,698,390	304,206,329,601	
- Revenue from underwriting and issuance agency services	7,978,836,848	2,460,351,615		-	-		-	-		7,978,836,848	2,460,351,615	
- Revenue from securities investment advisory services	15,543,751,747	1,335,163,579		-	-		-	-		15,543,751,747	1,335,163,579	
- Revenue from securities custody services	6,707,100,763	4,985,473,923		-	-		-	-		6,707,100,763	4,985,473,923	
- Other operating income	-	-		-	-		-	-		-	-	
- Financial income	-	-		-	-		-	-		-	-	
Total revenue	198,593,387,748	312,987,318,718		141,437,821,458	181,535,198,533		377,339,059,447	363,904,860,818		717,370,268,653	858,427,378,069	

VNDIRECT SECURITIES JOINT STOCK COMPANY

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	Brokerage services		Proprietary trading		Treasury		Total	
	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND	VND	VND	VND	VND
Direct expenses								
- Losses from financial assets at FVTPL	-	-	118,375,530,265	190,401,861,340	-	-	118,375,530,265	190,401,861,340
- (Reversal of) Allowance made for financial assets, write-off of doubtful debts and impairment loss on financial assets	-	-	-	-	3,485,136,437	(1,407,113,565)	3,485,136,437	(1,407,113,565)
- Expenses for securities brokerage	76,833,310,934	136,132,744,398	-	-	-	-	76,833,310,934	136,132,744,398
- Expenses for securities investment advisory services	(210,469,301)	405,019,540	-	-	-	-	(210,469,301)	405,019,540
- Expenses for securities custody services	7,319,921,159	6,916,408,024	-	-	-	-	7,319,921,159	6,916,408,024
- Realised and unrealised foreign exchange differences	-	-	-	-	2,616,551,380	-	2,616,551,380	-
- Interest expenses	-	-	-	-	204,128,461,055	124,180,839,527	204,128,461,055	124,180,839,527
- The share of profit generated by investment in associate	-	(5,475,633,279)	-	-	-	-	-	(5,475,633,279)
Total expenses	83,942,762,792	137,978,538,683	118,375,530,265	190,401,861,340	210,230,148,872	122,773,725,962	412,530,441,929	451,154,125,985
Segment operating results	114,650,624,956	175,008,780,035	23,080,291,193	(8,866,662,807)	167,108,910,575	241,131,134,856	304,839,826,724	407,273,252,084
Unallocated expenses							155,994,532,717	130,419,171,042
Results from operating activities							148,845,294,007	276,854,081,042
Other income							148,378,781	77,550,214
Other expenses							739,645,207	12,930
Corporate income tax expenses							26,904,385,964	52,647,691,644
Net profit after tax							121,349,641,617	224,283,926,682

6. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash at banks for VNDIRECT's activities	251,978,050,112	507,385,277,118
Cash in transit	106,965,000	-
Deposits for clearing and settlement of securities transactions	52,023,876	12,479,617
Cash equivalents (*)	161,700,000,000	408,000,000,000
	413,837,038,988	915,397,756,735

(*) These are bank deposits with original terms not exceeding 3 months.

7. VOLUME AND VALUE OF TRANSACTIONS DURING THE PERIOD

	Volume of transactions	Value of transactions
	Number of securities	VND
Of VNDIRECT	355,419,876	119,386,127,252,500
Shares	41,831,620	1,321,083,286,858
Bonds	308,582,355	116,719,114,319,042
Other securities	5,005,901	1,345,929,646,600
Of Investors	4,673,970,656	385,669,881,735,311
Shares	4,638,526,781	78,430,830,616,111
Bonds	700,003	72,502,801,100
Other securities	34,743,872	307,166,548,318,100

8. FINANCIAL ASSETS**Financial assets at fair value through profit or loss**

	Closing balance		Opening balance	
	Cost	Carrying amount (*)	Cost	Carrying amount (*)
	VND	VND	VND	VND
Financial assets at FVTPL				
Shares and fund units (i)	1,470,599,048,869	1,481,133,400,821	1,081,821,591,490	1,089,324,365,595
Total	1,470,599,048,869	1,481,133,400,821	1,081,821,591,490	1,089,324,365,595

(*) The carrying amount of financial assets at FVTPL represents the historical cost and the upward difference of financial assets at FVTPL. The downward difference of financial assets at FVTPL is recognised in the allowance for impairment of financial assets in Note 10.

(i) At 30 June 2019, there were no financial assets at FVTPL pledged at banks (as at 31 December 2018: 15,761,118 ABB shares, 494,700 VGG shares and 700,000 LTG shares with total fair value of VND 139,264 million) as security for loans granted to the Company (Note 20).

Held-to-maturity investments

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Held-to-maturity investments				
Term deposits with term to maturity:				
- From over 3 months to under 1 year	4,441,000,000,000	Not applicable	5,371,330,000,000	Not applicable
- Above 1 year	1,100,000,000,000	Not applicable	100,000,000,000	Not applicable
Total	5,541,000,000,000		5,471,330,000,000	

As at 30 June 2019, these term deposits earned annual interest rates ranging from 4.2% - 7.8% (as at 31 December 2018: 3.5% - 7.5%). Included in these term deposits was VND 5,315,300 million which was pledged with banks as security for loans granted to the Company (as at 31 December 2018: VND 5,218,000 million) (Note 20).

Loan receivables

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Loan receivables				
Margin loans	2,959,301,943,913	(**)	2,456,280,458,266	(**)
Advances to customers for the proceeds of selling securities	76,251,077,353	(**)	126,193,847,861	(**)
Total	3,035,553,021,266		2,582,474,306,127	

Available-for-sale financial assets

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Available-for-sale financial assets				
Equity securities	7,500,000,000	(**)	7,500,000,000	(**)
Government bonds (ii)	754,301,000,000	754,301,000,000	148,490,500,000	148,490,500,000
Corporate bonds	367,432,695,123	367,432,695,123	29,669,435,442	29,669,435,442
Certificate of deposit	148,895,570,346	148,895,570,346	201,370,966,799	201,370,966,799
Total	1,278,129,265,469		387,030,902,241	

(ii) As at 30 June 2019, there were no government bonds that were pledged with banks as security for loans granted to the Company (31 December 2018, there were no government bonds that were pledged with banks as security for loans granted to the Company) (Note 20).

(**) VNDIRECT has not determined fair values of these financial instruments 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 accounting regime applicable to securities companies. The fair values of these financial instruments may differ from their carrying amounts.

Other long-term investments

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Other long-term investments				
Vietnam National Apiculture Joint Stock Company (iii)	25,286,250,000	-	-	-
Tue Duc Bach Khoa Joint Stock Company (***)	4,600,000,000	-	2,000,000,000	-
Total	29,886,250,000	-	2,000,000,000	-

(iii) During the period, I.P.A Securities Investment Fund Management Limited Company bought 412,500 shares of Vietnam National Apiculture Joint Stock Company with purchase price of VND 62,000 per share, total trading value amounting to VND 25,286,250,000.

(***) VNDIRECT did not make provision for long-term investments in Tue Duc Bach Khoa Education Joint Stock Company due to the determination of planned losses in the business plan before investing.

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9. MOVEMENTS IN FAIR VALUES OF FINANCIAL ASSETS MEASURED AT FAIR VALUE

I Financial assets at FVTPL

	Cost VND	Market value/ Fair value VND	Revaluation difference		Revaluation value VND
			Increase VND	Decrease VND	
Listed shares					
PTI	903,367,046,247	712,557,680,100	8,219,294,119	199,028,660,266	712,557,680,100
VIC	458,356,484,000	275,013,890,400	-	183,342,593,600	275,013,890,400
FPT	74,350,666,644	73,914,945,000	-	435,721,644	73,914,945,000
VHM	63,546,823,592	67,754,232,000	4,207,408,408	-	67,754,232,000
MBB	51,392,942,360	46,535,381,100	-	4,857,561,260	46,535,381,100
REE	49,248,584,801	46,765,610,100	-	2,482,974,701	46,765,610,100
MWG	40,811,172,588	38,854,316,500	-	1,956,856,088	38,854,316,500
TCB	30,663,363,864	32,166,057,600	1,502,693,736	-	32,166,057,600
BMI	24,638,904,118	21,751,097,500	-	2,887,806,618	21,751,097,500
VNM	10,745,812,660	9,591,554,700	-	1,154,257,960	9,591,554,700
Others	10,407,368,994	10,238,151,000	-	169,217,994	10,238,151,000
	89,204,922,626	89,972,444,200	2,509,191,975	1,741,670,401	89,972,444,200
Listed fund certificates					
E1VFN30	2,409,765,649	2,681,000,000	340,300,000	69,065,649	2,681,000,000
FUESSV50	1,490,065,649	1,421,000,000	-	69,065,649	1,421,000,000
	919,700,000	1,260,000,000	340,300,000	-	1,260,000,000
Unlisted fund certificates					
VNDAF	50,500,000,000	49,125,450,000	-	1,374,550,000	49,125,450,000
	50,500,000,000	49,125,450,000	-	1,374,550,000	49,125,450,000
Unlisted shares					
An Binh Commercial Joint Stock Bank	514,322,236,973	367,534,499,390	1,974,757,833	148,762,495,416	367,534,499,390
Loc Tröl Group Joint Stock Company	170,489,057,266	104,460,587,112	-	66,028,470,154	104,460,587,112
Orient Commercial Joint Stock Bank	113,286,906,300	55,057,312,000	-	58,229,594,300	55,057,312,000
CIENCO4 Group	95,255,037,078	95,255,037,078	-	-	95,255,037,078
Viet Tien Garment Joint Stock Corporation	62,400,000,000	41,280,000,000	-	21,120,000,000	41,280,000,000
MBLand Holding Joint Stock Company	31,140,960,000	32,155,500,000	1,014,540,000	-	32,155,500,000
PV Oil Lube Joint Stock Company	20,250,000,000	20,250,000,000	-	-	20,250,000,000
Airports Corporation of Vietnam	6,691,058,000	3,799,600,000	-	2,891,458,000	3,799,600,000
RECONS Construction Joint Stock Company	4,588,811,800	5,393,200,000	804,388,200	-	5,393,200,000
IDICO Corporation - Joint Stock Company	4,078,000,000	4,078,000,000	-	-	4,078,000,000
Others	3,610,146,500	3,534,180,000	-	75,966,500	3,534,180,000
	2,532,260,029	2,271,083,200	155,829,633	417,006,462	2,271,083,200
	1,470,599,048,869	1,131,898,629,490	10,534,351,952	349,234,771,331	1,131,898,629,490

VNDIRECT SECURITIES JOINT STOCK COMPANY
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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II Available-for-sale financial assets

Government bonds	367,432,695,123	Not applicable
Corporate bonds	754,301,000,000	Not applicable
Certificate of deposit	148,895,570,346	Not applicable
Unlisted shares	7,500,000,000	Not applicable
	1,278,129,265,469	

10. ALLOWANCE FOR IMPAIRMENT OF FINANCIAL ASSETS

I Financial assets at FVTPL

	Cost	Market value/ Recoverable amount	Provision	Provision	Allowance made/(reserved) during the period
	VND	VND	VND	VND	VND
Listed shares					
PTI	769,737,638,636	570,708,978,370	199,028,660,266	128,379,442,424	70,649,217,842
VHM	458,356,484,000	275,013,890,400	183,342,593,600	118,540,470,000	64,802,123,600
TCB	51,392,942,360	46,535,381,100	4,857,561,260	-	4,857,561,260
MBB	24,638,904,118	21,751,097,500	2,887,806,618	-	2,887,806,618
REE	49,248,584,801	46,765,610,100	2,482,974,701	7,961	2,482,966,740
Others	40,811,172,588	38,854,316,500	1,956,856,088	233,896,328	1,722,959,760
	145,289,550,769	141,788,682,770	3,500,867,999	9,605,068,135	(6,104,200,136)
Listed fund certificates					
E1VFN30	1,490,065,649	1,421,000,000	69,065,649	94,579,829	(25,514,180)
	1,490,065,649	1,421,000,000	69,065,649	94,579,829	(25,514,180)
Unlisted fund certificates					
VNDAF	50,500,000,000	49,125,450,000	1,374,550,000	2,275,600,000	(901,050,000)
	50,500,000,000	49,125,450,000	1,374,550,000	2,275,600,000	(901,050,000)
Unlisted shares					
An Binh Commercial Joint Stock Bank	358,849,977,528	210,087,482,112	148,762,495,416	138,505,263,380	10,257,232,036
Loc Troi Group Joint Stock Company	170,489,057,266	104,460,587,112	66,028,470,154	63,409,925,827	2,618,544,327
CIENCO4 Group	113,286,906,300	55,057,312,000	58,229,594,300	52,252,144,300	5,977,450,000
PV Oil Lube Joint Stock Company	62,400,000,000	41,280,000,000	21,120,000,000	14,880,000,000	6,240,000,000
Lien Viet Post Joint Stock Commercial Bank	6,691,058,000	3,799,600,000	2,891,458,000	1,828,858,000	1,062,600,000
Others	2,339,450,000	1,950,000,000	389,450,000	-	389,450,000
	3,643,505,962	3,539,983,000	103,522,962	6,134,335,253	(6,030,812,291)
	1,180,577,681,813	831,342,910,482	349,234,771,331	269,254,885,633	79,979,885,698
II Loans receivable					
	3,035,553,021,266	3,012,397,167,514	23,155,853,752	19,670,717,315	3,485,136,437
Total	4,216,130,703,079	3,843,740,077,996	372,390,625,083	288,925,602,948	83,465,022,135

11. DIVIDENDS AND INTEREST RECEIVABLE FROM FINANCIAL ASSETS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Dividends receivable	13,314,603,960	1,698,900
Interest receivable from term deposits	92,695,507,187	36,229,493,376
Interest receivable from loans	51,894,145,661	42,516,495,716
	<u>157,904,256,808</u>	<u>78,747,687,992</u>

12. OTHER RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Receivables from former employees	1,963,775,333	1,963,775,333
Receivables from overdraft of derivative transactions	2,363,629,261	3,256,333,682
Other receivables	7,879,652,314	5,832,626,874
	<u>12,207,056,908</u>	<u>11,052,735,889</u>

VNDIRECT SECURITIES JOINT STOCK COMPANY

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13. ALLOWANCE FOR DOUBTFUL DEBTS

	Doubtful debts		Allowance for doubtful debts		Made/(Reversed)
	Closing balance	Opening balance	Closing balance	Opening balance	
	VND	VND	VND	VND	VND
Current period					
Receivables from former employees	1,963,775,333	1,963,775,333	(1,963,775,333)	(1,963,775,333)	-
Other receivables	2,699,439,096	2,699,439,096	(2,699,439,096)	(2,699,439,096)	-
	4,663,214,429	4,663,214,429	(4,663,214,429)	(4,663,214,429)	-
Prior period					
Receivables from former employees	1,963,775,333	1,963,775,333	(1,963,775,333)	(1,963,775,333)	-
Other receivables	2,699,439,096	2,699,439,096	(2,699,439,096)	(2,699,439,096)	-
	4,663,214,429	4,663,214,429	(4,663,214,429)	(4,663,214,429)	-

14. PREPAID EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Short-term prepaid expenses		
Office rental	3,334,305,012	2,682,298,307
Software expenses	2,393,206,025	3,318,926,931
Others	571,495,315	621,800,308
	6,299,006,352	6,623,025,546
Long-term prepaid expenses		
Office repair and renovation expenses	3,804,714,011	1,372,836,233
Others	4,847,512,425	6,100,348,763
	8,652,226,436	7,473,184,996

15. TANGIBLE FIXED ASSETS

	<u>Buildings and structures</u>	<u>Office equipment</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>
COST			
Opening balance	24,184,557,012	83,598,444,974	107,783,001,986
Additions	-	323,790,807	323,790,807
Reclassification	(418,427,603)	418,427,603	-
Closing balance	23,766,129,409	84,340,663,384	108,106,792,793
ACCUMULATED DEPRECIATION			
Opening balance	11,366,250,164	42,407,611,618	53,773,861,782
Depreciation for the period	1,233,366,177	5,502,602,006	6,735,968,183
Reclassification	(1,167,148,702)	1,167,148,702	-
Closing balance	12,599,616,341	47,910,213,624	60,509,829,965
NET BOOK VALUE			
Opening balance	12,818,306,848	41,190,833,356	54,009,140,204
Closing balance	11,166,513,068	36,430,449,760	47,596,962,828

As at 30 June 2019, the cost of tangible fixed assets includes VND 28.3 billion of assets which have been fully depreciated but are still in use (as at 31 December 2018 VND 20.6 billion).

16. INTANGIBLE ASSETS

	<u>Computer software</u>
	<u>VND</u>
COST	
Opening balance	83,084,078,207
Additions	2,087,546,000
Closing balance	85,171,624,207
ACCUMULATED AMORTISATION	
Opening balance	64,180,671,434
Charge for the year	3,999,320,015
Closing balance	68,179,991,449
NET BOOK VALUE	
Opening balance	18,903,406,773
Closing balance	16,991,632,758

As at 30 June 2019, the cost of intangible assets includes VND 46.9 billion of assets which have been fully amortised but are still in use (as at 31 December 2018: VND 43.1 billion).

17. DEPOSITS AT PAYMENT SUPPORT FUND

According to Decision No. 45/QĐ-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND 120 million at the Vietnam Securities Depository and an annual contribution of 0.01% of the total value of brokered securities, which are listed at the Stock Exchanges in the previous year with the maximum annual contribution of VND 2.5 billion to the Payment Support Fund and the maximum of balance of deposit is VND 20 billion.

As at 30 June 2019 and 31 December 2018, the balance of deposit at payment support fund is VND 20 billion.

18. OTHER LONG-TERM ASSETS

	Closing balance	Opening balance
	VND	VND
Deposits for purchase of real estates	50,000,000,000	50,000,000,000
Other deposits	933,487,500	1,000,184,625
Payment to Clearing Fund for derivative transactions	15,053,950,692	15,046,536,424
- Amount paid	15,000,000,000	15,000,000,000
- Interest allocated	53,950,692	46,536,424
	65,987,438,192	66,046,721,049

On 20 June 2017, VNDIRECT officially became a general clearing member at the Vietnam Securities Depository. Accordingly, VNDIRECT is qualified for providing derivative securities 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, VNDIRECT made an initial deposit of VND 15 billion to the Clearing Fund for derivative transactions ("the Clearing Fund"). On a monthly basis, the Vietnam Securities Depository reviews the Clearing Fund and revalues the value of assets contributed to determine the contribution obligations of clearing members.

19. GOODWILL

	Current period	Prior period
	VND	VND
Cost		
Opening balance	24,194,509,882	24,194,509,882
Closing balance	24,194,509,882	24,194,509,882
Accumulated amortisation		
Opening balance	4,819,016,078	2,399,565,090
Charge for the period	1,199,782,545	1,199,782,546
Closing balance	6,018,798,623	3,599,347,636
Net book value		
Opening balance	19,375,493,804	21,794,944,792
Closing balance	18,175,711,259	20,595,162,246

20. SHORT - TERM BORROWINGS AND FINANCE LEASE LIABILITIES

Short-term borrowings	Opening balance	Increase during the period	Decrease during the period	Unrealised foreign exchange differences	Closing balance
	VND	VND	VND		VND
Borrowings from banks	6,012,344,898,307	91,664,070,158,593	90,826,962,772,721	136,000,000	6,849,588,284,179
	6,012,344,898,307	91,664,070,158,593	90,826,962,772,721	136,000,000	6,849,588,284,179

As at 30 June 2019, these borrowings were secured by term deposits at banks of the Company amounting to VND 5,315,300 million (as at 31 December 2018: term deposits at banks of the Company amounting to VND 5,218,000 million and unlisted shares with a total fair value of VND 191,317 million) (Note 8).

These borrowings bore annual interest rates ranging from 2.85% - 9.3% (as at 31 December 2018: 2.95% - 8.5%).

21. BONDS ISSUED

Bonds issued	Interest rate	Opening balance	Increase during the period	Decrease during the period	Closing balance
	%	VND	VND	VND	VND
Long-term bonds	9.2% - 10%	1,226,562,200,000	800,000,000,000	815,000,000,000	1,211,562,200,000
In which:					
- Bonds with term to maturity under 1 year		726,562,200,000			911,562,200,000
- Bonds with term to maturity above 1 year		500,000,000,000			300,000,000,000

During the first 6 months of 2019, the Company issued 3 million non-convertible bonds under private placement which were unsecured and had a 2-year term, floating interest rate with the first period interest rate of 9.5% per annum and 5 million non-convertible bonds which were unsecured and had a 1-year term, fixed interest rate of 9.5% per annum and par value of VND 100,000 per bond to add funds to margin lending, securities trading, securities underwriting activities and M&A activities.

22. ACCOUNTS PAYABLE FOR SECURITIES TRADING ACTIVITIES

	Closing balance	Opening balance
	VND	VND
Payables to the Stock Exchanges	4,347,642,096	3,934,791,772
Payables for purchases of financial assets (i)	772,872,256,500	148,490,500,000
Payables related to covered warrants	2,953,160,400	-
	780,173,058,996	152,425,291,772

(i) Account payables are paid on date T+2.

23. SHORT-TERM PAYABLES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Financial Software Solutions JSC	920,707,500	1,711,800,000
Ms. Nhu Thi Hai Van	-	602,700,000
AWA Waterproofing Company Limited	46,496,182	46,496,182
Other domestic organizations	167,798,424	21,425,533
	1,135,002,106	2,382,421,715

24. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

	Closing balance	Opening balance
	VND	VND
Corporate income tax	6,943,528,904	19,547,932,530
Personal income tax	11,679,935,140	16,335,075,295
Value added tax	279,792,457	166,119,949
	18,903,256,501	36,049,127,774

25. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Interest expense on loans from credit institutions	12,239,390,310	15,306,486,479
Interest expense on issued bonds	22,055,030,043	76,389,270,638
Others	1,171,720,511	721,752,236
	35,466,140,864	92,417,509,353

26. BONUS AND WELFARE FUNDS

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

	Current period	Prior period
	VND	VND
Opening balance	14,861,782,005	6,306,441,561
Appropriation during the period (Note 29)	12,544,746,138	41,858,845,260
Utilisation during the period	(12,964,218,150)	(33,754,184,816)
Closing balance	14,442,309,993	14,411,102,005

27. DEFERRED TAX LIABILITIES

	Closing balance		Opening balance	
	Tax rate	Value VND	Tax rate	Value VND
Deferred tax assets				
Revaluation reverse of financial assets at FVTPL	20%	20,872,035,255	20%	15,301,984,520
		<u>20,872,035,255</u>		<u>15,301,984,520</u>
Recognised deferred tax liabilities				
Gains from revaluation of financial assets at FVTPL	20%	2,106,870,390	20%	1,500,554,821
Gains from revaluation of issued covered warrants	20%	216,704,181	20%	-
		<u>2,323,574,571</u>		<u>1,500,554,821</u>

28. SHARE CAPITAL

VNDIRECT's authorised and issued share capital is as follows:

	Closing balance		Opening balance	
	Number of shares	Par value VND	Number of shares	Par value VND
Authorised and issued share capital	220,430,169	2,204,301,690,000	220,430,169	2,204,301,690,000
Treasury shares				
Ordinary shares	(11,864,753)	(118,647,530,000)	(11,864,689)	(118,646,890,000)
Shares in circulation				
Ordinary shares	208,565,416	2,085,654,160,000	208,565,480	2,085,654,800,000

Each ordinary share has a par value of VND 10,000 and is entitled to one vote at shareholders' meetings of VNDIRECT. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to VNDIRECT's residual assets. In respect of shares bought back by VNDIRECT, all rights are suspended until those shares are reissued.

29. UNDISTRIBUTED PROFITS

	Closing balance VND	Opening balance VND
Undistributed realised profits	819,514,140,651	794,851,251,780
Unrealised profits	(107,954,599,231)	(88,003,690,839)
- Foreign exchange differences	(136,318,575)	826,465,928
- Revaluation of financial assets	(108,685,097,375)	(88,830,156,767)
- Revaluation of covered warrants	866,816,719	-
	<u>711,559,541,420</u>	<u>706,847,560,941</u>

The distribution of income to shareholders in the period

	Current period	Prior period
	VND	VND
Opening balance	706,847,560,941	784,942,668,096
Total comprehensive income for the period	121,349,641,617	224,283,926,682
Business bonus fund (Note 27) (ii)	(12,544,746,138)	(41,858,845,260)
Cash dividend during the period (ii)	(104,092,915,000)	(216,429,761,000)
Share dividend	-	(150,994,170,000)
Closing balance	711,559,541,420	599,943,818,518

- (i) Appropriate for 2018 business bonus fund according to the Decision of the Chairwoman of the Board of Directors No. 93-4/2019/QD-VNDS dated 01 March 2019;
- (ii) Dividend payment in cash at the rate of 5%/share according to the Resolution No. 185/2019/NQ-DHDCD of the 2019 Annual General Meeting of Shareholders dated 18 April 2019.

VNIDIRECT SECURITIES JOINT STOCK COMPANY

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30. GAINS FROM SALES OF FINANCIAL ASSETS

Gains from sales of financial assets at FVTPL

No.	Investment portfolio	Number of securities sold/ Position	Total sale proceeds/ Closing position	Average cost of securities sold up to last transaction date	Gains from sales of securities for current period	Gains from sales of securities for prior period
			VND	VND	VND	VND
1	Listed shares	3,945,931	161,475,231,400	151,988,276,476	9,486,954,924	82,217,979,941
2	Unlisted shares	1,517,490	60,344,799,000	52,134,273,660	8,210,525,340	7,941,541,644
3	Listed bonds	51,087,000	5,423,592,996,000	5,408,822,190,000	14,770,806,000	5,351,998,911
4	Unlisted bonds and certificate of deposit	57,980,257	46,527,959,464,764	46,468,671,763,917	59,287,700,847	50,383,990,461
5	Index future contracts	-	11,549,400,000	-	11,549,400,000	-
					103,305,387,111	145,895,510,957

Loss from sales of financial assets at FVTPL

No.	Investment portfolio	Number of securities sold/ Position	Total sale proceeds/ Closing position	Average cost of securities sold up to last transaction date	Losses from sales of securities for current period	Losses from sales of securities for prior period
			VND	VND	VND	VND
1	Listed shares	7,343,157	221,768,314,894	235,427,750,002	13,659,435,108	74,781,169,445
2	Listed fund certificates	101,180	1,495,440,400	1,506,671,380	11,230,980	-
3	Unlisted shares	1,522,388	18,790,997,408	24,374,664,312	5,583,666,904	606,600,000
4	Listed bonds	34,000,000	3,527,537,000,000	3,533,648,000,000	6,111,000,000	906,560,000
5	Unlisted bonds and certificate of deposit	5,433,975	2,103,705,662,981	2,113,406,787,290	9,701,124,309	53,169,231,102
6	Index future contracts	-	(2,205,140,000)	-	2,205,140,000	-
7	Listed covered warrants	8,000	183,200,000	193,100,000	9,900,000	-
					37,281,497,301	129,463,560,547

31. GAINS FROM REVALUATION OF FINANCIAL ASSETS AT FVTPL

No.	Financial assets	Cost	Market value or Fair value	Revaluation gain at the end of the period	Revaluation gain at the beginning of the period	Adjustment for difference in the current period
		VND	VND	VND	VND	VND
1	Listed shares	903,367,046,247	712,557,680,100	8,219,294,119	830,628,520	7,388,665,599
2	Listed fund certificates	2,409,765,649	2,681,000,000	340,300,000	305,300,000	35,000,000
3	Unlisted shares	514,322,236,973	367,534,499,390	1,974,757,833	6,366,845,585	(4,392,087,752)
4	Unlisted fund certificates	50,500,000,000	49,125,450,000	-	-	-
		1,470,599,048,869	1,131,898,629,490	10,534,351,952	7,502,774,105	3,031,577,847

32. DIVIDENDS AND INTEREST INCOME FROM FINANCIAL ASSETS, RECEIVABLES AND LOANS

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
From financial assets at FVTPL	19,056,708,125	8,283,895,553
Dividend received	19,056,708,125	8,283,895,553
From held-to-maturity financial assets	180,318,133,604	115,802,659,558
Interest income from term deposits at banks	180,318,133,604	115,802,659,558
From loans and receivables	191,284,050,586	239,486,033,817
Interest income from margin loans	183,824,109,323	227,052,048,310
Interest income from advances to customers for the proceeds of selling securities	7,459,941,263	12,433,985,507
From available-for-sale financial assets	14,765,628,775	1,598,700,022
Interest income from bonds and certificates of deposit	14,765,628,775	1,598,700,022
	405,424,521,090	365,171,288,950

33. REVENUE FROM SECURITIES BUSINESS ACTIVITIES

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Revenue from securities brokerage	168,363,698,390	304,206,329,601
- Revenue from listed securities and derivatives brokerage	168,133,206,400	304,080,239,474
- Other revenue from brokerage	230,491,990	126,090,127
Revenue from underwriting and issuance agency services	7,978,836,848	2,460,351,615
Revenue from securities investment advisory services	15,543,751,747	1,335,163,579
Revenue from securities custody services	6,707,100,763	4,985,473,923
Other operating revenue	2,805,597,116	4,674,280,856
	201,398,984,864	317,661,599,574

34. DIVIDENDS AND INTEREST INCOME FROM DEMAND DEPOSITS AT BANKS

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Interest income from demand deposits	2,931,278,141	3,941,886,587
	2,931,278,141	3,941,886,587

35. FINANCIAL EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Realized exchange rate difference	2,480,232,805	-
Unrealized exchange rate difference	136,318,575	-
Interest expense from bank loans and bonds issued	201,351,529,997	121,413,140,980
Interest expense from investors' deposits	2,776,931,058	2,767,698,547
The share of profit generated by investment in associate	-	(5,475,633,279)
	206,745,012,435	118,705,206,248

36. GENERAL AND ADMINISTRATION EXPENSES

	Current period	Prior period
	VND	VND
Salary and related expenses	107,736,135,186	84,743,142,371
Stationery expenses	392,939,136	393,013,602
Tools and supplies expenses	2,496,205,377	1,713,394,202
Depreciation and amortisation of fixed assets	10,735,288,198	9,578,809,746
Taxes and fees	141,188,620	74,288,000
Out-sourced services	33,292,993,655	32,716,740,575
Amortisation of goodwill (see Note 19)	1,199,782,545	1,199,782,546
	155,994,532,717	130,419,171,042

37. CORPORATE INCOME TAX

	Current period	Prior period
	VND	VND
Current corporate income tax		
Current period	31,651,416,949	47,496,273,244
Deferred corporate tax (income)/expense		
Arising and reversal of temporary differences	(4,747,030,985)	5,151,418,400
	26,904,385,964	52,647,691,644

	Current period	Prior period
	VND	VND
Accounting profit before tax	148,254,027,581	276,931,618,326
Adjustments for taxable income		
Less: Tax exempt income	23,171,806,872	39,516,620,833
- Dividend	19,056,708,125	8,283,895,553
- Revaluation surplus/reverse from FVTPL financial assets	3,031,577,847	25,757,092,001
- Gains/(losses) from revaluation of covered warrants	1,083,520,900	-
- Share interest from associate	-	5,475,633,279
Add: Non-deductible expenses	33,174,864,039	(140,962,289)
- Tax loss	7,003,778	-
- Losses from revaluation of financial assets at FVTPL	27,850,253,672	-
- Goodwill amortization	1,199,782,545	1,199,782,546
- General provision for margin loan	3,485,136,437	(1,407,113,565)
- Others	632,687,607	66,368,730
Taxable income	158,257,084,748	237,481,366,223
- Company's taxable income	158,082,519,296	237,481,366,223
- Subsidiaries' taxable income	174,565,452	-
Tax rate	20%	20%
Current income tax expense	31,651,416,949	47,496,273,244

	Current period	Prior period
	VND	VND
Temporary taxable differences	(23,735,154,925)	25,757,092,001
- Revaluation surplus/reverse from FVTPL financial assets	3,031,577,847	25,757,092,001
- Gains/(losses) from revaluation of covered warrants	1,083,520,900	-
- Losses from revaluation of financial assets at FVTPL	(27,850,253,672)	-
Tax rate	20%	20%
Deferred corporate tax (income)/expense from temporary taxable differences	(4,747,030,985)	5,151,418,400
Deferred income tax expense	(4,747,030,985)	5,151,418,400

38. BASIC EARNINGS PER SHARE

Net profit attributable to ordinary shareholders

	Current period VND	Prior period VND
Earnings for the purpose of calculating basis earnings per share	121,349,641,617	224,283,926,682
Allocation to bonus and welfare funds (*)	-	-
Net profit attributable to ordinary shareholders	121,349,641,617	224,283,926,682

(*) At the issue date of these financial statements, VNDIRECT had not estimated in a reliable manner the profits that may be allocated to the bonus and welfare funds for the 6-month period ended 30 June 2019 because the General Meeting of Shareholders has not decided allocation percentage to the funds for the period. If the Company made allocation to these funds, net profit attributable to ordinary shareholders would decrease.

Number of weighted average ordinary shares

	Current period Share	Prior period Share
Common shares issued previously carried forward	208,565,480	150,997,774
Effect of the number of shares the company purchased and reissued	(36)	7,322
Effect of the number of shares issued to pay dividends to shareholders	-	15,099,778
Effect of the number of common shares additionally issued	-	37,893,781
The average number of common shares	208,565,444	203,998,655

Basic earnings per share

	Current period VND/Share	Prior period VND/Share
Earnings per share	582	1,099

39. SIGNIFICANT BALANCES AND TRANSACTIONS WITH RELATED PARTIES

List of related parties

<u>Related parties</u>	<u>Relationship</u>
Member of Board of Directors, Board of Management and Supervisory Board	Significant influence
Post and Telecommunication Joint Stock Insurance Corporation (PTI)	Chairman of Board of Directors of the Company is a member of Board of Directors of the related party
Vietnam National Apiculture Joint Stock Company	Chairman of Board of Directors of the Company is Chairman of Board of Directors of the related party
H&H Investment Management Company Limited	Chairman of Board of Directors of the Company is Chairman of Members' Council of the related party
I.P.A Investment Group Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
I.P.A Finance Company Limited	A member of Board of Directors of the Company is Chairman of Board of Directors, major shareholder
Tra Vinh Rural Electricity Joint Stock Company	A member of Board of Directors of the Company is a member of Board of Directors of the related party
Bac Ha Energy Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
Asian Pearl Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
ANVIE Real Estate Company Limited	A member of Board of Directors of the Company is Chairman of Members' Council of the related party
HOMEFOOD Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
HOMEDIRECT Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
IPA Cuu Long Trading and Investment Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
Printing Mechanical Joint Stock Company	A member of Board of Directors of the Company is Chairman of Board of Directors of the related party
Hoi An Tourist Service Joint Stock Company	A member of Board of Directors of the Company is a member of Board of Directors of the related party

In the period, VNDIRECT has significant transactions with its related parties as follows:

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Board of Directors, Board of Management and Supervisory Board		
Remunerations and bonus	2,878,000,000	17,570,800,000
I.P.A Investments Group Joint Stock Company		
Office rental and office management fees	9,005,999,639	4,724,456,409
HOMEDIRECT Joint Stock Company		
Bonds issuance fee received	-	2,900,000,000
Other revenue	-	6,999,439
Interest paid on customer demand deposits	204,759	13,479,801
Other expenses	-	120,000,000
IPA Finance Co., Ltd.		
Revenues from fees	14,040,061	14,106,832
Interest paid on customer demand deposits	165,620	1,470,485
Dividend received from VNDirect	28,094,177,000	56,188,354,000

	Current period VND	Prior period VND
Post and Telecommunication Joint Stock Insurance Corporation (PTI)		
Revenues from fees	490,031,277	928,383,207
Interest paid on customer demand deposits	12,868,784	14,968,481
Bac Ha Energy Joint Stock Company		
Interest paid on customer demand deposits	802,571	736,741
Asian Pearl Joint Stock Company		
Interest paid on customer demand deposits	49,997	192,484
ANVIE Real Estate Company Limited		
Interest paid on customer demand deposits	21,261	94,391
Revenues from fees	10,501	264,060
HOMEFOOD Joint Stock Company		
Interest paid on customer demand deposits	781	857
Other expenses	-	18,039,481
Printing Mechanical Joint Stock Company		
Interest paid on customer demand deposits	762,962	328,849
Revenues from fees	51,606	1,655,030
Ms. Pham Minh Huong		
Remuneration of Board of Directors	42,000,000	42,000,000
Interest paid on customer demand deposits	-	790,592
Revenues from fees	15,041,416	150,457,647
Dividend received from VNDirect	3,046,868,025	1,343,736,050
Mr. Vu Hien		
Remuneration of Board of Directors	42,000,000	42,000,000
Interest paid on customer demand deposits	558,903	1,398,628
Revenues from fees	2,462,353	3,967,896
Dividend received from VNDirect	85,500	171,000

As at 30 June 2019, VNDIRECT has significant balances with its related parties as follows:

	Closing balance VND	Opening balance VND
HOMEDIRECT Joint Stock Company		
Equity investment	7,500,000,000	7,500,000,000
Securities trading account	49,847,887	130,916,841
IPA Finance Co., Ltd.		
Receipt of equity investment	561,883,540,000	561,883,540,000
Securities trading account	2,878,311,860	23,580,113
Post and Telecommunication Joint Stock Insurance Corporation (PTI)		
Investment in shares	132,160,550,000	158,053,960,000
Securities trading account	3,757,670,608	4,917,741,997
Hoi An Tourist Service Joint Stock Company (HOT)		
Investment in shares	-	9,644,810,000
Bac Ha Energy Joint Stock Company		
Securities trading account	508,587,073	12,144,691,908
Asian Pearl Joint Stock Company		
Securities trading account	26,842,705	322,843
ANVIE Real Estate Company Limited		
Securities trading account	17,913,008	14,041,599
HOMEFOOD Joint Stock Company		
Securities trading account	525,016	524,235

	Closing balance VND	Opening balance VND
Printing Mechanical Joint Stock Company		
Deposit for land rental	500,000,000	500,000,000
Securities trading account	532,595,453	508,731,597
Ms. Pham Minh Huong		
Owning shares of the Company (par value in VND)	64,144,590,000	64,144,590,000
Securities trading account	974,230,824	355,986,415
Mr. Vu Hien		
Owning shares of the Company (par value in VND)	1,800,000	1,800,000
Securities trading account	184,518,683	620,055,766
Owning bonds of the Company	-	6,293,800,000

40. SUBSEQUENT EVENTS


On 02 July 2019, the Company received Decision No. 49352/QĐ-CT-TKT8 dated 25 June 2019 from Hanoi Tax directorate on administrative penalties for tax violations. The total amount of tax arrested by the Company is VND 956,355,525, of which value added tax is VND 518,597,402 and corporate income tax is VND 437,758,123. The Company was administratively punished the amount of VND 206,271,105 and the late payment amount of VND 168,839,711.


On 23 July 2019, the State Securities Commission issued Decision No. 563/QĐ-XPVPHC on penalties for administrative violations in the securities section and market to I.P.A Securities Investment Fund Management Limited Company with the fine of VND 150,000,000.

41. COMPARATIVE FIGURES


A number of figures from previous periods are reclassified to conform with the current period's figures, as follows:

Section	Item	Code	Reported amount VND	Restated VND
Interim consolidated cash flow statement	Interest expenses	06	-	124,185,535,640
	(Decrease)/Increase in accrued expenses (excluding interest expense)	41	125,907,286,620	1,721,750,980
Interim consolidated statement of financial position	Other long-term investments	212.4	-	2,000,000,000
	Other long-term assets	255	68,046,721,049	66,046,721,049


Ms. Nguyen Thi Tuyen
Preparer


Ms. Nguyen Thi Ha Ninh
Chief Accountant




Ms. Pham Minh Huong
Chief Executive Officer

Hanoi, S.R.Vietnam
14 August 2019